

M5 Junction 10 Improvements Scheme

Letters of in Principle Support

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COUNTY COUNCIL

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9.63 Letters of in Principle Support

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PART OF HENRY BOOT

Chris Beattie CEng MICE
M5 J10 Programme Manager
GCC Major Projects
Highways Commissioning,
Gloucestershire County Council
Shire Hall, Westgate Street,
Gloucester GL1 2TG

30th July 2024

Dear Sir/Madam

RE: Developer Position Statement concerning M5 Junction 10 Funding methodology

HBD have applied for planning permission for up to 1067 dwellings and 125,698sqm of employment floorspace (including mobility hubs) to the West Cheltenham, known as Golden Valley.

In connection with the M5 J10 Improvements Scheme DCO, the County Council had consulted us on a methodology to apportion the cost of the £81.139m funding shortfall. The proposal was to cover the shortfall amongst those sites that, to varying degrees benefit from the additional capacity created by the M5 J10 proposals. The initial funding methodology identified that allocated strategic sites at West and North-West Cheltenham and the "safe-guarded" land at North-West Cheltenham would contribute to this funding gap.

The principal concerns we have are that any contribution must legally satisfy the CIL 122 tests, and adequately considers scheme viability. It is our position that the Southern Parcel application should not contribute to the DCO scheme as an obligation would not be CIL compliant.

Contributions should also be based on a methodology which reflects the varying impacts of development. For example, a bus gate is proposed which prevents commercial and residential traffic from directly accessing J10. All traffic therefore will be coming via the A40/Telstar Way rather than down through the allocation from Old Gloucester Road. A revised charging methodology should acknowledge that.

A proportionate contribution from the Northern Parcel application may be possible (subject to impact and viability).

The J10 proposals are identified as part of the M5 growth corridor proposals within the JCS. Therefore, it is reasonable to conclude that they are required to support a much wider array of forthcoming development than just the three sites currently proposed by GCC. A contribution strategy should also acknowledge the need for new and future developments which come forward after the initial contribution strategy is fixed to contribute to J10 in a proportionate manner.

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Finally, the funding requirements of Junction 10 were initially met by the Housing Infrastructure Fund ("HIF") and we are keen to understand if the shortfall for the developers to contribute to can be reduced by looking at other funding mechanisms such as more HIF or Tax Increment Financing (TIF)?

Following our representations, GCC have confirmed that they are amending the methodology to better relate it to a wider range of sites that necessitate the scheme and the benefits it delivers. We have yet to receive this.

We support the principle of improvements to J10 of the M5 and our development site could contribute to the funding shortfall, subject to the following:

- Planning permission is granted for our Southern and Northern development sites,
- Any contributions are legally CIL compliant,
- Consideration is given to site-specific viability issues
- Alternative sources of funding are sought (e.g. Community Infrastructure Levy, HIF funding etc),
- GCC adopt a revised methodology to capture a wider range of other development sites that cumulatively would be dependent in whole or part on provision of the M5 Junction 10 package,
- The other sites identified, currently and in the future contribute in line with the methodology described above to address the funding gap,
- Once the contract is let for the construction of the M5 J10 Improvements Scheme, any highway Grampian conditions in relation to our developments concerning delivery of those M5 J10 Improvement Scheme works will be removed.

We are advised that a DCO session on funding will be scheduled during August, and we would be happy to meet to discuss funding with you prior to then if that was helpful.

Yours sincerely


Nigel Munro
Director - Head of Projects (Urban Regen)

Gloucestershire County Council
Shire Hall
Westgate Street
Gloucester
GL1 2TG

30 July 2024

Dear Sir/Madam

**RE: Developer Position Statement concerning M5 Junction 10 Funding methodology
NEMA Land Parcel, West Cheltenham: Proposal Comprising 37,500m2 of Employment
Floorspace, up to 365 New Dwellings, Medical Centre and Associated Landscaping.**

In connection with the M5 J10 Improvements Scheme DCO, the County Council had consulted us on a methodology to apportion the cost of the £81.139m funding shortfall. The proposal was to cover the shortfall amongst those sites that, to varying degrees benefit from the additional capacity created by the M5 J10 proposals. The initial funding methodology identified that allocated strategic sites at West and North-West Cheltenham and the “safe-guarded” land at North-West Cheltenham would contribute to this funding gap.

The principal concern we had was that the commercial aspect of Golden Valley cannot afford to contribute. The J10 proposals are identified as part of the M5 growth corridor proposals within the JCS. Therefore, it is reasonable to conclude that they are required to support all forthcoming development and not just the three sites listed. A contribution strategy should also acknowledge the need for new and future developments which come forward after the initial contribution strategy is fixed to contribute to J10 in a proportionate manner.

Looking then at the principle of asking for contributions to fill a funding gap as a planning obligation within the West Cheltenham allocation, different parts will have varying impacts on J10. A bus gate is proposed for example which prevents commercial and residential traffic from the southernmost parts (i.e. where our land is located) directly accessing J10. All commercial traffic to that part of the allocation therefore will be coming via the A40/Telstar Way rather than down through the allocation from Old Gloucester Road. A revised charging methodology should acknowledge that.

Finally, the funding requirements of Junction 10 were initially met by the Housing Infrastructure Fund (“HIF”) and we were keen to understand if the shortfall for the developers to contribute to can be reduced by looking at other funding mechanisms such as more HIF or Tax Increment Financing (TIF)?

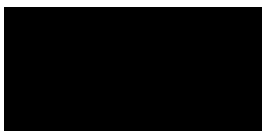
Following our representations, GCC have confirmed that they are amending the methodology to better relate it to a wider range of sites that necessitate the scheme and the benefits it delivers. This is to be issued in July 2024.

We support the principle of our development site contributing to the funding shortfall, subject to the following:

- Planning permission is granted for our parcel,
- GCC adopt a revised methodology to better relate to a wider range of other development sites that cumulatively would be dependent in whole or part on provision of the M5 Junction 10 package,
- The other sites identified, currently and in the future contribute in line with the methodology described above to address the funding gap,
- Consideration is taken of any site-specific viability issues in determining contributions which may include consideration of how Community Infrastructure Levy may be used to also address the funding gap.
- Once the contract is let for the construction of the M5 J10 Improvements Scheme; the any highway Grampian conditions in relation to our development concerning delivery of those M5 J10 Improvement Scheme works will be removed.
- The identified contribution methodology is CIL compliant.

We are advised that a DCO session on funding will be scheduled during August and we would be happy to meet to discuss funding with you prior to then if that was helpful.

Yours faithfully



Steve Forman
Land and Planning Director
NEMA Strategic Land

Dear Sirs,

RE: Bloor Homes Position Statement concerning M5 Junction 10 Funding methodology in respect of the “safeguarded” land.

Bloor Homes hold land purchase options and are property developers. One of our interests in relation to the M5 J10 Improvement Scheme DCO process (DCO) derives from the development of the safeguarded site adjacent to Junction 10 identified in the adopted Joint Core Strategy as a future development site.

In connection with the DCO, the County Council had consulted us on a methodology to apportion the cost of the £81.139m funding shortfall amongst those sites that the County Council maintains are cumulatively dependent on the DCO works and the relief it provides elsewhere on the network. The initial funding methodology proposed that allocated strategic sites at West and North-West Cheltenham and the safeguarded land at North-West Cheltenham would contribute to this funding gap. We do not agree with the methodology and following our representations, we understand that GCC are amending the methodology to better relate it to a wider range of sites that necessitate the scheme and the benefits it delivers.

Subject to a review of the revised methodology, we potentially support the principle of the safeguarded land contributing to such a methodology to make up the funding shortfall, subject to the following:

- The safeguarded land is allocated in the forthcoming SLP and/or planning permission is granted for the safeguarded land;
- GCC adopting a revised methodology that includes other development sites that cumulatively would be dependent on provision of the M5 Junction 10 package, including for a shortfall funding cost recovery mechanism included in the SLP as the Scheme will unlock wider future growth in the area;
- Once the contract is let for the construction of the M5 J10 Improvements Scheme, GCC support the removal of any highway Grampian conditions in relation to our development concerning delivery of the DCO junction 10 works.
- Other sites contributing in line with the methodology described above to address the funding gap,
- Consideration of any site-specific viability issues in determining contributions which may include consideration of how Community Infrastructure Levy may be used to also address the funding gap.

Dear Sirs,

RE: Bloor Homes Position Statement concerning M5 Junction 10 Funding methodology in respect of “Elms Park”, North West Cheltenham.

This is a joint statement on behalf of Bloor Homes and Persimmon Homes Ltd (Elms Park Developers). The Elms Park Developers role in relation to the M5 J10 Improvement Scheme DCO process (DCO) derives from our joint venture in the development known as Elms Park, a strategic development site identified as Policy A4 - North West Cheltenham in the adopted Joint Core Strategy.

In connection with the DCO, the County Council had consulted us on a methodology to apportion the cost of the £81.139m funding shortfall amongst those sites that the County Council maintains cumulatively are dependent on the DCO works and the relief it provides elsewhere on the network. The initial funding methodology proposed that allocated strategic sites at West and North-West Cheltenham and the safeguarded land at North-West Cheltenham would contribute to this funding gap. We do not agree with this methodology and following our representations, we understand that GCC are amending the methodology to better relate it to a wider range of sites that necessitate the scheme and the benefits it delivers.

Subject to reviewing the revised shortfall funding methodology, we will consider whether it can be supported, noting that we do not object to the DCO scheme in principle. Agreement to supporting the funding methodology, or making any alternative funding provision or works in kind, will be subject to the following:

- Planning permission is granted for the Elms Park site;
- GCC adopting a revised methodology that includes other development sites that cumulatively would be dependent on provision of the M5 Junction 10 package,
- GCC support the removal of any highway Grampian conditions in relation to our development concerning delivery of the DCO junction 10 works or other highway mitigation schemes;
- Other identified sites contributing in line with the revised methodology to address the funding gap;
- Consideration of any site-specific viability issues in determining contributions which may include consideration of how Community Infrastructure Levy may be used to also address the funding gap, including for CIL or similar provisions made in the emerging Strategic Local Plan
- A Landowners Agreement being entered into between GCC and Bloor Homes and Persimmon Homes which enables a commercially acceptable delivery partnership to be established including means of access;
- Any contributions being sought by GCC being CIL compliant and reasonable in all other regards.

18 July 2024

FAO: J10 Improvement Works Team, Gloucestershire County Council

Sent via email to Chris Beattie

Dear Sir/Madam

RE: Developer Position Statement concerning M5 Junction 10 Funding methodology

In connection with the M5 J10 Improvements Scheme DCO, the County Council had consulted us on a methodology to apportion the cost of the £81.139m funding shortfall amongst those sites that cumulatively are dependent on the above package of works and the relief it provides elsewhere on the network. The initial funding methodology proposed that allocated strategic sites at West and North-West Cheltenham and the “safe-guarded” land at North-West Cheltenham would contribute to this funding gap. Following our representations, GCC are amending the methodology to better relate it to a wider range of sites that necessitate the scheme and the benefits it delivers.

We support the principle of our development site contributing to such a methodology to make up the funding shortfall, subject to the following:

- Planning permission is granted for our development site,
- GCC adopt a revised methodology that includes other development sites that cumulatively would be dependent on provision of the M5 Junction 10 package,
- Once the contract is let for the construction of the M5 J10 Improvements Scheme; the removal of any highway Grampian conditions in relation to our development concerning delivery of those M5 J10 Improvement Scheme works.
- Other sites contribute in line with the methodology described above to address the funding gap,
- Consideration of any site-specific viability issues in determining contributions which may include consideration of how Community Infrastructure Levy may be used to also address the funding gap.

Yours faithfully,

Nick Matthews

(for Savills on behalf of MLPL and St. Modwen)

18 July 2024

FAO: J10 Improvement Works Team, Gloucestershire County Council

Dear Sir/Madam

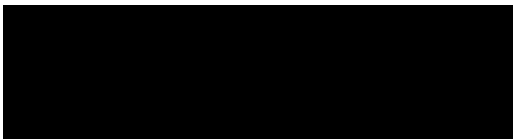
RE: M5 J10 Improvements Scheme DCO - Landowner Position Statement concerning M5 Junction 10 Funding methodology

The County Council Environment, Economy and Infrastructure (EE&I) has consulted Asset Management and Property Services (AMPS), Corporate Services, as landowner representative, on a methodology to apportion the cost of the £81.139m funding shortfall among sites that cumulatively will benefit from the Scheme and the relief it will provide elsewhere on the network. The initial funding methodology proposed that allocated strategic sites at West and North-West Cheltenham and the “safe-guarded” land at North-West Cheltenham would contribute to this funding gap. Following our representations, GCC EE&I are amending the methodology to relate it to a wider range of sites that necessitate the scheme and the benefits it will deliver.

AMPS support the principle of our land holding contributing to such a contribution methodology to make up the funding shortfall, subject to the following:

- GCC entering a collaboration agreement with the scheme promoter/developer
- Planning permission being granted for our land as part of a wider development,
- GCC Highways adopting a revised methodology that includes other development sites that are dependent on the provision of the M5 Junction 10 package
- A wider range of sites contributing in line with the methodology described above to address the funding gap,
- Consideration being given to any site-specific viability issues in determining contributions, including consideration of how Community Infrastructure Levy may be used to address the funding gap.

Yours faithfully,



Neil Corbett

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