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To  
Mr M J Hetherington  
C/O  
CIL Programme Officer  
Ian Kemp

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**Ref:** DB

Dear Mr Hetherington

**Re : Funding Gap for CIL Charging Schedule Examination**

- 1 Further to my letter of 11<sup>th</sup> May, I can now update you on the Council's position with regard to the funding gap. To provide evidence of this, I have attached updates to both the Infrastructure Delivery Plan (IDP) (Doc CIL11B) and the Regulation 123 list (Doc CIL12A).
- 2 As a result of your initial queries (PC1) we have undertaken a further update to the Infrastructure Delivery Plan (IDP). As you will be aware this is an evolving document and this latest evolution seeks to:
  - a. Update the transport section to accurately reflect the latest schedule and costs provided by Warwickshire County Council
  - b. Revisit the assumptions about funding sources, particularly where there were minor inconsistencies with the Regulation 123 list
  - c. Reflect the funding totals arising from the amendments outlined above.
- 3 In addition, the Regulation 123 list has been updated, although the only change to it is correctly show the total cost of all the Infrastructure schemes within the list. CIL12 (the Reg 123 List as submitted) incorrectly indicated the total was £57,890,000. In fact the total should have read £60,950,000


- 4 The IDP updates now align with the Regulation 123 List and the “CIL” column of the IDP therefore also now totals £60,950,000.
- 5 The final line of the refreshed IDP shows the total cost of all infrastructure is £315,015,000. It also shows the estimated sources of funding as follows:

Source of funding	Estimated Amount of Funding (IDP May 2017)
CIL	£60,950,000
Section 106	£92,337,000
Section 278	£25,757,000
Other (Committed)	£58,697,900
Other (Potential)	£35,300,000
<b>Total (all sources of estimated funding)</b>	<b>£273,041,900</b>
Balance	£41,973,100

- 6 There are number of infrastructure projects where the costs are still to be identified, notably the provision of a secondary school at Kings Hill (ref E7 in the IDP) and secondary school south of Warwick (Ref E4 in the IDP). Whilst these are expected to be significant costs, it is also anticipated that these costs will be met through central government funding for new schools (currently Free Schools) and/or through onsite provision. These projects are therefore expected to be cost neutral and are not anticipated to add to the funding gap.
- 7 The balance of £41,973,100 relates to a variety of Infrastructure schemes where work on potential funding sources is still under consideration. Examples of this include
- Kenilworth School (Ref E6 in IDP) where it is anticipated that land sales from the existing school sites will raise a substantial sum and will significantly address the vast majority of the existing shortfall for that schemer
  - A452 Leamington to Kenilworth (Ref T3 in IDP) where funding from Highways England/RIS2 or future potential for S278 is still be identified and quantified
- 8 In this context the funding gap for the purposes of the CIL Charging Schedule can be identified as follows:
- |                             |              |
|-----------------------------|--------------|
| Assumed CIL funding:        | £60,950,000  |
| Balance from 5 above:       | £41,973,100  |
| Estimate Total Funding Gap: | £102,923,100 |
- 9 This estimated total needs to be considered in light of the following:
- “Other Potential” sources (which total £35,300,000) includes funding opportunities which are currently uncertain. Depending on the whether all of these are ultimately achieved or not, the estimated total funding gap may increase.
  - There are likely to be opportunities to reduce “the Balance” (£41,973,100) such as through Kenilworth School land sales and RIS2 funding. In this context, the estimated total funding gap could reduce

- 10 It is therefore important to understand that the funding gap set out in para 8 above cannot be viewed as precise. However, the Council is clear that whatever the outcomes of efforts to attract alternative sources of funding, there will remain a residual funding gap of at least £60,950,000 which will require funding from CIL.
- 11 I hope this provide further clarification regarding the Council's position relating to the funding gap. If you have any further queries' on this matter, please feel free to get in touch.

Yours faithfully

A handwritten signature in black ink that reads "David Barber". The signature is written in a cursive, flowing style.

David Barber  
Policy and Project Manager