

Infrastructure Funding Gap – Technical Paper, July 2018

Funding Gap

This paper has been prepared by Stevenage Borough Council to drill down into the infrastructure requirements and potential funding sources outlined in the Infrastructure Delivery Plan (IDP), to demonstrate that a funding gap exists to justify the implementation of CIL within the Borough.

The IDP was first drafted in 2013. As this is a rolling document, various iterations have been published since this time, with the most recent version being published in March 2017. The IDP sets out the infrastructure required to support the growth proposed within the Local Plan. It was produced in consultation with infrastructure providers and sets out specific schemes, costs and timescales, where possible. Appendix 1 of the 2017 IDP summarises the infrastructure requirements in a schedule of identified schemes.

The IDP provides a firm basis for examining the funding gap, but this technical paper allows for the following issues to be addressed:

- The IDP was last updated in March 2017. Whilst the schemes themselves have not been reviewed, this paper provides an opportunity to include the most up-to-date information in relation to funding sources and S106 agreements.
- The IDP categorises schemes into those which are critical, essential and desirable. Where schemes are desirable, they have been excluded from the calculation, as they are not specifically required in order to deliver the Local Plan.
- Some of the schemes identified in the IDP are required to make good existing shortfalls in provision. These cannot be included in the funding gap assessment.
- There is insufficient detail relating to the costs some schemes to enable them to be included in the funding gap assessment.
- Schemes to provide utilities infrastructure will be funded by revenue from consumer bills, as such they have been excluded from this assessment.

The following table summarises the funding gap by infrastructure type. Further detail can be found in Appendix 1.

Infrastructure type	Costs (in millions)		
	Total	Other sources of funding	Funding gap
Mobility	£124.8	£109.3	£15.5
Education	£62.4	£28.0	£34.4
Healthcare	£34.2	£0.0	£34.2
Green Infrastructure	£1.6	£0.0	£1.6
Community/leisure	£6.7	£3.0	£3.7
	£229.4	£140.0	£89.4

Other sources of funding include S106 obligations, external funding sources such as New Homes Bonus and Growth Deal bids, commercial delivery etc.

S106 funding is monitored by the Borough Council through our monitoring report (AMR). Contributions are based on the Hertfordshire County Council toolkit and so accord with similar levels that have been achieved in other years. No significant S106 funds have been received that would fund any of the infrastructure identified within the IDP and subsequently included within this technical paper.

The funding gap identified is likely to be an underestimation of the actual funding gap that exists, as the lower end estimates have been used, where applicable, and for some schemes costs have not yet been identified, leading to them being excluded.

It is important to note that the purpose of this information is to demonstrate that there is a funding gap, to justify the implementation of CIL. It is not a prioritised list of infrastructure and it does not identify the infrastructure which will necessarily be funded by CIL.

Estimation of CIL income

We have used our monitoring data to estimate the likely level of CIL-contributing development and the resulting expected level of CIL income we believe we are likely to achieve once CIL is adopted. It is clear, from the figures below, that the expected level of CIL income (around £18m) will be far from sufficient to bridge the funding gap (of around £89m) in its entirety.

Housing requirement = 7,600 homes

Likely to be achieved (with buffer) = 8,236 homes

Discount for completions, commitments and additional consents expected before adoption date (3,905 homes in total) = 4,331 homes remaining

Discount to take into account affordable homes (that are not CIL liable): 30% of 4,331 = 3,032

Number of homes likely to be subject to CIL: 3,032

Average size of a property = 85m²

Average CIL rate being proposed = £70/m²

3,032 x 85 = 25,772m²

25,772m² x £70/m² = £18,040,400

Total estimated CIL income = £18,040,400

Total estimated annual income = £1.4m

Appendix 1:

Project	Evidence base	Import. to Local Plan	Indicat. delivery date	Lead delivery agency	Cost est.	Funded / funding source known?	Outstanding funding requirement arising from SBC	Funding source	Notes	S106	Other	CIL	Reasons for exclusion
MOBILITY													
Active Travel (walking and cycling)													
Existing Active Travel Network Improvements	Transport Strategy	E	Ongoing	SBC	£3m	Y	£3m	S106 and CIL	Upgrade the existing cycle network			£3.0	
Education, Monitor and Manage Fund	Transport Strategy	E	Ongoing	SBC/HCC	£0.5m	Y	£0.5m	S106 and CIL				£0.5	
Traffic Order Review and sign upgrading	Local Transport Plan	D	On going. Some work complete.	HCC	TBC	TBC	£0		No change				Desirable only
Toucan Crossing - Great Ashby Way	Urban Transport Plan	D	2017/18	HCC	TBC	Y	£0	In HCC Forward Programme.	No change				
Zebra Crossing - Argyle Way	Urban Transport Plan	D	TBC	HCC	TBC	Y	£0	In HCC Forward Programme.	No change				
Signage improvements	Urban Transport Plan	D	On going	HCC	TBC	Y	£0	Funding agreed in principle by HCC. To be confirmed in May 2015.	No change				
Walking bus scheme	Urban Transport Plan	D	TBC	HCC	£160,000	N	£0.16m	No funding identified	Function of the Transport Access and Road Safety Group (TARS) at HCC who liaise with schools.				
Cycle route - connections to new developments / integration with existing networks	UTP	E	In line with dev't	HCC	TBC	Y	£1.25m	Developer contributions	No change	£1.3			
Review the cycle-way network	UTP	D	On going	HCC	£300,000	Y	£0	In HCC Forward Programme.	No change				
Improve maintenance, signing and markings on cycle network	UTP	D	2016	HCC	TBC	TBC	£0	To be delivered during 2015/16	No change				
Cycle route - Stevenage to Hitchin	Inter Urban Route Strategy	D	TBC	HCC	£1-2m	N	£1m	No funding identified. Assume 50% of cost to be met.	No change				
Cycle routes - Welwyn to Stevenage	Inter Urban Route Strategy	D	TBC	HCC	£1-2m	N	£1m	As above.	No change				Desirable only
Cycle route - Gresley Way between Six Hills Way and Fairlands Way including links to Six Hills Way	Urban Transport Plan	D	TBC	HCC	£250,000	Y	£0.25m	Contained within LEP Growth Plan though project-specific funding not yet confirmed.	No change				
Cycle route - Fairlands Way to Great Ashby Way including link to Martins Way	Urban Transport Plan	D	TBC	HCC	£700,000	Y	£0.7m	Contained within LEP Growth Plan through project-specific funding not yet confirmed	No change				
Cycle route - St George's Way including two surface level crossings (at grade)	Urban Transport Plan	E	2020	HCC/SBC	£600,000	Provisional	£0	Growth Deal 3, approved by LEP board in principle but will be subject to final approval.	Status changed to "essential" given proximity to the town centre. Approved in principle by LEP board on 15 December. Growth Deal 3 announced in February. New governance to oversee delivery of regeneration scheme will be worked up with LEP and DCLG and will need to be in place before drawing down.		£0.6		
Targeted cycle hire	Inter Urban Route Strategy	D	TBC	HCC	£250,000	N	£0.25m	In LEP Growth Plan, project specific funding not confirmed.	No change				Desirable only
Other Sustainable transport													

Car sharing and car club schemes	Urban Transport Plan	D	On going	HCC	£70,000, plus cost per annum £40,000	Y	£0	Ongoing LTP funding (countywide)	No change					Desirable only
Work Travel Plans	Urban Transport Plan	D	On going	HCC	£75,000 per annum	Y	£0	Ongoing LTP funding (countywide)	No change					
Bus														
Provide inter-connecting routes between new developments	Urban Transport Plan	E	In line with new dev't	HCC	Up to £21,200 per bus stop, plus £30-40 / hour operational costs	Y	£1.5m	Developer contributions	No change				£1.5	
Town Centre bus interchange provision	Stevenage First Board	E	2021	SBC	£8m	Provisional	£0m	Growth Deal 3, approved by LEP board in principle but will be subject to final approval.	Approved in principle by LEP board on 15 December, Growth Deal 3 announced in February. New governance to oversee delivery of regeneration scheme will be worked up with LEP and DCLG and will need to be in place before drawing down.				£8.0	
Bus routes between urban centres - Hitchin, Letchworth, Stevenage 'triangle'.	Inter Urban Route Strategy	D	By 2022	HCC	Over £10m	TBC	£3.5m	Assumed that confirmed LEP SEP and partner funding could realise around £1m towards this cost.	Assumption that Stevenage should be apportioned 1/3rd of the cost as one point of the triangle. "Desirable" schemes to be removed from package of works considered in funding model.					Desirable only
Rail														
Stevenage Platform 5	Network Rail Business Plan	D	2020	Network Rail	£18.8m	Y	£0	Network Rail spending plan for 2020	Scheme is primarily to improve performance, although it may lead to enhanced capacity on Hertford loop.					Desirable only
East coast signalling upgrade	Inter Urban Route Strategy (draft)	D	2020	Network Rail	TBC	Y	£0	Network Rail / DfT. Included in CP5 funding.	No change.					
Stevenage New Station (masterplan proposals)	Urban Transport Plan and Stevenage Town Centre Framework	D	2026	Network Rail / HCC / SBC / LEP / private sector	£40m	Y	£40m	Assumed project partners will contribute towards scheme costs but no funding commitments made	Importance changed back to "desirable" as 2015 IDP.					
Station commuter car parking (masterplan proposals)	Urban Transport Plan and Stevenage Town Centre Framework	D	2026	Network Rail / HCC / SBC / LEP / private sector	£10m	Y	£10m	Assumed project partners will contribute towards scheme costs but no funding commitments made	Importance changed back to "desirable" as 2015 IDP.					
Strategic Roads														
SMART motorway J6 - J8	Inter Urban Route Strategy	C*	2021	Highways England (HE)	£50 - 100m	Y	£0	Autumn Statement, 2014. HE Route Investment Strategy.	Scheme to be fully funded by HE. No further requirements				£50.0	
A1(M) Junction 7 and slip roads	Transport Modelling	C*	2019 - 2021	HE	£8m	TBC	£1.6m	May be incorporated into SMART Motorway scheme	Assumption that Stevenage should be apportioned 20% of the cost				£8.0	
A1(M) Junction 8 slip roads	Transport Modelling	C*	2021 to 2031	HE	£8m	TBC	£1.6m	May be incorporated into SMART Motorway scheme	As above				£8.0	
A1(M) Junction 8 - 9 northbound towards Letchworth	Transport Modelling	E*	TBC	HE	TBC	RIS / HE post 2021	TBC	To be jointly considered by HE, NHDC and SBC	This section of the motorway lie substantially within North Herts administrative area. Identified by SBC/ NHDC transport modelling but has not been raised as an issue by HE.					No costs identified
Address operational issues at A1(M) junction 8	Inter Urban Route Strategy	D	by 2021	HE / HCC	TBC	N	TBC		Identified in IURS but no additional requirements identified by traffic modelling beyond slip road scheme above.					

Variable speed limits on A1(M)	Inter Urban Route Strategy	D	by 2022	HE	£5 - 10m	N	£0	This will effectively be delivered within the parameters of a SMART motorway scheme which allows for variable speed limits.	As above.					Desirable only
Local roads														
Monitor and Manage Fund	Transport Strategy	E	Ongoing	SBC/ HCC/ Highways England	£0.5m	Y	£0.5m	S106 and CIL	Purpose to undertake minor adjustments to the highways network in light of the observed highway effects throughout the plan period.				£0.5	
HO4 - Access to both sites is provided off the A602 consistent with the Mobility Strategy, in line with Highway Authority requirements	Site specific discussions	C	In line with new dev't	HCC	£1m	Y	£1m	Costs to be met by relevant development(s) through site-specific s106 / s278 agreement(s)			£1.0			
A602 Corridor (Phase 1)	Inter Urban Route Strategy	E*	2019	HCC	£19.4m	Y	£0	Local Transport Board / LEP Growth Deal	Scheme funded.				£19.4	
A602 Corridor (Phase 2)	Local Transport Body	E*	After 2024	HCC	£13m	Y	£3.25m	Local Transport Board / LEP Growth Deal (or successors)	Assumption that Stevenage's IDP should reflect 25% of cost (acknowledging that a wider funding solution is the most likely outcome). Slightly lower than local highway schemes given more strategic nature of this route.				£13.0	
Lytton Way redesign (town centre)	Town Centre Framework and Paramics Model	E	2020	HCC	£10m	N	LEP / SBC	Potential for (part) funding from LEP growth deal as scheme will 'unlock' investment potential across the town centre					£10.0	
Consider future of Old Town Gyratory System	Urban Transport Plan and Transport Modelling	D	TBC	HCC	TBC	N	£0	In HCC Forward Programme for 2016/17	No change from assumption in IDP. Not identified as necessary mitigation scheme in transport modelling so no justification to change importance. "Desirable" schemes to be removed from package of works considered in funding model.					Desirable only
Re-sign through traffic (from or to Hertford) to bypass Stevenage town centre.	Stevenage Town Centre Framework and Transport Modelling	D	2021	HCC	£100,000	N	£0.1m	No funding identified, but not identified as specific mitigation measures in local plan modelling.	As above.					
Sign traffic from A1(M) for Stevenage town centre from Junction 7, not junction 8.	Inter Urban Route Strategy	D	2021	HCC	£100,000	N	£0.1m	As above.	As above.					
EDUCATION														
Nursery / Early years (New FEE provision included under Primary schools)														
1 new Children's centre	Liaise with HCC	E	In line with new dev't	HCC	£1m	N	£1m		No change				£1.0	
Primary schools														
New 3FE school in West of Stevenage development	Liaise with HCC	C	In line with dev't	HCC	£12m	Y	£12m	On-site provision as part of dev't scheme and / or contributions	No change		£12.0			
New 2FE school provision in North of Stevenage development	Liaise with HCC	C	In line with dev't	HCC	£8m	Y	£8m	On-site provision as part of dev't scheme (site and building)	No change		£8.0			
4FE school provision as expansions to existing premises to meet residual demand arising from new development within the Borough	Liaise with HCC	E	In line with dev't	HCC	£16m	Y	£16m	Developer contributions / Basic Needs grant	Status changed to "essential" as relates to general mitigation rather than scheme specific.				£16.0	

2FE school provision in town centre	Liaise with HCC	E	In line with dev't	HCC	£8m	Y	£8m	On-site provision as part of dev't schemes and / or contributions / Basic Needs grant	No change - evidence base for pupil yields in the town centre not agreed.	£8.0				
Secondary schools														
Awaiting strategy development and confirmation of long-term requirements	Liaise with HCC	E	After 2018	HCC	£3.2m per 1FE additional capacity	Y	£17.44m	Developer contributions / HCC Capital Funding	Status changed to "essential" as relates to general mitigation rather than scheme specific. Cost estimate reduced. Unused 5FE school being held in reserve by HCC to meet future needs and cost of bringing this back into use assumed to 50% of new build.				£17.4	
HEALTHCARE														
Primary Care General Medical Services (GMS)														
1,815m ² of additional practice floorspace	NHS England standard assumptions	E	In line with new dev't	CCG	£4.72m	N	£4.72m	To be determined	Data now presented for 7600 homes. No change to base data from CCG.				£4.7	
Community Health Provision														
Includes children's services, adult and other services	Liaise with CCG	E	After 2022	CCG	£2.07m	Y (part)	£2.07m	CCG assumes developer funding though best solution to be determined	High level information given at request of CCG. Data now presented for 7600 homes. No change to base data from CCG.				£2.1	
Mental Health														
Includes inpatient and other facilities	Liaise with CCG	E	In line with new dev't	CCG	£1.53m	Y (part)	£1.53m	CCG assumes developer funding though best solution to be determined	High level information given at request of CCG. Data now presented for 7600 homes. No change to base data from CCG.				£1.5	
Other Secondary Healthcare														
Replacement space for existing provision, to include HCC Public Health, Sexual Health Clinic requiring 5/6 clinical rooms, 2 counselling rooms and other facilities approx. 580sqm within Stevenage town centre	Stevenage First, phase 1 - Public Sector Hub	E	In line with new dev't (Public Sector Hub)	CCG	TBC	Y (part)	TBC	To be funded / cross subsidised by re-dev't of existing sites	Importance changed to "essential", though this reflects importance in terms of improving perceptions/ encouraging new investment/ unlocking land for dev't rather than an infrastructure requirement per se.				No costs identified	
Acute Healthcare: Lister Hospital														
Includes wards, theatres, accident and emergency space, outpatient suite and diagnostics.	Liaise with CCG	E	In line with new dev't	CCG	£19.83m	Y (part)	£19.83m	CCG assumes developer funding though best solution to be determined	High level information presented at request of CCG to enable specific room/space requirements and their configurations to be decided by Commissioning and Provider clinicians.				£19.8	
Adult Social Care														
Accommodation for approximately 200 persons over the plan period, primarily focussed on older persons.	Liaise with HCC / pop'n	E	To meet on-going demand	HCC	£12m	N	£6m	50% of future demand to be met commercially	No change				£6.0	£6 to be met commercially
HCC will seek to relocate day service provision in the town centre	Stevenage First	D	In line with new dev't	HCC	£1m	Y (part)	£1m	To be funded / cross subsidised by redevelopment of existing sites						Desirable only
GREEN INFRASTRUCTURE														
Amenity Greenspace - 9.3 hectares (ha)	Open Space Strategy	E	In line with new dev't	SBC	£186,000	Y	£0.19m	Developer contributions - physical provision or financial / New Homes Bonus	No change				£0.2	
Allotments - 1.9 hectares	Open Space Strategy	E	In line with new dev't	SBC	£190,000	Y	£0.19m	As above	No change				£0.2	
Natural and semi-natural open space - 30.1 ha	Open Space Strategy	E	In line with new dev't	SBC	£301,000	Y	£0.3m	As above	No change				£0.3	
Children and young-persons play - 12 facilities	Open Space Strategy	E	In line with new dev't	SBC	£480,000 - £960,000	Y	£0.96m	As above	No change				£1.0	
EMERGENCY SERVICES														

No requirements identified									No change				No schemes identified	
COMMUNITY & LEISURE FACILITIES														
Libraries														
Refurbishment / relocation / re-provision of Town Centre library to provide improved and extended service (to include any requirements in response to future growth)	Liaise with HCC	E	TBC	HCC	£960,000	Y	£0.96m	HCC / Developer contributions	Status changed to "essential" as cost estimate is derived from HCC toolkit against future growth in Stevenage. Reflects role as cost estimate is derived against future growth and represents general mitigation against growth - albeit the specific proposals in the plan may lead to re-provision of existing facility.				Will also provide for existing growth	
Sports and leisure														
Up to 2 x 4 or 5-court sports hall	Sports Facilities Strategy SFS	E	2021 - 2026	SBC	£2.62m per facility	Y	£2.62m	SBC, HCC, developer contributions, commercial facility. The SFS suggests that the two future sites should be met on any new secondary school site and as a commercial facility respectively.	No change			£2.6	£2.6	
Additional indoor fitness provision	SFS	E	In line with new dev't	SBC	TBC	Y	£0	To be met commercially in response to demand						No costs identified - commercial provision
Skate park facilities within major urban extension sites (west, north, south-east)	SFS	E	In line with new dev't	SBC	£125,000 per facility	Y	£0.38m	Developer contributions			£0.4			
New cricket provision within development west of Stevenage	SFS	E	2026	SBC	£1,085,000	Y	£1.09m	SBC, England and Wales Cricket Board, Stevenage Cricket Club, developer contributions					£1.1	
Refurbishment / relocation / re-provision of swimming pool and 'leisure box' to provide improved and extended service (to include requirements in response to future growth)	SFS	E* / D	2017 - 2020	SBC	£12m - £15m	Y	£15m	SBC, Stevenage Leisure Limited (SLL), Developer contributions	No change although to be noted that re-provision of existing levels of facilities will be the substantive cost rather than mitigation of new development.					Desirable only
Indoor bowls centre	SFS	E / D	2017 - 2018	SBC	£1.75m	Y	£1.75m	SBC, bowls clubs, developer contributions (assumed at ~£400k in SFS)	As above					
Full-size 3G football pitch	SFS	E / D	2019	SBC	£885,000	Y	£0.89m	SBC, Football Association, Football Foundation, developer contributions (assumed at ~£450k in SFS)	Broadly as above though new development deemed to account for around 50% of cost in SFS.					
Skate park facilities at Hampson Park and St Nicholas Park	SFS	D	2017	SBC	£250,000	Y	£0.13m	SBC. Funding for first skate park agreed through new homes bonus.						
UTILITIES														
Water supply														
Connections to new development	Water Cycle Strategy Review, Affinity Water Resource Management Plan	E	In line with new dev't	Affinity Water	To be determined on a site by site basis	Y	£0	Charges to be agreed and met directly between developers and Affinity Water.	No change					No costs identified - commercial provision

Waste water													
Long-term strategic solutions for waste water carriage and treatment	Liaise with Thames Water and other Local Planning Authorities	C*	In line with new dev't	Thames Water / Environment Agency	TBC	N	£0	The Council will continue to work with the water companies, Environment Agency and other planning authorities within the Rye Meads catchment to determine long-term infrastructure requirements	No change				No costs identified - commercial provision
Localised upgrade requirements	Liaise with Anglian Water and Thames Water	E	In line with new dev't	Anglian Water and Thames Water	TBC	Y	£0	Anglian Water and Thames Water	No change				
Waste disposal													
Waste facilities to meet future needs	Waste Local Plan, Waste Site Allocations	D	HCC to decide	HCC	TBC	N	£0	The waste local plan and site allocations document identify the general principles that will be used to assess applications. No specific requirements identified for Local Plan growth.	No change				No new infrastructure identified
Gas/Electricity													
Electricity: New sub-station(s) and off-site network cables	HIIS	E	In line with new dev't	National Grid	TBC	Y	£0	National Grid / Developer Contributions	No change				No costs identified - commercial provision
Gas and electricity: Local upgrades, where required	HIIS	E	In line with new dev't	National Grid	Planned for on a reactive basis so cannot be specified at this time.	Y	£0	National Grid / Developer Contributions	No change				
										£30.6	£109.6	£89.4	
										Other funding	Gap		