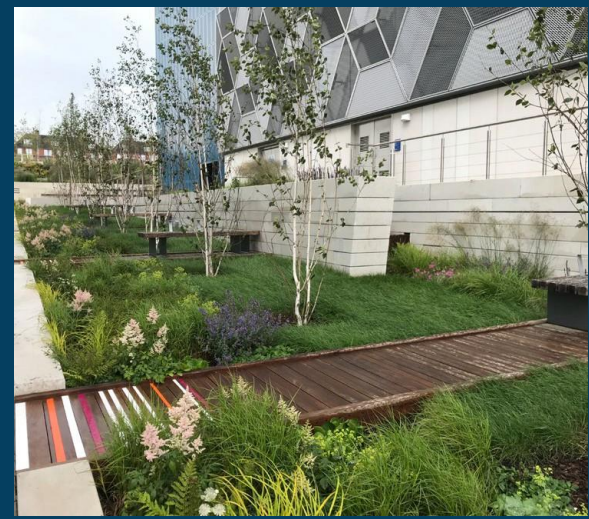


Infrastructure Funding Statement 2023-2024

December 2024



1. Infrastructure Funding Statement 2023-24

The Infrastructure Funding Statement 2023-24 (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 2023 – 31 March 2024 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 number of new homes or amount of 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).

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 website.¹

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>

3. Key headlines for 2023/2024

S106 Agreements (2023/24):

- £1,354,304 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.
- £10,407,874 was received by the Council as the development of schemes commenced or progressed and reached agreed payment trigger points in S106 agreements.
- £2,308,501 of developer obligations was spent on infrastructure delivery.

Community Infrastructure Levy (2022/23):

- £721,151 of CIL has been secured through new planning permissions.
- £991,605 CIL payments were received, including £148,741 of community income (known as the 'CIL Neighbourhood Portion') toward local improvements.
- There has been a total CIL receipt of £7,781,952 since 2016.
- £174,620 of the neighbourhood portion has been expended to date by the Council on new and upgraded playgrounds and installation of new lighting to open spaces. Expenditure for the Parish Councils is reported separately on their websites.
- £29.7m - £35.5m 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:

- 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 £997,693.
- Infrastructure to be funded by Section 106 Contributions –
- £600,000 on allotments in the north of the city.
- £150,000 on children's play and recreation.
- £500,000 on bus services.
- £6,000,000 to be confirmed on Affordable Housing.

4. Part 1 - Developer Contributions (2023-24)

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 £83.13/ square metres). These figures have been adjusted for inflation³ since CIL came into effect in 2016, with the last adjustment made in 2023.

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 2023 - 31 March 2024):-

Total Receipt for Year ¹	£721,151
Total Committed ²	£997,693
Total Neighbourhood Portion Received ³	£148,741
Total Parish Portion Transferred ⁴	£257,944
Total CIL Received ⁵	£991,605
Total Administration ⁶	£49,580

1 This is the amount that has been secured through planning applications in chargeable areas which have generated a CIL charge for 23/24.

2 This relates to the amount we expended for 23/24.

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

4 This is the proportion of the 'Neighbourhood Portion' which has been transferred to parish councils for 23/24.

5 This is the amount received by the City Council from commenced development for 23/24.

6 This relates to the amount we have received for 23/24 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). In 23/24 the Council has transferred to funds to both Woolsington and Dinnington Parish Councils:-

- Woolsington Parish Council – £168,894. Annual expenditure reports can be found at - <https://www.woolsington-parish-council.com/community-infrastructure-levy>
- Dinnington Parish Council – £89,050. 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 decreased, however, 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 £6,225,540, at the time the report was published, is available to the Council.

	2021/2022	2022/2023	2023/2024
Total Receipt for Year ¹	£296,698	£2,682,945	£721,151
Total Committed ²	£70,000	£203,620	£997,693
Total Neighbourhood Portion Recieved ³	£126,332	£182,735	£148,741
Total Parish Portion Transferred ⁴	£63,729.27	£172,947	£168,894
Total CIL Received ⁵	£842,219.79	£1,218,236	£991,605
Total Administration ⁶	£42,110.99	£60,912	£49,580

1 This is the amount that has been secured through planning applications in chargeable areas which have generated a CIL charge in 23/24.

2 This relates to the amount we have expended in 23/24.

3 This is the total amount of the Neighbourhood Portion which has been received in 23/24.

4 This is the proportion of the ‘Neighbourhood Portion’ which has been transferred to parish councils in 23/24.

5 This is the amount received by the City Council from commenced development in 23/24.

6 This relates to the amount we have received during 23/24 which the council can use to administer the collection of the CIL charge.

S106 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 2023 to 31 March 2024 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)	£2,480,494	£804,957	Off-site provision across the city
Primary Education	£2,594,237	£693,944	Kingston Park First School
Secondary Education	£0	£0	
Post 16 Education	N/A		
Other Education	N/A		
Health	£0	£0	
Highways	£3,717,576	£262,249	SLR and City Centre improvements
Transport and Travel modes	£152,990	£140,950	NUFC Travel Planning and Ouseburn Improvements
Open Space, Sports and Leisure	£1,350,143	£205,4221	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	£102,211	£30,469	Citywide improvements

Flood and Water Management	£20,223	£10,000	SuDS Monitoring
Economic Development	£12,000	£130,510	Transfer to Economic Development for work/training provision
Land	N/A		
S106 Monitoring Fees	£30,000	£30,000	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>

5. Part 2 - Future Developer Contribution Expenditure

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. 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 Strategic Spending Strategy

CIL 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 are required to 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, and broadly what infrastructure CIL fund to support new development in the city.

The purpose of the CIL spending strategy is to identify how CIL will be utilised to support infrastructure and development, in order to provide certainty where the funding will be directed. It concerns the 'strategic infrastructure' portion of the levy, which is 80% of the total received by the council. It does not need to be spent to directly support the development from which the levy was received, nor is it required to be used in the areas of the city where new development is currently being delivered. Regulation 59 of the CIL Regulations (2010) requires a charging authority to apply CIL to 'support the development of its area'. So, a spending strategy needs to be focused on the delivery of infrastructure to support new development.

CIL can be used to fund a wide range of physical infrastructure types. This includes the more obvious forms of infrastructure to support development such as transport systems, healthcare facilities, schools, and drainage/flood prevention development.

However, other forms such as parks and green spaces, open space, public realm, sports and cultural facilities, and district heating systems, can all be fully, or part funded by CIL.

As a finite source of funding and one which is received gradually by the council as developments progress, it is vital that a strategy is in place so that CIL helps deliver the right infrastructure, in the right place, at the right time. The spending strategy provides clarity to communities and members where CIL investment in infrastructure will be directed. The proposed strategy across a diverse range of transport, leisure, education and cultural infrastructure will positively impact the lives of a large number of residents. However, as a finite funding source it also gives a clear steer where CIL may not be available to deliver community aspirations for new infrastructure.

For investors in the city, the CIL strategy provides clarity as to which infrastructure CIL will help to deliver. This will ensure that CIL is not being relied on where this limited resource cannot be utilised. Consequently, it provides transparency to developers what infrastructure they made need to deliver or part fund through S106 contributions, which could allow for pooling of funding.

The demand for CIL to fund new infrastructure cannot be accommodated by the amount of CIL likely to be received by the council. The council therefore reviewed potential uses to prioritise which projects it should support, measured against a range of factors. This includes the contribution projects would make to the delivery of the council's Core Strategy and Urban Core Plan (2015), recognising that new developments not anticipated by the Core Strategy have emerged, and so demands on or for new infrastructure to support key developments may have shifted. Also, types of infrastructure which are needed to make developments sustainable have also evolved or developed greater importance as societal challenges and technology progresses. The contribution to delivering other corporate council development objectives was also considered, and whether a project would likely lead to infrastructure delivery with CIL funding, as part of a broadly costed scheme. The impact of the infrastructure terms of what new development it would support and the wider societal benefits, was also considered.

In summary, recognising the key test that Regulation 59 of the CIL Regulations (2010) requires a charging authority to apply CIL to 'support the development of its area', how a scheme contributes to the measures set out below has informed which projects should be prioritised for CIL funding:-

- If the project clearly defined in terms of what, where, and when the infrastructure will be delivered as part of a capital investment;
- Whether the proposal deliver physical infrastructure;
- The investment goes beyond maintenance of an asset to deliver new or improved infrastructure;
- The infrastructure would support new development, directly or indirectly, and benefits in relation to the scale of CIL expenditure needed are clear;
- There would be wider community and societal benefits;
- The use of CIL would ensure that the infrastructure is delivered;
- The use of CIL would help to secure additional funding for the project, which otherwise may be lost;

- Other potential funding sources have been fully explored and efforts made to secure alternative funding;
- Core Strategy objectives the infrastructure would help to deliver;
- What other council corporate plans/strategies the infrastructure could help to deliver.

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):-

Project	Note
Upgrade of the A1/ A696 road junction	Critical to mitigate for traffic generated from housing sites allocated in the Core Strategy and ensures that delivery of new housing for the city is not restricted.
Cricket pitch with pavilion / community centre at Brunswick Recreation Ground	Condition of planning permission for Bullocksteads Sports Hub requires the delivery of the facility, and it addresses a key sports facility deficiency identified in the Plan for Playing Pitches (2015)
Outer West Leisure Centre	Ensures delivery of the leisure centre and secures other funding to do so. Will support a range of development in the outer west of the city.

The above infrastructure projects are proposed to be prioritised for CIL funding received by the council. It would ensure delivery of a significant amount of housing development which is reliant on the A696 works being delivered. Failure to deliver the cricket facility could result in other infrastructure (Bullocksteads Sports Hub) being taken out of use and it addresses a key deficit in provision, and the leisure centre addresses a key infrastructure gap, and a significant amount of other funding is at risk if it is not delivered.

6. The below infrastructure will be part funded by CIL received by the council once the above priority projects are delivered

Project	Note
Special Education School	The help secure other funding to deliver a dedicated special education needs school to address a place shortage.
Kingston Village Primary School	School needed to serve Kingston Village housing scheme. CIL to meet funding gap after secured S106 utilised.

Project	Note
Newburn Primary School	Needed to serve the Newburn Core Strategy housing allocation. CIL may be required to meet any funding gap after S106 utilised.
Stamfordham Road corridor improvements	Highways mitigation for Core Strategy housing sites. CIL to meet any funding gap after S106 funding is utilised.
Hockey Pitch	Artificial hockey pitch to compensate for loss of pitches for two consented housing schemes. CIL to be used alongside secured S106 funding.
Highways works - Parson Employment Site	Highways enabling works for Parson employment site, Byker
Blue Green Newcastle Drainage Infrastructure	To better protect the whole city centre from multiple sources of flood risk, and support new development in the Urban Core, with clear health and biodiversity benefits
Nestle Factory Drainage Improvements	CIL used to secure other funding to help bring forward a key brownfield site for an alternative use.
Scotswood and Benwell flood alleviation	Drainage infrastructure to support the delivery of a key brownfield housing site.
Electric Vehicle Infrastructure - Car Club	To help fund a zero-carbon shared car network which could help alleviate congestion and provide mitigation for new develop through increased road capacity.
Boho Inclusive Arts Venue	CIL investment to deliver a new community focused cultural asset and help secure other funding toward the project.
Art and heritage trail strategy	The strategy to secure S106 funds to deliver the physical development associated with the trail.
Forth Lane urban gallery project	To regenerate this area of public realm in the Urban Core.

The priority for CIL expenditure 2024/25 is set out in Appendix 1 and has been approved by the CIL Board and through a delegated decision.

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 S106 funding over the next financial year. This table is not an exhaustive list as the very nature of S106 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 (S106 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
Planned expenditure in 2024/25				
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	£997,693	£997,693	Non available	CSUCP- CS3, DEL1, CS14, CS15, NN4 DAP – DM10, DM11, DM12 and DM14

Table 2 - Planning Obligation Funding: Future Infrastructure Projects

Project description	Anticipated Funding (\$106)
NGP Allotments Provision	£600,000
Dinnington Allotments	£55,000
City Wide Affordable Housing	£6,000,000
Grass cricket pitch at Brunswick Recreation Ground	£101,000
Bus Services	£500,000
Childrens Play City Wide	£150,000