



Basingstoke
and Deane

Community Infrastructure Levy

Infrastructure Funding Gap Analysis

May 2017

1. Introduction

- 1.1 This paper establishes the aggregate funding gap between the total cost of the infrastructure required to support growth as outlined in the Adopted Basingstoke and Deane Borough Local Plan 2011 to 2029 and the amount of available funding. It uses infrastructure costs identified in the Infrastructure Delivery Plan (IDP), which are required to support the delivery of development, and covers a variety of infrastructure types. In so doing, it provides the necessary justification to support the introduction of a Community Infrastructure Levy (CIL) for the borough of Basingstoke and Deane. This demonstrates that CIL is expected to make a reasonable contribution towards meeting the funding gap, rather than filling it completely. Accordingly, it will be necessary for the Borough Council to work with partners and service providers to continue to seek funding from alternative sources to support delivery of the Adopted Local Plan.

2. Purpose

- 2.1 The purpose of this paper is to provide additional information to supplement that contained in the Infrastructure Delivery Plan (May 2017), taking into account infrastructure provided, subsequently funded or any recently identified requirements. In so doing, this paper confirms the requirement set out in the CIL regulations, that charging authorities must demonstrate a gap between infrastructure requirements and available funding in order to provide evidence for the need to charge CIL.
- 2.2 As a part of this evidence, this paper identifies known forecast costs, funding sources and the subsequent gap that CIL will help to address.

3. Approach Taken

- 3.1 In formulating the approach to the delivery of infrastructure funded by CIL, the Borough Council has developed a draft Regulation 123 list (R123), which has been submitted for examination alongside the Council's CIL Charging Schedule.
- 3.2 The draft R123 lists those forms of infrastructure that it is intended to fund through the use of CIL. This sits alongside the Council's IDP, which highlights the infrastructure required to support delivery of the Adopted Local Plan and the likely source of funding to ensure delivery, including CIL, Section 106 and other forms of funding, such as the Local Enterprise Partnership (LEP).
- 3.3 Taking into account both the R123 list and the IDP, the Borough Council has been able to calculate the expected cost of the infrastructure required both overall, and that which is expected to be dependent on CIL to assist in its provision.
- 3.4 The starting point for calculating this amount is the Infrastructure Delivery Plan (July 2016) which was used to support the examination of the Adopted Local Plan, in order to demonstrate that the plan was deliverable. Since that time, a

number of changes have taken place which affect the content of the IDP, including:

- Sites have been granted planning permission, with the provision of supporting infrastructure to accompany this;
- Availability of more up-to-date costs in respect of the required infrastructure; and
- Successful award of funding from the LEP for the delivery of major highway improvement schemes in the Borough.

3.5 Accordingly, the IDP Schedule of May 2017 sets out the most up-to-date position.

3.6 This identified an overall cost of £226,825,622 for the provision of infrastructure in the Borough. However, taking into account the value of infrastructure that will be provided through relevant S106 agreements (£81,286,582), and that where funding has been identified (£53,607,893), leaves a balance of £91,931,147. Of this, an unidentified proportion will be funded through other sources (e.g. section 106, partnership funding). This leaves a forecast funding gap of £67,241,383 to be funded through CIL, split between the different forms of infrastructure as shown below.

	Infrastructure Cost	Infrastructure Funding Shortfall
Transport	£16,435,000	£16,435,000
Education	£19,009,560	£17,185,408
Community	£8,551,000	£7,551,000
Sports	£23,880,400	£21,887,575
Green Infrastructure	£4,692,000	£4,182,400
TOTAL	£72,567,960	£67,241,383

3.7 A further calculation has been undertaken to forecast the expected income from CIL liable development over the plan period, in order to highlight the contribution of CIL to closing this gap. This calculation takes into account a number of assumptions, which are detailed in an appendix to this paper. These include, for example, typical dwelling sizes and also reflect the preparation of Neighbourhood Plans in the Borough.

3.8 The outcome of this calculation is that CIL is expected to generate an income of £30.7m of which the Borough Council will retain approximately £23.9m, while approximately £6.8m will be passed to the relevant Parish Council or community in the form of the Neighbourhood Fund.

- 3.9 The total CIL income expected to be received by the Charging Authority is around 45% of the expected infrastructure funding gap before the Neighbourhood Portion is distributed to the relevant communities, and provides the necessary justification for the introduction of CIL in the Borough.
- 3.10 Given the shortfall of approximately £36.5m (representing 55% of the cost of the infrastructure), there will continue to be a need to work closely with partners and infrastructure providers to secure funding from other sources, such as the LEP.

Appendix - Assumptions Used to Calculate Expected CIL Income

- Assumes rates are as in the Revised Draft Charging Schedule (August 2016) and Statement of Modifications (May 2017)
 - Manydown - £50 per square metre
 - Basingstoke Golf Course, East of Basingstoke and Upper Cufaude Farm - £80 per sqm.
 - Basingstoke and Tadley - £140 per sqm.
 - Rest of Borough - £200 per sqm.
- Assumed average market housing size = 90sqm (based on a survey of homes completed with Marnel Park, Taylors Farm, Spencers Place and Park View)
- Based on residential development in the Housing Land Supply schedule.
- Assumes some sites already in the planning process will receive planning permission prior to the introduction of CIL, so will not pay CIL.
- All homes which are part of the small site windfall will pay CIL because they are unlikely to exceed affordable housing threshold, however some may come forward as self-build so may be exempt.
- Urban / brownfield sites taken from land supply schedule, making best guess at which sites will be granted permission before CIL is introduced.
- All windfall and urban / brownfield sites are assumed to be in Basingstoke and will pay CIL at the Basingstoke rate of £140 per sqm.
- Regeneration sites will not pay CIL because they are unlikely to result in a net increase in floorspace.
- Assumes the following strategic sites will pay CIL
 - Swing Swang Lane (£140 per sqm)
 - Upper Cufaude Farm (£80 per sqm)
 - East of Basingstoke (£80 per sqm)
 - Manydown (£50 per sqm)
 - Golf Course (£80 per sqm)
- All Neighbourhood Planning sites are assumed to be outside of Basingstoke and Tadley and will therefore pay the rest of Borough rate of £200 per sqm.
- Self-build / custom-build is exempt from CIL. Assumes 5% self-build on Manydown and East of Basingstoke and 2% on Golf Course and Upper Cufaude Farm and 100% at Trumpet Junction.
- Assumes that all parishes that have started a neighbourhood plan will adopt and receive 25% of CIL through neighbourhood fund.
- Does not include income generated from out of town retail or budget hotel developments which would be chargeable, as details are currently not known.