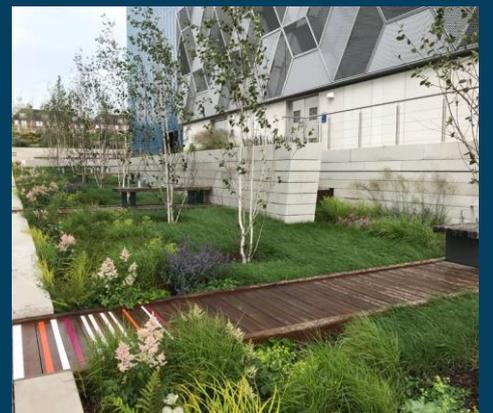


Infrastructure Funding Statement

2022-2023

[December 2023]



Newcastle Upon Tyne Infrastructure Funding Statement 2022-23

The Infrastructure Funding Statement 2022-23 (IFS) sets out the income and expenditure relating to the city's community infrastructure levy (CIL) and section 106 (S106) agreements for the period 1 April 2022 – 31 March 2023 and as required by the Community Infrastructure Levy Regulations 2010 (as amended).

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 which does not necessarily have to be associated with the development from which the funding was generated.

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).

Newcastle in Context

Newcastle City Council and Gateshead Council adopted the Core Strategy and Urban Core Plan (CSUCP) in 2015, which included ambitious growth strategy to deliver 19,000 new homes and 22,000 new jobs. The plan 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.

Priorities for infrastructure are phased for delivery in the joint Infrastructure Delivery Plan (IDP)- varying from community sports hubs, flood prevention, school provision and highways infrastructure supporting strategic sites and citywide development. The most recent IDP is available on the Council's website¹.

The Community Infrastructure Levy (CIL) was adopted in 2016. A CIL infrastructure list identified the Council's intentions for funding a broad range of strategic infrastructure.

¹ <https://www.newcastle.gov.uk/services/planning-building-and-development/planning-policy/evidence-and-monitoring>

Key headlines for 2022/2023

S106 agreements (2022/23):

- £1,043,267 has been secured from developer obligations gaining planning permission. These funds will provide new infrastructure as well as training and employment opportunities across the city.
- £15,005,529 was received by the Council as the development of schemes commenced or progressed and reached agreed payment trigger points in S106 agreements.
- £7,375,642 of developer obligations was spent on infrastructure delivery.

Community Infrastructure Levy (2022/23):

- £2,682,945 of CIL has been secured through new planning permissions.
- £1,218,236 CIL payments were received, including £182,735 of community income (known as the 'CIL Neighbourhood Portion') toward local improvements.
- There has been a total CIL receipt of £5,963,611 since 2016.
- £133,620 of the neighbourhood portion has been expended to date by the Council on new playground equipment at in Blucher and Westerhope North Kenton. Expenditure for the Parish Councils is reported separately on their websites.
- £28.5m additional CIL income is currently projected to be generated through current allocations and extant permissions.

In 2024 CIL/S106 expenditure will be focused on:

New infrastructure investment -

- Delivery of an electricity sub-station and ground enabling works to deliver Callerton Secondary School.
- Reconfiguration of Great Park Park and Ride site and adjacent bus turning circle to provide for the site to be used as a pick-up and drop-off facility for the planned high/middle school at Great Park, utilising circa £818,000.
- Provision of a full-size artificial grass hockey pitch in the outer west of the City costing circa £913,000 (£500,000 of CIL)

Infrastructure to be funded by Section 106 Contributions –

- £600,000 on allotments in the north of the city.
- £350,000 on children’s play and recreation.
- £480,000 on bus services.
- £2,726,000 on Affordable Housing .

Part 1 Developer Contributions (2022-23)

Community Infrastructure Levy - Collection and Expenditure

The Newcastle City Council Community Infrastructure Levy (CIL) Charging Schedule 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 to support new development.

The amount of CIL payable depends on where the development is located within the City and the type of development (ranging from £0 to £77.45/ square metres). These figures have been adjusted for inflation³ since CIL came into effect in 2016, with the last adjustment made in 2021.

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; and
- 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.

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 2022 - 31 March 2023):

Total Receipt for Year ¹	£2,682,945
Total Committed ²	£203,620
Total Neighbourhood Portion Received ³	£182,735
Total Parish Portion Received ⁴	£172,947
Total CIL Received ⁵	£1,218,236
Total Administration ⁶	£60,912

¹This is the amount that has been secured through planning applications in chargeable areas which have generated a CIL charge for 22/23.

²This relates to the amount we expended for 22/23.

³This is the total amount of the Neighbourhood Portion which has been received for 22/23.

⁴This is the proportion of the 'Neighbourhood Portion' which has been transferred to parish councils for 22/23.⁸ This is the amount received by the City Council from commenced development for 22/23.

⁵This relates to the amount we have received for 22/23 which we can use to administer the collection of the CIL charge.

To date the only expenditure of CIL has been part of the ‘neighbourhood portion’ toward new playground equipment at North Kenton Play Area. The City Council continues the strategy of pooling CIL receipts toward large scale projects across infrastructure types, including enabling smaller scale supporting infrastructure. 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 local areas.

There are a number of 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 the Council have transferred to both Woolsington and Dinnington Parish Councils:

- Woolsington Parish Council – £282,389. Annual expenditure reports can be found at - <https://www.woolsington-parish-council.com/community-infrastructure-levy>
- Dinnington Parish Council – £96,752. Annual expenditure reports can be found at - <https://s3-eu-west-1.amazonaws.com/s3.spanglefish.com/s/36835/documents/dpc-cil-funding-reports/dpc-cil-funding-march-2022.pdf>

Compared to the last reporting year the amount of CIL that has been secured has increased and, as presented earlier in the report, there is a significant amount CIL projected to be generated from allocated sites and extant outline permissions. As a number of large schemes have commenced or progressed in the past year, the amount of CIL transferred to the Council has increased, as has the neighbourhood portion accordingly. This trend has continued after the end of the reporting year so that £4,770,889, at the time the report was published, is available to the Council.

	2020/2021	2021/2022	2022/2023
Total Receipt for Year ¹	£303,230	£296,698	£2,682,945
Total Committed ²	£5,195	£70,000	£203,620
Total Neighbourhood Portion Received ³	£321,346	£126,332	£182,735
Total Parish Portion Received ⁴	£101,614	£63,729.27	£172,947
Total CIL Received ⁵	£2,142,307	£842,219.79	£1,218,236
Total Administration ⁶	£107,115	£42,110.99	£60,912

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

²This relates to the amount we have expended in 22/23.

³This is the total amount of the Neighbourhood Portion which has been received.

⁴This is the proportion of the ‘Neighbourhood Portion’ which has been transferred to parish councils.

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

⁶This relates to the amount we have received during 22/23 which the council can use to administer the collection of the CIL charge.

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 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.

In the year 1 April 2022 to 31 March 2023 the Council has received and expended contributions on the following obligations:

Obligation	Received (£)	Expended (£)	Specific Projects delivered/committed
Affordable housing(in addition to on site provision)	£6,795,956	£1,514,357	Off-site provision across the city
Primary Education	£4,557,235	£4,367,496	NGP (Havannah) First School and Kingston Park First School
Secondary Education	£1,110,308	£0	
Post 16 Education	N/A		
Other Education	N/A		
Health	£273,465	£0	
Highways	£614,987	£131,051	SLR and City Centre improvements
Transport and Travel modes	£654,634	£234,049	Ouseburn Improvements

Open Space, Sports and Leisure	£886,736	£1,046,949	Children's Play Area's, Open Space and Recreation improvements citywide
Community Facilities	£18,000	£18,000	Community outreach support
Digital Infrastructure	N/A		
Post 16 Education	N/A		
Green Infrastructure, Wildlife Management and Ecology	£94,209	£78,631	Ouseburn Improvements
Flood and Water Management	£0	£3,110	
Economic Development	£0	£30,132	Transfer to Economic Development for work/training provision
Land	N/A		
Section 106 Monitoring Fees	£33,000	£70,000	Monitoring of S106 agreements
Bonds (held or repaid to developers)	N/A		

Newcastle City Council has routinely provided similar data in biannual reports to Planning Committee for some years. This includes detail of summary details of any non-monetary contributions to be provided under planning obligations such as affordable housing. Further details can be accessed from the –

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

Examples of S106 expenditure 2022/2023

Open Space Improvements – Dinnington Recreation Ground

A combination of £158,821 of S106 funding and £119,950 of CIL funding from Dinnington Parish Council's neighbourhood portion is allowing the delivery of a range of improvements to Dinnington Recreation Ground. The S106 funds were secured through planning approvals on housing sites in the village allocated in the Core Strategy. The design of the improvements to the recreation ground was informed by consultation with the Parish Council, Scout Groups, and Dinnington First School. Improvements include a new fenced junior play area with accessible equipment, picnic tables and seating, mini football pitch to FA regulations, waymarked fitness and trim trail, refurbishment of teen play equipment, and improved landscaping and signage. Further improvements are planned for 2023/24, including avenue tree planting funded by the North East Community Forest and to be installed as part of a community planting day in coordination with local Scout Groups, and the planting of new areas of wildflower meadow to improve biodiversity.

Proposed equipment for new fence enclosed play area - Age Range Toddler to 12 years

New planting and park furniture

New activity fitness trail and refurbished teen equipment



Affordable Housing - Drake House & Shillmore Close, Newburn



The City Council appointed Bernicia Homes to deliver a development of specialist affordable apartments and bungalows at Newburn. The scheme consists of five bungalows (plus one for staff) and fifteen flats, which are specifically to house people with learning disabilities and with on-site support from two care providers. Delivering on a site with challenging topography, the units have been specifically designed to help meet the needs of residents, including wheelchair accessibility, as well as providing social space for residents to meet. The homes are let on a social rent arrangement. The circa £4m cost was partially met by £700,000 of S106 contributions from developments in outer west and urban core of the city.

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, with 14,716 new homes completed. Build rates have averaged 1,528 gross new build dwellings per annum in the last 4 years (excluding student accommodation).

The City Council is proactive in facilitating and directly delivering a pipeline of housing and commercial schemes. The Council has worked collaboratively with North of Tyne and Homes England to supporting infrastructure, which has secured £17.65m from the Housing Infrastructure Fund (HIF).

At Ouseburn Mouth £2.25m of HIF has enabled site preparation and design work for a sewer diversion at Malmo Quay and site investigation work at Spillers Quay, in order to prepare the sites for other possible uses.

At Helix £3m of HIF has delivered strategically important public realm improvements at Knowledge Square to support the creation of 4000 high skilled jobs. In 2022 a further £3m of the grant will deliver public realm works to support the delivery of 460 new homes.

HIF has also delivered a new primary school at Newbiggin Hall and junction improvement works in the outer west of the city.

Levelling Up Fund

The Levelling Up Fund is a £4.8bn government fund to support regeneration and town centre investment, local transport projects, and cultural and heritage assets, up to a maximum of £20m per scheme. Bids totalling over £73m were submitted by the City Council and these were successful in securing £39.8m; £20m for the regeneration of Grainger Market and Old Eldon Square and £19.8m toward a new leisure centre in West Denton. The latter also fits with the strategic spend priorities for CIL. The development of a new West Denton Leisure Centre was subsequently granted planning permission in August 2022.

Although not initially awarded Levelling Up Funding, the restoration of the Tyne Bridge as well upgrading works to the connecting Central Motorway were awarded £35.3m of government funding in the summer of 2022. Additional funding from Newcastle and Gateshead Councils will increase this to £41.4m to deliver the much-needed refurbishment of these key infrastructure assets.

A further £19.4m has been secured in 2023 to support the development of a restoration facility on the northern bank of the river, at Bill Point. This will involve the

construction of a reservoir, built out from the riverbank, to hold sediment dredged from the riverbed. The investment will support industries on the River Tyne which generate £660m of benefits to the region annually and directly employ around 3,700 people, with a further estimated 110,000 local jobs indirectly supported by their economic activity.

North East Community Forest

Created over the last 30 years England's Community Forests are located in and around some of the nation's largest towns and cities. Currently there are 15 Community Forests, of which the North East Community Forest is part of. As part of this, The North East Community Forest (NECF) aims to deliver up to 500ha of new woodland on land across Tyne and Wear and urban parts of County Durham by March 31 2025. To date, over the past two planting seasons, the NECF has planted 145ha comprising 122,000 trees across 313 locations. This was enabled by grant funding from DEFRA's 'Trees for Climate Fund', the Forestry Commission's Local Authority Treescape Fund, and Trees for Cities. For this year's planting season (2023/24) the NECF's pipeline is 204ha, with 43ha planned for Newcastle upon Tyne.

Funding Intentions and Priorities

Infrastructure funding statements are required to 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.

CIL

CIL is not 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, as well as other funding from other sources. 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 in 2022/23 will be -

- Reconfiguration of Great Park park and ride site and adjacent bus turning circle to provide for the site to be used as a pick-up and drop-off facility for the planned high/middle school at Great Park;
- Provision of a full-size artificial grass hockey pitch in the outer west of the City;
- Development of an electricity sub-station and ground enabling works to support the delivery of Callerton Secondary School

The provision of the hockey pitch will support the delivery of a number of housing schemes in the outer west of the city as well as addressing a strategic city-wide deficit for hockey facilities as identified in the Council's 'Plan for Playing Pitches' (2015). £500,000 of CIL has been committed toward an estimated delivery cost of £913,000.17.

In addition, the use of CIL to deliver new secondary education provision was originally identified when CIL was introduced in 2016, but this was removed owing to committed funding the Department for Education to delivery schools to meet identified need. As indicated in this statement, it is intended to use CIL to deliver supporting pick-up and drop-off facilities for the planned high/middle school at Great Park.

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.

S106

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 earlier in the report 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 SPD18.

APPENDIX 1 - Future Funding Information Table 1 CIL PRIORITY PROJECT

Project Description	Cost Estimate	CIL Funding Required	Other Potential Funding Sources	Policy References
New projects for 2023/24				
Development of an electricity sub-station to support the delivery of Callerton Secondary School	£560,000	£560,000	None	CSUCP- CS3, DEL1, CS14, and CS15
Continued priorities from 2022/23				
Reconfiguration of Great Park park and ride site and adjacent bus turning circle to provide for the site to be used as a pick-up and drop-off facility for the planned high/middle school at Great Park	£818,000	£818,000	Non available	CSUCP- CS3, DEL1, CS14, CS15, NN4 DAP – DM10, DM11, DM12 and DM14

Delivery of Hockey Pitch – full-size all-weather specification	£913,000	£500,000	Developer contributions, capital receipts	CSUCP- CS3, DEL1, CS10, CS11, CS14 DAP – DM30
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Table 2 Planning Obligation Funding: Future Infrastructure Projects

Project description	Anticipated Funding (\$106)
Coxlodge Rec Ground Improvements	£26,000
NGP Allotments Provision	£550,000
Dinnington Allotments	£50,000
City Wide Affordable Housing	£2,726,000
Dinnington Recreation Ground	£150,000
Grass cricket pitch at Brunswick Recreation Ground	£101,000
Bus Services	£480,000
Ouseburn landscaping and public realm improvements	£156,500
Ouseburn Childrens Play	£130,000
Brandling Park improvements	£48,000