



**WEST OXFORDSHIRE  
DISTRICT COUNCIL**

## **Infrastructure Funding Gap Analysis Note**

**March 2025**

## Infrastructure Funding Gap Analysis Note

### **1. Introduction**

- 1.1 The purpose of this short briefing note is to provide updated commentary on the extent of the infrastructure funding gap that exists in West Oxfordshire, in order to support the introduction of the Community Infrastructure Levy (CIL).

### **2. West Oxfordshire's Previously Published Position - 2020**

- 2.1 The Council's most recently published Infrastructure Funding Gap Analysis was prepared in June 2020. It was published in support of a previous draft CIL charging schedule that was not subsequently progressed to examination.
- 2.2 The 2020 analysis considered potential CIL revenue and expected infrastructure costs in order to identify a total infrastructure funding gap and an aggregate funding gap, taking account of potential CIL revenue.
- 2.3 Potential CIL revenue was estimated at around £24.5m and the total infrastructure funding gap was identified at between £192.2m - £198m based on a range of physical, social and green infrastructure requirements.
- 2.4 The aggregate funding gap was therefore identified at between £167.7m - £173.5m.
- 2.5 The analysis noted that this was a conservative estimate because it was based only on a selection of infrastructure projects where costs were known at that time. It emphasised that in reality, the extent of the funding gap was therefore likely to be much larger.

### **3. Current Position**

- 3.1 Set out below is a high-level update of the Council's previously published position regarding the aggregate infrastructure funding gap.
- 3.2 This takes account of some known changes since 2020 including Oxfordshire County Council having secured central Government funding towards public transport improvements along the A40 corridor.
- 3.3 It also includes a revised estimate of potential CIL revenue in the period up to 2031 taking account of the number of local plan non-strategic allocated sites which are yet to come forward as well as a revised forecast of potential windfall residential development and non-residential development.

### Total Infrastructure Funding Gap

- 3.4 There have been some changes to the status and funding available for certain projects which affect the extent of the total infrastructure funding gap identified in 2020.
- 3.5 In arriving at an assumed total funding gap of between £192.2m - £198m, the analysis undertaken in 2020 assumed a funding gap of £106.3m in relation to proposed improvements to public transport – specifically along the A40 corridor including bus priority measures, extension of dualling to the A40 and complementary improvements for walking and cycling.
- 3.6 Since then, Oxfordshire County Council have been successful in securing funding of £126m with the majority being provided through the Government’s Housing Infrastructure Fund (HIF).
- 3.7 However, notwithstanding this funding having been secured, due to inflationary cost pressures, it has been necessary to exclude some of the improvements which were originally proposed as part of the A40 scheme including sections of bus lane and additional dualling.
- 3.8 West Oxfordshire District Council’s understanding is that Oxfordshire County Council will continue to seek the additional funding necessary to complete the A40 improvements in their totality. It is understood that, as a broad estimate, this may be in the region of £40m - £60m.
- 3.9 A further change relates to the previous assumptions made around leisure and sport, with Phase 2 of the Carterton Leisure Centre improvements (previously identified as a funding gap of £4.5m) having now been completed.
- 3.10 However, Leisure Officers advise that as a result of inflationary cost pressures, the previous estimate for replacing the Windrush Leisure Centre in Witney of between £22m - £25m is now more likely to be between £40m - £50m with reference to similar schemes brought forward recently elsewhere.
- 3.11 Taking the above key changes into account, Officers estimate that the total infrastructure funding gap is now likely to be between £143.9m - £176.7m broken down in the table overleaf.

Infrastructure Type	Estimated Funding Gap
Highway improvements	£9.7m
Public transport improvements	£40 - £60m
Walking, cycling and riding improvements	£5.7m
Parking	£2.9m
Surface water, drainage, flood alleviation and defence	£7m
Waste and recycling	£1.5m
Education	£1m
Leisure and Sport	£54.2m - £64.2m
Health	£4.5m
Public safety	£1.5m - £2.3m
Community and culture	£6.3m - £8.3m
Biodiversity and Green Infrastructure	£2.4m
Informal and Formal Open Space	£7.2m
<b>Total</b>	<b>£143.9m - £176.7m</b>

- 3.12 As with the previous estimate made in 2020, this is considered to be a conservative figure as it only takes account of known infrastructure costs and, other than in relation to the A40 and Windrush Leisure Centre cost assumptions, makes no other upward adjustments for inflationary cost pressures.

#### Potential CIL Revenue

- 3.13 The previous funding gap analysis in 2020 estimated potential CIL revenue from residential development of £24m broken down as follows:
- Non-strategic local plan allocated sites not yet permitted - £5,162,500
  - Major windfall schemes of 11 or more units - £5,850,000
  - Non-major windfall schemes of less than 11 units - £13,000,000
- Total - £24,012,500**
- 3.14 For non-residential development, it estimated that around 5,000 sqm of floorspace could generate a further £500,000 based on the CIL rates proposed at that time.
- 3.15 Having regard to the current status of remaining non-strategic site allocations yet to come forward and potential windfall development over the remaining adopted local plan period, a revised estimate of potential CIL revenue is provided below.
- 3.16 This is based on the proposed CIL rates set out in the submitted charging schedule that was the subject of public consultation in 2024.

### *Non-Strategic Site Allocations*

- 3.17 Most of the non-strategic site allocations in the Local Plan 2031 have now been permitted and built or are under construction. Of those that are yet to be built, 50 units are on a single greenfield site with 350 units on two previously developed (brownfield sites).
- 3.18 Based on the proposed CIL rates set out in the Council's draft charging schedule and applying a simple average of 100 sqm per residential unit, the potential CIL revenue from the market housing element of these sites would be as follows:
- Myrtle Farm (25 market units on greenfield land) – £562,500
  - REEMA North and Central (195 market units on previously developed land) - £2,437,500
  - Woodford Way (30 market units on previously developed land) - £375,000
- 3.19 Total potential CIL revenue from these three sites would therefore be £3,375,000.

### *Windfall Development*

- 3.20 In respect of speculative windfall development, it is reasonable to assume based on past trends, an average of at least 125 residential units per year. Assuming the CIL charging schedule were to apply in part for 2024/25 and for the entire period 1st April 2025 – 31st March 2031, this would mean around 812 residential units in total.
- 3.21 Assuming that these are all on small-scale greenfield sites that do not attract affordable housing and applying a simple 100 sqm per unit, the maximum CIL return would be around £18,270,000.
- 3.22 Assuming that around half of these remain on greenfield sites but attract affordable housing and applying a blended average of 40% affordable units, the amount of potential CIL revenue would reduce to £14,625,000, broken down as follows:
- £9,135,000 from schemes excluding affordable housing
  - £5,490,000 from schemes including affordable housing
- 3.23 Any units coming forward on previously developed land (and thus attracting the lower proposed CIL rate of £125 per sqm) would reduce this potential revenue further.
- 3.24 In summary, the total amount of CIL revenue that could be generated from non-strategic local plan allocations that are yet to come forward and speculative windfall development in the period to 2031 is expected to range from £18,000,000 - £21,645,000.
- 3.25 This would however be lower if windfall schemes were to come forward on previously developed land and thus attract the lower proposed CIL rate.

### *Non-Residential Development*

- 3.26 In relation to non-residential development, the Council's draft CIL charging schedule proposes to exempt all non-residential uses with the exception of large format retail including supermarket, foodstores and retail warehousing which is proposed to attract a charge of £125 per sqm.

3.27 It is difficult to estimate with any certainty how much large format retail floorspace is likely to come forward in the remaining plan period to 31st March 2031. The indicative figures below suggest that CIL revenue of between £375,000 and £937,500 could be generated depending on the floorspace assumption made.

- 3,000 sqm - £375,000
- 5,000 sqm - £625,000
- 7,500 sqm - £937,500

*Total Potential CIL Revenue*

3.28 Having regard to the assessment above, total CIL revenue in West Oxfordshire under the draft charging proposals from residential and non-residential development is estimated to range between £18,375,000 and £22,582,500.

3.29 Taking a mid-point, the total amount would be **£20,478,750 (c. £20.5m)**.

*Aggregate Infrastructure Funding Gap*

3.30 The estimated total infrastructure funding gap is between £143.9m - £176.7m with anticipated CIL revenue estimated to be £20.5m.

3.31 The total extent of the aggregate funding gap is therefore estimated to be between **£123.4m - £156.2m**.