

Bassetlaw District Council response to Inspectors Action List

Action 95 - Matter 14 – ST58

BDC to provide a response to Action 94 and send this to Inspectors.

The Council agreed to review the document to clarify whether items were being erroneously identified as needing funding in relation to education and green infrastructure. The Council also agreed to provide further explanation on how CIL receipts were estimated. Lastly, in order to provide some indication that any identified infrastructure gap could be met by alternative funding, the Council should provide information on the potential sources for such funding that will be explored.

BDC Response:

The Council has reviewed the infrastructure schedules in the Infrastructure Delivery Plan [BG-041] Appendix 2 to clarify the items requiring funding.

Costs are set out by infrastructure type in the tables below. These are based on the known infrastructure costs as at 31 January 2023.

There are a number of infrastructure items, for example, sports facilities where costs are unknown at this point because the type of facility to be provided will be agreed through the masterplanning process to respond to the needs of the development.

The tables focus on the infrastructure considered by the Council to be necessary to mitigate the impact of new development as defined by the IDP [BG-041] as: infrastructure that must happen so that development does not have a significant adverse impact on existing infrastructure. These are usually identified through the sustainability appraisal and other evidence base documents as necessary to make a proposed development acceptable in planning terms. In the first instance, these are considered to be a S106 contribution cost. But for CIL liable sites, CIL may be used.

Essential infrastructure is defined by the IDP [BG-041] as a project which is essential to enable growth and is a prerequisite to unlock any future works to facilitate the delivery of strategic sites. Thereby, essential in ensuring that the impact of the new development does not have a significant detrimental impact on existing infrastructure, services and facilities. Essential infrastructure is therefore considered to be a direct cost absorbed by the development so is not identified on the tables.

The Council is of the view that there are no desirable projects as defined by BG-041 (unlikely to prevent development taking place but would benefit place-making).

Expected Infrastructure Costs for Education			
Sources of Funding	Information	Total Cost	
Overall cost for Education (Secondary and Primary)		£11,930,772	
Necessary Infrastructure - secured via Section 106 agreement	Costs agreed with the Local Education Authority based on number of pupil places generated as per the NCC Developer Contributions Strategy.	HS1	£5,838,543
		HS2	£54,822
		HS3	£630,453
		HS4	£520,809
		HS5	£54,822
		HS14	£555,207
		Total from S106: £7,654,656	
Expected funding gap		-£4,276,116	
Likely contributions from sites within Worksop Central DPD	Costs agreed with the Local Education Authority based on number of pupil places generated as per the NCC Developer Contributions Strategy. Delivery mechanism to be determined by the DPD.	£3,300,000	
Likely overall CIL receipts up to 2038	Information from the IDP (updated within Appendix 1 of this paper)	£11,300,000	

Expected Infrastructure Costs for Transport			
Sources of Funding	Information	Total Cost	
Overall cost for Transport (Highways, Public transport and Walking and Cycling)		£25,417,844	
Necessary Infrastructure – secured via Section 106 agreement	Estimated proportional contribution per site identified within the Transport Assessments [TI-017, TI-018] and from updated evidence as a result of the hearings	HS1	£3,235,000
		HS7	£1,165,000
		HS8	£20,000
		HS9	£170,000
		HS10	£140,000
		HS11	£350,000
		HS13	£6,360,000
		HS14	£80,000
		SEM001	£11,550,000
		HB001	£42,800
Total from S106: £23,112,800			
Expected funding gap		-£2,305,044	
Likely contributions from sites within Worksop Central DPD	Information from the draft Worksop Transport Assessment	£250,000	
Likely CIL receipts up to 2038	Information from the IDP (updated within Appendix 1 of this paper)	£11,300,000	

Expected Infrastructure Costs for Health Care					
Sources of Funding	Information	Total Cost			
Overall expected cost for Health Care (primary and acute)		£1,855,028			
Necessary Infrastructure – secured via Section 106 agreement	Costs agreed with Bassetlaw CCG within IDP [BG-041]	HS1	£733,320		
		HS2	£13,580		
		HS3	£81,480		
		HS4	£67,900		
		HS5	£10,185		
		HS7	£207,095		
		HS9	£31,234		
		HS10	£13,580		
		HS11	£41,419		
		HS13	£604,310		
		HS14	£50,925		
				Total from S106: £1,855,028	
		Expected funding gap		£0	

Expected Infrastructure Costs for Green Infrastructure			
Sources of Funding	Information	Total Cost	
Overall expected cost for Green Infrastructure, (open space, tree planting)		£2,865,300	
Necessary Infrastructure – secured via Section 106 agreement	Costs agreed with BDC Parks & Open Spaces team	HS1	£986,000
		HS2	£7,600
		HS3	£12,300
		HS4	£342,000
		HS5	£36,700
		HS7	£420,000
		HS9	£271,000
		HS10	£6,800
		HS11	£19,700
		HS13	£694,000
		HS14	£27,400
		SEM001	£41,300
		HB001	£500
Expected funding gap		£0	

The overall funding gap (total cost of infrastructure from the site allocations) is c£42m (IDP identified £54m). The estimated cost associated with developer contributions is c£35.4m (same as IDP) leaving a residual funding gap of £6.58m (IDP identified £19m). The estimated CIL receipt is likely to be c £11.3m (IDP identified £10.9m) which will contribute to reducing the residual funding gap.

The change to the anticipated infrastructure costs and funding gap follows discussions during the Local Plan hearing sessions and also with the Education Authority who have updated their position for the secondary school facility at Peaks Hill Farm. The key changes are:

- Peaks Hill Farm secondary school facility (HS1)
 - Total cost: £11.3m (IDP identified £12m)

- LEA state: Peaks Hill Farm is only generating around half of the demand for school places and therefore should not be responsible for providing the full extent of the land for free. It will necessary to adjust the contributions to ensure that the Peaks Hill Farm is compensated for the overprovision of land. The valuation of the land should reflect the purpose for which it has been allocated in the Local Plan (i.e., education use) as there is no prospect of the land being developed for any other use. Based on the price that NCC paid for the primary school extension land at the nearby Gateford Park (i.e. £40,000 for 0.4ha), a benchmark land value could be £100,000 per hectare. On this basis, the value of the land reserved at Peaks Hill Farm (2.5ha) would be £250,000. It is proposed that the financial contribution for Peaks Hill Farm is reduced by £125,000 (half of the land value) with each of the remaining Worksop sites making a supplementary land contribution of £125 per dwelling, to offset the discount. The site allocation contributions have been amended accordingly.
- Ordsall South primary school (HS13) is essential to accommodate the need arising from this development. The cost of £5.4m should be absorbed by the development and has been removed from the overall infrastructure cost.
- Peaks Hill Farm distributor road (HS1) is essential to support the level of growth on the site so should be absorbed by the development. £8m has been removed from the overall infrastructure cost
- Apleyhead transport infrastructure has been revised following discussions with the Highways Authorities and updated evidence tabled at the hearings such as for J7 - A57/A614/A1 Apleyhead roundabout. The IDP identifies a cost of c£4.3m. The cost is now an estimated £540,000 for that junction.
- Some proposed costs for transport infrastructure associated with site allocations identified with the Retford and Bassetlaw Transport Assessments have changed due to the uncertainty over the level of proportionality. This is where Worksop allocations are contributing towards Retford highway improvements and vice-versa. Therefore, due to this uncertainty, the locational proportional costs are no longer considered a S106 cost but form part of the overall funding gap for transport so can be delivered via CIL for example.
- Appendix 1 of this paper updates the estimated CIL receipt over the Plan period. This reflects the updated housing trajectory submitted during the Examination and reflects the position at 31 January 2023. This shows that there will potentially be c£11.3m generated by CIL, with the majority coming from sites with planning permission in the housing trajectory.
- Where known, the likely cost of infrastructure associated with the DPD sites has been identified. However, the delivery mechanism can only be confirmed through the DPD process in response to detailed infrastructure and viability evidence.

As identified above, there are a number of infrastructure items which cannot be costed at this time. Therefore, the overall infrastructure funding gap for the District is likely to be significantly higher than £6.58m when the cost of these items is known.

In addition to the funding streams identified above, there are other potential funding options available to the Council and its partners to use to provide infrastructure during the Plan period.

These include:

- through the East Midlands Mayoral County Combined Authority devolution arrangements;
- capital funding by the County Council such as through the Local Transport Plan, the Local Cycling and Walking Infrastructure Plan and/or the Bus Service Improvement Plan;
- capital funding by the District Council;

- through successful Government funding bids e.g. £18m secured via the Levelling Up Fund to open up a key Worksop town centre site and deliver walking and cycling infrastructure;
- prudential borrowing by the Council to secure loans at low rates from the Public Works Loan Board (PWLB) under prudential principles;
- local asset backed vehicle which allows the Council to use their assets (usually land) to lever long-term investment from the private sector for regeneration projects;
- strategic asset management whereby the Council maximises the contribution local authority assets make through refurbishing and repurposing buildings to make better use out of them and ready them for sale; selling off to generate receipts, or liabilities to reduce costs; acquiring new assets to meet local council or civic needs, to deliver where the market cannot or to grow the investment portfolio
- through New Homes bonus paid by central government to local councils to reflect and incentivise housing growth in their areas.