

# Infrastructure Funding Statement 2019–2020

December 2020





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# Introduction

This statement provides a summary of the financial contributions the council has secured through Section 106 Agreements to mitigate the impacts of new developments and to deliver the essential infrastructure required to support the new development as well as affordable housing provision.

The amended Community Infrastructure Levy (CIL) Regulations 2019 require all Section 106 receiving authorities to produce an Infrastructure Funding Statement (IFS) on an annual basis and to publish this on the council's website along with the data set to support this statement.

## Approach to seeking developer contributions

Sunderland City Council acting in its capacity as the Local Planning Authority (LPA) secures planning obligations via Section 106 of the Town and Country Planning Act 1990 (as amended). In accordance with the National Planning Policy Framework (NPPF) and the CIL Regulations planning obligations can only be sought when they meet the following three tests:

- 1 Necessary to make the development acceptable in planning terms
- 2 Directly related to the development; and
- 3 Fairly and reasonably related in scale and kind to the development

Sunderland's Core Strategy and Development Plan (CSDP) was adopted in January 2020 and sets out an overarching strategy, strategic policies and designations for the future change and growth of Sunderland. The council is currently preparing its Allocations and Designations Plan which will sit alongside the CSDP to complete the Sunderland Local Plan.

The council has undertaken a comprehensive review of its approach to securing planning obligations from new developments. This approach has been developed alongside the CSDP and the policies contained therein. In order to support the delivery of infrastructure throughout the plan period the City Council adopted its Planning Obligations Supplementary Planning Document (SPD) in

June 2020 which sets out the council's approach to securing developer contributions from new developments in Sunderland.

The South Sunderland Growth Area (SSGA) is a major new growth area for housing development in the city, comprising of 277ha of land in the Ryhope and Doxford wards. Planning obligations for sites within SSGA are considered separately to the standards set out in the Planning Obligations SPD and instead will be assessed against the SSGA SPD and Infrastructure Delivery Study (IDS) which was adopted by the council with the Planning Obligations SPD in June 2020. These documents provide specific guidance for planning obligations and infrastructure requirements in this strategic development area.

## Types of planning obligations

The council seeks three main types of planning obligations:

- Financial obligations
- Non-Financial obligations
- On-site affordable housing provision

## Financial Obligations

In some instances, it is not feasible or appropriate to provide the required infrastructure on site and as such a financial contribution is paid to the council to deliver the necessary works on behalf of the developer. Typical financial contributions include those towards education, highways, ecological improvements and children's equipped play space.

## Non-Financial Obligations

Non-financial obligations can be wide ranging depending on the specifics of the site and the development and usually require the developer to undertake the works on the site and to retain these in perpetuity. Such obligations include the

provision and maintenance of public open space and areas of Suitable Alternative Natural Greenspace (SANG), ecological works, highway improvements or the implementation of strategic planting schemes to mitigate the impact of road traffic noise on the residents of the new development.

### **On-site affordable housing provision**

The CSDP requires all new housing developments of ten dwellings or 0.5ha or more to provide at least 15% affordable housing on-site. In accordance with the council's most up to date Strategic Housing Market Assessment (SHMA) a tenure split of 80% affordable rent and 20% intermediate tenure is required. In exceptional circumstances the council may accept the delivery of affordable housing off-site. Only where it can be demonstrated to the council's satisfaction that neither on-site nor off-site provision would be appropriate the payment of a financial contribution in lieu may be acceptable.

### **Negotiation of planning obligations and the impact of viability**

In accordance with the CIL Regulations and the NPPF planning obligations are negotiated on a case-by-case basis giving due regard the site-specific circumstances and the policy requirements set out in the CSDP. Whilst some formulas are set out in the Planning Obligations SPD a formula is not appropriate for calculating the cost of mitigation for some types of infrastructure. Examples of this include highway works and ecological mitigation measures.

The council seeks to secure fair and reasonable developer contributions without adversely affecting the ability for new development to take place in the city. The council recognises the wider benefits of development to the city in terms of the associated outputs from the development such as regeneration or helping to meet housing need.

As such the council will consider requests from the applicant to reduce the level of planning obligations on the basis that it is not financially viable to provide or pay (whether in part or full). Such requests must demonstrate what the applicant is willing to fund in terms of planning obligations and the reasons the development cannot support the full planning obligation requirement.

### **Monitoring and delivery of planning obligations**

Once the Section 106 has been signed and the planning permission granted the deed is registered as a land charge which is bound to the land, obligating any future owners until the terms of the agreement are met or in the event that the planning permission is quashed, revoked or otherwise withdrawn or it is modified by any statutory procedure or expires prior to the commencement of development.

Following completion of the Agreement the receipt of contributions from the development and the delivery of infrastructure will only be realised if the planning permission is implemented and the relevant trigger points are met. There may be multiple trigger points per contribution per agreement and are typically set on commencement of development or completion or occupation of a specified number of dwellings.

Once the Agreement is signed the council's Planning Obligations Officer is responsible for monitoring the delivery of obligations and compliance with the terms of the Section 106 Agreement. This process is set out in Figure 1 opposite.

## Section 106 Agreement is signed and monitoring of the obligations commences

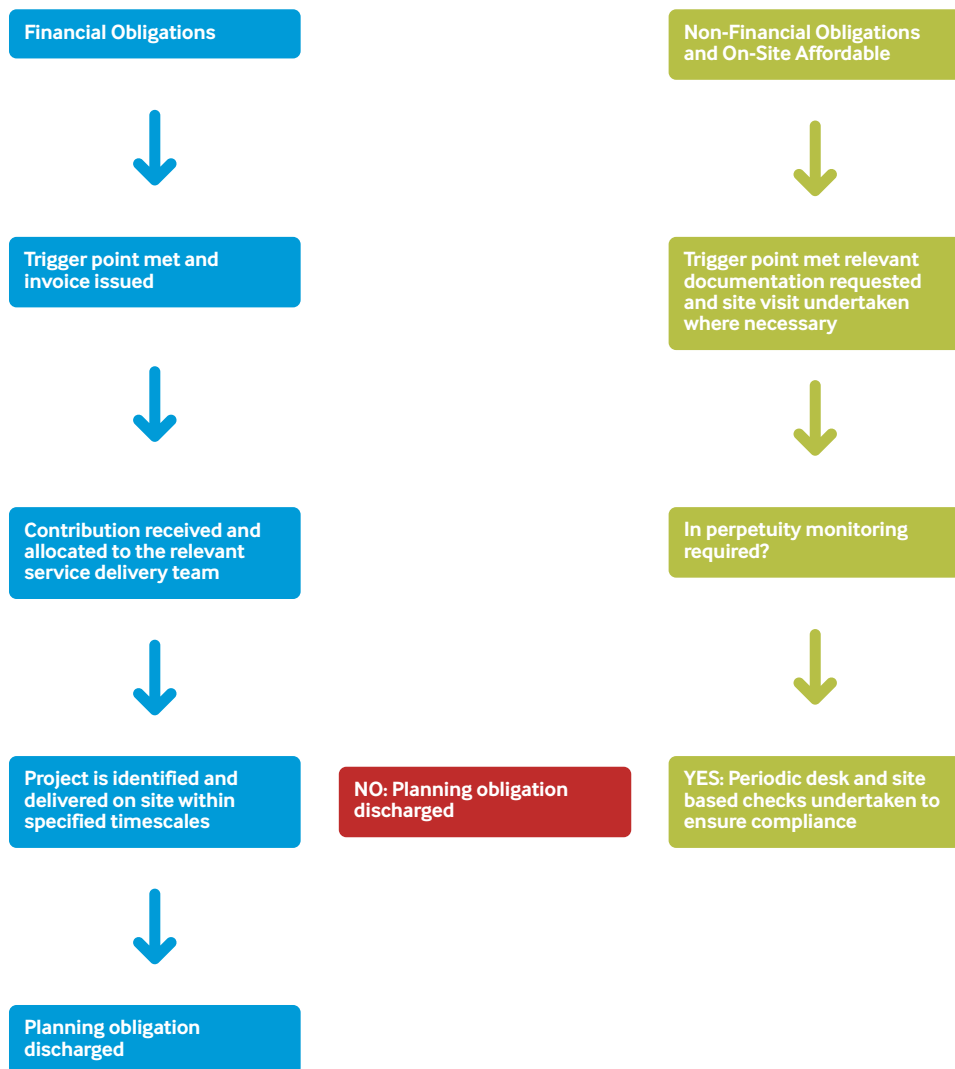


Figure 1: Process of monitoring and delivering planning obligations

Under the amended CIL Regulations 2019 the council is permitted to charge a monitoring fee to cover its cost of monitoring and reporting planning obligations. To undertake this work, the council employs a Planning Obligations Officer working 28 hours per week. In order to efficiently monitor planning obligations, the council uses Exacom, an ICT solution specifically designed for Local Planning Authorities to monitor Section 106 Agreements.

The council's annual cost for monitoring planning applications is £36,174 comprising of £32,086 for staff time and £4,088 for the ICT solution. In the reported year the council received £48,830 in monitoring fees. Whilst the amount received exceeds the council's in year cost of monitoring and reporting planning obligations the fees are to cover the cost of monitoring the obligations, until they have been met or in the event of those Agreements with a perpetuity clause over the lifetime of the development.

### Current Section 106 Agreements

As of 31 March 2020 Sunderland, had 104 live Section 106 Agreements which required a level of monitoring and reporting. For the purposes of this report a live Agreement is defined as an Agreement that requires a level of monitoring or reporting, may this be prior to commencement, during construction, post completion for council covenant delivery or in perpetuity. For clarity, this does not include S106 Agreements associated with expired planning permission.





# Section 106 transaction summary 2019–20

This section of the report sets out a summary of the council’s Section 106 activity in the 2019–2020 financial year (the reported year).

Figure 2 shows a summary of transactions per infrastructure type funded through planning obligations from developments within Sunderland within the reported year including contributions relating to the South Sunderland Growth Area.

Contribution Type	Carried Forward to 2019–20 (£)	Received 2019–20 (£)	Spent 2019–20 (£)	Carried Forward to 2020–21 (£)
Education	1,892,810	389,735	496,422	1,786,123
Equipped Children’s Play Space	1,029,888	34,110	259,942	804,056
Public Open Space	245,556	0	0	245,556
Ecological Enhancements*	736,522	372,593	62,536	1,046,579
Highways	546,744	326,143	60,373	812,514
Sport and Recreation	321,706	0	0	321,706
Affordable Housing	931,433	0	9,342	922,091
Allotments	115,474	0	0	115,474
Public Transport	10,033	181,959	0	191,992
<b>Total</b>	<b>5,830,166</b>	<b>1,304,540</b>	<b>888,615</b>	<b>6,246,091</b>

\*Including Habitat Regulation Assessment (HRA) Contributions

Figure 2. Summary of transactions by infrastructure type 2019–20

## Allocation of financial contributions 2019–2020

All contributions received are allocated on receipt to the appropriate service delivery team within the council. In some instances, contributions will be transferred to organisations out of the council, for example Nexus as the local public transport provider, in accordance with the relevant Section 106 Agreement and as per the process set out in Figure 1.

## Expenditure of financial contributions 2019–2020

In the reported year several projects have been funded either fully or in part through developer contributions, a selection of which are outlined in more detail below.

### Education

As shown in Figure 2 the greatest spend was for the delivery of education facilities. This expenditure was split between 3 projects, as detailed below.

#### Willow Fields Community Primary School



The current Willow Fields School is in the process of being replaced with the current site and buildings being outdated and in major need of repair. As such a £4m new school is being built which will include nursery provision, a multi-use games area and a sports pitch.

In addition, the new school will have the potential to expand from the 140 places offered at the existing school site to 315 places to meet growing demand for places, partly as a result of new residential development in the area.



In the reported year a financial contribution of £309,488 received from the Persimmon Homes residential development at Lisburn Terrace was used to support the delivery of the scheme which is anticipated to be completed for the start of the 2021–22 academic year.

## Oxclose Academy

Works were undertaken at Oxclose Academy in Washington to increase school capacity by 150 places to 1,200 by increasing the number of class bases through internal refurbishment works.

The scheme was supported by £143,521 of financial contributions received by the council from the Taylor Wimpey development on the site of the former Emerson House.

## Springwell Dene School

A capital scheme costing a total of £1.3m to expand the number of Pupil Referral Unit places and refurbishment of education bases has been undertaken at Springwell Dene School.

A developer contribution of £43,111 was received from the Gentoo development adjacent to St Lukes Road and Front Road, High Ford and has been used to part fund this scheme.

## Play

Whilst there has been an overall spend in excess of £250,000 from developer contributions on children's equipped play during the reported year this has been spent across a number of sites across the city.

Amongst others, improvements have been carried out at Ayton Park, Newbottle, King George and Thompson Park play areas whilst a new play area was developed at Rotherfield Road.

In addition, works are on-going at several sites across the city, more detail on which is set out later in this report.

### Rotherfield Road



A new play area was installed at Rotherfield Road comprising equipped play provision for a range of age groups including inclusive play kit. New fencing and seating were also installed as part of the scheme.

The play area cost a total of £122,000 with a developer contribution of £54,842 received from the Gentoo development on land at Kidderminster Road helping to part-fund the delivery of this scheme.



### King George



Works have been carried out at King George play area to renovate the existing play area along with the installation of additional equipment. During the reported year £37,355 received from the Persimmon Homes development at land at Gillas Lane was spent at the site to contribute to the delivery of the scheme.

## Ecological enhancements

Ecological enhancements can span a wide range of works which can be very unique in nature depending on the location of the development and any measures in place in the vicinity of the development affording the area specialist protection. A summary of the 2019–2020 spend from this category is set out below.

### Coastal Ranger



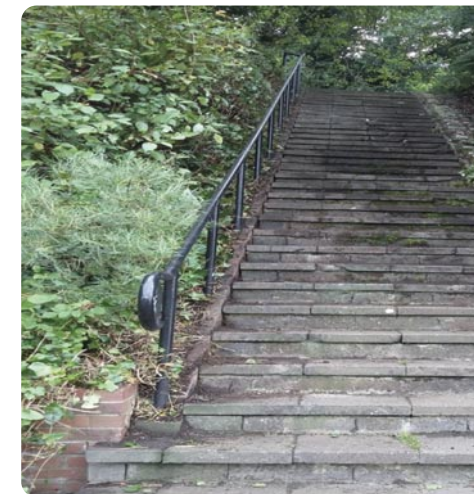
Due to the significant residential developments taking place in South Sunderland a Habitat Regulations Assessment (HRA) was undertaken for the area which concluded there would be significant impacts from new residential development, primarily through increased recreational use on designated European Sites which are protected by international and national legislation.

Suitable mitigation measures to protect these designated sites focus on the creation of areas of Suitable Alternative Natural Greenspace (SANG) and Strategic Access Management Measures (SAMM). In order to mitigate the impacts of new development on these designated sites the City Council appointed a Coastal Ranger in 2016 to deliver the 'Coast Project' which seeks to protect the landscape and its wildlife by engaging with residents and visitors and encouraging safe and responsible enjoyment of Sunderland's coastline. Further information on the project can be found at <https://coastproject.org/>.

The SAMM Section 106 contribution received from the Persimmon Homes development at land at Bevan Avenue (Rushford Phase 2) funded the post of the Coastal Ranger in 2019–2020.



### Galley's Gill Conservation Works



£9,111 received from the site of the former VAUX Brewery (Riverside Sunderland) has been used to aid conservation works at Galley's Gill.

Working with volunteer groups improvements were undertaken in this area such as extensive vegetation clearing, scraping of surfaces and steps and graffiti removal, all of which has improved access to the area, increased perception of safety and provided better sight lines as well as views towards the bridge.



# Future projects to be delivered through planning obligations

The 2019 amendments to the CIL Regulations included the removal of Regulation 123 'the pooling restriction' which prevented the Local Planning Authority (LPA) from pooling more than 5 contributions towards the same piece of infrastructure.

Regulation 123 restricted the delivery of larger scale projects to be delivered through planning obligations and as such the removal of the pooling restriction has given the council much greater flexibility in how it seeks and allocates Section 106 contributions.

The council is committed to delivering high quality facilities, infrastructure and environment in the city. In addition to those projects set out earlier in this report which are in progress, the following section provides an overview of key projects to be delivered in forthcoming years funded either wholly or in part by developer contributions.

## Education

### Sunningdale Primary School New Build



The current Sunningdale School is the city's sole primary provision for children with severe learning difficulties, profound and multiple learning difficulties and physical difficulties. The school is housed in a 1940's building previously used for mainstream schooling and is no longer fit for purpose.

The new site will accommodate a new primary school building with an increased capacity totalling 120 places plus a 16 place nursery provision to meet growing demand. The purpose-built school will be specifically designed and equipped with the necessary spaces and equipment required by the children who attend the school as well as outdoor areas to maximise learning and play opportunities.

The demand at Sunningdale has been impacted by the increased supply of new housing across the city regardless to where in the city the development occurs, as such the new school will increase the number of specialist primary school places serving both the local area and wider city.

The delivery of the new site will cost approximately £13.5 million of which approximately £411,000 will be funded via Section 106 contributions.



### **Newbottle Primary Academy Extension**

An extension is proposed to Newbottle Primary Academy to accommodate increased demand as a result of new residential development in the area and will create an additional 210 primary school places.

The development will also include a 16-place specialist autism unit, relocation of the existing school playing fields, expanded dining facilities, seven additional classrooms and a new access and car park.

The scheme will be delivered across two phases with phase one to commence in January 2021 with both phases planned for completion for September 2023.

The scheme will cost approximately £4.564m with an estimated £3.338m being funded by developer contributions from the following sites: former Homelands

Estate (Gentoo); land north of Coaley Lane (Persimmon Homes); land at Redburn Row (Persimmon Homes); site the former Dubmire Primary School (Karbon Homes); land adjacent to Blackthorn Way, Sedgely (Keepmoat Homes); land south of Coaley Lane (Gentoo); and the site of the former Chilton Moor Cricket Club (Esh Homes).

### **Hetton Primary School New Build**



The current Hetton Primary School is currently operating above capacity and is in need of major repairs. The new school buildings will include additional class bases, support spaces and facilities for two, three and four year olds as well as additional outdoor teaching areas. The works will increase capacity by 70 places to 210 to accommodate increased demand from new housing developments in the area.

The new build is estimated to cost £4.9m with Section 106 contributions making up approximately £732,286 of this. Developer contributions secured from the following sites have been allocated to support the funding of this project: land at North Road (Persimmon Homes); land at Markle Grove (Avant Homes); land at the former Broomhill Estate (Gentoo); and the site of the former Easington Lane Primary School (PlaceFirst).





## Play

Surveys have been taken on play sites across the city to determine condition and play value and to identify opportunities for enhancement of the provision.

Schemes of work are currently being developed to deliver projects using S106 contributions which have been secured. In addition to this there is a scheme at Easington Flatts which is due to commence in the 2020–21 financial year, as detailed below.

### Easington Flatts

Major improvement works are planned for Easington Flatts play area including hard and soft landscaping, paving, installation of new fixed play equipment, grass safety surfacing, multi-use games area (MUGA) works and skate park works.

The total cost to deliver the scheme is estimated to be £230,000 with £180,000 of this coming from children's equipped play and sport and recreation developer contributions from new developments in the vicinity of the site.

## Ecology

A second coastal ranger has been appointed by the council to serve the North Sunderland area including the Roker and Seaburn coastal areas. As with the coastal ranger serving South Sunderland the new ranger will manage the increased recreational pressure from new development on protected wildlife and habitats associated with the designated European Sites at the coast.

There are currently two major housing schemes under construction in Seaburn which are subject to Section 106 Agreements that have secured substantial HRA contributions towards ecological mitigation in the area, these being those on land north of Seaburn Camp (Miller Homes) and land at Lowry Road (Seaburn Phase 1) (Avant Homes).

In addition to these there are numerous smaller developments in the area which with financial contributions secured towards the delivery of these mitigation measures.



## Public Transport

Of the £191,993 currently available for investment £181,960 will be allocated to schemes which will be developed in conjunction with Nexus. Works will include the provision of public transport infrastructure such as bus shelters and the pump-priming of bus routes, as specified within the Section 106 Agreement.

## Affordable Housing

The City Council is currently in the process of developing a programme of works to deliver affordable housing within the city. This is being developed to meet the identified housing need within Sunderland as set out in the Core Strategy and Development Plan and the Strategic Housing Market Assessment.

The delivery of these housing units will be funded through Section 106 financial contributions along with other funding streams.

## Planning obligations agreed in 2019–2020 for future years

During the reported year the City Council entered into 29 new Section 106 Agreements. Figure 3 below summarises the type and quantum of financial planning obligations agreed during this period.

Infrastructure Type	Number of agreements with infrastructure type	Amount (£)*
Education	8	1,472,974
Equipped Children's Play Space	4	115,716
Public Open Space	2	62,629
Ecological Enhancements	19	561,235
Highways	2	13,000
Sport and Recreation	1	42,000
Affordable Housing	3	560,331
Allotments	1	25,992
<b>Total</b>	<b>40</b>	<b>2,853,877</b>

\*The amount received will depend on the number of dwellings approved at the Reserved Matters stage, the phasing of development and any viability re-testing, where applicable.

Figure 3. Summary of financial planning obligations entered in to 2019–2020

Whilst the highest value of new contributions secured continues to be for education the greatest number of obligations entered into related to ecological mitigation measures.

This is due to the special protection afforded to Sunderland's unique coastal areas requiring any new development, both residential and non-residential, within 6km of the coast to make a financial contribution towards measures to protect the area regardless of the size of the development.

HRA contributions are non-negotiable and the full requirement must be secured in full if planning permission is to be granted. In addition, such mitigation is required in perpetuity and therefore the council has secured longer spend by dates for contributions of this nature.

Of the 29 new agreements entered into in the reported year a number of non-financial contributions have also been secured for delivery by the developer, as detailed below.

- 45 affordable housing units with a mix of tenures
- 2 areas of Suitable Alternative Natural Greenspace (SANG)
- Ecological works to Bowes Railway, Washington

### Infrastructure delivery within the South Sunderland Growth Area (SSGA)

The South Sunderland Growth Area (SSGA) comprises of four key sites, each of which are in various stages of the planning process as outline below:

- Former Cherry Knowle Hospital (800 dwellings) - full and outline planning permission. Phase 1 under construction
- Chapelgarth (750 dwellings) - full and outline planning permission. Phase 1 under construction. A planning application has been submitted for Phase 2 of the development
- Land south of Ryhope (450 dwellings) - outline planning permission. A reserved matters application has been submitted for the entire site
- Land north of Burdon Lane (LNBL) (965 dwellings) - a hybrid application has been submitted covering the entire site

The SSGA Supplementary Planning Document (SPD) and accompanying Infrastructure Delivery Study (IDS) set out the infrastructure requirements for this strategic growth area. Each of the four sites within SSGA is expected to proportionately towards the provision of the necessary infrastructure to support the development within SSGA.

The expected financial contributions and affordable housing provision are detailed in Figure 4 below.

Infrastructure Type	Infrastructure Requirement	Estimated Cost (per dwelling)
Affordable Housing	10% requirement based upon a 75% social rented and 25% intermediate tenure	On-site provision by developer
Education	Extension to 2 primary schools, development of new 1.5 form entry primary school and the expansion of one secondary school	£2,855–£3,095
Sport and Recreation	Provision of 3G pitch, multi-purpose pitch and wheeled sports area	£855–£927
Ecology (HRA)	Provision of SANG on-site or SAMM contribution when not practical	£1,804–£1,845
Ecology (HRA)	Enhancement, protection and maintenance of designated sites (including coastal ranger)	£311–£532
Public Transport	Pump-priming of a bus link	£316–£343
Allotments	15 plots per 1,000 dwellings on-site or financial contribution for off-site provision	£85.50 - £93
Highways	'Missing link' of the Ryhope to Doxford Link Road (RDLR)	£1,847 - £2,002

Figure 4: Infrastructure requirements for SSGA

In addition to the requirements set out in Figure 4 provision of children's equipped play space, greenspace, public art, sustainable urban drainage systems (SUDS), junction improvements and cycling and pedestrian links will also be required.

The council has also secured financial contributions from several smaller sites either adjacent to or within the vicinity of this strategic area to help facilitate the delivery of the necessary infrastructure. These include land at Burdon Lane (Rushford Phase 1); land at Mill Hill (Doxford); land at Silksworth Lane; and land at Burdon Lane (Bellway Homes site).

During the reported year £58,664 received from the Bellway Homes development at Burdon Lane (Rushford Phase 1) was spent on design and preliminary works for the Ryhope to Doxford Link Road.

Of the funding brought forward for Highways into the 2020–21 financial year £250,000 of this is to contribute towards the cost of highway improvements in County Durham and was received from the Barratt David Wilson Homes development on the site of the former Cherry Knowle Hospital.

The scheme aims to reduce traffic access and congestion on Seaton Lane which has occurred due to increased vehicular movement as a result of new development in Sunderland and Seaham in recent years and that planned for the SSGA.

# Future reporting

All information contained in this statement will be updated on an annual basis and published on the council's website along with the supporting data set.

Any queries should be directed to the Planning Obligations Officer by emailing [planningobligations@sunderland.gov.uk](mailto:planningobligations@sunderland.gov.uk).





