



**South Tyneside Council**

**INFRASTRUCTURE FUNDING STATEMENT  
2021/2022**

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## 1 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 2021 to 31 March 2022
- 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.

## 2 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.
- 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*.
- 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 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 2021/2022 and significant funds remain available to invest.

**Table 1: Headline Figures**

<b>Total money to be provided through planning obligations agreed in 2021/22</b>	<b>£33,046.00</b>
<b>Total money received through planning obligations (whenever agreed) in 2021/22</b>	<b>£645,000.92</b>
<b>Total money, received through planning obligations (whenever agreed), spent in 2021/2022</b>	<b>£201,713.42</b>
<b>Total money, received through planning obligations (whenever agreed), retained at the end of 2021/2022 (excluding 'commuted sums' for long term maintenance).</b>	<b>£3,154,826.69</b>
<b>Total money, received through planning obligations (whenever agreed), retained at the end of 2021/2022 as 'commuted sums' for long term maintenance.</b>	<b>None*</b>

\* 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 Planning obligations entered into - 2021/2022

- 4.1 Table 2 shows the planning obligations agreements entered into with developers during 2021/2022. This shows the diverse nature of the benefits that developer contributions can offer to the Borough with one agreement providing 'hard' physical infrastructure to mitigate traffic impacts and the other contributing towards habitats' mitigation.
- 4.2 No non-monetary contributions, such as affordable housing units or school places for pupils, were entered into during 2021/2022 although a deed of variation (ref ST/0914/19/FUL) was signed for the Victoria Road West site which will provide additional affordable housing on site but will not increase the total number of houses on site.

**Table 2: The total amount of money to be provided under any planning obligations which were entered into during the 2021/2022 financial year**

<b>Address</b>	<b>Who from</b>	<b>Date s.106 signed</b>	<b>Amount</b>	<b>Terms of agreement</b>	<b>Triggers and dates for proposed payment</b>	<b>Infrastructure</b>
South Shields Football Club, Shaftesbury Avenue, South Shields	Adderstone Living Ltd	2022-01-27	£27,807.00	Prior to the commencement of development to pay the Council in full the sum of £27,807.00.	To pay the Council on or before the commencement of development in full	HRA
Land at Long Row (car park), South Shields	Key West Three Ltd	2021-10-14	£5,239.00	Prior to the commencement of development to pay the Council the sum of £5,239.00 being the Habitats SPD Contribution towards measures to mitigate the impacts of recreational disturbance arising from the development on the SAC and SPA.	To pay the Council on or before the commencement of development	HRA
<b>Total</b>			<b>£33.046.00</b>			

## 5 Developer contributions received - 2021/2022

5.1 Table 3 shows the funds transferred to the Council from planning obligations during 2021/2022. 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 3: Total money from developer contributions which was received during 2021/2022*

Site Address	Who from	Date s.106 signed	Amount	Infrastructure
Site of Former Farding Square	Gentoo Homes	2020-07-06	£37,315.69	Habitats' Mitigation Contribution
			£26,116.70	
			£4,529.09	Marsden Quarry Contribution
			£167,240.56	Open Space
Land adjacent to the junction of Victoria Road East and Campbell Park Road, Hebburn	Keepmoat Homes	2020-02-20	£9,798.88	Strategic Transport
(Westburn Village) Former Siemens site, Victoria Road West, Hebburn	Miller Homes / Siemens PLC	2017-09-07	£400,000	Strategic Transport
<b>Total received 2021/2022</b>			<b>£645,000.92</b>	

## 6 Funds not allocated/spent at 31<sup>st</sup> March 2022

- 6.1 The Council retained significant sums from developer contributions which has not been allocated / spent as of 31st March 2022. 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 4.

*Table 4: The total amount of money which was received before 2021/2022 which has not been allocated/spent by the authority (as at 31.3.2022)*

<b>Address</b>	<b>Who from</b>	<b>Amount</b>	<b>Infrastructure</b>
Sinclair Meadows Reed Street	Four Housing Group	£3,234.00	Open space
Oakleigh Gardens	Gentoo	£267,855.54	Affordable housing
Cotswold Lane	Bett Homes	£5,000.00	Children's play
Land south of Orwell Close, South Shields	Persimmon Homes	£31,818.00	Affordable housing
Land south of Orwell Close, South Shields	Persimmon Homes	£8,655.19	Children's play
Land south of Orwell Close, South Shields	Persimmon Homes	£44,194.00	Children's play
Land south of Orwell Close, South Shields	Persimmon Homes	£18,500.00	Strategic Transport
Land south of Orwell Close, South Shields	Persimmon Homes	£114,000.00	Affordable housing
Land south of Orwell Close, South Shields	Persimmon Homes	£12,862.00	Playing pitches
Hebburn College - College Mews	Bellway Homes	£28,385.43	Children's play
Hebburn College - College Mews	Bellway Homes	£13,541.45	Sports facilities contribution
Victoria Road West, Hebburn	Miller Homes	£6,150.00	Ecology works
Salcombe Avenue	Housing Ventures	£1,500.00	Primrose Nature Reserve
Eskdale Drive	Housing Ventures	£2,700.00	Primrose Nature Reserve
Gordon House site	Karbon Homes	£2,250.00	Dog Waste Litter Bins
Gordon House site	Karbon Homes	£3,200.00	Noticeboard detailing the Natura 2000 sites
Land south of Orwell Close, South Shields	Persimmon Homes	£107,335.00	Affordable housing
Victoria Road West, Hebburn	Miller Homes	£7,296.00	Ecology works
Monkton Fell	Barratt Homes	£355,674.97	Affordable housing

Monkton Fell	Taylor Wimpey	£355,674.97	Affordable housing
Monkton Fell	Barratt Homes	£179,080.61	Affordable housing
Monkton Fell	Taylor Wimpey	£179,080.73	Affordable housing
Land at the junction and bounded by Whitburn Road and Moor Lane East Boldon	Gentoo	£3,200.00	Noticeboard detailing the Natura 2000 sites
	Gentoo	£4,800.00	Dog Waste Litter Bins
Eskdale Drive	Centaurea Homes Ltd	£17,924.06	Habitats Mitigation Contribution
Victoria Road West	Miller Homes	£28,681.92	Strategic Transport
Seymour Court, Ambleside Avenue, South Shields	McCarthy and Stone	£24,386.66	Affordable Housing
Site of Former Industrial Units Bedewell Industrial Park	Barratt Homes	£100,000	Affordable housing
Victoria Road West	Miller Homes	£584,558.66	Education
Victoria Road West	Miller Homes	£200,000	Strategic Transport
Site of Former Farding Square	Gentoo Homes	£37,315.69	Habitats' Mitigation Contribution
		£26,116.70	Habitats' Mitigation Contribution
		£4,529.09	Marsden Quarry Contribution
		£167,240.56	Open Space
Land adjacent to the junction of Victoria Road East and Campbell Park Road, Hebburn	Keepmoat Homes	£9,798.88	Strategic Transport
(Westburn Village) Former Siemens site, Victoria Road West, Hebburn	Miller Homes / Siemens PLC	£400,000	Strategic Transport
<b>Total</b>		<b>£3,356,540.11</b>	



## 7 The total amount of money received which was allocated but not spent during 2021/22 for funding infrastructure

- 7.1 The Council's Finance Team only allocate funds (recorded as Applied Capital Programme 21/22) 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 21/22' therefore is equated to both allocating and spending the funds and a distinction is not drawn between the two categories.

## 8 Section 106 funds held by the Council

- 8.1 As stated at paragraph 7.1, a distinction is not drawn between allocating and spending funds. Table 5 shows the balances at 31<sup>st</sup> March 2022 of Section 106 funds held by the Council but not yet committed to the Capital Programme.

*Table 5: Section 106 funds held at 31st March 2022 by the Council*

<b>Capital Scheme/S106 Category</b>	<b>Grand Total</b>
Affordable Housing	<b>£1,714,906.48</b>
Children's play	<b>£86,234.62</b>
Playing pitches	<b>£12,862</b>
Dog Waste Litter Bins	<b>£7,050</b>
Ecology works	<b>£13,446</b>
Education contribution	<b>£584,559</b>
Habitats Mitigation Contribution	<b>£17,924</b>
Notice board detailing the Natura 2000 sites	<b>£6,400</b>
Open space	<b>£3,234</b>
Primrose Nature Reserve	<b>£4,200</b>
Sports facilities contribution	<b>£13,541</b>
Strategic Transport	<b>£455,267.38</b>
Marsden Quarry Contribution	<b>£4,528</b>
Further Habitats Contribution	<b>£63,432</b>
Open Space Contribution	<b>£167,241</b>
<b>Grand Total</b>	<b>£3,154,826.69*</b>

\*Total differs from figure in Table 4 owing to expenditure during 2021/22 (see Table 6)

- 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.
- 8.5 The majority of the funding held for education on 31st March 2022 has been allocated to a number of schemes.

## 9 Expenditure funded from Section 106 agreements in 2021/2022

- 9.1 Expenditure from S106 receipts during the 2021/2022 financial year has been exclusively on transport and travel.

### *Transport and travel*

- 9.2 The main usage of S106 in 2021 has been the signalisation of the Mill Lane / Monkton Lane junction in Hebburn. This involved the removal of the mini roundabout and replacement with formal traffic signals.

**Table 6: Infrastructure spending during 2021/2022 funded from developer contributions**

Planning application allocated from	Who from	Address	Amount allocated/spent	Project allocated to/spent on
<b>Transport and Travel</b>				
ST/0773/16/FUL	Miller Homes	Victoria Road West	£30,395.34	<i>Hebburn Infrastructure Improvement Works</i>
ST/0773/16/FUL	Miller Homes	Victoria Road West	£171,318.08	
<b>Grand Total allocated/spent over the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022</b>			<b>£201,713.42</b>	

- 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 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

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

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;	Table 2
(b) The total amount of money under any planning obligations which was received during the reported year;	Table 3
(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 4
<p>(d) summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year –</p> <ul style="list-style-type: none"> <li>i. In relation to affordable housing, the total number of units which will be provided;</li> <li>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.</li> </ul>	<p>Paragraph 4.2</p> <p>Paragraph 4.2</p>
(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 4
(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 5
<p>(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 -</p> <ul style="list-style-type: none"> <li>i. the items of infrastructure on which that money (received under planning obligations) was spent, and the amount spent on each item;</li> <li>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);</li> <li>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;</li> </ul>	<p>Table 6</p> <p>Paragraph 9.3</p> <p>Paragraph 9.4</p>
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