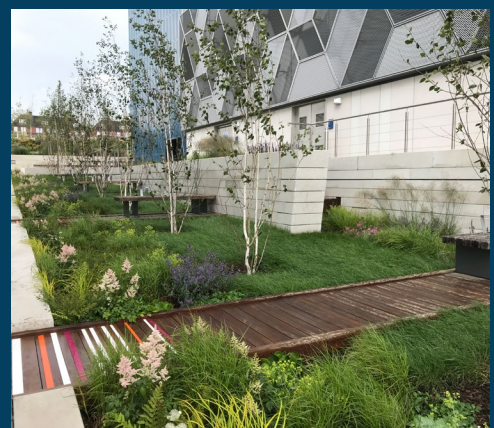


Infrastructure Funding Statement 2019-2020

November 2020



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About this Statement

This Newcastle upon Tyne Infrastructure Funding Statement sets out this year's income and expenditure relating to the community infrastructure levy (CIL) and section 106 (S106) agreements.

Councils like Newcastle are now required to publish annual Infrastructure Funding Statements (IFS) as a result of new regulations¹. They are annual statements published each year on the Council's website and will replace current CIL income monitoring and infrastructure list requirements².

Currently the Council receives income from developers (collectively known as 'developer contributions') either through development site agreements called 'planning obligations' (or s106 agreements) or as a fixed charge on the amount of new homes or commercial floorspace via Newcastle's Community Infrastructure Levy (CIL). S106 agreements fund schemes that are directly related to the development schemes, whereas CIL is paid into a citywide funding pot for predominantly off-site infrastructure.

The IFS provides information on funding generated by development in the City for the past financial year (part 1) and the intended priorities for spending future funds on infrastructure (part 2).

The Government is considering the potential for replacing these types of charges with a single levy³ in the future, however, this statement reports on the current developer funding arrangements.

¹ Community Infrastructure Levy (CIL) Regulations Amended 2019

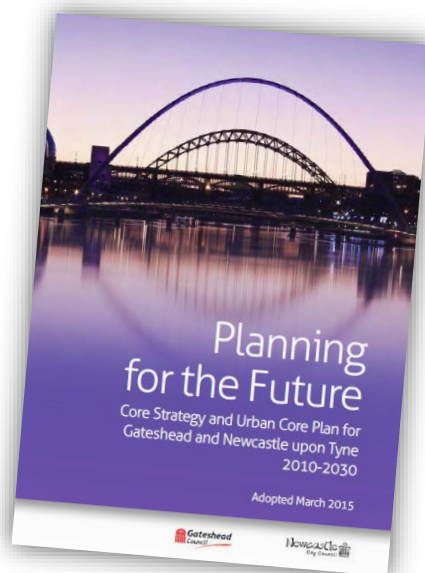
² CIL Regulations 2010 62 and 123

³ White Paper: Planning for the Future (August 2020) (Ministry HCLG)

Newcastle in Context

Growing Our Working City: Great Places and Spaces Supported by Infrastructure

Newcastle City Council and Gateshead Council adopted the Core Strategy and Urban Core Plan (CSUCP) in 2015. The adoption of the Plan was a major step forward for the city planning for ambitious growth of 19,000 new homes and 22,000 new jobs- together with targets for Gateshead. The plan importantly sets out key strategic policies for the quantity and location of new housing, retail and employment provision, together with transport and other infrastructure provision. It seeks to ensure that development is accompanied by the necessary infrastructure to develop quality places where people want to live and work. Ambitious growth for the city includes the planning of strategic sites supported by key infrastructure schemes. The main areas in need of infrastructure are the City's urban core and the strategic growth areas at Callerton, Throckley, Kingston Park/ Kenton Bank Foot, Dinnington and Newcastle Great Park. However, citywide infrastructure within the existing neighbourhoods and regeneration areas are just as important to the Council's vision for building more and better homes, supported by the necessary infrastructure.



Priorities for infrastructure will maximise the benefits and opportunities of growth and are phased for delivery in the joint Infrastructure Delivery Plan- varying from community sports hubs, flood prevention, school provision and highways infrastructure supporting strategic sites and citywide development. Such projects will help to meet all the Council's key priorities of building more and better homes; creating more and better jobs; the best learning opportunities for all; a clean, green and safe Newcastle; and a healthy, caring city. [The IDP schedule of infrastructure is updated annually and is available on the Council's website](#)⁴.

The Community Infrastructure Levy (CIL) was adopted in 2016, forecasting potential development generated income of £29million. A CIL infrastructure list identified the Council's intentions for funding predominantly strategic off-site infrastructure. Since then, construction has now begun on schemes with funding liabilities and this will be the first year of CIL monies contributing to essential citywide projects.

Engagement and consultation have informed the infrastructure planning- collaborative working with stakeholders, Gateshead Council, North of the Tyne

⁴<https://www.newcastle.gov.uk/services/planning-building-and-development/planning-policy/evidence-and-monitoring>

(North Tyneside and Northumberland County Councils) and North East Combined Authority are key to planning for cross boundary infrastructure. The North of Tyne Combined Authority (NoTCA) with devolved functions was set up in November 2018 and are currently collaborating on the emerging North of Tyne Joint Infrastructure Plan Statement.

Key Headlines for 2019-20

Section 106 agreements (2019/20):

- £16.54million has been secured in developer obligations from developments gaining planning permission (notably planning permission has been granted at Newcastle Great Park Cell A (NN4a) for 1,200 dwellings). This total can be broken into the following infrastructure types:
 - Affordable Housing - £4.46m
 - Education - £6.04m
 - Open Space, Sport, Recreation and Play - £458,00
 - Allotments - £7200
 - Ecology - £235,500
 - Tree Planting - £17,500
 - Highways Improvements - £3.16m
 - Bus Services - £2.0m
 - Ranger and Community Services - £25,500
 - Employment and Skills - £72,600
 - DM Services - £60,000
- £2.77million income was received in developer obligations as schemes are under construction;
- £3.62million in developer obligations was spent on capital infrastructure projects.

Newcastle CIL (2019/20):

- The previous year marked the first CIL payment received with many receipts in 2019/20;
- £1.04million income in total was received, as development schemes start on site;
- £0.16million community income (known as the 'CIL Neighbourhood Portion') income has been received from the CIL fund towards local improvements;
- £22.68million more income is forecast to be generated by development permitted by 2030.

In 2021, CIL/ s106 expenditure will be focussed on the following:

Newcastle CIL Contributions:

- 6 strategic highway junction improvement schemes to the north and west of the City costing £3.21million (£800,000 CIL funds);
- Sports hubs (Parklife project) at Bullocksteads and Blakelaw: a £16m projects to provide a range of indoor and outdoor facilities serving increased demand from new homes (£450,000 CIL funds); and
- Flood management works to support the delivery of an extension to Kingston Park Primary School (£28,000 CIL funds).

Committed Infrastructure funded by Section 106 Contributions:

- Sports provision £3.62 million
- Highways improvements £1.44 million
- Allotment Provision £550,000
- Residents Parking Schemes £70,600
- Ecology £23,000
- Community improvements £11,000

Part 1 Developer Contributions (2019-20)

A. Community Infrastructure Levy- Collection and Expenditure

The amount of CIL payable depends on where the development is located within the City and the type of development (ranging from £0 to £60/ square metres). [The Charging schedule is published on the Council's website page⁵:](#)

The Newcastle City Council Community Infrastructure Levy (CIL) Charging Schedule was approved by Full Council on 2 November 2016 and came into effect on 14 November 2016. Planning applications determined on or after 14 November 2016 may therefore be subject to CIL. The City Council will use CIL income to help provide strategic infrastructure projects across the city.

CIL income is required to be allocated as follows:

- 5% towards the implementation and ongoing administration by the City Council;
- 15% (25% if in future years there is a Neighbourhood Development Plan in place) of CIL is passed to Parish Councils/Neighbourhoods (Neighbourhood Portion) in which the development that paid the CIL is located for the provision of local infrastructure improvements or other measures to support the development of the area;
- 80% (or 70% if in future years there is a Neighbourhood Development Plan in place) of CIL is to be applied to citywide or strategic infrastructure.

⁵ https://www.newcastle.gov.uk/sites/default/files/2019-01/charging_schedule_november_2016.pdf

The Community Infrastructure Regulations 2010 previously required a Charging Authority to report on the following information, which has been replicated here for the financial year (1 April 2019 - 31 March 2020):

a) Total CIL receipt for year ¹	£1,887,212
b) Total CIL expenditure for year ²	£0
c) Summary details of expenditure ³	N/A
Total Neighbourhood Portion received for year ⁴	£156,602.65
Total CIL received for year ⁵	£1,044,017.67
Total Administration Fee received for year ⁶	£52,200.88

¹ This is the amount that has been secured through planning applications in chargeable areas which have generated a CIL charge.

² This relates to the amount we have requested from commenced planning permissions which generated a CIL charge.

³ This relates to the total amount we have received. The reason there is a difference between requested and received amounts is because of different payment stages.

⁴ This is the total amount of the Neighbourhood Portion which has been received

⁵ This is the amount received by the City Council from commenced development

⁶ This relates to the amount we have received to date which we can use to administer the collection of the CIL charge.

To date there has been no expenditure of CIL as the City Council is currently pooling their receipt to fund large scale infrastructure projects. In Newcastle, 15% of CIL receipts have been ringfenced for the 'neighbourhood portion' (as there are currently no adopted neighbourhood plans in place). Neighbourhood plans are formal planning documents that local communities can prepare to guide the future development of their areas.

There are several parish councils in the City that are entitled to receive the Neighbourhood CIL funds for local projects. There is a separate requirement for parish councils in receipt of Neighbourhood CIL to publish income and expenditure data (CIL Regulation 121B). To date we have transferred to both Woolsington and Dinnington Parish Councils:

- o Woolsington Parish Council - £33,049.78. Annual expenditure reports can be found at - <https://www.haveavoice.org.uk/woolsington-parish-council>
- o Dinnington Parish Council - £24,523.38. Annual expenditure reports can be found at - <http://www.spanglefish.com/dinnington>

B. Section 106 Planning Obligations- Collection and Expenditure

S106 agreements are used to mitigate the impacts of development and ensure that Newcastle’s planning policy requirements (as set out in the local plan and the Planning Obligations Supplementary Planning Document) are fully met. S106 planning obligations include:

- site-specific financial contributions - these are secured and must be used for defined purposes; for instance, the provision of education facilities, traffic and transport/highways related works, open space provision and affordable housing contributions (where accepted in lieu of on-site provision);
- provision of on-site affordable housing or education provision; and
- non-financial obligations, including requirements such as training and employment management provision and travel plans.

Policies in the local plan set the requirements for development as set in part 2. The information provided below reflects the standardised scope and type of planning obligations as set out in the national Planning Practice Guidance. This provides consistency of approach and helps to improve public access.

In the year 1 April 2019 to 31 March 2020 the Council has received and expended contributions on the following obligations. Table 1 below:

Table 1 Planning Obligation Income and Expenditure in 2019/20

Obligation	Received (£)	Expended (£)	Specific projects delivered/ committed
Affordable housing (in addition to on site provision)	£701,190	£0	
Primary Education	£579,385	£0	
Secondary Education	£0	£0	
Post 16 Education	£0	£0	
Other Education	£0	£0	
Health	£54,433	£0	
Highways	£649,618	£3,126,661	Kingston Park West Highways improvements, NGP Cell Bus links and provision, City Centre Bus loops and SLR Junction improvements
Transport and Travel modes	£154,833	£554,067	Helix and University pedestrian crossings, NUFC match day travel planning and management, NGP Park and Ride and Kingston

Obligation	Received (£)	Expended (£)	Specific projects delivered/ committed
			Park Residents Permits scheme
Open space, Sports and Leisure	£325,910	£82,442	Improvements at City Stadium
Community facilities	£16,429	£0	
Digital Infrastructure	£0	£10,000	Broadband and computing provision in Walker Ward
Green Infrastructure, Wildlife Management and Ecology	£129,130	£9443	Energy Project at Newcastle Great Park and Red Squirrel enhancement at Havannah Nature Reserve
Flood and Water Management	£26,000	£5000	Transferred to Flood Management for implementation and monitoring
Economic Development	£18,500	£18,500	Transferred to Economic Development for implementation and monitoring of Training and Employment Management
Land	N/A		
Section 106 Monitoring Fees	£91,172 (includes large scale SLR Housing schemes)	£12,000	S106 agreements covering general monitoring, training and employment and SUDs monitoring
Bonds (held or repaid to developers)	£0	£814,199	Bond held as part of the residential development at Jesmond Towers and returned to developer once works completed
Ranger Fees	£15,000	£30	Advice provided

Newcastle City Council has routinely provided similar data in biannual reports to Planning Committee for some years, further details can be accessed from the [Newcastle City Council website in the link below](#)⁶.

⁶ <https://democracy.newcastle.gov.uk/ielistMeetings.aspx?CId=858&Year=0>

An Example of Planning Obligations Delivering Benefits of Strategic Highways Improvements in Kingston Park

A section of Kingston Park Road, which lies west of the A1, has benefited from a £1.7m package of improvements to ease congestion on the approach to the busy A1 roundabout began in May 2019.

With major housing developments planned in the area, the council identified problem junctions, including Kingston Park Road and its link onto the A1, that needed investment to improve efficiency and journey time reliability, as well as provide greener travel choices and improve safety. Kingston Park Road currently suffers from high levels of congestion at peak times. The scheme will also lead onto a new road connection to Great Park.

The council is widening the road to alleviate pressure on the A1 and reduce congestion to improve traffic flow on a key commuter route. As part of the improvements package, the council will install road safety measures such as raised tables to deter speeding in residential streets and new cycling and walking facilities to improve local access. Work is due to be completed in October 2020.



Figure 1: Kingston Park Road Carriageway Widening

Part 2 Future Developer Contribution Expenditure

Local Plan Growth and Delivery

The City has experienced a sustained period of population and development growth since 2010, the beginning of the current plan period. The pace of delivery of new homes in Newcastle has increased since 2010 to around 1,000 gross new build dwellings per annum in the last 3 years. Housing delivery across the plan area has been boosted by delivery of affordable housing.

The City Council is proactive in facilitating and directly delivering a pipeline of housing schemes with a focus on providing affordable and specialist accommodation to meet known demand. Collaboration with Homes England and the North of Tyne Devolution Deal has helped to secure critical external funding, with £17.65m secured from the Housing Infrastructure Fund to deliver a range of infrastructure to support new housing delivery. This includes:

£9.9m to build a new primary school and release land for a secondary school in the Newbiggin area, and the upgrading of six road junctions, including improved cycle and pedestrian infrastructure. This will support the delivery of up to 4,000 houses in the outer west of the city. Construction of the primary school is in progress and outline planning permission has been granted for the secondary school.



Figure 2: Simonside Primary School

£6m to support the delivery 40 homes at Newcastle Helix, as well as student accommodation and commercial development to deliver 4000 jobs as part of a 12ha strategic brownfield development. Planning permission has been granted for the first 66 homes and the supporting infrastructure is being delivered by the Council for this.



Figure 3: 'Future Homes' Affordable Housing at Newcastle Helix

£1.75m for remedial works and utility diversions for schemes at Malmo Quay, Spillers Quay, and Glasshouses, all brownfield sites in the Ouseburn area. This will delivery around 221 homes over the next five years.



Figure 4: Malmo Quay Development Site

More recently the North of Tyne Combined Authority was awarded a £24m share of the Brownfield Housing Fund (BHF) announced by the Chancellor in the 2020 Budget. The BHF is a £400m pot of money aimed at 'pro-growth' combined authorities and funding has been awarded to combined authorities on a per capita basis over a 5-year profile commencing in 2020/21. The aim of the fund is to help bring forward housing projects quicker and reflects the Government's drive to see activity happening on the ground and help kick start the regional economic recovery. Examples of work that could be undertaken using BHF include addressing contamination, clear title, land assembly, capitalised professional fees and small site-wide infrastructure.

A. Funding Intentions and Priorities

Infrastructure funding statements should set out the infrastructure projects or types of infrastructure that the authority intends to fund, either wholly or partly, by the levy or planning obligations. This will not dictate how funds must be spent but will set out the local authority's intentions. In addition, the IFS should demonstrate how developer contributions will be used to deliver relevant strategic policies in the plan, including any infrastructure projects or types of infrastructure that will be delivered, when, and where.

As a result of the recent changes to the regulations, CIL is no longer restricted to strategic infrastructure projects identified in the Regulation 123 infrastructure list. Since 1 September 2019, local authorities can fund relevant infrastructure projects from both the citywide CIL funding and site-based planning obligations. Authorities should set out in the IFS which infrastructure types or projects they expect to fund through the levy and through planning obligations (CIL Regulation 121A), and identify short term priorities for expenditure. This statement effectively replaces the Regulation 123 list and will be updated annually to identify contributions to the delivery of strategic infrastructure projects in line with the city's capital programme.

The Council will seek to fund the following infrastructure types and projects from CIL funding, providing developers, infrastructure providers and communities with the clarity of approach to delivery and should be read alongside the Council's Planning Obligations Supplementary Document (SPD):

- Strategic Cycle Routes (citywide) in Newcastle (CS13(1)(i));
- West Road bus corridor (CS13 (1));
- Potential New Tyne Crossing (feasibility) in Newcastle (CS13 (2) (v.));
- Urban Core Distributor Road in Newcastle (UC9) & Urban Core Bus Loop in Newcastle (UC7 (3));
- Urban Core Primary and Secondary pedestrian routes in Newcastle (UC5);
- Primary age school provision (Rec.-Yr6) (CS DEL1)-excluding strategic sites (Core Strategy and Urban Core Plan AOC1, NN1-4, NV1-3) (and provision of serviced land, capital build, access and associated site curtilage costs) that are funded via planning obligations;

- Major Built Sports Facilities identified in the Council's Plan for Built Facilities 2015-2030 (adopted October 2015) (indoor swimming pools);
- Strategic Green Infrastructure projects within the Green infrastructure Network and Opportunity Areas and identified in Green Infrastructure Delivery Plan (CS18 (3) & CS18 (4), UC15);
- Strategic flood risk and drainage projects—identified in the Local Flood Risk Management Strategy (Inc. Ouseburn and City Centre Strategic Surface Water Management Plans) (CS17);
- Infrastructure to support regeneration in the defined Neighbourhood Opportunity Areas (Policy CS3) in the Core Strategy and Urban Core Plan.

The current short-term priority projects the Council intends to fund from CIL receipts from 2021, will be to gap fund much of the necessary strategic infrastructure including further investment required to deliver:

- Strategic highway and network junction improvements to the north and west of the City;
- Parklife sports hubs at Bullocksteads and Blakelaw;
- Flood prevention measures supporting Kingston Park Primary school.

Further details are in Appendix 1, Table 1. with projects supporting the continued build out of the strategic growth areas. The development of the strategic sites is essential to the delivery of the CSUCP and meeting the housing and employment needs of the city.

Where the CIL receipt is received outside of a Parish Council area, the community 'neighbourhood portion' is intended to be spent on the provision or improvement of children's play, open spaces and green infrastructure. Cabinet approval has been given for this expenditure.

An Example of Proposed CIL & S106 Funding Delivering Benefits of Investment in Citywide Facilities: Sports Hubs

The Council will also start the delivery of new sports infrastructure in the next year to support the development of strategic housing sites in the outer west of the city. The Parklike Project is a £16m investment to deliver strategic sports facilities for community use at Bullocksteads (Kingston Park) and Blakelaw, including all-weather and grass sports pitches, a fitness suite, and changing and community buildings. The facilities will support grassroots sport development and healthy lifestyles for the existing population, as well as growing communities being created through new housing. A range of funding is driving the development including S106, Government funding through Sport England, and a modest amount of CIL. A planning application is expected this year, with completion in 2022.



Figure 5: Blakelaw Sport Hub

Table 2 in Appendix 1 identifies future infrastructure projects the City Council intends to fund (in part) through Section 106 funding over the next financial year. This table is not an exhaustive list as the very nature of section 106 contributions means that the City Council is dependent on receiving such funding through developments being proposed requiring mitigation. The infrastructure sums referred to on page 3 as having been secured via s106 agreements with developers, are also dependent on: planning applications being implemented, receipt of contributions where relevant and delivery of items following commencement of developments.

For infrastructure types intended to be funded in the future by planning obligations (s.106 agreements), please see the [Newcastle upon Tyne City Council Planning Obligations SPD](#)⁷.

An Example of Proposed S106 & CIL Funding Delivering Benefits to the Local Area: Play Spaces

Proposals are in place to make use of developer contributions to improve play spaces across the city with significant investment. The Play Space Plan covers all publicly accessible outdoor playable spaces across the city for children up to the age of 19 and includes a wide range of uses, from traditional playgrounds, to green spaces, multi-use games areas and more specific sports courts for tennis and basketball.

Investment in the parks will be based on local information and intelligence, which will look at things such as childhood obesity, how close it is to other play areas and the population of the ward. This approach will make sure that investment will happen in areas that will have the most positive impact on the local people and play a key role in creating a healthy neighbourhood. The rolling programme of improvement and investment is expected to take place over the coming years. The CIL Neighbourhood Portion will also provide funding and support towards the development of green areas and children's play spaces.

⁷ <https://www.newcastle.gov.uk/services/planning-building-and-development/planning-policy/supplementary-planning-documents-and>

APPENDIX 1 - Future Funding Information

Table 1 CIL PRIORITY PROJECT

Project- Description	Anticipated Cost	CIL Funding Required	Other Potential Funding Sources	Policy references
Strategic Road Network - Highways England Schemes				CSUCP- CS3, DEL1, AoC1, NN1, NN2, NN3, NN4, NV1, NV2, NV3, KEA1
Partial signalisation of roundabout at Junction 38: A69 Blucher Interchange	£140,000	£800,000	Developer contributions, Housing Infrastructure Fund	
Improvements to junction 9: A167 Stamfordham Road/A1	£165,000		Developer contributions, Housing Infrastructure Fund	
Newcastle Distributor Roads				
Signal controlled junction 41: A167 Stamfordham Road/Pooley Road	£888,950		Developer contributions, Housing Infrastructure Fund	
Signal controlled junction 42: A167 Stamfordham Road/Springfield Road	£893,600		Developer contributions, Housing Infrastructure Fund	
Signal controlled junction 52: B6918 Ponteland Road/Station Road	£134,000		Developer contributions, Housing Infrastructure Fund	
Signal controlled junction 22: Brunton Lane/Brunton Road	£614,350		Developer contributions, Housing Infrastructure Fund	
Strategic Sport and Leisure				
Sports Hub at Bullocksteads, Kingston Park and Blakelaw multi - use sports and playing pitch (new provision) and community buildings.	£16,000,000	£450,000	Developer contributions, Parklife Partners, capital receipts	
Flood Management / School Delivery				CSUCP - CS3, DEL1, NN2
Flood management works to support extension to Kingston Park Primary School.	£406,000	£28,000	Environment Agency	
Total	£19,241,400	£1,278,000		

Table 2 Planning Obligation Funding: Approved Future Infrastructure Projects

Project Description	Anticipated Cost	Funding Type
HIF Junctions	£892,416	Section 106 CIL
Bullocksteads Sports Hub	£16,000,000 (£3,623,662 S106)	Section 106 Parklife Partners Other funding sources
Citywide Playground Funding	TBC	Section 106 site specific funding Other funding sources
Kenton Bankfoot Residents Parking Scheme Expansion	£70,570	Section 106
Hadrians Tower - Highways improvements	£544,143	Section 106
Westerhope Community Centre - general improvements	£11,200	Section 106
NGP Allotments Provision	£550,000	Section 106
Havannah Nature Reserve - Access improvements	£23,000	Section 106
New Bridge Street Cycle Improvements	U/K at present - feasibility works being undertaken	Section 106