

Hartlepool Borough Council: Infrastructure Funding Statement (Section 106 report)

The reported financial year 2022 – 2023

April 2024

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1. INTRODUCTION

- 1.1 This document is entitled `Infrastructure Funding Statement`. Its production is a requirement of The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019 (SI 2019 No.1103), parts 10A, regulation 121A.
- 1.2 The Community Infrastructure Levy (CIL) regulations require that, no later than 31 December in each calendar year, all local planning authorities that issue a CIL liability notice or enter into section 106 planning obligations during a reported year¹ must publish an infrastructure funding statement (IFS) at least annually.
- 1.3 The statements required vary depending on if an authority collects via CIL (regulation 121A (a) and (b) applies) and/or via section 106 legal agreements (regulation 121A (c) applies). Hartlepool Borough Council (the council) does not have a CIL in place and thus the council secures financial and other obligations solely via section 106 legal agreements.
- 1.4 Part 212A (c) states that:
“The funding statement must set out, (c) a report about planning obligations, in relation to the reported year, which includes the matters specified in paragraph 3 of Schedule 2 and may include the matters specified in paragraph 4 of that Schedule (“section 106 report”).”
- 1.5 In this report the council has covered the information specified in paragraph 3 of Schedule 2. Information relating to paragraph 4 of Schedule 2, which is not mandatory, has not been included.
- 1.6 It should be noted that information pertaining to developer contributions is changeable; the information represents figures at a given point in time, and those figures can alter due to issues such as interest or viability challenges. This statement was compiled with the most up to date information at the time. Within future iterations of this statement any amendments to a section 106 agreement will be reported within the statements and commentary given to stipulate that an agreement has been amended and that figures should not be double counted when looking at figures year on year.
- 1.7 This IFS reports on the financial year 1 April 2022 to 31 March 2023. The Council intends to publish subsequent IFS in as timely a manner as possible in the interests of up to date information.

2. INFRASTRUCTURE AND DEVELOPER CONTRIBUTIONS EXPLAINED

What is infrastructure?

- 2.1 Infrastructure is the set of fundamental facilities and systems that support the sustainable functionality of Hartlepool borough. Infrastructure includes transport facilities such as roads, footpaths (urban and rural), cycle ways and bridleways, multi-functional 'green' infrastructure, coastal and flood defence systems along with utility facilities that serve homes and businesses. Infrastructure also includes sports and leisure provision, education provision and health services such as doctors and dentist practices and community facilities.
- 2.2 The Hartlepool Infrastructure Plan sets out what infrastructure is required to support planned growth and development, how much it will cost, where the money will come from to provide infrastructure, and who will be responsible for its delivery.

What are developer contributions?

- 2.3 Development often puts pressure on the environment and upon existing infrastructure and services. It is expected that developers will mitigate or compensate for the impact of their proposals, to make it acceptable in planning terms. In many cases this mitigation/compensation will be delivered by way of developer contributions also referred to as 'Planning Obligations' and secured via section 106 agreements under the Town & Country Planning Act 1990 (as amended). In addition to this mitigation/compensation, section 106 agreement are also used to secure the provision of affordable housing, where appropriate.
- 2.4 The Community Infrastructure Levy Regulations 2010 (as amended) places three tests on the use of planning obligations. These are that the obligation is:
 - 1) Necessary to make the proposed development acceptable in planning terms;
 - 2) Directly related to the proposed development; and
 - 3) Fairly and reasonably related in scale and kind to the proposed development.
- 2.5 In 2010 the government introduced the CIL, with the aim of providing a more understandable charging system for developer contributions towards wider infrastructure provision. In Hartlepool, viability testing to date has indicated that implementation of a CIL charging schedule would impact upon the deliverability of development across the borough.
- 2.6 The benefit of securing planning obligations through s106 agreements is that they can be individually negotiated, allowing the Council to deliver a flexible approach based on viability assessment where appropriate. Planning obligations will therefore continue to be secured through s106 legal agreements.

How developer contributions are used to deliver sustainable development

- 2.7 Hartlepool's future sustainable growth and development depends on the timely funding and delivery of supporting infrastructure that reflects the scale and type of development and the needs of the locality; without it, new development may be delayed and/or there could be unacceptable social, economic or environmental impacts on existing infrastructure.
- 2.8 The council adopted a Planning Obligations SPD in November 2015. The SPD sets out the developer contributions (together with thresholds) that will typically be required to address impacts arising from a development, including affordable housing provision.

2.9 The council adopted the Hartlepool Local Plan in May 2018. Local Plan policy QP1 (Planning Obligations) identifies the types of infrastructure that obligations may be secured towards:

- Affordable Housing;
- Children's Play / Play Facilities;
- Playing Pitches & Outdoor Sports / Exercise Provision;
- Built Sport Facilities;
- Highway and Rail Infrastructure and Sustainable Transport Measures;
- Education Provision;
- Community Facilities;
- Green Infrastructure;
- Training and Employment;
- Heritage (protection / preservation / interpretation);
- Maintenance;
- Housing Market Renewal;
- Flood Protection;
- Renewable Energy & Energy Efficiency Measures;
- Ecological Mitigation & Networks; and
- Suitable Alternative Natural Green Space and/or Mitigation for recreational disturbance on the Teesmouth and Cleveland Coast SPA – Mitigation guided by the council's Endorsed Mitigation Strategy and Delivery Plan which sets out the funding formula for mitigation.

2.10 Obligations will typically be sought on any application that meets the thresholds specified in the Obligations SPD i.e. 5 dwellings, or 15 dwellings or on a case by case basis. Securing developer contributions is vital to the delivery of strategic policies within the Local Plan and ultimately to the sustainable development of the borough.

2.11 Legal agreements in respect of larger scale developments often include 'trigger clauses' which specify when payments relating to the delivery of infrastructure should take place. These are usually tied to the progress of the development.

2.12 The process of securing, receiving and spending developer contributions is recorded at each stage, this ensures contributions are sought fairly from developers and that officers, developers and the public know when developer contributions will be paid to the council and how they will be spent. Agreements contain provisions for the repayment of contributions after a set number of years in the event that they have not been spent by the Council.

3. DEVELOPER CONTRIBUTIONS SECURED, RECEIVED, SPENT AND HELD IN THE REPORTED YEAR

- 3.1 When a planning application is received, the council considers whether any planning obligations are required, the amount required and where the obligation should be spent. In each officers report (delegated and committee) relevant details pertaining to the amount of contribution and where it should be spent are set out and thus a decision is made based on the information within the officer report. All obligations sought are allocated by the authority upon signing of the section 106 agreements.
- 3.2 With regards to obligations relating to affordable housing off-site contributions, a specific location is not set out within officers reports as to do so could blight an area and in any event a scheme for this spend may still to be confirmed. Instead therefore, general provisions are referenced to deliver affordable housing and over time, once schemes evolve and become public knowledge, specific locations within the general areas benefit from the contribution.

Legal agreements signed

- 3.3 A total of 3 section 106 agreements were entered into in the reported year. These agreements secured monetary contributions only.
- 3.4 Table 1 provides a summary of these agreements, which in total relate to planning permissions for 39 residential units and have secured £34,263.84 in respect of monetary contributions.

Table 1. Summary of legal agreements signed in reported year

Application reference	Site and development	S106 date	Total monetary contribution
H/2020/0300	Former Garden Centre Tanfield Road; 17 units	10/06/2022	£22,019.96
H/2020/0262	99-101 York Road; 10 units	25/08/2022	£2,500.00
H/2022/0009	The Old Yacht Club, Ferry Road	20/12/2022	£0.00
H/2021/0395	Former Wynyard House; 12 units	06/01/2023	£9,743.88
Total units	39 units	Total amount	£34,263.84

Monetary contributions secured

- 3.5 Table 2 sets out the categories of infrastructure towards which the above monetary contributions were secured, together with the amount.
- 3.6 The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019 allow Local Authorities to charge monitoring fees through s106 planning obligations, to cover the cost of the monitoring and reporting on delivery of that s106 obligation as described above. The regulations require that monitoring fees must be proportionate and reasonable and reflect the actual cost of monitoring. In Hartlepool, since 1 August 2021, fees for minor development have typically been set at £350 per agreement relating to financial monitoring and £400 per agreement relating to physical monitoring, whilst for major development fees have typically been set at £500 per obligation. However, monitoring fees are ultimately agreed on a case by case basis. Table 2 also reports the amounts secured for this purpose.

Table 2. Monetary contributions secured in the reported year by infrastructure category

Contribution type	Amount secured
Built sports	£7,250.00
Play facilities	£4,250.00
Tennis courts	£1,653.58
Playing pitches	£3,965.93
Bowling greens	£144.33
Green infrastructure	£7,250.00
Teessmouth and Cleveland Coast Special Protection Area and Ramsar site mitigation	£9,750.00
Total financial contributions secured ex. monitoring	£34,263.84
Monitoring	£8,000.00
Total including monitoring	£42,263.84

Non-monetary obligations secured

- 3.7 Three of the agreements included non-monetary obligations, as summarised in table 3 below.

Table 3. Non-monetary obligations secured in the reported year

Application reference	Obligation
H/2020/0300	- SUDS and Open Space maintenance and management
H/2022/0009	- Artificial nesting and landscaping maintenance and management
H/2021/0395	- SUDS and Open Space maintenance and management

Affordable Housing

- 3.8 None of the agreements secured the provision of Affordable Housing, however, applications H/2020/0300 and H/2021/0395 were from a registered housing provider, and therefore in effect, these permissions will deliver 100% Affording Housing.

Monetary contributions received (April 22 March 23)

- 3.9 In the reported year a total of **£2,275,084.30** was received in financial contributions. Table 4 provides a breakdown of this with information pertaining to the amount received by each infrastructure category, the associated planning application, the project and whether this was spent.

Table 4. Monetary contributions received in the reported year by infrastructure category

Application reference	Amount received	Date received	Project	Spent Y/N
Green infrastructure including Cycleways				
H/2014/0488 & DOC H/2019/0463	£2,439.31	09/07/21	Green infrastructure	N
H/2019/0391	£21,190	31/03/23	Landscape improvement at Stag & Monkey roundabout	N
H/2017/0023	£3,000	31/03/23	Amenity space	N
Total green infrastructure	£26,629			
Play				
H/2014/0488	£2,439.31	09/07/21	Play	N
Total play	£2,439.31			
Built sports				
H/2016/0501	£1,450.65	04/05/22	Brierton Sports Centre	
H/2014/0488	£2,439.31	04/05/22	Built Sports	N
H/2015/0528	£13,750	14/02/23	Extension of Summerhill visitor centre	N
H/2015/0528	£12,281	14/02/23	Greyfields Recreational Grounds	N
Total built sports	£29,920.96			
Playing pitches				
H/2014/0488	£2,144.10	14/11/22	Playing pitches	N
H/2017/0023	£2,799.48	31/03/23	Tennis courts	N
Total playing pitches	£4,943.58			
Tennis				
H/2016/0501	£330.86	04/05/22	Interest for tennis courts (Brierton Sports Centre)	N
H/2014/0488	£557.12	14/11/22	Tennis courts	N
H/2017/0023	£684.24	31/03/23	Tennis courts	N
Total tennis	£1,572.22			
Bowling greens				
H/2014/0488	£557.12	14/11/22	Bowling green	N
H/2017/0023	£59.64	31/03/23	Bowling green	N
Total bowling greens	£616.74			
Off-site Affordable Housing				
H/2015/0373	£144,615.26	09/08/22	Offsite affordable housing	N

H/2019/0365	£98,731	31/08/22	Offsite affordable housing	N
H/2015/0386	£531.07	04/05/22	Affordable housing	N
H/2016/0185	£349,948.69	24/02/2023	Affordable housing	N
<u>Total off site Affordable Housing</u>	£593,826.02			
Teessmouth and Cleveland Coast Special Protection Area and Ramsar site mitigation				
H/2019/0346	£6,885	21/07/22	Coastal mitigation	N
H/2019/0260	£6,875	31/03/23	Coastal mitigation	N
<u>Total coastal mitigation</u>	£13,760			
Highways				
<u>Total Highways</u>	£0			
Education				
H/2014/0488	£28,376.32	09/07/21	Primary education	N
H/2014/0488	£23,497.55	09/07/21	Secondary education	N
H/2015/0528	£159,669	27/04/22	Primary & Secondary provision	N
H/2019/0365	£66,069	31/08/22	Primary provision	N
H/2019/0365	£43,152	31/08/22	Secondary provision	N
H/2016/0185	£70,124.81	24/03/23	Secondary provision	N
<u>Total education</u>	£390,888.68			
Ecology				
H/2019/0139	£3,000	Overdue	Priority habitat	N
<u>Total ecology</u>	£3,000			
Cycle & Interchange Works				
H/2019/0365	£96,658.97	31/08/22	A19/A689 Works	N
H/2019/0473	£105,279.27	12/10/22	East to West Cycleway	N
H/2019/0473	£262,985.93	12/10/22	A19/A689 Works	N
H/2016/0185	£11,655	24/02/23	Woodland walk links	N
H/2016/0185	£36,006.62	24/02/23	Cycle links	N
<u>Total Cycle & Interchange Works</u>	£512,585.79			
Health				
<u>Total health</u>	£0			

Bypass				
H/2015/0528	£660,000	14/02/23	Elwick Bypass	N
<u>Total Bypass</u>	£660,000			
Other: Off site				
H/2021/0498	£34,902	24/02/23	Offsite toucan crossing at Brenda Road	N
<u>Total other</u>	£34,902			
Total contributions received	£2,275,084.30			

Monetary contributions received and spent in this reported year

- 3.10 With regard to monetary contributions received in the reported year, as set out in Table 4, all has been retained excepting for the Affordable Housing, which has been allocated for expenditure for Council Housing as including committed schemes. It is often the case that contributions received are not then spent for a number of years, due to the time it takes to finalise project specifics and costs, and/or to pool the required money from multiple agreements and any other sources of funding.

Spending in reported year

- 3.11 A total of **£152,390.10** was spent towards off-site infrastructure projects in the reported year. Table 5 below sets out details of this expenditure⁶. No money has been spent on repaying money borrowed, including any interest.

Table 5. Spending in reported year by infrastructure category

Category	Project(s)/Location	Amount spent
Green Infrastructure	Coastal footpath improvements between Newburn Bridge and Marina	£1,300.00
Green Infrastructure	Allotments Haswell Avenue	£826.51
Green Infrastructure	Construction of 2 new footpaths between development site and existing rights of way	£20,250.00
Green Infrastructure	Improvement of bridleway linking Brierton Lane to Summerhill and/or conservation of GI in Summerhill Country Park	£2,176.13
Green Infrastructure	Bridleway improvements Brierton Lane to Summerhill	£1,904.11
Green Infrastructure	Golden Flatts	£3,000.00
Play	Play area north of Middleton Road between Middleton Road and Brougham School.	£1,651.00
Play	Provision of play facilities in the vicinity of Oxford/Jutland Road	£385.00
Play	Marine Crescent play area Town Moor	£960.70
Sports	Improvement of fitness facilities at Brierton Sports Centre	£5,500.00
Sports	Built sports and sports pitch – Cycle Hub	£13,750.00
Sports	Brierton Sports Centre (interest)	£1,450.65
Playing Pitches	Maintenance of playing pitches at Brierton	£4,440.93
Playing Pitches	Playing pitches in the vicinity of the site (Manorside Phase 1)	£233.29

Coastal Mitigation	Coastal Mitigation at Teesmouth and Cleveland Coast SPA/Ramsar site	£7,750.00
Coastal Mitigation	HRA Mitigation Strategy	£3,607.74
Ecology	Ecological enhancements Rural West Ward	£20,000.00
Ecology	Ecological enhancements Burn Valley Ward	£4,000.00
Traffic	Traffic calming measures at entrance to Hart Village	£6,107.60
Bus Stops	Provision of bus shelter on West View Road	£15,000.00
Offsite Highways	Vicinity of the site (Britmag) but not limited to Central Park	£28,547.03
Offsite	Maintenance/improvement of changing facilities at Greatham Sports Field	£2,784.00
Offsite	Maintenance/improvement of playing pitch facilities at Greatham Sports Field	£6,765.41
Total spend	£152,390.10	

Money retained at the end of the reported year

3.12 The total amount of money (received under any planning obligations during any year) retained at the end of the reported year was **£8,408**. None of the retained money has been allocated for the purposes of longer term maintenance (“commuted sums”).