

# Gateshead Infrastructure Funding Statement 2019/20

December 2020

## 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 provided a Planning Obligations Supplementary Planning Document which describes Gateshead'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 the 123 Infrastructure List. We have now carried out a second review of the SPD, this update includes updates arising from the anticipated adoption of MSGP and includes 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/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 will be 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
<b>Financial Monitoring</b> Financial Contribution with commencement trigger	£258.63 <i>(per obligation)</i>	Based on one day of officer time
<b>Financial Monitoring</b> Financial Contribution with future trigger	£517.26 <i>(per obligation and per trigger point)</i>	Based on two days of officer time
<b>Physical Monitoring</b> Obligations on site during construction and post occupation e.g. <ul style="list-style-type: none"> <li>• Employment &amp; training Plans</li> <li>• Local workforce commitments</li> <li>• Restriction of occupation</li> </ul>	£517.26 <i>(per obligation and per trigger point)</i>	Based on two days of officer time
<b>Physical Monitoring</b> Developer provision e.g. <ul style="list-style-type: none"> <li>• Open Space/Play</li> <li>• Affordable Housing</li> <li>• Highway works</li> </ul>	£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 (per obligation)	Based on one and a half hours of officer time
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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 S106 Agreement Obligations received since 2017

3.1 A total of £756,266.61 has been received in S106 Obligations for the year 2017/18. This is split into: -

Play and Open Space - £6,570.49

Ecology - £135,185.00

Highways - £614,511.12

3.2 Table below shows S106 payments received 2017/18

Felling Developments , 92 High Street, Felling NE10 9LU	£1,728.42	DC/08/01130/FUL	Paid 12/04/17	Off Site Junior and Teen Play
Mr J Strutt Land to The Rear 6 Landscape Terrace, Greenside, Ryton, NE40 4RX	£1,666.92	DC/12/01133/FUL	Paid 26/07/17	Off site Open Space, Junior and Teen Play
Mr L Richardson 1 Oakfield Road, Gateshead, Tyne And Wear, NE11 0AA	£878.00	DC/13/00941/FUL	Paid 31/10/17	Off Site Junior and Teen Play
Mr S Dale & Ms C Watson 21 Stewartsfield, Rowlands Gill, Tyne And Wear, NE39 1PF	£942.78	DC/11/01028/FUL	Paid 12/02/2018	Off Site Junior and Teen Play
Mr J Rundle, 10 Woodmans Way, Whickham, NE16 5TR	£1,354.37	DC/14/00183/FUL	Paid 28/06/17	Off Site Open Space, Junior and Teen Play
North East Property Partnership, Ground Floor Building 7, Queens Park	£9,378.90	DC/11/00419/OUT	Paid 03/11/17	Sustainable Transport Contribution - Highways
South Tyneside Council Level 1 (Beach Road), Town Hall and Civic Offices, South Shields NE33 2RP	£5,000.00	No reference South Tyneside Application	Paid 25/10/17	Ecology
Mr J Brearley, The Estates Office, Alnwick Castle, Alnwick, NE66 1NQ	£894.37	DC/14/01042/FUL UNIT 6	Paid 31/10/17	Sustainable Transport Contribution - Highways
Mr J Brearley, The Estates Office, Alnwick Castle, Alnwick, NE66 1NQ	£663.75	DC/14/01042/FUL UNIT 2	Paid 31/10/17	Sustainable Transport Contribution - Highways
Mr J Brearley, The Estates Office, Alnwick Castle, Alnwick, NE66 1NQ	£1,139.06	DC/14/01042/FUL UNIT 8	Paid 31/10/17	Sustainable Transport Contribution - Highways
Taylor Wimpey UK Limited Rapiere House, Colima Avenue Sunderland SR5 3XB	£50,000.00	DC/15/01098/FUL	Paid 07/12/2017	Ecology
Gleeson Developments Ltd Cameron House, Pinetree Way, Gateshead, NE11 9XW	£36,400.00	DC/16/00924/FUL	Paid 14/12/2017	Ecology
Goodrich Consulting LLP Malsor House, Grayton Road,	£21,450.00	DC/17/00636/FUL	Paid 19/12/2017	Ecology

Milton Malsor, Northampton, NN7 3AB				
Langley Holdings PLC Enterprise Way, Retford Nottinghamshire DN22 7HH	£9,684.00	DC/16/01177/FUL	Paid 09/01/2018	Highways Improvements (Bus Stop)
Langley Holdings PLC Enterprise Way, Retford Nottinghamshire DN22 7HH	£22,335.00	DC/16/01177/FUL	Paid 09/01/2018	Ecology
Cemex UK Cemex House, Coldharbour Lane, Thorpe, Egham, Surrey, TW20 8TD	£5,077.50	DC/11/00498/FUL	Paid 19/03/2018	Sustainable Transport Contribution - Highways
Mr J Brearley The Estates Office, Alwick Castle, Alwick, NE66 1NQ	£669.75	DC/14/01042/FUL UNIT 3	Paid 23/02/2018	Sustainable Transport Contribution - Highways
Story Homes Limited, Panther House, Newcastle Business Park, NE4 7YD	£196,623.89	DC/15/01004/FUL	Paid 07/03/2018	Highways Improvements
Taylor Wimpey UK Limited Rapier House, Colima Avenue Sunderland SR5 3XB	£390,379.90	DC/15/01098/FUL	Paid 02/03/2018	Highways Improvements

3.3 A total of £394,637.79 has been received in S106 Obligations for the year 2018/19. This is split into: -

Play and Open Space - £24,559.00

Ecology - £135,040.63

Highways - £143,114.06

Education - £91,924.10

3.4 Table below shows S106 payments received 2018/19

Keelman Homes Limited Civic Centre, Regent Street, Gateshead, NE8 1JN	£24,559.00	DC/13/01548/FUL	Paid 26/06/2018	Off Site junior and Teen Play and off-site open space
Aldi Stores Limited, Faverdale Industrial Estate, Darlington, DL3 0UW	£60,000.00	DC/16/01288/FUL	Paid 20/09/2018	Highways Improvements
The Home Group Developments Ltd, 2 Gosforth Park Way, Salters Lane, Newcastle NE12 8ET	£22,000.00	DC/17/01168/FUL	Paid 27/11/2018	Ecology
Follingsby International Enterprise Park Ltd, Middleton House, Westland Road, Leeds, LS11 5UH	£75,000.00	DC/18/00237/OUT	Paid 13/11/2018	Highways Contribution
Follingsby International Enterprise Park Ltd, Middleton House, Westland Road, Leeds, LS11 5UH	£58,750.00	DC/17/01117/OUT	Paid 13/11/2018	Ecology
North East Property Partnership, Ground Floor Building 7, Queens Park	£6,975.00	DC/11/00419/OUT	Paid 12/03/2019	Highways Contribution

Mr J Brearley The Estates Office, Alnwick Castle, Alnwick, NE66 1NQ	£1,139.06	DC/14/01042/FUL UNIT 7	Paid 16/01/2019	Highways Contribution
Taylor Wimpey UK Limited Rapier House, Colima Avenue Sunderland SR5 3XB	£91,924.10	DC/15/01098/FUL	Paid 27/02/19	Education Contribution
Avant Homes Limited Investor House, Colima Avenue, Sunderland Enterprise Park, Sunderland SR5 3XB	£30,700.00	DC/18/00704/FUL	Paid 08/03/19	Ecology
Saltwell Park Developments Ltd, Belle Vue House, Belle Vue Bank, Gateshead NE9 6BT	£15,600.00	DC/18/00764/FUL	Paid 30/01/2019	Ecology
Story Homes Ltd Panther House, Asama Court, Newcastle NE4 7YD	£7,990.63	DC/15/01004/FUL	Paid 29/03/19	Ecology (Hill 60 Maintenance)

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

Education - £68,820.15

Ecology - £61,501.26

Highways - £173,960.00

3.6 Table below shows S106 payments received 2019/20

Story Homes Ltd Panther House, Asama Court, Newcastle NE4 7YD	£68,820.15	DC/15/01004/FUL	Paid 30/09/2019	Education Contribution
MH Southern & Co Ltd Green Lane Sawmills Felling, Gateshead NE10 0JS	£18,100.00	DC/18/00508/FUL	Paid 06/08/19	Ecology
Avant Homes Limited Investor House, Colima Avenue, Sunderland Enterprise Park, Sunderland SR5 3XB	£3,600.00	DC/18/00704/FUL	Paid 09/09/2019	Highways (tanfield railway path)
Avant Homes Limited Investor House, Colima Avenue, Sunderland Enterprise Park, Sunderland SR5 3XB	£20,360.00	DC/18/00704/FUL	Paid 09/09/2019	Highways (lighting of Tanfield railway path)
Avant Homes Limited Investor House, Colima Avenue, Sunderland	£31,252.60	DC/18/00704/FUL	Paid 09/09/2019	Ecology

Enterprise Park, Sunderland SR5 3XB				
Gentoo Homes Limited 2 Emperor House, 2 Emperor Way, Sunderland SR3 3XR	£150,000.00	Northumberland planning application	Paid 18/11/2019	Highways (Blaydon Roundabout)
The Go Ahead Group PLC 3rd Floor, 41-51 Grey Street, Newcastle upon Tyne NE1 6EE	£12,148.66	DC/18/00804/FUL	Paid 09/03/2020	Ecology

### 3.3 Table showing obligations contained within S106 agreements signed in 2019/20

Collingdon Road High Spen Avant Homes Ecology 1 <sup>st</sup> Instalment	DC/19/00279/FUL		£10,000.00
Collingdon Road High Spen Avant Homes Ecology 2 <sup>nd</sup> Instalment	DC/19/00279/FUL		£10,000.00
Collingdon Road High Spen Avant Homes Ecology 3 <sup>rd</sup> Instalment	DC/19/00279/FUL		£16,000.00
Woodhouse Mews Affordable Provision	DC/18/03349/FUL	received	3 Affordables
Blaydon House Affordable Contribution	DC/18/00863/FUL	Received allocated	£31,021.00

## 4.0 Community Infrastructure Levy

4.1 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.

4.2 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 our website at:

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

4.3 Once a CIL development has commenced a demand notice will be issued to the developer. This demand notice details the whole liable amount the developer is required to pay. The developer will then be able to pay either the whole amount or in instalments. Therefore, the demand notice amounts are given to show the total amount of CIL due, which will be different to the CIL amounts received. See table below: -

<b>Year</b>	<b>Demand Amount</b>
2017/2018	£103,058.26
2018/2019	£517,968.12
2019/2020	£0
2020/2021 (so far)	£266,120.06
<b>Total</b>	<b>£887,146.44</b>

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

<b>Year</b>	<b>Received Amount</b>
2017/2018	£34,009.23
2018/2019	£170,929.48
2019/2020	£69,049.03
2020/2021 (so far)	£170,929.48
<b>Total</b>	<b>£444,917.22</b>

4.4 In Gateshead 15% of CIL receipts is collected at the Neighbourhood Portion. The total amount of CIL collected for this since 2017 is shown in the table below: -

<b>Year</b>	<b>Neighbourhood Portion (15%)</b>
2017/2018	£5,101.38
2018/2019	£25,639.42
2019/2020	£10,357.35
2020/2021 (so far)	£25,570.86
<b>Total</b>	<b>£66,669.01</b>

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

<b>Year</b>	<b>Administrative Costs (5%)</b>
2017/2018	£1,700.46
2018/2019	£8,546.47
2019/2020	£3,452.45
2020/2021 (so far)	£8,546.47
<b>Total</b>	<b>£22,245.85</b>

4.6 CIL receipts have been received from the following developments:-

DC/16/01079/FUL	Former Marley Hill School Bede Homes	<b>£103,058.26</b> (Total) Paid in full
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DC/17/00963/FUL	Former Springs Gym Thursby Homes	<b>£70,980.00</b> (Total) £46,846.80 (Paid) £24,133.20 (still to pay)
DC/18/00704/FUL	Pennyfine Road, Sunnyside Avant Homes	<b>£446,988.12</b> (Total) £295,012.16 (Paid) £151,975.96 (still to pay)
DC/18/00859/FUL <b>Phase One of Four</b>	Land East of Collingdon Road, High Spen Avant Homes	<b>£266,120.06</b> (Total) No Payments made to date

## 5.0 CIL EXPENDITURE

5.1 This section sets out how CIL 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). 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 future CIL income and expenditure.

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

5.3 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.

5.4 The A695 corridor improvements are to be funded by Section 106 contributions as well as CIL and so far, this has helped fund the signalisation of Blaydon Roundabout. Estimated costs for the whole A695 corridor are £1,927,500. A total of £1,029,149.79 (not including full indexation) is already committed from Section 106 contributions which leaves **£898,350.21** (although in practice this will be slightly less due to indexation) to be funded through CIL.

5.5 Potential future projects to be funded (or part funded) by strategic CIL are Primary School expansion, strategic transport improvements and strategic green infrastructure and alleviation.

## 6.0 Neighbourhood portion of CIL

6.1 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.

6.2 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.

6.3 Earlier this Year, the Community Foundation sought bids from community groups within the wards and adjacent wards where CIL had been secured and 8 separate grants have been awarded for a total of £35,704 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.*



<b>Grant reference</b>	<b>Organisation</b>	<b>Ward</b>	<b>Project</b>	<b>Amount awarded</b>
FR-10170  Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE  (application DC/18/00704/FUL) developments within ward.	South West Tyneside Methodist Circuit	Whickham South and Sunnyside	Undertaking phase 1 of the building redevelopment	£4,500
FR-10211  Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE  (application DC/18/00704/FUL) developments within ward.	Tyneside Vineyard	Whickham South and Sunnyside	New flooring, lighting, furniture and kitchen equipment	£5,000
FR-10111  Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE  (application DC/18/00704/FUL) developments within ward.	Marley Hill Community Bowling Club	Whickham South and Sunnyside	Pavilion repairs	£5,000
FR-10627  Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE  (application DC/18/00704/FUL) developments as a neighbouring ward	Chopwell Regeneration CIO	Chopwell and Rowlands Gill	Stage 1 of the building work for the renovation of the former Lloyds Bank in Chopwell	£5,000
FR-10961  Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE  (application DC/18/00704/FUL) developments as a neighbouring ward	Gateshead District Scout Council	Dunston Hill and Whickham East	Purchasing a grass cutter for Whickham Thorns outdoor activity centre	£5,000
FR-10969  Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE	The Soundroom Community Music Project	Lobley Hill and Bensham	Refurbish the basement of the building into accessible space for community use	£4,404

## 7.0

(application DC/18/00704/FUL) developments as a neighbouring ward				
FR-10908  Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE  (application DC/18/00704/FUL) developments as a neighbouring ward	Durham Wildlife Trust	Blaydon	Employing a contractor to build a boardwalk to access the wetland's site	£3,400
FR-10798  Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE  (application DC/18/00704/FUL) developments as a neighbouring ward	Bensham Grove Community Centre	Lobley Hill and Bensham	Develop a Community Garden on the site adjacent to the Community Hall	£3,400

**Projections for the Neighbourhood portion in 2021/22**

7.1 For the financial year 2021/22 the following table shows the potential funds available for the Neighbourhood portion. The Community Foundation will publicise the funding opportunities in Wards where the CIL development is located, in early 2021 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 remaining the rest of the Borough.

<b>Development</b>	<b>Ward</b>	<b>Amount available</b>
Sunnyside SE (application DC/18/00704/FUL)	Whickham South and Sunnyside	£44,922.306
Former Springs Gym (application DC/17/00963/FUL)	Saltwell	£7,027.02
High Spen East (application DC/18/00859/FUL)	Winlaton and High Spen	£13,172.943