



Worthing Community Infrastructure Levy

Infrastructure Funding Gap Review

Report No. RT77233-01

WYG
Executive Park
Avalon Way
Anstey
Leicester
LE7 7GR

11 September 2012



REPORT CONTROL

Document: Infrastructure Funding Gap Review

Project: Worthing Community Infrastructure Levy

Client: Worthing Borough Council

Job Number: A077233

File Origin: N:\Projects\A077233 - Worthing CIL\reports\RT77233-01 Infrastructure Funding Gap Review Report v2.doc

Document Checking:

Primary Author	Ed Ducker	Initialled:	ED
----------------	-----------	-------------	----

Contributor		Initialled:	
-------------	--	-------------	--

Review By	Alistair Gregory	Initialled:	ASG
-----------	------------------	-------------	-----

Issue	Date	Status	Checked for Issue
1	24/08/12	Draft	ASG
2	11/09/12	Consultation Updates	ASG
3			
4			



Contents

Executive Summary.....	2
1 Introduction.....	3
1.1 Preamble.....	3
1.2 Report Format.....	3
2 Methodology.....	4
3 Commentary on Draft List of Schemes.....	5
3.1 Introduction.....	8
3.2 Green Schemes.....	8
3.3 Amber Schemes.....	8
3.4 Red Schemes.....	9
3.5 Funding Gap.....	9
4 Summary and Next Stages of Work.....	10

Appendices

Appendix A – Draft List of Schemes.....	1
---	---

Executive Summary

WYG (as part of the NCS consortium) has been appointed by Worthing Borough Council (WBC) to review background evidence documents and identify infrastructure schemes that are potentially eligible for Community Infrastructure Levy (CIL) funding and determine whether a robust Infrastructure Funding Deficit can be demonstrated to support the Council's proposed adoption of CIL.

WBC provided WYG with a comprehensive set of documentation from which to produce a schedule of infrastructure schemes potentially eligible for CIL funding. Schemes have been assessed against a range of criteria and a 'traffic light' system used to summarise the findings, where:

Green – means the scheme is eligible for CIL funding based on the available evidence

Amber – anticipated to be eligible for CIL funding, subject to further information to confirm this

Red – not considered to be eligible for CIL funding (normally because it seeks to address an existing issue and is not required to support planned growth).

At the time of writing this report (September 2012) a total of **104** infrastructure schemes have been identified by WBC and their partners for potential CIL funding. The breakdown of these is summarised below and discussed in more detail later in this report:

Green – 2 schemes

Amber – 70 schemes

Red – 32 schemes

Total = 104 schemes

The total estimated Infrastructure Funding Deficit from **Green** schemes currently stands at circa **£1.5m**.

The total estimated Infrastructure Funding Deficit from **Green** and **Amber** schemes combined currently stands at circa **£19m**.

It is therefore recommended that further work is required to determine which of the Amber schemes can reasonably be included in the Infrastructure Funding Deficit total to provide as robust a case possible to support the Council's proposed adoption of CIL.



1 Introduction

1.1 PREAMBLE

1.1.1 Nationwide CIL Service (NCS), a team comprising of the Planning Policy and Growth team at Newark and Sherwood District Council, heb Chartered Surveyors, Gleeds and WYG, were appointed by Worthing Borough Council (WBC) to provide consultancy support to produce the Community Infrastructure Levy (CIL) charging schedule for the Borough.

1.1.2 WYG’s role in the NCS team is as infrastructure specialists. For the Worthing CIL, WYG’s role is to review background evidence documents and identify infrastructure schemes that are potentially eligible for Community Infrastructure Levy (CIL) funding and determine whether a robust Infrastructure Funding Deficit can be demonstrated to support the Council’s proposed adoption of CIL.

1.1.3 This report provides a summary of the preliminary infrastructure evidence base review undertaken by WYG.

1.2 REPORT FORMAT

1.2.1 The layout of this report is as follows:

- **Section 2** describes the methodology used;
- **Section 3** outlines the draft list and provides commentary on the schemes;
- **Section 4** summarises this report.

2 Methodology

2.1.1 Worthing Borough Council (WBC) provided WYG with a comprehensive set of documentation to review and use to produce a schedule of infrastructure schemes potentially eligible for CIL funding. These were:

- Draft Blue Book, January 2012 (Ardur and Worthing Councils);
- WBC and Adur District Council (ADC) Budget Book 2011/12;
- Worthing Strategic Infrastructure Package;
- West Sussex County Council (WSSCC) Sustainable Travel Towns bid 2011;
- West Sussex Investment Strategy – document not yet published but discussions were held in August 2012 with West Sussex County Council’s consultant for the project, Parsons Brinckerhoff;
- Worthing County Local Committee Area Infrastructure Plan;
- WSSCC Planning Schools Places 2011/12

2.1.2 At the time of writing this report a number of consultation responses have also been returned to WBC. These comments have been incorporated into the latest iteration. Correspondence regarding the draft CIL list has been received from:

- Highways Agency;
- West Sussex County Council;
- NHS Sussex.

2.1.3 The available evidence base demonstrates that WBC has already begun to consider the requirements of CIL in some detail. We have reviewed all of the existing available infrastructure evidence and can conclude that ‘reasonable infrastructure planning’ has been undertaken in compliance with the principles of PPS12. PPS12 states that:

"... a core strategy should be supported by evidence of what physical, social and green infrastructure is needed to enable the amount of development proposed for the area, taking account of its type and distribution. This evidence should cover who will provide the infrastructure and when it will be provided. The core strategy should draw on and in parallel influence any strategies and investment plans of the local authority and other organisations."

"Good infrastructure planning considers the infrastructure required to support development, costs, sources of funding, timescales for delivery and gaps in funding. This allows for the identified infrastructure to be prioritised in discussions with key local partners. ... The infrastructure planning process should identify, as far as possible:

- *infrastructure needs and costs;*
- *phasing of development;*
- *funding sources; and*
- *responsibilities for delivery."*

2.1.4 In order to establish which infrastructure schemes are potentially eligible for CIL funding a summary schedule has been produced. It is expected that this will be maintained as a 'live' document and updated as infrastructure requirements change in the future. This schedule is also expected to guide production of the Draft Infrastructure List for the CIL public examination and the subsequent Regulation 123 List. A copy of the current version of the infrastructure schedule can be found in **Appendix A**. Specific schemes on the schedule are discussed in **Section 3** of this report.

2.1.5 The infrastructure schedule in **Appendix A** has been developed to consider the following questions, critical to identifying eligibility for CIL funding:

- Is the infrastructure scheme required to support the growth identified in the adopted Core Strategy DPD (as CIL can only be used to help pay for infrastructure required to facilitate growth, not to address existing problems).
- What is the estimated cost to provide the infrastructure?
- Which body or department is responsible for delivery and funding of the infrastructure?
- Have timescales been identified for infrastructure delivery?
- Is there any alternative funding available? If so what is the value of available funding?
- Has an aggregate infrastructure funding deficit been identified and quantified? (This is the fundamental question as this establishes the overall need for CIL).

2.1.6 With these issues in mind the table has the following column titles in place:

- **Infrastructure Type** – schemes have been grouped into 11 categories to capture all types of infrastructure and to provide a quick means of assessing which type of infrastructure will get the most, or least funding from CIL. The 11 categories applied

are; transport, highways, education, flood defences, healthcare, utilities, energy, leisure, community, green infrastructure and land remediation.

- **Total Cost Estimate** – this has been summarised wherever cost information is available in the evidence base. This also provides a flag for schemes considered as likely to be eligible for CIL funding but either no cost estimate is available, or it is unclear whether the cost estimate is entirely applicable for the Borough (e.g. for a County-wide or Region-wide project). In these instances the cost entry has been highlighted in the schedule to flag that consultation will be required with the responsible body to produce or refine the cost estimate, or to note that additional cost estimation work will be required to enable a robust aggregate infrastructure funding deficit to be established.
- **Available Funding Sources** – this summarises any identified funding sources (as described in the background documents) but does not imply funding has already been secured or confirmed. It also includes some likely future funding sources.
- **Available Funding (£ and %)** – this summarises the amount of funding available from existing and likely future sources.
- **Funding Gap (£ and %)** – where information is available this summarises the gap between estimated scheme cost and available funding. The total at the foot of this column represents the aggregate infrastructure funding deficit that CIL will be expected to fund.
- **Evidence Base** – a note of which evidence base document(s) the infrastructure requirement has been taken from. A supplementary list has also been provided to reference document page numbers, to make it easier to find more detail of the evidence.
- **Is the Infrastructure required to Support Growth?** – summarises our findings of whether the available evidence base demonstrates that each infrastructure scheme is required (in whole or part) to support planned growth. Where there is insufficient evidence to confirm a response this cell has been highlighted on the schedule. Further commentary is provided on this issue in **Section 3**.
- **Delivery responsibility** – summarise which organisation is responsible for the delivery of each infrastructure scheme (taken from the information available in the evidence base) and provides a rough guide on where to obtain further information.
- **Timescales/Priority for Delivery** – has been shown wherever the evidence base documents have indicated a delivery period/date. This information will help to determine when schemes are required within the Borough to facilitate growth. Cells in the schedule



have been highlighted to flag where no timescale information is currently available in the evidence base.

- **Comments** – this column provides an overall summary comment on each scheme and has been highlighted using the 'traffic light' system described at the beginning of this report.

3 Commentary on Draft List of Schemes

3.1 INTRODUCTION

3.1.1 The current infrastructure summary schedule is presented in **Appendix A**. This section of the report provides a brief commentary on the individual infrastructure schemes and how 'CIL ready' they are, based on the information available in the existing evidence base. This Section has been ordered by the 'traffic light' system described in the Executive Summary at the start of this report, to explain which schemes are considered eligible for CIL funding, which schemes may be eligible and which schemes are unlikely to be eligible for CIL, with rationale provided to explain how each scheme has been categorised.

3.2 GREEN SCHEMES

3.2.1 There are 2 schemes on the draft list which are deemed to be suitable for CIL funding, in both cases this is subject to minor levels of additional information being provided.

3.2.2 The first scheme is the behaviour change programme (transport). This is a programme developed by WSCC and partners to encourage less reliance on private car use and enhancements to accessibility through more sustainable transport. As future growth will undoubtedly increase the need to travel, this is a project which is likely to be eligible for CIL funding in the future. No funding gap has been confirmed but an assumption of 50% to be provided through existing/likely sources such as the Local Transport Plan and 50% from CIL has been made in the infrastructure schedule.

3.2.3 The other scheme is new healthcare facilities to support development. Sussex Primary Care Trust, who for the Worthing area from April 2013 will be known as the Coastal West Sussex Clinical Commissioning Group, have provided an evidenced sum for contributions towards new healthcare facilities from future development. A preliminary figure of **£1,408,905** from CIL would be required for Worthing based upon the anticipated level of development.

3.3 AMBER SCHEMES

3.3.1 The majority of schemes (70) on the draft list fall within this category. The evidence provided has demonstrated that all or some of the infrastructure cost for these schemes could be eligible for future CIL funding, however more robust information is required to confirm this.

3.3.2 In particular, the following evidence is currently unavailable for many schemes:

- No scheme cost estimate;
- Existing funding source identified, but level of investment or timescale for contribution to infrastructure not confirmed;
- If either of the above items are missing the funding gap for CIL cannot be shown;
- Existing evidence base has not been supplied or is not clear as to how the scheme could relate to assisting future growth in Worthing;
- The scheme appears to be for the whole of West Sussex – should a proportion of the estimated costs be attributed to Worthing only and if so how is this to be calculated?;
- No timescale has been provided for when the infrastructure is required.

3.4 RED SCHEMES

3.4.1 There are 32 schemes provided in the evidence documents which have been deemed unsuitable or not relevant for CIL funding. The rationale for this is either because they are schemes required to alleviate existing issues, full funding is already available, or because they will be delivered as part of a development anyway.

3.5 FUNDING GAP

3.5.1 The current version of the infrastructure summary schedule (**Appendix A**) has total scheme costs of circa **£135m**. However, there are a number of issues with this figure, as identified above, namely some schemes having no cost estimate at all, with others being scheme estimates for West Sussex as a whole and therefore unlikely to be the correct figure to be used for the Worthing Borough area only.

3.5.2 The current aggregate infrastructure funding deficit stands at circa **£20m**. However, this figure only represents two infrastructure projects as funding gaps cannot be confirmed for all the other schemes on the list due to currently unavailable information. It is therefore important that the infrastructure providers and relevant stakeholders are consulted to seek to provide the missing information, or additional cost estimation work is commissioned, to enable a robust aggregate infrastructure funding deficit to be demonstrated.

4 Summary and Next Stages of Work

4.1.1 Worthing Borough Council provided WYG with a comprehensive set of documentation to review and from which to produce a schedule of infrastructure schemes potentially eligible for CIL funding.

4.1.2 **Table 1** below summarises the **104** projects listed in the schedule and classifies them by infrastructure type and our conclusions as to how 'CIL ready' they are based upon the existing evidence base.

Table 1 – Summary of Schemes by Type (at September 2012)

Type of Scheme	Number of Schemes	Schemes Classed as 'Green'	Schemes Classed as 'Amber'	Schemes Classed as 'Red'
Transport	13	1	10	2
Highways	32	0	30	2
Education	7	0	7	0
Flood Defences	1	0	1	0
Healthcare	1	1	0	0
Utilities	1	0	1	0
Energy	1	0	1	0
Sport & Leisure	10	0	4	6
Community	20	0	10	10
Green Infrastructure	17	0	5	12
Housing	1	0	1	0
Total	104	2	70	32

4.1.3 Section 3 of this report discussed outstanding information that is likely to be required to ensure that the projects are robustly evidenced to be suitable for future CIL funding. There are a number of key omissions from some schemes in the current infrastructure evidence base:

- There is no evidence that some infrastructure projects are required to support future growth.
- There is no evidence of scheme costs for multiple infrastructure projects.
- Where infrastructure projects are intended to fulfil a joint objective of addressing existing issues as well as supporting future growth appropriate proportional cost splits will need to be identified. This evidence is currently not available.



- There is no evidence of existing/ available funding for multiple projects which means a robust aggregate infrastructure funding deficit cannot yet be identified.
- Several schemes have been identified that are not appropriate for CIL, for example because they will be delivered as part of developments, or because they address existing issues.
- A number of schemes are Countywide, where a cost estimate has been provided for the scheme as a whole, not just for its area of influence upon Worthing. Therefore, it is likely that following consultation with County-wide providers such as WSCC, the NHS and the Environment Agency the overall scheme costs for these projects should be proportionally reduced.

4.1.4 It is understood that WBC is currently consulting on the latest version of the infrastructure summary schedule with the relevant infrastructure providers and it is expected that this process will address some of the current information gaps. Following this stage it is recommended that any outstanding gaps should be investigated further and addressed either through the production of a bespoke infrastructure cost estimation study, or removed from the schedule altogether if a suitably robust infrastructure funding deficit has already been demonstrated.



Appendix A – Draft List of Schemes

