



South Tyneside Council

INFRASTRUCTURE FUNDING STATEMENT 2020/2021



December 2021

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1.0 Introduction

- 1.1 This report provides information on the monetary (and non-monetary) contributions sought and received from developers for the provision of infrastructure to support development in South Tyneside, and the subsequent use of those contributions by South Tyneside Council. The report covers the financial year 1 April 2020 to 31 March 2021
- 1.2 South Tyneside Council seeks developer contributions through Section 106 agreements (also known as “planning obligations”) and Section 278 agreements. South Tyneside Council has not introduced a Community Infrastructure Levy charging schedule.
- 1.3 Associated with this Infrastructure Funding Statement are 3 files; a developer agreement file, a developer agreement contributions file and a developer agreement transactions file. These files provide part of the evidence which underpins this document and are available on the same webpage as this document.

2.0 Funding from Section 106 agreements

- 2.1 Section 106 of the Town and Country Planning Act 1990 enables a local planning authority to enter into a negotiated agreement – a planning obligation - to mitigate the impact of a specific development, to make it acceptable in planning terms. The planning obligation might, for example, require the provision or contribution to a new or improved road, school, health facility or local green infrastructure. Local planning authorities can also seek planning obligations to secure a proportion of affordable housing from residential developments. In some instances, Section 106 planning obligations may require payments to be made to parish councils.
- 2.2 The policies for seeking Section 106 contributions are set out in the suite of development plan documents that comprise the adopted Development Plan for the Borough. Ancillary guidance is provided in Supplementary Planning Document (SPD) No 4: *Affordable Housing* and SPD No 5: *Planning Obligations*. For example Core Strategy Policy SC4 *Housing Needs, Mix and Affordability* requires a minimum of 25% of all new dwellings to be affordable. SPD4 provides detailed guidance on matters associated with this.
- 2.3 Section 106 agreements can be re-negotiated and varied, and delivered in stages. For example, when a developer requested deferment of payments owing to the effect on housing delivery of the public health crisis, the local planning authority worked with the developer’s legal adviser to agree staged payments.

3.0 Section 106 Incomes and Expenditure - headline figures

- 3.1 The headline figures in Table 1 show that significant sums from developer contributions have been invested in infrastructure to benefit local communities in 2020/21 and significant funds remain available to invest.

Table 1: Headline Figures

Total money to be provided through planning obligations agreed in 2020/21	£0
Total money received through planning obligations (whenever agreed) in 2020/21	£1,242,310.72
Total money, received through planning obligations (whenever agreed), spent in 2020/21	£248,812.08
Total money, received through planning obligations (whenever agreed), retained at the end of 2020/21 (excluding 'commuted sums' for long term maintenance).	£2,947,655.38
Total money, received through planning obligations (whenever agreed), retained at the end of 2020/21 as 'commuted sums' for long term maintenance.	None*

* Some Section 106 agreements include reference to 'maintaining'; for example, '£3200.00 towards the Council's costs in installing, maintaining and where necessary renewing or replacing an interpretation board ...' but the maintenance element is not separated in the agreement and nor is it held in a separate funding 'pot'.

4.0 The total amount of money to be provided under any planning obligations which were entered into during the 2020/21 financial year

- 4.1 The Council did not enter into any financial obligation agreements with developers in 2020/21.
- 4.2 No non-monetary contributions, such as affordable housing units or school places for pupils, were entered into during 2020/21.

5.0 Total money from developer contributions which was received during 2020/21

5.1 Table 2 shows the funds transferred to the Council from planning obligations during 2020/21. The table also shows when the planning obligations to which these funds relate were entered into and the types of infrastructure that they will fund.

Table 2: Total money from developer contributions which was received during 2020/21

Planning application	Site Address	Who from	Date s.106 signed	Amount	Infrastructure
ST/0160/19/FUL	Eskdale Drive	Centaurea Homes Ltd	17/01/2020	£17,924.06	Habitats' Mitigation Contribution
ST0773/16/FUL	Victoria Road West	Miller Homes Ltd	07/09/2017	£200,000.00	Strategic Transport
ST/1198/16/FUL	Seymour Court, Ambleside Avenue, South Shields	McCarthy and Stones	18/05/2017	£24,386.66	Affordable Housing
ST/0539/15/FUL	Site of Former Industrial Units Bedewell Industrial Park	Barratt Homes	16/05/2016	£100,000.00	Affordable Housing
ST/0773/16/FUL	Victoria Road West	Miller Homes Ltd	07/09/2017	£700,000.00	Education contribution
S/T0773/16/FUL	Victoria Road West	Miller Homes Ltd	07/09/2017	£200,000.00	Strategic Transport
Total received 2020/21				£1,242,310.72	

6.0 Funds received by the Council prior to 2020/21 but not allocated/spent at 31st March 2021

- 6.1 The Council retained significant sums from developer contributions which has not been allocated / spent as of 31st March 2021. As explained at paragraph 7.1 the funds have been allocated to a funding 'pot' that is consistent with the Section 106 agreement but have not yet been applied to a capital programme for a given financial year i.e. have not been drawn down as ready to be spent on a specific project. These funds are shown in Table 3.

Table 3: The total amount of money which was received before 2020/21 which has not been allocated/spent by the authority (as at 31.3.2021)

Planning application	Address	Who from	Amount	Infrastructure
ST/1228/03/DM	VA Tech Hebburn Riverside Village	Persimmon Homes	£34,379.76	Woodland planting
ST/1787/09/FUL-	Sinclair Meadows Reed Street	Four Housing Group	£3,234.00	Open space
ST/0046/13/FUL	Oakleigh Gardens	Gentoo	£267,855.54	Affordable housing
ST/0969/13/FUL	Cotswold Lane	Bett Homes	£5,000.00	Children's play
ST/1739/12/FUL	Land south of Orwell Close, South Shields	Persimmon Homes	£31,818.00	Affordable housing
ST/1739/12/FUL	Land south of Orwell Close, South Shields	Persimmon Homes	£8,655.19	Children's play
ST/1739/12/FUL	Land south of Orwell Close, South Shields	Persimmon Homes	£189,556.00	Affordable housing
ST/0503/14/FUL	Hebburn College - College Mews	Bellway Homes	£28,385.43	Children's play
ST/0503/14/FUL	Hebburn College - College Mews	Bellway Homes	£13,541.45	Sports facilities contribution
ST/0773/16/FUL	Victoria Road West, Hebburn	Miller Homes	£6,150.00	Ecology works
ST/1258/16/LAA	Salcombe Avenue	Housing Ventures	£1,500.00	Primrose Nature Reserve
ST/0114/17/FUL	Eskdale Drive	Housing Ventures	£2,700.00	Primrose Nature Reserve
ST/0274/17/FUL	Gordon House site	Karbon Homes	£2,250.00	Dog Waste Litter Bins
ST/0274/17/FUL	Gordon House site	Karbon Homes	£3,200.00	Noticeboard detailing the Natura

				2000 sites
ST/1739/12/FUL	Land south of Orwell Close, South Shields	Persimmon Homes	£107,335.00	Affordable housing
ST0773/16/FUL	Victoria Road West, Hebburn	Miller Homes	£7,296.00	Ecology works
ST/0947/12/FUL	Monkton Fell	Barratt Homes	£355,674.97	Affordable housing
ST/0947/12/FUL	Monkton Fell	Taylor Wimpey	£355,674.97	Affordable housing
ST/0947/12/FUL	Monkton Fell	Barratt Homes	£179,080.61	Affordable housing
ST/0947/12/FUL	Monkton Fell	Taylor Wimpey	£179,080.73	Affordable housing
ST/0322/17/FUL	Land at the junction and bounded by Whitburn Road and Moor Lane East Boldon	Gentoo	£3,200.00	Noticeboard detailing the Natura 2000 sites
ST/0322/17/FUL		Gentoo	£4,800.00	Dog Waste Litter Bins
Total			£1790,368	

- 6.2 As stated at paragraph 2.3, developer agreements can be re-negotiated and varied, and delivered in stages where this is considered to be appropriate; for example in order to show flexibility in response to the operational constraints imposed on developers by the public health crisis. Table 4 shows Section 106 agreements which were signed before the financial year 2020/21 but which the payments have not been received owing to payment not having been triggered as at 31st March under the terms of the Section 106 Agreement with the Council.

Table 4: Section 106 agreements entered into prior to the 2020/21 financial year which payment for all or part of the amount agreed had not been triggered for as at 31st March 2021

Planning Application	Address	Developer	Date Section 106 signed	Amount agreed	Amount not triggered	Infrastructure	Trigger for payment
ST/0812/19/FUL	Land at Victoria Road and Campbell Park Road, Hebburn	Keepmoat Homes	20/02/2020	£9,100	£9,100	Transport & Travel	To pay traffic calming contribution prior to occupation of the 1 st dwelling
ST/0417/17/FUL	Vacant Formerly Associated Creameries Egerton Road South Shields	HD Homes Ltd	11/01/2020	£12,090.00	£12,090.00	Habitats' Mitigation Contribution	Trigger 1 - To pay £6,045.00 prior to commencement of development Trigger 2 - To pay £6,045.00 on or prior to completion of the 15% dwelling (date tbc)

ST/0773/16/FUL	Victoria Road West, Hebburn	Miller Homes	07/09/2017	£400,000	£300,000	Transport & Travel	Trigger – To pay £400,000 prior to the occupation of 201 dwellings (£100,000 already received)
ST/1198/16/FUL	Site of Former Harton Centre, South Shields	McCarthy & Stone	18/05/2017	£45,057.00	£22,529.00	Affordable housing	Trigger - Occupation of the 40 th dwelling
ST/0938/14/FUL	Whitburn Army Camp	Bett/Avant Homes		£10,191.00	£10,191.00	Children's play facilities	Due prior to occupation of 24th dwelling
ST/0938/14/FUL	Whitburn Army Camp	Bett/Avant Homes		£,945.00	£,945.00	Playing pitches	Due prior to occupation of 24th dwelling
Total amount not triggered					£985,417.00		

7.0 The total amount of money spent which was allocated but not spent during 2020/21 for funding infrastructure

7.1 The Council's Finance Team only allocate funds (recorded as Applied Capital Programme 20/21) following a successful bid to draw down funds from the relevant team for funding for a particular project. Part of the criteria for a successful bid is that the money is ready to be spent. 'Applied Capital Programme 20/21' therefore is equated to both allocating and spending the funds and a distinction is not drawn between the two categories.

8.0 Section 106 funds held at 31st March 2021 by the Council

8.1 As stated at paragraph 7.1, a distinction is not drawn between allocating and spending funds. Table 8 shows the balances at 31st March 2021 of Section 106 funds held by the Council but not yet committed to the Capital Programme.

Table 6: Section 106 funds held at 31st March 2021 by the Council

Capital Scheme/S106 Category	Grand Total
Affordable Housing	£1,790,462
Children's play	£42,041
Dog Waste Litter Bins	£7,050
Ecology works	£13,446
Education contribution	£584,559
Habitats Mitigation Contribution	£17,924
Notice board detailing the Natura 2000 sites	£6,400
Open space	£3,234
Primrose Nature Reserve	£4,200
Sports facilities contribution	£13,541
Strategic Transport	£430,395
TPLC Skate Park	£23
Woodland planting	£34,380
Grand Total	£2,947,655

8.2 The largest amount of unspent funding is for affordable housing and that will be allocated to deliver the Council's five year plan for housing – building new council homes and delivering new specialist and supported housing. These projects will focus around provision of extra care schemes, supported accommodation and specialist housing for vulnerable households within South Tyneside, for which there is currently a gap in accommodation. In addition the Council will support South Tyneside Housing Ventures Trust in developing and acquiring additional affordable family accommodation to provide high quality affordable housing across the borough. The Council are also looking into direct delivery and as such will develop additional council owned accommodation for those households in need within the borough. This accommodation will be delivered in locations of greatest need and reflective of the conditions of the S106 agreements.

8.3 The funding secured for strategic transport is to be spent on infrastructure improvements around the Hebburn area. This will include feasibility studies into metro stations.

9.5 Paragraphs 9.2 to 9.4 of the document have described the projects that funds were allocated to / spent on during the financial year 2020/21. Table 7 shows the planning permissions that funded this expenditure and the total amount allocated/spent for each project.

Table 7: Infrastructure spending during 2020/21 funded from developer contributions

Planning application allocated from	Who from	Address	Amount allocated/spent	Project allocated to/spent on
Transport and Travel				
ST/0773/16/FUL		Victoria Road West	£85,046.00	Hebburn Infrastructure Improvement Works
Total allocated/spent			£85,046.00	
ST/1826/11/FUL	Gleeson Development	Gerald Street South Shields	£11,374.45	The children's play space at North Marine Play Park
ST/1787/09/FUL	Four Housing Group	Sinclair Meadows Reed Street	£12,600	
ST/1826/11/FUL	Gleeson Development	Gerald Street South Shields	£4,089.94	
ST/0642/12/FUL	Gentoo	Simonside Park	£61,200.00	
ST/0715/13/LAA	South Tyneside Homes	West Way	£7,740.80	
ST/1066/13/FUL	Keepmoat Homes Ltd	The Wynde	£7,456.00	
ST/1739/12/FUL	Persimmon Homes	Orwell Close	£35,538.81	
Total allocated/spent			£140,000	
Affordable housing				
ST/1739/12/FUL	Persimmon Homes	Orwell Close	£23,766.08	Acquisition of sites for affordable housing
Total allocated/spent			£23,766.08	
	Grand Total allocated/spent over the period 1 st April 2020 to 31 st March 2021		£248,812.08	

9.6 The Council does not use Section 106 receipts to repay debt, only to fund project costs. Therefore zero monies were used for repaying money borrowed.

9.7 The Council does not include a clause in Section 106 agreements in respect of the cost of monitoring the delivery of planning obligations.

10.0 Section 278 agreements

10.1 An agreement of this type covers works that need to be carried out on the existing adopted highway network. It is South Tyneside Council's policy to construct all 'stand-alone' works that fall into this category; this will be at the developers' expense. There are exceptions to this policy and they are as follows:

- The works are of a minor nature such as forming the bell mouth junction to a new development or resurfacing a short length of footway.
- The works involve a number of visits to site to carry out small amounts of work. An example of this is re-development of existing housing sites.
- Where the Council cannot carry out the construction within a reasonable timescale due to the workload.

- 10.2 The process for producing a Section 278 agreement depends on who is to complete the works; it can therefore be split into two parts.
- a. When the works are to be built by South Tyneside Council the Section 278 drawing is submitted for approval and the required number are supplied for legal purposes. An estimate of total cost of works can be provided to the developer. The developer will provide his name and business address and that of his solicitor. From this information the draft agreement can be prepared by the Councils Legal Section. This becomes the Section 278 Funding agreement.
 - b. When the works are to be designed and built by the developer the process is the same as that of a Section 38 agreement. Where the works are of a minor nature such as junction bell mouths or short lengths of footway the Section 38 and 278 agreement drawings can be combined.
- 10.3 South Tyneside Council, as the local highway authority, does not usually separate out the section 278 works from the other developer highway works; we combine the agreements into one and the developer undertakes the section 278 portion of the works. Also the Council typically license the developer to carry it out.
- 10.4 Schemes that will be making alteration to the existing adopted highway but are likely to be undertaken by the developer so there are no cost estimates include the following:
- Redevelopment of Holborn site – new junctions and improvements to existing junctions and footpaths
 - Land at Hindmarch Drive – improving existing junction access
 - Land at Ellison Street – new junction accesses to serve new internal road network

Appendix 1: The Regulatory Requirements for Infrastructure Funding Statements

The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019

Regulation 121A states:

- (1) Subject to paragraph (2), no later than 31st December in each calendar year a contribution receiving authority must publish a document (“the annual infrastructure funding statement”) which comprises the following—
 - (a) 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 (other than CIL to which regulation 59E or 59F applies) (“the infrastructure list”);
 - (b) A report about CIL, in relation to the previous financial year (“the reported year”), which includes the matters specified in paragraph 1 of Schedule 2 (“CIL report”);
 - (c) A report about planning obligations, in relation to the reported year, which includes the matters specified in paragraph 3 of Schedule 2 and may include the matters specified in paragraph 4 of that Schedule (“section 106 report”).
- (2) The first annual infrastructure funding statement must be published by 31st December 2020.
- (3) A contribution receiving authority must publish each annual infrastructure funding statement on its website.

Appendix 2: List of requirements to be included in the Section 106 Report (as stated in the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2109 No. 1103

The matters to be included in the Section 106 Report	Reference in the South Tyneside Infrastructure Funding Statement
(a) The total amount of money to be provided under any planning obligations which were entered into during the reported year;	Paragraph 4.1
(b) The total amount of money under any planning obligations which was received during the reported year;	Table 2
(c) The total amount of money under any planning obligations which was received before the reported year which has not been allocated by the authority;	Table 3
(d) summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year – i. In relation to affordable housing, the total number of units which will be provided; ii. In relation to educational facilities, the number of school places for pupils which will be provided, and the category of school at which they will be provided.	Paragraph 4.2 Paragraph 4.2
(e) The total amount of money (received under any planning obligations) which was allocated but not spent during the reported year for funding infrastructure;	Paragraph 7.1
(f) The total amount of money (received under any planning obligations) which was spent by the authority (including transferring it to another person to spend);	Table 7
(g) In relation to money (received under planning obligations) which was allocated by the authority but not spent during the reported year, summary details of the items of infrastructure on which the money has been allocated, and the amount of money allocated to each item;	Table 6
(h) In relation to money (received under planning obligations) which was spent by the authority during the reported year (including transferring it to another person to spend), summary details of - i. the items of infrastructure on which that money (received under planning obligations) was spent, and the amount spent on each item; ii. The amount of money (received under planning obligations) spent on repaying money borrowed; including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part); iii. The amount of money (received under planning obligations) spent in respect of monitoring (including reporting under regulation 121A) in relation to the delivery of planning obligations;	Paragraphs 9.2 to 9.4 and Table 7 Paragraph 9.6 Paragraph 9.7
The total amount of money (received under planning obligations) during any year which was retained at the end of the reported year, and where any of the retained money has been allocated for the purposes of longer term maintenance ('commuted sums'), also identify separately the amount of commuted sums held.	Table 1 - final row