

Cotswold District Council
**Infrastructure Delivery Plan
Update 2016**
Infrastructure Funding Gap Analysis

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This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

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Ove Arup & Partners Ltd
63 St Thomas St
Bristol
BS1 6JZ
www.arup.com

ARUP

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1 Introduction

1.1 Background

- 1.1.1 Arup was commissioned by Cotswold District Council to undertake an update of the 2014 Cotswold Infrastructure Delivery Plan (IDP). The IDP is used to evaluate the community, education, emergency services, utilities and communications, healthcare, green infrastructure and transport that will be required to support the levels of housing and employment proposed in the Cotswold District Local Plan.
- 1.1.2 The IDP 2016 Update collates the information from the 2014 Cotswold IDP, information received from various service providers and benchmark-based assessments to form part of the evidence base for the Cotswold District Local Plan.
- 1.1.3 This note acts as an appendix to the 2016 Infrastructure Delivery Plan, setting out the gap between the costs associated with identified projects and benchmarks from the previous work, and anticipated sources of funding.

1.2 Approach

- 1.2.1 The purpose of this document is to demonstrate that a funding gap exists in Cotswold District between the infrastructure required to support the development set out in the Local Plan and the anticipated funding sources of funding.
- 1.2.2 The funding gap analysis contains information extracted from the IDP following evidence-base review of documents such as the Gloucestershire Local Transport Plan, Cotswold Sports and Recreation Facilities assessment and benchmarks from Sport England, the NHS and Gloucestershire County Council.
- 1.2.3 It then sets out the likely costs that are directly associated with infrastructure that is considered to be CIL-chargeable. These infrastructure items have been grouped into the following types:
- Education
 - Transport
 - Flood risk management
 - Healthcare
- 1.2.4 The infrastructure types above are considered to be the most important in terms of delivering the sustainable growth set out in the Draft Local Plan. The

prioritisation of infrastructure is set out further in paragraph 1.17 of the Infrastructure Delivery Plan Update and Section 2.2 of this note.

- 1.2.5 In demonstrating the funding gap, the cumulative costs for all infrastructure types has been set out, as has the cumulative costs for infrastructure projects and benchmarks associated with the above topics.
- 1.2.6 Consideration has been given to the likely quantities of CIL receipts for the growth set out in the Local Plan, with consideration given to the removal of a percentage of receipts to be top-sliced by Parish Councils or Neighbourhood Development Forums with an adopted Neighbourhood Plan as set out in the Community Infrastructure Levy Regulations 2010.
- 1.2.7 A comparison is then made between anticipated funding sources and the likely CIL forecast.

2 Sub-area Infrastructure Costs

2.1 Total Infrastructure Costs

- 2.1.1 The IDP provides a high level view of infrastructure requirements based on population forecasts between 2016 and 2031 and cost assessments using accepted benchmark standards for education, open space, sport and recreation and community facilities. A review of the Local Plan Highways Capacity Assessment and discussions with Gloucestershire Highways has provided costs for transport projects. Discussions with Gloucestershire County Council's Flood Risk Team has identified the estimated cost of required flood risk management projects.

Figure 1: Infrastructure Costs associated with housing growth in Cotswold District

Sub-area	Housing growth (2016-2031)	Infrastructure costs
North of district	347	£6,061,953
Mid-district	467	£6,909,445
South of district	534	£8,149,231
<i>Total</i>	1348	£21,120,629

- 2.1.2 The total infrastructure cost across the District for non-strategic allocations and windfall, based upon benchmarked costs and identified projects / mitigation is estimated at **£21.1m**.
- 2.1.3 There is an infrastructure requirement associated with the Chesterton Strategic Allocation, the estimated costs for which is set out below. This is presented

separately as the infrastructure requirements of the Chesterton SA are expected to be mitigated by Section 106 Agreement.

Figure 2: Infrastructure Costs associated with housing growth in Cotswold District

Strategic Allocation	Housing growth (2016-2031)	Infrastructure costs
Land at Chesterton	2350	£28,661,192

2.1.4 Throughout the Infrastructure Delivery Plan Update, an approach of prioritisation has been applied when assessing infrastructure requirements. This sets out that projects are identified and assigned to one of the following four broad categories:

- Regionally Critical Infrastructure – Projects that have wider geographic area implications than Cotswold District which must happen to enable the delivery of growth within the District and beyond.
- Critical Infrastructure – Projects that the study has identified which must happen to enable the delivery of growth within Cotswold District.
- Essential Infrastructure – Projects that are required if growth is to be achieved in a timely and sustainable manner.
- Desirable Infrastructure – Projects that are required for sustainable growth but is unlikely to prevent development in the short to medium term.

2.1.5 The following section sets out the associated infrastructure costs with prioritised infrastructure, assigned to either the Regionally Critical, Critical or Essential categories.

2.2 Prioritised Infrastructure Costs

2.2.1 In order to manage any funding gap Cotswold District Council should develop a prioritisation process for the spending of any CIL and S106 monies, taking account of:

- Spatial growth projections and the anticipated phasing of strategic sites.
- The importance of physical infrastructure for enabling development.
- Opportunities to deliver specific infrastructure through, for example, new funding opportunities.
- The prioritisation of infrastructure as set out in paragraphs 1.2.3 and 2.1.4.

2.2.2 This will reduce the funding gap and allow for CIL receipts to be used efficiently and effectively.

2.2.3 The prioritised infrastructure types have been chosen because there is a specified need for the infrastructure to support the sustainable growth set out in the Local Plan, or the review of evidence base and consultation with infrastructure providers

has led to specific projects being identified. These specifically relate to transport, education and flood risk management.

Figure 3 : Prioritised Infrastructure Costs

Sub-area	Housing growth (2016-2031)	Prioritised infrastructure costs
North of district	347	£4,861,753
Mid-district	467	£5,246,479
South of district	534	£6,258,838
<i>Total</i>	3698	£16,367,071

- 2.2.4 The cost of circa **£16.3m** set out above would be considered to be appropriate for CIL subject to potential other sources of funding.
- 2.2.5 *Chesterton has been excluded from this infrastructure assessment as the infrastructure requirements for the Strategic Allocation will be dealt with directly by S106.*
- 2.2.6 Further detail as to the likely infrastructure costs that may be partly or wholly funded by CIL is set out overleaf.

2.2.7 North of District

Figure 4 : Infrastructure Costs and Funding for North Cotswolds

Infrastructure Type / Project	Cost	Other Funding Sources	Funding Deficit
Education Early Years	£479,377	Basic Need Capital Allocation (Unknown)	£479,377
Education Primary	£1,042,123	Basic Need Capital Allocation (Unknown)	£1,042,123
Education Secondary (inc. sixth form)	£874,105	Basic Need Capital Allocation (Unknown)	£874,105
Education Further	£291,368	Basic Need Capital Allocation (Unknown)	£291,368
Healthcare GPs	£124,342	None	£124,342
Healthcare Dentists	£67,891	None	£67,891
Healthcare Acute	£112,877	None	£112,877
Transport	£1,219,670 ¹	None	£1,219,670
Flood Risk Management	£650,000	Thames RFCC (poss. £50k)	£600,000
Total	£4,861,753	N/A	£4,811,753

¹ This cost is solely for indicative mitigation set out in the Cotswold Highways Capacity Assessment, and does not include active travel / sustainable transport initiatives or schemes.

2.2.8 Mid-district

Figure 5 : Infrastructure Costs and Funding for Mid-district

Infrastructure Type / Project	Cost	Other Funding Sources	Funding Deficit
Education Early Years	£645,155	Basic Need Capital Allocation (Unknown)	£645,155
Education Primary	£1,402,512	Basic Need Capital Allocation (Unknown)	£1,402,512
Education Secondary (inc. sixth form)	£1,176,389	Basic Need Capital Allocation (Unknown)	£1,176,389
Education Further	£392,130	Basic Need Capital Allocation (Unknown)	£392,130
Healthcare GPs	£167,342	None	£167,342
Healthcare Dentists	£91,369	None	£91,369
Healthcare Acute	£151,913	None	£151,913
Transport	£1,219,670 ²	None	£1,219,670
Flood Risk Management	£0	None	£0
Total	£5,246,479	N/A	£5,246,479

² This cost is solely for indicative mitigation set out in the Cotswold Highways Capacity Assessment, and does not include active travel / sustainable transport initiatives or schemes.

2.2.9 South of District

Figure 6: Infrastructure Costs and Funding for South Cotswolds

Infrastructure Type / Project	Cost	Other Funding Sources	Funding Deficit
Education Early Years	£737,715	Basic Need Capital Allocation (Unknown)	£737,715
Education Primary	£1,603,729	Basic Need Capital Allocation (Unknown)	£1,603,729
Education Secondary (inc. sixth form)	£1,345,165	Basic Need Capital Allocation (Unknown)	£1,345,165
Education Further	£448,388	Basic Need Capital Allocation (Unknown)	£448,388
Healthcare GPs	£191,350	None	£191,350
	£2,030,000 (Tetbury Surgery)	NHS / CCG / Private Practice (£2,030,000)	£0
	£2,800,000 (Chesterton Surgery)	NHS / CCG / Private Practice (£2,800,000)	£0
Healthcare Dentists	£104,477	None	£104,477
Healthcare Acute	£173,708	None	£173,708
Transport	£1,404,307 ³	None	£1,404,307
Flood Risk Management	£250,000	GCC Flood Risk (£50,000) Thames Water Community Fund (Unknown)	£200,000
Total	£6,258,838	N/A	£6,208,839

³ This cost is solely for indicative mitigation set out in the Cotswold Highways Capacity Assessment, and does not include active travel / sustainable transport initiatives or schemes.

3 CIL Forecast

- 3.1.1 To inform the assessment of the funding shortfall it is necessary to understand the anticipated value of the CIL receipts within the Local Plan period, subsequent to the adoption and implementation of CIL for Cotswold District.
- 3.1.2 Figure 7 contains the projection of CIL income from 2016 through to 2031, informed by information on anticipated housing numbers extracted from the Council's most up to date Housing Trajectory. This assumes that CIL would be adopted immediately.
- 3.1.3 There are a number of assumptions within the calculation of anticipated CIL receipts which are set out below:
- Based upon viability testing of sites undertaken by HDH Planning, the calculation of total CIL forecast is based upon an assumed average dwelling size of 90m².
 - Policy H1 within the Local Plan Regulation 19. Consultation Version (2016) sets out the affordable housing requirement is up to 40% of gross new dwellings. CIL is not liable on affordable dwellings, so a reduction of 40% has been made to calculate qualifying units.
 - A 15% reduction has been made to the number of dwellings delivered as windfalls to account for demolition of existing units. This deduction has not been made to housing on allocated sites as the trajectory does not indicate any demolitions.
 - Infrastructure needs associated with housing growth on the Chesterton Strategic Allocation would be mitigated through Section 106 Agreement, and has not been accounted for within the housing trajectory for CIL calculation.
- 3.1.4 The total anticipated CIL receipts Cotswold District Council, as charging authority, may expect to receive **£6,436,800**.
- 3.1.5 Under Regulation 59A of the Community Infrastructure Levy (Amendment) Regulations 2013, Parish and Town Councils will receive 15% of CIL charging authority receipts. In addition, a proportion, 5% of CIL receipts can be retained by CDC for administrative purposes. Following these deductions, the net total CIL payments anticipated is **£5,149,440**. Parish and Town Councils may choose to invest their local proportion back into projects on the Regulation 123 List, however they are not obligated to do so.

Figure 7 : CIL Forecast for Cotswold District (2016-2031)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	TOTAL
Total Past Completions																2,385
Total Projected Completions	16	16	25	86	68	102	148	174	168	169	92	96	110	118	102	1,490
Total projected market housing (if 40% AH)	10	10	15	52	41	61	89	104	101	101	55	58	66	71	61	894
Avg. unit size (sqm)	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	
Total Floorspace liable for CIL (sqm)	864	864	1,350	4,644	3,672	5,508	7,992	9,396	9,072	9,126	4,968	5,184	5,940	6,372	5,508	80,460
Gross CIL Receipt at £80/sqm (£)	69,120	69,120	108,000	371,520	293,760	440,640	639,360	751,680	725,760	730,080	397,440	414,720	475,200	509,760	440,640	6,436,800
Local Council Allocation (£)	10,368	10,368	16,200	55,728	44,064	66,096	95,904	112,752	108,864	109,512	59,616	62,208	71,280	76,464	66,096	965,520
CDC Admin Allocation (£)	3,456	3,456	5,400	18,576	14,688	22,032	31,968	37,584	36,288	36,504	19,872	20,736	23,760	25,488	22,032	321,840
Net CIL Receipt (£)	55,296	55,296	86,400	297,216	235,008	352,512	511,488	601,344	580,608	584,064	317,952	331,776	380,160	407,808	352,512	5,149,440

Source: Arup estimate based on Cotswold Housing Trajectory (Sub Areas) May 2016

4 Alternative Funding & Funding Gap Analysis

4.1 Education

- 4.1.1 The IDP identifies an infrastructure cost of £10,438,156 based upon the benchmarks provided by Gloucestershire County Council Education.
- 4.1.2 Funding for education infrastructure improvements is limited to planning obligations and the Basic Need capital allocation. The latter is targeted to provide additional places where required linked to growth, but is also required for essential maintenance, i.e. boilers, roofs and windows.
- 4.1.3 This allocation of funding is as follows, for the whole of Gloucestershire:
- 2016-17 - £11,308,567
 - 2017-18 - £3,812,358
 - 2018-19 - £20,922,739
- 4.1.4 This county-wide basic need allocation is dependent on growth. As such GCC Education assesses where the funding should be allocated to provide additional places both on a temporary and permanent basis.
- 4.1.5 As this allocation of funding is thinly spread across schools in Gloucestershire, it can be assumed that CIL will still act as the main source of funding when delivering new school places.

4.2 Healthcare

- 4.2.1 £6,015,269 is required to support improvements to healthcare infrastructure to cope with changes in demand associated with housing growth.
- 4.2.2 Gloucestershire Clinical Commissioning Group's 'Primary Care Infrastructure Plan 2016-2021) sets out a need to provide two new surgeries within Cotswolds; one at Tetbury and the other at Chesterton. The costs of these projects are expected to be £2.03m and £2.8m respectively. These will be mostly funded by NHS England and the CCG, and the cost of £1,185,269 is expected to be solely related to housing growth.

4.3 Transport

- 4.3.1 The IDP identifies a requirement to deliver £3,843,647 worth of highways improvements to mitigate the impacts of development in Cotswold District. Cost information is limited to the indicative mitigation set out in the Cotswold District Highways Assessment (Atkins), and costs have not been provided for other

sustainable transport improvements such as those set out in the Gloucestershire Local Transport Plan (2015-2031).

- 4.3.2 It is anticipated that a range of funding sources will be required to deliver the priorities identified in the Gloucestershire LTP (2015-2031), the Draft Cotswold Local Plan and Cotswold District Highways Assessment (Atkins).
- 4.3.3 Gloucestershire County Council has no capital funding allocated to deliver the schemes identified, placing the burden of funding upon planning obligations, specifically CIL.
- 4.3.4 In addition to CIL, the main capital fund available for transport schemes in Gloucestershire is the Local Growth Fund. G-First Local Enterprise Partnership (LEP) has the devolved authority to administer this Local Growth Fund. A Gloucestershire Economic Growth Joint Committee (GEGJC) has been set up which includes all District Councils, the County Council and the LEP. All large highways and transport schemes are considered by the GEGJC prior to recommendation to the LEP Board. The GEGJC oversees the Gloucestershire Infrastructure Investment Pipeline (GIIP), which is a register of proposed future infrastructure across the County. Any new scheme, proposed for consideration by the LEP Board, must first be included on the GIIP.
- 4.3.5 Currently, no transport projects within Cotswold District have been identified by the LEP, the GEGJC or included within the GIIP.
- 4.3.6 Adhoc bidding opportunities include the Access Fund (a continuation of the Local Sustainable Transport Fund) and Highways England bids for capital funding to improve the Strategic Road Network as part of the Road Investment Strategy (RIS) process.
- 4.3.7 Adhoc funding also becomes available from time to time mainly from DfT / Network Rail to improve rail infrastructure. These include Access for All, National Station Improvement Plan and the National Rail Discretionary Fund (NRDF). Great Western Railway has also introduced the Customer and Communities Improvement Fund for small scale improvements.

4.4 Flood Risk Management

- 4.4.1 There are two schemes identified through the IDP process with a total cost of £900,000. A £450,000 scheme is being implemented by GCC's Flood Risk

Management Team to alleviate flood risk to existing properties and free up land for development in Moreton-in-Marsh.

- 4.4.2 For proposals for the Churn Catchment surface water attenuation in Cirencester, there is an overall budget estimate of £250,000 and with £50,000 earmarked from GCC Flood Risk budgets subject to formal funding approval.
- 4.4.3 Other potential funding sources include bidding to the Thames Regional Flood and Coastal Committee and the Thames Water Community Fund.

4.5 Summary of infrastructure funding, costs and shortfall

- 4.5.1 The table below demonstrates the known and anticipated sources of funding, the total estimated capital costs across the period 2016-2031, and the subsequent funding shortfall that exists to deliver the education, healthcare, transport and flood risk management infrastructure required to support the growth within the emerging Cotswold District Local Plan.

Figure 8: Infrastructure Funding Gap

	Amount (£)
Known funding sources	
Thames RFCC	£50,000
GCC Flood Risk Budget	£50,000
Anticipated funding sources	
CIL Funding	£6,436,800
NHS / CCG / Private practice investment	£4,830,000
Total known / anticipated funding	£11,366,800
Estimated costs	
Estimated Capital Cost for education	£10,438,156
Estimated Capital Cost for healthcare	£6,015,269
Estimated Capital Cost for transport	£3,843,647
Estimated Capital Cost for flood risk management	£900,000
Total Estimated Capital Cost	£21,197,072
Estimated funding shortfall	£9,830,272

- 4.5.2 Figure 8 indicates that the anticipated funding falls short of the assessed infrastructure costs associated with the growth set out in the Cotswold District Local Plan by circa **£9.8m**.