



South Tyneside Council

**INFRASTRUCTURE FUNDING STATEMENT
2022/2023**

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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 2022 to 31 March 2023
- 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 2022/2023 and significant funds remain available to invest.

Table 1: Headline Figures	Total	Reference
Total money to be provided through planning obligations agreed in 2022/23	£108,737.86	Table 2
Total money received through planning obligations (whenever agreed) in 2022/23	£370,823.54	Table 3
Total money received through planning obligations before the reported year which has not been allocated by the authority	£3,356,540.02	Table 4
Total money, received through planning obligations (whenever agreed), retained at the end of 2022/2023 (excluding 'commuted sums' for long term maintenance).	£3,424,353.73	Table 5
Total money, received through planning obligations (whenever agreed), spent in 2022/2023	£303,007.81	Table 6
Total money, received through planning obligations (whenever agreed), retained at the end of 2022/2023 as 'commuted sums' for long term maintenance.	None*	n/a

* 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 - 2022/2023

- 4.1 Table 2 shows the planning obligations agreements entered into with developers during 2022/2023. 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 2022/2023 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 2022/2023 financial year

Address	Who from	Date s.106 signed	Amount	Terms of agreement	Triggers and dates for proposed payment	Infrastructure
Land South of Argyle Street, Hebburn	The Shlomo Memorial Fund Ltd	2023-02-17	£445,915.00	Three instalments £148,638.00 / £148,638.00 / £148,639.00 to be paid by the owner to the Council and to be spent towards the provision of education within the local area.	To pay the Council the Education Contribution (Index Linked) in the following instalments - - £148,638.00 prior to occupation of 10 dwellings - £148,638.00 prior to occupation of 30 dwellings - £148,639.00 prior to occupation of 60 dwellings	Education
Land South of 14 Paulsway, Bede Industrial Estate, Jarrow	J. Barbour & Sons Ltd	2022-05-23	£24,150.00	The sum of £24,150.00 to be paid by the owner to the Council comprising an amount in order to compensate for the adverse impacts on biodiversity arising from the development and a future amount in order to provide improvements to biodiversity amounting to 10% biodiversity net gain in respect of the development to be spent in an offsite location within the Council's administrative area.	To pay the Council within 5 days of the grant of the planning permission.	Biodiversity
Vacant Former Hawthorn Leslie Shipyard and Rathbone Community Industry, Ellison Street, Hebburn	Boyer Planning	2023-01-23	£174,750.00	The sum of £174,750 towards the provision of compensatory calcareous grassland or other measures as the Council may determine within the borough to compensate for the adverse impacts on biodiversity arising from the Development and to secure a net gain to biodiversity.	To pay the Council the Offsite Biodiversity Net Gain Contribution (Index Linked) in the following instalments - - £74,750 on or before commencement of development - £50,000 prior to occupation of 60 dwellings - £50,000 prior to occupation of 253 dwellings	Biodiversity
Land to the West of Commercial Road, South Shields	Keepmoat Homes Ltd / Cussins	2022-12-17	£19,344.00*	£403 per dwelling to be paid to the Council and applied by the Council towards mitigating the impacts of the Development on the Durham Coast Special Area of Conservation and Northumbria Coast Special Protection Area.	Phase 1 - The First Developer covenants to pay the Ecological Contribution to the Council prior to the occupation of 50% of the dwellings in Phase 1. (48 dwellings in phase 1)	Ecology
			£38,285.00*		Phase 2 - The First Developer and the Second Developer jointly covenant to pay the Ecological Contribution to the Council prior to the occupation of 50% of the	

			£31,434.00*		<p>dwelling in Phase 2 (total dwellings 95 - 50% are the 47th/48th dwellings).</p> <p>Phase 3 - The First Developer and the Second Developer jointly covenant to pay the Ecological Contribution to the Council prior to the occupation of 50% of the dwellings in Phase 3 (total dwellings 156 - 50% is 78th dwelling).</p>	
			£27,287.00	£27,287 to be paid by the First Developer and the Second Developer to the Council in accordance with the terms of this Deed and to be applied by the Council towards construction, improvement, maintenance, renewal or replacement of a playing pitch or pitches (including artificial pitch) within the inner and outer South Shields area.	The First Developer and the Second Developer jointly covenant to pay the Playing Pitch Contribution prior to the Occupation of the final Dwelling in Phase 2.	Playing pitches
Miller Homes / Siemens PLC	(Westburn Village) Former Siemens site, Victoria Road West, Hebburn	2022-07-13**	22 First Homes	Additional affordable housing on site but will not increase the total number of houses on site.	N/A	Affordable housing
Total			£108,737.86			

*Payments indexed linked so actual amounts will be higher

**Deed of variation 3 to the original Section 106 Agreement

5 Developer contributions received - 2022/2023

5.1 Table 3 shows the funds transferred to the Council from planning obligations during 2022/2023. 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 2022/2023

Site Address	Who from	Date s.106 signed	Amount	Infrastructure
Car park extension at Bede Ind Estate	J Barbour & Sons	2022-05-22	£24,150.00	Biodiversity
Whitburn Army Camp, Mill Lane, Whitburn (1-35 Range View & 1-8 The Leas	Avant Homes	2015-01-23	£4,945.00	Playing pitches
			£10,191.00	Children's play
Site of Former Industrial Units Bedewell Industrial Park	Barratt Homes	2016-05-16	£303,143.82	Affordable housing
Seymour Court, Site of Former Harton Centre, 52 Harton Lane, South Shields	McCarthy & Stone	2017-05-18	£28,393.72	Affordable housing
Total received 2022/2023			£370,823.54	

6 Funds not allocated/spent at 31st 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 under any planning obligations which was received before the reported year which has not been allocated by the authority

Address	Who from	Amount	Infrastructure
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
Farding Square	Gentoo Homes	£4,529.00	Marsden Quarry Contribution
Farding Square	Gentoo Homes	£37,315.69	Further Habitats Contribution
Land adjacent to the junction of Victoria Road East and Campbell Park Road, Hebburn	Keepmoat Homes	£9,798.88	Traffic Calming
	Gentoo Homes	£167,240.56	Open Space Contribution
Farding Square	Gentoo Homes	£26,116.70	Further Habitats Contribution
Victoria Road West	Miller Homes	£400,000	Strategic Transport
Total		£3,356,540.02	

7 The total amount of money received which was allocated but not spent during 2022/23 for funding infrastructure

- 7.1 The Council's Finance Team only allocate funds (recorded as Applied Capital Programme 22/23) 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 22/23' 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 31st March 2023 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 2023 by the Council

Capital Scheme/S106 Category	Grand Total
Affordable Housing	£2,046,442.02
Children's play	£96,425.62
Dog Waste Litter Bins	£7,050
Ecology works	£13,446
Education contribution	£584,559
Habitats Mitigation Contribution	£8,940.18
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	£353,157.99
Marsden Quarry Contribution	£4,529.09
Further Habitats contribution	£63,432.39
Traffic Calming	£9,798.88
Open space contribution	£167,240.56
Biodiversity Net Gain	£24,150
Playing pitches	£17,807
Grand Total	£3,424,353.73*

*Total differs from figure in Table 4 owing to developer contributions received during 2022/23 (see Table 3) and expenditure during 2022/23 (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 on provision of extra care schemes, supported accommodation and specialist housing for vulnerable households, as well as general needs family housing, within South Tyneside, for which there is currently a gap in accommodation. In addition the Council will support Registered Provider partners in developing and acquiring additional affordable family accommodation to provide high quality affordable housing across the borough where this is determined to be the most

appropriate vehicle. The Council have started a programme of direct delivery and as such will develop additional council owned affordable 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. The Hebburn infrastructure schemes includes improved crossing points, strategic junction upgrades and active travel improvements.
- 8.4 The majority of the funding held for education on 31st March 2023 will be allocated to increase primary places in the Hebburn area.

9 Expenditure funded from Section 106 agreements in 2022/2023

- 9.1 Table 6 shows the usage of S106 monies during 2022/23. Expenditure from S106 receipts during the 2022/2023 financial year has been mainly on transport and travel. Some of the monies have been committed on pedestrian crossing improvements, but the majority has been committed for a strategic junction improvement at the A185 / Mill Lane junction.

Table 6: Infrastructure spending during 2022/2023 funded from developer contributions

Who from	Address	Amount allocated/spent
Habitat's Mitigation Contribution		
Centaurea Homes Ltd	Eskdale Drive	£8,983.88
Transport and Travel		
Miller Homes	Victoria Road West	£28,681.92
Miller Homes	Victoria Road West	£200,000.00
Miller Homes	Victoria Road West	£65,342.01
Grand Total allocated/spent over the period 1st April 2022 to 31st March 2023		£303,007.81

- 9.2 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.
- 9.3 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. A start is imminent.

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
(d) summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year – <ul style="list-style-type: none"> <li data-bbox="320 734 1107 801">i. In relation to affordable housing, the total number of units which will be provided; <li data-bbox="320 801 1107 898">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 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
(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 - <ul style="list-style-type: none"> <li data-bbox="320 1323 1107 1424">i. the items of infrastructure on which that money (received under planning obligations) was spent, and the amount spent on each item; <li data-bbox="320 1424 1107 1559">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 data-bbox="320 1559 1107 1648">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; 	Table 6 Paragraph 9.3 Paragraph 9.4
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