



Hart District Council
Draft Infrastructure Funding Gap Assessment

October 2021

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1. National Policy and Guidance

- 1.1 The National Planning Policy Framework (NPPF, 2021)¹ states that an overarching objective of achieving sustainable development is to *“help build a strong, responsive and competitive economy [...] by identifying and coordinating the provision of infrastructure”* (paragraph 8).
- 1.2 Paragraph 20 of the NPPF adds that strategic policies should make sufficient provision for a range of infrastructure which covers the key pillars of environmental, social and physical. To achieve this, paragraph 22 of the NPPF stipulates that *“strategic policies should look ahead over a minimum 15-year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure”*. Paragraph 34 of the NPPF states that *“plans should set out the contributions expected from development”*. In line with this, this paper provides evidence to justify the adoption of a Community Infrastructure Levy (CIL) in Hart District. This aligns with National Planning Practice Guidance (NPPG), which states that *“charging authorities must identify the total cost of infrastructure they wish to fund wholly or partly through the levy. In doing so, they must consider what additional infrastructure is needed in their area to support development, and what other sources of funding are available, based on appropriate evidence”*².

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

² <https://www.gov.uk/guidance/community-infrastructure-levy>, Paragraph: 017 Reference ID: 25-017-20190901, Revision Date: 01 09 2019

2. Background

- 2.1 This paper has been prepared to inform Hart's CIL and forms part of the evidence justifying the setting of a CIL charge in the District.
- 2.2 This paper demonstrates that there is an infrastructure funding gap associated with the Infrastructure Delivery Plan Update (2021) and shows that this gap will not be met by current sources of funding.
- 2.3 This Infrastructure Funding Gap Assessment should be read in conjunction with Hart District Council's Infrastructure Delivery Plan Update (2021) and all other evidence supporting the CIL Preliminary Draft Charging Schedule. The accompanying viability assessment was commissioned by the Council in early 2021 and was undertaken to establish general assumptions regarding future growth and estimated levels of viable CIL rates.
- 2.4 The consultation documents are available to view on the Council's website at [Community Infrastructure Levy | Hart District Council](#) and comprise:
 - Preliminary Draft CIL Charging Schedule
 - CIL Viability Assessment
 - Infrastructure Funding Gap Assessment (this document)
 - Infrastructure Delivery Plan Update (2021)

3. Infrastructure Funding Gap

- 3.1 To adopt a CIL charge, the District Council needs to demonstrate that there is an infrastructure funding gap which considers CIL and alternative sources of funding. It should be acknowledged that identifying all other sources of funding beyond the short-term is not always possible and advises instead that Council's provide evidence of an aggregate funding gap that justifies the need to adopt CIL.
- 3.2 The Council adopted the Hart Local Plan 2032 (Strategy and Sites) and identified the infrastructure needed to support planned growth within the Local Plan's Infrastructure Delivery Plan (IDP). Since the publication of the IDP in 2018, an Infrastructure Delivery Plan Update has been published to provide an up-to-date and granular review of infrastructure delivery in Hart District. For reference, the adopted IDP can be viewed here: https://www.hart.gov.uk/sites/default/files/4_The_Council/Policies_and_published_documents/Planning_policy/Local_Plan/Infrastructure%20Delivery%20Plan.pdf.
- 3.3 Infrastructure needs to justify a CIL charge should be sourced from the infrastructure assessment that was undertaken as part of preparing the relevant Plan. The IDP and IDP Update contains the infrastructure required to support Local Plan growth and it is therefore the relevant infrastructure evidence.
- 3.4 The IDP is reviewed periodically alongside the Annual Monitoring Report to reflect progress on infrastructure delivery in addition to the publication of new plans, programmes, and funding streams from service providers. The IDP Update October 2021 presents an up-to-date review of infrastructure projects for the period since the adoption of the Local Plan. As such, the IDP Update is the baseline for this paper and its headline messages regarding Hart's infrastructure gap are presented in Table 1 below.
- 3.5 Table 1 below sets out the infrastructure funding gap associated with all infrastructure projects identified in the Council's IDP Update (2021). Based on these findings, the infrastructure funding gap to meet growth identified in the Local Plan (Strategy and Sites) is estimated to be £57,908,911.70. It should be noted that there is a degree of uncertainty regarding schemes, particularly those which are to be completed in the latter stages of the Plan period due to the changing availability of funding streams. The above figure takes into account only known costs and associated funding streams. In many cases, it was clear that a portion of S106 funding would be allocated to a specific project, however the data provided did not clarify the exact quantum. It is therefore considered that, in reality, further funding may be available but cannot be quantified at this time.

- 3.6 The inclusion of infrastructure types and projects within this paper does not constitute a commitment from the Council to fund or partially fund them. The Council, as charging authority, publishes its Infrastructure Funding Statement (IFS) annually. The IFS provides an overview of infrastructure funding across the District and sets out which projects intend to be partially or fully funded from CIL receipts.

INFRASTRUCTURE FUNDING GAP ESTIMATE - HART DISTRICT 2014-2032								
Infrastructure types	Total IDP projects	Associated parishes/ areas	Completed	Costs to be confirmed	Costs known	Total £ of costs known	Funding secured/ committed (£)	Funding gap of known costs
Education	8	Church Crookham, Hook, Fleet, Odiham	2	4	4	£27,160,000	£24,170,000	£2,990,000
Green infrastructure and SANG	25	Blackwater and Hawley, Church Crookham, District-wide, Fleet, Heckfield, Hook, Yateley	0	23	2	£2,983,546	£792,933	£2,190,613
Healthcare	3	Church Crookham, District-wide, Fleet	0	3	0	TBC	TBC	TBC
Open space, leisure and community facilities	61	Blackwater and Hawley, Church Crookham, Crondall, District, Elvetham Heath,	0	31	30	£3,795,000	£1,340,904	£2,454,096

INFRASTRUCTURE FUNDING GAP ESTIMATE - HART DISTRICT 2014-2032								
Infrastructure types	Total IDP projects	Associated parishes/ areas	Completed	Costs to be confirmed	Costs known	Total £ of costs known	Funding secured/ committed (£)	Funding gap of known costs
		Eversley, Fleet, Hartley Wintney, Heckfield, Hook, Long Sutton, Odiham, Rotherwick, Yateley						
Transport: public transport	7	Church Crookham, Heckfield, Hook	0	5	2	£1,661,000	£560,000	£1,101,000
Transport: walking & cycling	31	Blackwater and Hawley, Church Crookham, District-wide, Elvetham Heath, Fleet, Hartley, Heckfield, Hook, Mattingley, Odiham,	0	28	3	£21,944,000	£281,000	£21,663,000

INFRASTRUCTURE FUNDING GAP ESTIMATE - HART DISTRICT 2014-2032								
Infrastructure types	Total IDP projects	Associated parishes/ areas	Completed	Costs to be confirmed	Costs known	Total £ of costs known	Funding secured/ committed (£)	Funding gap of known costs
		Wintney, Winchfield						
Transport: roads	25	Blackwater and Hawley, Church Crookham, Crookham Village, District-wide, Elvetham Heath, Fleet, Heckfield, Hook, Yateley	0	21	4	£27,923,000	£412,797.26	£27,510,202.70
Utilities	1	District-wide	0	1	0	TBC	TBC	TBC
TOTALS:			2	116	45	£85,466,546	£27,557,634	£57,908,911.70

Table 1: Infrastructure funding gap estimate – Hart District (2014-2032)

4. Projected CIL Income

- 4.1 This paper used the Council's most recent housing trajectory and Local Plan requirements to estimate the potential CIL income over the Local Plan (Strategy and Sites) period to 2032. Affordable housing is exempt from CIL and therefore for major developments (i.e., those which will deliver 10 or more dwellings) the Local Plan requirement of 40% affordable has been applied and discounted for CIL purposes.
- 4.2 Based on Table 2, around 82,635.60sqm of floorspace from expected growth over the remainder of the Plan period will be subject to CIL at the different CIL rates proposed in the Preliminary Draft Charging Schedule. To estimate the likely sum of CIL receipts, the following assumptions were applied:
- The average UK household floorspace was applied (92sqm)³ to generate likely CIL receipts from residential development.
 - Estimates relating to older persons accommodation size applied the median value ascribed within the CIL Viability Assessment i.e., the median older persons accommodation size (65sqm), as established from the median value between a range of 50sqm for a one bed sheltered/extra care unit and 80sqm for a two bed sheltered/extra care unit.
- 4.3 As summarised in Table 3, the estimated CIL income to 2032 for the estimated Local Plan (Strategy and Sites) floorspace would be circa. £16,153,743.00. Income from CIL would contribute to reducing the funding gap by 27.9%, leaving approximately £41,755,168.70 to be met by funding sources that become available over the Plan period. This infrastructure funding gap justifies levying CIL in Hart District.
- 4.4 Alternative sources of funding will continue to play a key role in the delivery of infrastructure alongside funding from development proposals (CIL and S106s). These may include: S106 agreements, infrastructure investment programmes (including but not limited to: Highways England, Network Rail, National Grid, Sports England and the Environment Agency), central government funding such as the Housing Infrastructure Fund and business rates retention.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725085/Floor_Space_in_English_Homes_main_report.pdf

Category and assumptions	Dwellings/units	Affordable housing requirement (%)	Market dwellings	Average dwelling size (sqm)	CIL liable floorspace (sqm)	CIL rate (per sqm)	Projected income
RESIDENTIAL - SITES ALLOCATED IN LOCAL PLAN							
Sites within settlement boundaries where 10 or more units are to be delivered	88	40%	52.8	92	4,857.6	£270.00	£1,311,552.00
Sites within settlement boundaries where less than 10 units are to be delivered	6	0%	6	92	552	£270.00	£149,040.00
Sites allocated within the Odiham and North Warnborough Neighbourhood Plan where 10 or more units are to be delivered	102	40%	61.2	92	5630.4	£270.00	£1,520,208.00
Sites allocated within the Odiham and North Warnborough Neighbourhood Plan where less than 10 units are to be delivered	9	0%	9	92	828	£270.00	£223,560.00
RESIDENTIAL - WINDFALL							
Small site windfall (total requirement assuming that no sites will deliver 10 + units)	430	0%	430	92	39560	£270.00	£10,681,200.00
RETAIL FLOORSPACE REQUIREMENT							
Convenience retail floorspace requirement (as allocated in Local Plan assuming consistent delivery rate over Plan period. CIL liable floorspace equates to the total requirement over the remainder of the Plan period 2021-2032)			N/A		3,605.6	£80.00	£288,448.00
Comparison retail floorspace requirement (as allocated in Local Plan assuming consistent delivery rate over Plan period. CIL liable floorspace equates to the total requirement over the remainder of the Plan period 2021-2032)			N/A		2,420	£80.00	£193,600.00
EMPLOYMENT FLOORSPACE REQUIREMENT							
Local Plan states that there is sufficient employment land to meet needs over the Plan period			N/A		0	N/A	£0.00
OLDER PERSONS ACCOMMODATION							
Housing for older people (units). Net need figure extracted from the Position Statement at 9 th September 2021 on the need for specialist and supported accommodation for older persons in Hart. Requirement figure rolled back to highlight the requirement over the remainder of the Plan period (2021-2032)	270.3	0%	270.3	65	17570	£80.00	£1,405,560.00
Housing with care/extra care (units). Net need figure extracted from the Position Statement at 9 th September 2021 on the need for specialist and supported accommodation for older persons in Hart. Requirement figure rolled back to highlight the requirement over the remainder of the Plan period (2021-2032)	117.1	0%	117.1	65	7612	£50.00	£380,575.00
Residential/nursing care (bedspaces). Net need figure extracted from the Position Statement at 9 th September 2021 on the need for specialist and supported accommodation for older persons in Hart. Requirement figure rolled back to highlight the requirement over the remainder of the Plan period (2021-2032)	125.7	0%	125.7	N/A	N/A	£50.00	N/A

Table 2: Estimated CIL receipts in Hart District over the Plan period

* C3 older persons accommodation forms part of the general housing requirement however it may be provided over and above that figure to ensure that needs are fully met.

ESTIMATE OF CIL RECEIPTS	
Type	Projected income
Residential - sites allocated in Local Plan	£3,204,360.00
Residential - windfall	£10,681,200.00
Retail	£482,048.00
Employment	£0
Elderly persons accommodation	£1,786,135.00
TOTAL:	£16,153,743.00

Table 3. Estimate of CIL receipts summary in Hart over the Plan period

5. Conclusion

- 5.1 This paper has established that existing funding streams are not sufficient enough to support the level of growth projected in the Hart Local Plan (2014-2032). On this basis, the Council proposes to charge a CIL on new development within the District. Further details on the proposed CIL rates can be found in the accompanying consultation documents, including the Preliminary Draft Charging Schedule.