

# **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/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.

<b>Obligation Category</b>	<b>Fee</b>	<b>Notes</b>
<b><u>Financial Monitoring</u></b> Financial Contribution with commencement trigger	£258.63 <i>(per obligation)</i>	Based on one day of officer time
<b><u>Financial Monitoring</u></b> Financial Contribution with future trigger	£517.26 <i>(per obligation and per trigger point)</i>	Based on two days of officer time
<b><u>Physical Monitoring</u></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><u>Physical Monitoring</u></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 <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** (1<sup>st</sup> April 2020 – 31<sup>st</sup> 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**  
 (1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021)

<b>Development/Developer</b>	<b>Amount</b>	<b>Planning Ref</b>	<b>Date paid</b>	<b>Contribution Type</b>
<b>Gullane Close, Bill Quay</b>  <b>Bede and Cuthbert Development Limited,</b> Keel House, Garth Heads, Newcastle NE1 2JE	£33,000.00	DC/17/01267/FUL	Paid 23/06/2020	Ecology
<b>Garden Street, Blaydon</b>  <b>TCWP 017 LTD,</b> 3 Keel Row, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ	£31,021.00	DC/18/00863/FUL	Paid 19/10/2020	Affordable Housing
<b>Collingdon Rd, High Spen</b>  <b>Avant Homes Limited</b> Investor House, Colima Avenue, Sunderland Enterprise Park, Sunderland SR5 3XB	£40,000.00	DC/18/00859/FUL	Paid 07/12/2020	Ecology
<b>Collingdon Rd, High Spen</b>  <b>Avant Homes Limited</b> 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**  
(1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021)

<b>Developer/Development</b>	<b>Planning Reference</b>	<b>Contribution type</b>	<b>Amount</b>
<b>Bellway Homes</b> Cushy Cow Lane Local Workforce Contrib	DC/16/00320/FUL	Economic Development	£63,000.00
<b>Bellway Homes</b> Cushy Cow Lane Ecology 1 <sup>st</sup> Instalment	DC/16/00320/FUL	Ecology	£75,000.00
<b>Bellway Homes</b> Cushy Cow Lane Ecology 2 <sup>nd</sup> Instalment	DC/16/00320/FUL	Ecology	£25,000.00
<b>Bellway Homes</b> Cushy Cow Lane Ecology 3 <sup>rd</sup> Instalment	DC/16/00320/FUL	Ecology	£28,636.36
<b>Bellway Homes</b> Cushy Cow Lane Affordable Housing	DC/16/00320/FUL	Affordable Housing	43 Affordable Dwellings
<b>Taylor Wimpey</b> Woodside Lane Local Workforce Cont	DC/17/01376/FUL	Economic Development	£56,000.00
<b>Taylor Wimpey</b> Woodside Lane Ecology 1 <sup>st</sup> instalment	DC/17/01376/FUL	Ecology	£75,000.00
<b>Taylor Wimpey</b> Woodside Lane Ecology 2 <sup>nd</sup> instalment	DC/17/01376/FUL	Ecology	£25,000.00
<b>Taylor Wimpey</b> Woodside Lane Ecology 3 <sup>rd</sup> instalment	DC/17/01376/FUL	Ecology	£21,364.00
<b>Taylor Wimpey</b> Woodside Lane Affordable Provision	DC/17/01376/FUL	Affordable Housing	40 Affordable Dwellings
<b>LOK Developments Ltd</b> The Cottage Sunnyside	DC/20/00197/FUL	Affordable Housing	£182,367.32

Affordable Provision			
<b>LOK Developments Ltd</b>	DC/20/00197/FUL	Ecology	£51,698.39
The Cottage Sunnyside Ecology			

#### 4.0 Summary of Contributions received in 2019/20

(1<sup>st</sup> April 2019 – 31<sup>st</sup> 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

(1<sup>st</sup> April 2019 – 31<sup>st</sup> March 2020)

Development/Developer	Amount	Planning Ref	Date paid	Contribution Type
<b>A695 Crawcrook</b> <b>Story Homes Ltd</b> Panther House, Asama Court, Newcastle NE4 7YD	£68,820.15	DC/15/01004/FUL	Paid 30/09/2019	Education Contribution
<b>Sawmill, Felling</b> <b>MH Southern &amp; Co Ltd</b> Green Lane Sawmills Felling, Gateshead NE10 0JS	£18,100.00	DC/18/00508/FUL	Paid 06/08/19	Ecology
<b>Pennyfine Rd, Sunnyside</b> <b>Avant Homes Limited</b> 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)
<b>Pennyfine Rd, Sunnyside</b> <b>Avant Homes Limited</b> 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)

<b>Pennyfine Rd, Sunniside</b>				
<b>Avant Homes Limited</b> Investor House, Colima Avenue, Sunderland Enterprise Park, Sunderland SR5 3XB	£31,252.60	DC/18/00704/FUL	Paid 09/09/2019	Ecology
<b>Prudhoe Development</b>				
<b>Gentoo Homes Limited</b> 2 Emperor House, 2 Emperor Way, Sunderland SR3 3XR	£150,000.00	Northumberland planning application	Paid 18/11/2019	Highways (Blaydon Roundabout)
<b>Bus Depot, Mandela Way</b>				
<b>The Go Ahead Group PLC</b> 3rd Floor, 41-51 Grey Street, Newcastle upon Tyne NE1 6EE	£12,148.66	DC/18/00804/FUL	Paid 09/03/2020	Ecology

4.3 Table showing obligations contained in S106 agreements **signed in 2019/20**  
(1<sup>st</sup> April 2019 – 31<sup>st</sup> March 2020)

<b>Developer/Development</b>	<b>Planning Reference</b>	<b>Contribution type</b>	<b>Amount</b>
<b>DAMF (NE) Ltd</b>  Highfield Road Ecology 1 <sup>st</sup> Instalment	DC/19/00279/FUL	Ecology	£10,000.00
<b>DAMF (NE) Ltd</b>  Highfield Road Ecology 2 <sup>nd</sup> Instalment	DC/19/00279/FUL	Ecology	£10,000.00
<b>DAMF (NE) Ltd</b>  Highfield Road Ecology 3 <sup>rd</sup> Instalment	DC/19/00279/FUL	Ecology	£16,000.00
<b>Gateshead Trading Co</b>  Woodhouse Mews Affordable Provision	DC/18/03349/FUL	Affordable Housing	3 Affordable Dwellings
<b>TCWP 017 Ltd</b>  Blaydon House Affordable Contribution	DC/18/00863/FUL	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
<b>Total</b>	<b>£2,458,073.95</b>

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
<b>Total</b>	<b>£1,234,104.25</b>

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
<b>Total</b>	<b>£185,115.63</b>

- 5.6 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	£16,145.27
2021/2022 (so far)	£31,860.55
<b>Total</b>	<b>£61,705.20</b>

## **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.

## **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**

<b>Ref #</b>	<b>Organisation</b>	<b>Project</b>	<b>Amount awarded</b>
FR-13413	1st Winlaton Scout Group	Refurbishing the scout hut in Winlaton	£4,000.00
FR-13437	High Spen 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
<b>Total</b>			<b>£21,749.00</b>

## 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
<b>Total</b>			<b>£35,704.00</b>

### 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.

<b>Development</b>	<b>Ward</b>	<b>Full Payment Instalment amount</b>	<b>Amount available as Neighbourhood Portion</b>	<b>Date payment due</b>
<b>Taylor Wimpey</b> Ryton Development	Ryton, Crookhill and Stella	£505,104.81	£75,765.72	22 <sup>nd</sup> September 2021 - PAID
<b>Story Homes</b> Dunston Hill	Dunston Hill and Whickham East	£20,153.44	£3,023.02	10 <sup>th</sup> September 2021 - PAID
<b>Bellway</b> Ryton Development	Ryton, Crookhill and Stella	£180,774.78	£27,116.22	31 <sup>st</sup> December 2021
<b>Avant Homes</b> High Spen Development	Winlaton and High Spen	£87,819.62	£13,172.94	29 <sup>th</sup> March 2022