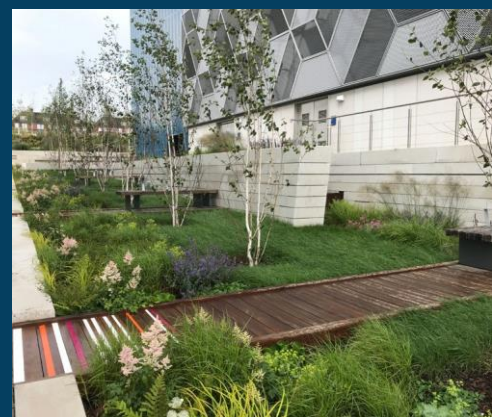
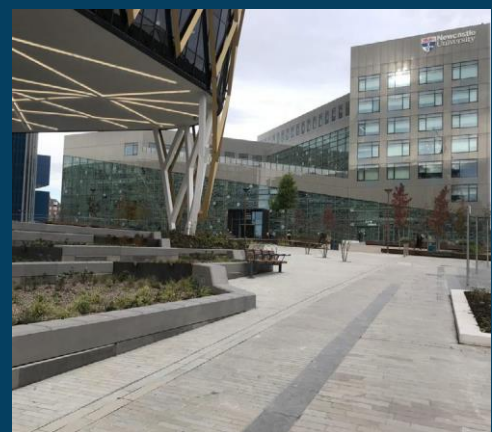


Infrastructure Funding Statement

2021-2022

[December 2022]



Newcastle Upon Tyne Infrastructure Funding Statement 2021-22

The Infrastructure Funding Statement 201-22(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 2021 – 31 March 2022 and as required by the Community Infrastructure Levy (CIL) Regulations Amended 2019.

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 [Planning Obligations, Community Infrastructure Levy and Viability | Newcastle City Council](#)

Key headlines for 2021/2022

S106 agreements (2021/22):

£5,384,963. has been secured from developer obligations gaining planning permission. The overall total can be broken down into the following infrastructure types –

- Affordable Housing - £594,941
- Education - £594,349
- Open Space, Sport, Recreation and Play² - £76,698
- Allotments - £16,191
- Ecology - £30,314
- Highways Improvements - £4,069,470

£10,731,656 was received by the Council as the development of schemes commenced, or progressed, and reached agreed payment trigger points in S106 agreements;

£10,002,301 of developer obligations was drawn down on infrastructure delivery.

Community Infrastructure Levy (2021/22):

- £296,698 of CIL has been secured through new planning permissions;
- £842,220 CIL payments were received, giving total CIL receipt of £4,711,663 since 2016;
- £126,333 of community income was received (known as the 'CIL Neighbourhood Portion') toward local improvements;
- £70,000 of CIL has been committed in conjunction with £50,000 of S106 funding to deliver drainage improvements at Havannah Nature Reserve;
- £75,195 of the neighbourhood portion has been committed to date by the Council on new playground equipment at North Kenton.
- Expenditure for 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.

² Although no decisions made on S106 spend specifically relate to tree planting, other approved spend will deliver new trees.

In 2023 CIL/S106 expenditure will be focused on:

New infrastructure investment-

- 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 £818,000 of CIL funding.

Existing CIL spend commitments reported in the 2020/21 IFS which are still to be expended. -

- Completion of drainage improvements for Havannah Nature and Three Hills Reserve to enhance access to the reserve and new schools, costed at £180,000 of which £130,000 would be CIL;
- Provision of a full-size artificial grass hockey pitch in the outer west of the city costing circa £913,000 of which £500,000 would be from CIL;
- 6 strategic highway junction improvement schemes to the north and west of the City costing £3million of which £800,000 would be from CIL funds;
and

Committed Infrastructure funded by Section 106 Contributions

- Sports and recreation - £3,279,879
- Education - £4,656,150
- Open Space, Public Realm and Ecology - £624,283
- Highways - £3,918,704
- Affordable Housing - £415,099

Part 1 Developer Contributions (2021-22)

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 £72.65/ 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;

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 2021 - 31 March 2022):

Total Receipt for Year 2021/22 ⁴	£296,698
Total Expenditure 2012/22	£0
Total Neighbourhood Portion received 2021/22	£126,332.97
Total Parish Portion received 2021/22 ⁷	£63,729.27
Total CIL received 2021/22	£842,219.79
Total Administration 2021/22	£42,110.99

³ Based on the CIL Index

⁴ This is the amount that has been secured through planning applications in chargeable areas which have generated a CIL charge for 21/22.

To date the only expenditure of CIL as part of the 'neighbourhood portion' is toward new playground equipment at North Kenton Play Area. The City Council continues to pool CIL receipts toward large scale projects across infrastructure types, including enabling smaller scale supporting infrastructure.

In the City, 15% of CIL receipts have been ringfenced for the 'neighbourhood portion' (as there are currently no adopted neighbourhood plans in place).

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

- Woolsington Parish Council – £272,306. 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 total amount of CIL that has been secured has seen a £6,532 reduction. However, as a number of large schemes have commenced or progressed in the past year, the amount of CIL income projected to be generated from allocated sites and extant outline permissions is likely to continue and increase in 2023/2024.

At the time of writing this report £3,769,330 is available to fund infrastructure works. Committed CIL funding for projects in 2021/22 totalled £70,000 for drainage improvements at Havannah Nature Reserve. However as set out earlier in the statement, as a number of CIL funded schemes now have approval, it is anticipated that CIL expenditure will increase in the next reporting year.

	2019/2020	2020/2021	2021/2022
Total Receipt for Year 2021/22	£1,887,212	£303,230	£296,698
Total Expenditure in 2021/22 ¹¹	£0	£5,195	£0
Total Neighbourhood Portion received in 2021/22	£156,602	£321,346	£126,332.97
Total Parish Portion received in 201/22	£57,573	£101,614	£63,729.27
Total CIL Received in 2021/22	£1,044,017	£2,142,307	£842,219.79
Total Administration received in 2021/22	£52,200	£107,115	£42,110.99

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, public realm and sustainable urban drainage site management and biodiversity net gains delivered by developments.

In the year 1 April 2021 to 31 March 2022 the Council has received and drawn down contributions towards the following obligations:

Obligation	Received 2021/22 (£)	Drawdown 2021/22 (£)	Specific Projects delivered/committed
Affordable housing (in addition to on site provision)	£518,889.21	£529,160	Off-site contributions across the city
Primary Education	£5,596,079.78	£6,687,181.40	NGP (Havannah) First School, and Kingston Park Primary School
Secondary Education	£786,419.16	£0	
Post 16 Education	N/A		
Other Education	N/A		
Health	N/A	£0	
Highways	£2,061,552.78	£1,981,179.63	Barras Bridge Improvements, New Bridge Street improvements, Bus Loop programme and Outer West junction improvements
Transport and Travel modes	£833,226.58	£479,853.08	Travel Planning at St James' Park, Helix links and Cycle Routes

Open Space, Sports and Leisure	£152,572.86	£222,576.14	Bullocksteads Sports Hub, Quayside Hanging Gardens
Community Facilities	£5,542.37	£19,080.00	Westerhope Community Centre Improvements and Community outreach support
Digital Infrastructure	N/A		
Post 16 Education	N/A		
Green Infrastructure, Wildlife Management and Ecology	£192,017.71	£5,928.74	Improvements to Havannah Nature Reserve and Great Park Ranger work
Flood and Water Management	N/A		
Economic Development	£24,466.42	£2,452.97	Transfer to Economic Development for work/training provision
Land	N/A		
Section 106 Monitoring Fees	£42,000	£74,888.95	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 of Planning Committee agenda items can be accessed from the – <https://democracy.newcastle.gov.uk/ieListMeetings.aspx?CId=858&Year=0>

Examples of S106 expenditure 2021/2022 Junction improvement works – Newcastle Helix

Newcastle Helix is an ongoing project to redevelop the former Newcastle Breweries site on the western fringe of the city centre. The 9.7 hectare site supports a mix of offices, laboratories, research facilities, and conference and teaching space, with a focus on supporting life, data, and urban sciences. Sustainability is at the heart of the development, with the whole development part of a district heat network fed from the dedicated on-site district energy centre. To improve access and better integrate the site with the wider urban core, grant funding from the Transforming Cities Fund and over £735,000 of S106 funding secured from several phases of the development, was used to deliver vehicular, cycle and pedestrian access improvements at the junction of Bath Lane and St James' Boulevard. The upgraded crossing facilities will form part of a key pedestrian route from Helix to Newcastle Central Station. The scheme was opened in September 2021.



Plan showing

Saint James' Boulevard, Bath Lane Wellington Street junction improvement works

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, with 11,000 new homes completed. Build rates have increased to 1,200¹ 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 £17.65 million from the Housing Infrastructure Fund (HIF).

At Ouseburn Mouth, £500,000 of HIF has enabled site preparation and design work for a sewer diversion at Malmo Quay. The diversion and other site preparation works was delivered in 2022 as well as site investigation works at the Spillers Quay site. The Ouseburn mouth sites will also benefit from £1.25 million of confirmed funding from the Brownfield Housing Fund.

At Helix, £3 million of HIF has delivered strategically important public realm improvements at Knowledge Square to support the creation of 4,000 high skilled jobs. In 2022/23 a further £3 million of HIF 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 and are either on site or at the latter design and approval stage. The HIF funded highway works are an example of S106, CIL and HIF funding coming together to deliver infrastructure improvements.

Ponteland Road / Station Road, Kenton Bankfoot Junction Improvement Scheme

The Council was awarded £9.9m from the Housing Infrastructure Fund in 2019, which included £1.7m for improvements to six road junctions, required to facilitate and mitigate for the development of housing sites allocated in the Core Strategy. £748,000 of S106 funding from developments on allocated housing sites from the Core Strategy is also committed to the project. Work commenced in early 2022 to signalise the junction of Ponteland Road and Station Road at Kenton Bankfoot. The works allow for better management of traffic as a result of nearby housing developments, whilst also ensuring that improvements were made to pedestrian facilities. £290,237 of HIF and S106 was utilised for this scheme. Improvements to the other junctions benefitting from HIF funding will be delivered in 2022-2023 in order to support future housing delivery.

¹ Excluding dedicated student accommodation



Plan showing junction improvement works at Main Road and Station Road, Kenton Bankfoot

Levelling Up Fund

The Levelling Up Fund is a £4.8 billion Government fund to support regeneration and town centre investment, local transport projects, and cultural and heritage assets, up to a maximum of £20 million per scheme. Bids totalling over £73 million were submitted by the City Council and 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 as 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.

Brownfield Housing Fund

The North of Tyne Combined Authority was awarded a £24m share of the Brownfield Housing Fund (BHF), aimed at delivering up to 2,500 new homes. The BHF is a £400m funding stream aimed at combined authorities and funding has been awarded on a per capita basis over a 5-year profile commencing in 2020/21. The fund will allow for issues such as land assembly, site contamination, and site wide infrastructure to be funded to bring forward stalled housing sites.

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 13 Community Forests, of which the North East Community Forest (NECF) is part. The North East Community Forest (NECF) aims to deliver up to 500 hectares of new woodland on land across Tyne and Wear and urban parts of County Durham. In the 2021/22 planting season 11.86 hectares of land in Newcastle upon Tyne was planted, as part of 62.27 hectares planted across the NECF area. The council has secured grant funding from Government's 'Trees for Climate Fund', the Forestry Commission, , and £40,650 from Trees for Cities. For this year's planting season (2022/23) the NECF's pipeline is 112 hectares , with 25.81 hectares 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;
- Completion of drainage improvements for Havannah Nature and Three Hills Reserve to improve access to the reserve and new schools;

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 £913,000¹⁵.

¹⁵ Based on Sport England cost estimates. Delivery cost subject to change.

Drainage outfalls for a Havannah Nature Reserve have failed which is causing flooding on an adjacent public right of way, which serves as the main access to the reserve. The route also provides access to the approved schools at Great Park and playing pitches for the planned high school. The works will improve access to a strategic green infrastructure asset and support the delivery of new first and high school provision. The scheme is costed at £180,000 of which £130,000 would be CIL.

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.

The 2019/2020 IFS reported three commitments to CIL spend in 2021 of
£800,000 toward Strategic highway and network junction improvements to the north and west of the City;

- £450,000 to enable Parklife sports hubs at Bullocksteads and Blakelaw;

This contribution towards strategic highway improvements is still required, but owing to the extended delivery timeframe, no CIL was expended. It is expected that CIL will be required later in the construction programme of these projects. Therefore, this statement continues the previous commitment of CIL funding to these schemes.

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.

Section 106

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 SPD

On the following page are examples ongoing and planned use of S106 contributions in 2022/23 to deliver new education facilities and playground facilities) to support new housing development and existing communities.

New Children’s Play Facility – Coach Lane, Little Benton

As part of the Council’s Play Area Investment Plan, £110,000 of S106 money has been invested in enhancing the Coach Lane play area, including investment in new and replacement play equipment, as well as improved landscaping and access. New natural play, trim trail and interactive surface painted games will expand the offer for children. The introduction of a wheelchair carousel will also introduce specific play facilities for disabled children at the site and soft surfacing will improve safety for all users. Funding was secured from the redevelopment of part of Northumbria University’s Coach Lane campus for residential development. Construction work started in October 2022 and the facility will be open in January 2023.



Kingston Park Primary School

The population of Kingston Park and Kenton Bankfoot is increasing through the ongoing delivery of the new housing in the community on sites allocated by Policy NN2 of the Core Strategy. This has created additional demand for local primary school places. To meet this demand, Kingston Park Primary school is being extended from two to three forms of entry, increasing pupil places from 420 to 630, as well as the creation of a new 26 place nursery. Planning permission was granted in January 2022 (2021/1684/01/DET) to develop 682square metres of additional floorspace in an extension to the existing building and a standalone single storey teaching block, as well as improvements to the playing fields and car park. The £6.8m scheme is being part funded by over £2.5m of S106 contributions and further contributions will be sought to recover other Council funding used to support the scheme to ensure it is ready to meet new demand for places. Construction commenced in March 2022 and the scheme is expected to be complete in spring 2023.



APPENDIX 1 - Future Funding Information

Table 1 CIL PRIORITY PROJECT

Project Description	Cost Estimate	CIL Funding Required	Other Potential Funding Sources	Policy References
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
Completion of drainage improvements for Havannah Nature and Three Hills Reserve to improve access to the reserve and new schools	£180,000	£130,000	Developer contributions	CSUCP- CS3, DEL1, CS14, CS18, NN4 DAP – DM29

<p>Improvements to junctions - Signal controlled junctions 41: A167 Stamfordham Road/Pooley Road & junction 42: A167 Stamfordham Road/Springfield Road</p>	<p>£2,800,000</p>	<p>£800,000</p>	<p>Developer contributions, Housing Infrastructure Fund</p>	<p>CSUCP- CS3, DEL1, AoC1, NN1, NN2, NN3, NN4, NV1, NV2, NV3, KEA1</p>
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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	CSUCP – CS3, DEL1, CS10, CS11, CS14 NN1, NN2, NN3, NN4
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Table 2 Planning Obligation Funding: Approved Future Infrastructure Projects

Project description	Anticipated Funding (\$106)
HIF Junctions	£748,000
Coxlodge Recreation Ground Improvements	£26,000
NGP Allotments Provision	£550,000
Grass cricket pitch at Brunswick Recreation Ground	£101,000
Ouseburn landscaping and public realm improvements	£156,500
Brandling Park improvements	£48,000
Ouseburn highways signage	£19,700