

M5 Junction 10 Improvements Scheme

Funding Statement (tracked)

TR010063 - APP 4.2

Regulation 5 (2) (h)

Planning Act 2008

Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009

Volume 9
November 2024



Gloucestershire
COUNTY COUNCIL

Infrastructure Planning Planning Act 2008

The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009

M5 Junction 10 Improvements Scheme Development Consent Order 202[x]

4.2 Funding Statement (tracked)

Regulation Number:	Regulation 5(2)(h)
Planning Inspectorate Scheme Reference:	TR010063
Application Document Reference:	TR010063/APP/4.2
Author:	M5 Junction 10 Improvements Scheme Project Team

Version	Date	Status of Version
Rev 0	December 2023	DCO Application
Rev 1	October 2024	Deadline 6
Rev 2	November 2024	Deadline 10

Contents

Chapter	Page
1. Introduction	4
1.1 Purpose of this Statement	4
1.2 Background	5
2. Scheme costs	8
2.1 Approach to Scheme costs	8
2.2 Explanation of costs	8
3. Sources of funding	10
3.1 HIF Grant funding	10
3.2 Developer contributions	10
3.3 Community Infrastructure Levy (CIL)	11
3.4 GCC funding	11
4. Funding profile and Scheme delivery	12
5. NSIP Policy in relation to scheme funding	14
6. Conclusion	15
Appendices	15
Appendix A. Status of Planning Applications	17
Tables	
Table 1-1 – Scheme cost estimate forecast	6
Table 1-2 – Spend profile forecast	7
Figures	
Figure A-1 - Location of the Scheme elements (M5 Junction 10 Improvements, A4019 Widening, and the Link Road to West Cheltenham), the allocated land at West and North-west Cheltenham (light blue areas on the figure), and the safeguarded land areas at north-west and west Cheltenham (dark blue areas on the figure). (* Safeguarded land is land which has been identified for development in the future and is protected from conflicting development).	23

1. Introduction

1.1 Purpose of this Statement

- 1.1.1 This Funding Statement (“this Statement”) relates to an application made by Gloucestershire County Council (GCC) (“the Applicant”) to the Planning Inspectorate under the Planning Act 2008 (“the Act”) for a Development Consent Order (DCO). If made, the DCO would grant consent for GCC to deliver the M5 Junction 10 Improvement Scheme (“the Scheme”).
- 1.1.2 The purpose of this Statement is to demonstrate the funding mechanisms available to the Scheme, primarily through the Homes England Housing Infrastructure Fund (HIF), are no impediment to the delivery of the Scheme or to the payment of compensation to persons affected by compulsory acquisition, temporary possession, or blight.
- 1.1.3 This Statement has been prepared and submitted in compliance with Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 (“the 2009 Regulations”) and in accordance with the Department for Communities and Local Government guidance ‘Planning Act 2008: Guidance related to procedures for compulsory acquisition’ (September 2013).
- 1.1.4 This Statement is required as the DCO would authorise the compulsory acquisition of land, interests in land or rights over land. This leads to the requirement under Regulation 5(2)(h) for a statement indicating how the implementation of these powers in the DCO would be funded.
- 1.1.5 As this Statement forms part of GCC’s DCO application, it has been informed by and should be read alongside the other relevant application documents, including:
- The Statement of Reasons (REP4-014), which is included in the application to comply with the requirements of Regulation 5(2)(h) of the 2009 Regulations.
 - The Draft DCO and Schedules (REP5-003).
 - The Book of Reference (REP4-016) containing details of the those who may have an interest in the land affected by the Scheme and where compulsory acquisition and temporary possession powers are being sought.
 - The Land Plans (REP5-002) showing the land over which it is proposed to exercise compulsory acquisition and temporary possession powers.
- 1.1.6 Details of the Scheme objectives and a full description of the Scheme proposals can be found in the ‘Introduction to the Application’ (APP-060).

1.2 Background

- 1.2.1 The Joint Core Strategy (JCS) is a partnership between Gloucester City Council, Cheltenham Borough Council (CBC) and Tewkesbury Borough Council (TBC) which sets out a strategic planning framework for the three areas. The Adopted JCS 2011-2031 is a coordinated strategic development plan, adopted in December 2017, which shows how the region will develop and includes a shared spatial vision targeting 35,175 new homes and 39,500 new jobs by 2031. The upgrading of M5 Junction 10 to an all-movements junction has been identified as a key infrastructure requirement to enable the housing and economic development proposed by the JCS.
- 1.2.2 In particular, major development of new housing and employment land including a government supported cyber business park (Cyber Central UK) is proposed in strategic and safeguarded allocations to the west and north-west of Cheltenham, these being West Cheltenham (Golden Valley), North West Cheltenham (Elms Park) and safeguarded land to the north-west and south-west of Cheltenham (See Figure A-1 in Appendix A). Transport modelling indicates that only 1,711 of the 8,914 of the new homes could come forward from these sites without the implementation of the Scheme with the remaining 7,203 homes therefore considered to be dependent upon provision of an all-movements junction at M5 J10.
- 1.2.3 A bid was submitted in March 2019 to Homes England's Housing Infrastructure Fund (HIF), wherein an investment case was made for the delivery of infrastructure improvements to support the delivery of the identified dependent housing as the identified sites were insufficiently viable to deliver the infrastructure either independently or in collaboration. Funding was announced by Homes England in March 2020 with the relevant Grant being entered into in October 2020.
- 1.2.4 Since the original funding announcement, the Scheme has been subject to scope change resulting in a longer and more costly delivery programme which, when considered in light of high-cost inflation during the period 2020 – 2023 (encompassing the CV-19 pandemic, the Russian invasion of Ukraine and volatility in the energy markets and supply chains which has significantly influenced the level of inflation) has created the need for additional funding. Scheme budgets will continue to be monitored through monthly reporting and forecasting, this function will be increasingly strengthened as GCC's ECI contractor reports on scheme cost forecasts whilst progressively working on the development of the scheme and associated delivery programme.
- 1.2.5 GCC has a number of options to address the identified funding gap (described in Section 3 of this statement) including utilising existing JCS policy to secure section 106 agreements for contributions towards delivery of the Scheme from dependant developments. GCC has undertaken site appraisals to inform its view on the viability of the level of contribution from the identified sites. GCC does not consider it unreasonable to seek contributions from developments which are dependent upon the relevant infrastructure and which have a total gross development value of circa £2 billion.
- 1.2.6 A significant proportion of the planned development is reaching maturity in a planning sense and GCC considers it has a realistic prospect of securing section 106 agreement commitments within the timescales necessary to support the planned delivery of the scheme.

- 1.2.7 The Scheme is also supported in the Gloucestershire Local Enterprise Partnership's (GFirst LEP) Strategic Economic Plan and forms part of the transport network sought by GCC (Host Authority) in the adopted Gloucestershire Local Transport Plan. Improvements to M5 J10 are critical to maintaining the safe and efficient operation of the junction; and enabling the planned development and economic growth.
- 1.2.8 On 21 August 2020 National Highways published its update to the Delivery Plan for Road Investment Strategy 2 for the period 2020-2025. The Plan sets out in detail how National Highways will deliver its strategic outcomes and measure success. The plan cites the Scheme as a Housing Infrastructure Fund scheme which will be delivered by GCC with the support of National Highways, which will also be subject to future planning decisions.
- 1.2.9 In summary, the Scheme is well founded in relevant strategic planning documents, is a fundamental part of the current local plan (the JCS) enabling delivery of almost 9,000 homes and businesses, is included in the National Highways Delivery Plan 2020-2025, is supported by Homes England who are contributing over 70% of funding and GCC is confident that the identified developments can support the levels of contribution being sought. This, together with other potential funding options and the scope for project costs savings (see sections 2 and 3 below), gives strong confidence that the Scheme will be able to proceed if and when the Development Consent Order is made.

Table 1-1 – Scheme cost estimate forecast

Description	M5 J10	A4019	Link Road	Strategic Risk	Post-completion (allowance)	Total
Construction	£75,490,624	£22,936,863	£16,505,091			£114,932,579
Prelims	£30,094,689	£9,143,887	£6,579,831			£45,818,408
Design	£27,660,038	£8,404,150	£6,047,525			£42,111,713
Land	£16,144,222	£4,905,216	£3,529,735			£24,579,173
Inflation	£12,304,069	£3,738,434	£2,690,132			£18,732,636
Risk	£22,262,899	£6,764,298	£4,867,508			£33,894,705
Strategic Risk				£2,140,696		£2,140,696
Post completion (allowance)					£11,000,000	£11,000,000
Total	£192,956,542	£55,892,848	£40,219,822	£2,140,696	£11,000,000	£293,209,909

Table 1-2 – Spend profile forecast

	FY19/20 to FY23/24	FY24/25	FY25/26	FY26/27	FY27/28 (Q1&Q2)	FY27/28 (Q3&Q4)	Post completion
	End Mar 24	End Mar 25	End Mar 26	End Mar 27	End Sep 27	End Mar 28	
Total (£ million)	£37.79	£20.72	£55.31	£70.98	£64.94	£32.47	£11.00
Cumulative Total (£ million)	£37.79	£58.51	£113.82	£184.80	£249.74	£282.21	£293.21

2. Scheme costs

2.1 Approach to Scheme costs

- 2.1.1 The Scheme has a current estimate of £293.210 million.
- 2.1.2 The cost estimate has been based on the preliminary design undertaken in July 2023 (DF3 stage). The DF3 stage design represents the Scheme proposal for the final endorsement. This was produced following statutory and targeted consultation which captured further design considerations and further detailed assessments. The Environmental Statement (ES) assessment has been based on the DF3 stage design. The scheme cost includes costs in respect of construction, preliminaries, design, land, inflation, risk and a post-completion allowance.
- 2.1.3 The estimates for these items have been informed by land referencing activities, appointment of professional surveyors, and information received from consultation and engagement with parties having an interest in the land. The estimate has been prepared and verified at each key stage of the design fix and, in combination with the approved budget, provides sufficient cost certainty to enable the Applicant to confirm the viability of the Scheme. A high-level summary of the scheme cost estimate and spend profile is included in the tables above.
- 2.1.4 GCC appointed the contractor for the Scheme under a two-stage Early Contractor Involvement model in May 2023. This appointment enables GCC to work with the contractor to develop the Scheme, manage risks and identify suitable target cost and programme for the Scheme during stage one. At the end of stage one, a Notice-to-Proceed instruction will be agreed between GCC and the Contractor, enabling the detailed design and construction (stage two) to begin. This approach does allow for potential cost savings to be identified during the detailed design and construction stage.

2.2 Explanation of costs

- 2.2.1 The £293,210 million cost estimate includes an allowance of £24.579 million for compensation payments relating to the compulsory acquisition of land interests in, and rights over, land and the temporary possession and use of land. A sum of £11 million has also been allocated to post completion costs to include any potential claims which may be made under Part 1 of the Land Compensation Act 1973, Section 10 of the Compulsory Purchase Act 1965 and s152(3) of the 2008 Act. Land negotiations continue to take place across impacted properties for the Scheme and the majority of properties have been acquired (22 residential properties out of 24) totalling £13.87 million as of ~~November~~ ~~October~~ 2024. Discussions are well advanced on the remaining properties needed for the Scheme and therefore there is a high degree of certainty that the budget figures are accurate.
- 2.2.2 An allowance for blight has also been included. The term 'blight' is used to describe the reduction of economic activity or in property values within a particular area resulting from possible future development, or a restriction of development. Blight notices may be served on the Applicant by those with a qualifying interest in affected land. Any valid claim for blight arising as a consequence of the proposed compulsory acquisition of land, or rights in land, affected by the Scheme will be met by GCC. To date, no blight notices have been served in respect of the Scheme.

- 2.2.3 The above estimate also includes an allowance for risk (£33.8 million) which equates to 18% of the residual Scheme costs (excluding land and compensation costs). An allowance for inflation of £18,733 million has also been included. These are considered to be conservative estimates representing prudent budgeting.
- 2.2.4 The estimate does not include any element of Value Added Tax (VAT). This is on the basis that the GCC is the undertaker for the works and can recover any VAT paid. GCC will be placing an order for the works through its contractor and receiving the supply. It will be utilising funds belonging to the Council, through the GDA or otherwise. Therefore, VAT charged by the contractor will be recoverable by the Council.
- 2.2.5 It should also be noted that ~~there is currently~~ a change request, which has been accepted~~being considered~~ by the Examining Authority, ~~which includes results in~~ a number of measures ~~which, if accepted and now~~ forming part of the Scheme ~~which in due course,~~ will result in an anticipated reduction to the above costs of circa £5 million. Discussions ~~are also being held with~~ have concluded with National Highways in relation to a detailed design which will remove the need for the MS4 gantries and which will result in a saving of approximately £10 million.
- 2.2.6 GCC has been, and will continue to be, responsible for all preparation costs associated with the Scheme. These include items such as design costs, legal costs, land acquisition costs, advance payments to statutory undertakers and surveying costs.

3. Sources of funding

3.1 HIF Grant funding

3.1.1 The Housing Infrastructure Fund (HIF) is a £4.2bn major government programme which provides funding for infrastructure projects, which, once built, will unlock housing capacity in areas of high housing demand.

3.1.2 GCC entered a Grant Determination Agreement (GDA) with Homes England (HoE) in October 2020 to secure HIF funding for several highway schemes, including the Scheme, for a total sum of £249.131 million.

3.1.3 Of the total funding secured under the GDA, the grant funding available to the Scheme is £212.071 million (with the remaining grant funding allocated to delivery of other schemes).

~~3.1.4~~ The Scheme's GDA funding availability period currently extends to September 2027, which enables a delivery programme with overall Scheme completion forecast for ~~December 2027~~ March 2028.

~~3.1.53.1.4~~ HoE has, of 27th November 2024, also offered ~~allowed~~ GCC ~~intends to apply for an extension to the to extend the~~ Scheme completion date to March 2028. This ~~is being done to~~ aligns with the current construction programme. ~~Discussions have already taken place with HoE in respect of this extension and early indications are that this will be looked at positively. An extension of this nature would fall within the financial year 2027/28 and is within the delegation of the grant assurance team. HoE has informed GCC that this will take no more than 12 weeks to determine and put in place.~~

~~3.1.63.1.5~~ As well as the ability to apply for extensions to the funding availability period, which GCC has previously had approved by MHCLG and HMT by way of this process, there is also a mechanism contained within the GDA to allow GCC to make a change request to apply for an extension to the level of funding. This is a request that would need to be determined by MHCLG and the HMT. It is an option available to GCC should it be considered necessary at any point prior to or during scheme construction.

3.2 Developer contributions

3.2.1 The strategic Sites identified in the JCS (A7 - West Cheltenham and A4 - North West Cheltenham) as well as future development of the Safeguarded Land at North West Cheltenham (or any similar development) are reliant on the implementation of the Scheme as the Scheme forms a substantial part of the necessary highways mitigation required to make the developments acceptable in planning terms. This position was established by the JCS (2017) and its evidence base and is supported by GCC as Highway Authority for the local road network as well as by National Highways in their role as Highway Authority for the Strategic Road Network.

3.2.2 Appendix 1 identifies the current status of the developments as understood by GCC that will, subject to consideration of the applications by the Local Planning Authority in each case, be subject to requirements for contributions to the Scheme.

3.2.3 It is GCC's position that only 1,711 of the 8,914 homes could come forward without the Scheme. As such contributions will be sought by GCC pursuant to and obtained through existing JCS policies INF1, INF6 and INF7 which supports the arrangements for direct implementation or financial contributions towards the provision of infrastructure and services required as a consequence of development.

- 3.2.4 ~~Subject to consideration of the individual planning applications by the relevant Local Planning Authority applying the tests in Regulation 122 of the Community Infrastructure Lev Regulations and taking account of relevant representations including GCC as Local Highway Authority.~~ Financial contributions will be agreed with the developers and formalised through s106 agreements during the planning process. Such payments would be enforceable pursuant to the relevant planning obligation.
- 3.2.5 Engagement with affected developers, planning authorities and highway authorities has been undertaken upon the approach to defining and quantifying the levels of contribution being sought from the identified sites in relation to the Scheme and these continue to progress with a view to ensuring appropriate commitments are secured. It should be noted that ~~through GCC has applied the application of~~ existing policy ~~GCC~~ and has secured a £2,451,111 contribution to the Scheme in relation to a planning application for the Swindon Farm development (266 dwellings as part of the JCS North-West Cheltenham allocation). This will be delivered through a section 106 obligation which has been completed. GCC will continue to seek contributions as required from all Scheme dependent developments.
- 3.2.6 Discussions are being undertaken with the developers of the allocated sites A4 (North-West Cheltenham) and A7 (West Cheltenham). Discussions with those developers are at an advanced stage and GCC are confident that Scheme contributions will come forward through section 106 obligations.
- 3.2.7 It is also the intention of GCC to seek the inclusion of specific policies within the emerging local plan. This would ensure that any developments which are not yet allocated, such as the safeguarded ~~land~~, or which are otherwise brought forward for development and which are reliant on the Scheme in order to be acceptable in highway terms are required to contribute to the Scheme by way of section 106 contributions. ~~GCC is also looking at the possibility of working with the local planning authorities to bring forward Supplemental Planning Documents (SPD) to allow monies to be secured retrospectively should section 106 agreements be entered into post Scheme construction.~~

3.3 Community Infrastructure Levy (CIL)

- 3.3.1 CIL is an additional source of funding which may contribute to the Scheme. The Scheme has recently been expressly added to the Joint Council's CIL Infrastructure List as a shared project which is in the pipeline and to which more work is required to identify costs.
- 3.3.2 There is currently circa £17 million unallocated CIL monies and it is anticipated that in excess of £20 million will become available from strategic allocations A4 and A7. ~~The~~ An allocation of CIL monies towards the Scheme within the construction period is therefore a realistic prospect and GCC continues to liaise with the Joint Councils in relation to this.

3.4 GCC funding

- 3.4.1 GCC is committed to ensuring the Scheme is delivered. There is the opportunity to release monies from other capital projects, use reserves or to borrow monies to allow the Scheme to be implemented in the event of a shortfall in funding which cannot be fully secured by any other means. GCC proposes to secure a loan facility from UKIB to allow the Scheme to be implemented (see section 4 below).

4. Funding profile and Scheme delivery

- 4.1.1 Set out below is GCCs anticipated spend profile mapped against the funding available from HoE. It will be noted from the table that the HIF monies allocated to the Scheme will cover the period through to Quarter 2 F/Y 2027/28. It is anticipated that between July 2027 and March 2028 GCC will need the additional funds available to complete the Scheme. There has been high level political discussion regarding the scheme and GCC remain committed to its delivery.
- 4.1.2 GCC anticipates making progress with agreements for developer contributions as the identified housing schemes progress through the planning system. The position in relation to the availability of any CIL monies will also be clearer and there will be more clarity as to whether all the monies currently budgeted for the Scheme are required.
- 4.1.3 As well as progressing work on the various funding sources, to ensure it has sufficient funds to draw upon once the HIF monies have been used, GCC intends to secure a loan facility with the UK Infrastructure Bank (UKIB). UKIB is an executive non-departmental public body sponsored by HM Treasury and was set up to support local growth and help infrastructure projects such as the Scheme by offering a range of financing tools including loans.
- 4.1.4 GCC has been in discussion with UKIB in relation to putting a loan facility in place and met with UKIB personnel on 27th September 2024. GCC is looking to secure a facility which covers the maximum level of potential funding shortfall (i.e. circa £81 million)¹ to enable it to forward fund the delivery of the scheme from Quarter 2 F/Y 2027/28 as required in the event that Section 106 contributions are not available at this point in the construction process. UKIB has confirmed that it would use GCC's financial covenant as security, rather than securing against any specific section 106 commitment.
- 4.1.5 Initial engagement with UKIB has been very positive and GCC has been informed there is no reason in principle why such a facility cannot be put in place with GCC. GCC is now moving forward with the process so that UKIB can undertake its own internal approval processes. Preparation of the necessary loan documentation and approval process typically takes 10-12 weeks. UKIB has advised GCC that this would be best done after securing the necessary consent for the project, however, GCC is progressing such discussions now so that it is able to ensure that the loan documentation is available early in the process. An email has been provided by the UKIB dated XXX which has been submitted to the Examination (REP9-001DOC REF).
- 4.1.6 It was confirmed by UKIB that the facility could be agreed in advance of construction with drawdown not expected to be required until Quarter 2 F/Y 2027/28 once HIF funding sources were exhausted. Having the loan facility in place before Notice to Proceed would provide the necessary comfort to National Highways and others that the monies will be available to allow for completion of the Scheme, but on the basis that the facility would only be utilised if and when necessary.
- 4.1.7 Being able to arrange a facility early in the consenting process but with no requirement to draw the funds until they are needed (and therefore not to incur interest unnecessarily) will give the Council the option to forward fund the latter part of the scheme should such monies not be available at the appropriate time. Whilst the Council would be expecting section 106 monies to be committed for use in repaying any draw

¹ In practice the £81m facility assumes there will be no funding coming forward from any of the sources outlined in this statement and that there will be no scheme savings which is considered to be unrealistic.

on the loan facility, this does give GCC additional flexibility as it allows the range of different funding options outlined in this Statement to be explored at the appropriate time, if required (i.e. additional HoE funding, CIL contributions, or use of GCC reserves/reallocation of internal GCC resources).

- 4.1.8 GCC is confident that the construction programme will be met, but in the event of any slippage it is reasonable to expect an extension to the funding availability period can be granted and additional flexibility can be given to the overall completion date.

5. NSIP Policy in relation to scheme funding

- 5.1.1 The policy tests on funding are set out in the Department for Communities and Local Government document 'Planning Act 2008: Guidance related to procedures for the compulsory acquisition of land' (September 2013) (the CA Guidance). The CA Guidance sets out two tests in relation to funding. The first is in relation to funding the acquisition of land and rights. In this case the Applicant is required to demonstrate that there is a reasonable prospect of the requisite funds for acquisition becoming available within 5 years from authorisation (paragraph 9 and 18 of the CA Guidance). The second test relates to funding for implementing the Scheme itself. In this case the Applicant is required to provide an indication of how any potential shortfalls are intended to be met including the degree to which other bodies (public or private) have agreed to make financial contributions or to underwrite the scheme and the basis for this (paragraph 17 of the CA Guidance).
- 5.1.2 As outlined above, £24,579 million ~~is required to complete the~~ has been allocated for land acquisition and meets any claims for compensation and blight. Therefore, there is sufficient funding available within the HIF monies to acquire all land and rights necessary to deliver the Scheme and the first test is satisfied.
- 5.1.3 In terms of implementation, there is HIF funding available to complete the majority of the scheme. However, there is at this stage a shortfall which needs to be met to allow completion of the Scheme. Therefore, as per the second test, the Applicant must provide an indication as to how that shortfall is intended to be met.
- 5.1.4 Guidance as to how the second test should be approached can be found in the Examining Authority's Report and subsequent Secretary of State's decision following the examination of the Manston Airport Development Consent Order 2022. An analysis of this approach can be found in the Funding Technical Note submitted at Deadline 4 (REF). The approach confirmed that there is a difference between the two tests and whilst it is important to demonstrate that there is a *reasonable prospect* funds are available for compulsory acquisition, in relation to implementation what is needed is an *indication* of how potential shortfalls are intended to be met.
- 5.1.5 In this regard there are several avenues which ~~GCC may~~ be utilised (and it may be a combination of each) which provides the indication required by policy. The UKIB is likely to be used to ensure that a facility is available to address cashflow and to meet any shortfall and the repayment of this facility could be made from additional HIF funding pursuant to the GDA, contributions from Community Infrastructure Levy, contributions from the allocated developments A4 and A7 and other proposals which are only considered acceptable through construction of the Scheme and, potentially, the use of GCC's reserves or otherwise ringfencing GCC monies. Therefore, the indication of funding is a realistic indication and the test is met. Furthermore, irrespective of GCC meeting the test in paragraph 17 of CA Guidance, it also meets the reasonable prospect test in respect of Scheme implementation.

6. Conclusion

- 6.1.1 The Scheme is budgeted to cost £293,210 million to deliver. There is £212,071 million of HIF funding allocated to the Scheme. Currently, therefore, there is a shortfall of approximately £81 million against that budget.
- 6.1.2 £24,579 million of the budgeted costs is allocated to the acquisition of interests in, and rights over, land and the temporary possession and use of land and various heads of compensation. These sums are covered by the available HIF monies. GCC is therefore able to demonstrate that there is a reasonable prospect of the funds for acquisition becoming available within 5 years from authorisation, as required by paragraph 9 and 18 of the CA Guidance.
- 6.1.3 The funding shortfall applies to the works required in the last six to nine months of the Scheme which are needed to ensure its completion. GCC is confident that it will have the monies available at the appropriate time either through savings made to the Scheme's design, elements of the budget not being fully required or alternative funding sources being utilised (or a combination of all three) including, in particular, the use of section 106 monies secured against Scheme dependent developments.
- 6.1.4 GCC intends to secure a loan facility from UKIB to ensure that the monies needed to meet any funding shortfall are available and that GCC is able to forward fund the final stages of Scheme construction. This will allow GCC to proceed with the project and allow the relevant contractor contracts to be entered into and to give certainty to the local and strategic highway authorities that the funds are available.
- 6.1.5 The scheme continues to receive high level political support across the County Council. The County Council's Leader, Deputy Leader and Chief Executive met on the 28th October to review and endorse the draft funding statement and ~~the Leader has provided will be providing~~ a written letter ~~to confirm this (REP9A-005), as part of supplementary information to be provided by the County Council at or before Deadline 9 on the 19th November.~~
- 6.1.6 Therefore, irrespective of GCC meeting the policy test in paragraph 17 of the CA Guidance that requires an applicant to give an indication of how any potential shortfalls are intended to be met, it also meets the reasonable prospect test of such sums being available.
- 6.1.7 It is therefore considered that there is no funding impediment to delivery of the Scheme.

Appendices



Appendix A. Status of Planning Applications

Policy Allocation	Planning Application Ref	Developer	Description	Status	Status of Scheme discussions with development
POLICY A4 NORTH WEST CHELTENHAM DEVELOPMENT AREA (ELMS PARK) SITE B	24/01267/FUL	Persimmon Homes South Midlands Ltd	Erection of a temporary sales cabin with associated parking and ancillary facilities, close board and post and rail timber boundary fencing, on land relating to previously approved application 20/00759/FUL	Permitted 30 August 2024.	
	24/00073/FUL	Persimmon Homes South Midlands Ltd	Temporary (12 months) vehicular construction access from Manor Road in order to construct Phase 1 of the Swindon Farm, North West Cheltenham development approved under 20/00759/FUL	Permitted 15 March 2024.	
	23/00354/OUT (Manor Farm)	Metacre Ltd	Outline application for the erection of up to 180 residential units, including provision of vehicular and pedestrian access, green infrastructure and associated works. Appearance, landscaping, layout and scale are matters reserved for future consideration.	Not yet determined. Agreed Expiry Date: Fri 30 Aug 2024.	Proposed developer contribution methodology under discussion.
	23/01397/DISCON	Persimmon Homes Ltd	Discharge of conditions 3 (CTEMP), 7 (foul water drainage), 8 (site contamination investigation), 12	Discharged 23 July 2024.	

Policy Allocation	Planning Application Ref	Developer	Description	Status	Status of Scheme discussions with development
			(archaeological works), 13 (arboricultural method statement), 14 (no-dig methodology within RPAs), 15 (Tree Protection Measures), 33 (badger survey), 34 (LEMP) and 35 (CEMP) of planning permission 20/00759/FUL		
	20/00759/FUL Swindon Farm	Persimmon Homes Ltd	Full planning application for the erection of new residential development (Use Class C3), new vehicular and pedestrian access off Manor Road, attenuation basin and ancillary infrastructure. <i>260 residential units</i>	Permitted 2 June 2023.	Section 106 contribution set out within decision. S106 agreement currently being worked on.
	16/02000/OUT	Bloor Homes and Persimmon Homes	Outline application for up to 4115 new homes providing a range and choice of mix and tenure, including affordable housing (C3) and elderly persons accommodation (C2 up to 200 rooms), 24 ha of employment generating uses including 10 ha B1 business park (up to 40,000 sqm), a hotel (C1 up to 100 rooms), and mixed use centres providing retail uses and community facilities (A1 - A5 up to 6,150 sqm, D1/D2 up to 1,000 sqm), a transport hub and public transport inter change,	Not yet determined. Agreed Extension of the statutory period for determination until the 31 July 2024.	Proposed developer contribution methodology under discussion.

Policy Allocation	Planning Application Ref	Developer	Description	Status	Status of Scheme discussions with development
			primary and secondary school education (D2), new areas of green infrastructure including areas of play sports hub, woodland planting, allotments and habitat at creation, creation of new means of access onto Tewkesbury Road and Manor Road, new footways and cycleways, and drainage infrastructure.		
Policy A7 – West Cheltenham Development Area (<i>Golden Valley</i>) SITE C	22/01817/OUT (TBC reference: 22/01107/OUT) (northern parcel)	St Modwen And Midlands Land Portfolio Ltd	Outline planning application for residential development comprising a mixture of market and affordable housing (use class C3), which could include retirement/extra care accommodation (use class C2/C3) a flexible mixed use area with a community hub (including potentially use classes E, F1 and F2) a primary school and children's nursery to include use of sports pitches to provide public recreation space, site clearance and preparation, green infrastructure, walking and cycling routes, formal and informal public open space, sports pitch provision, drainage and other associated works and infrastructure, including utilities and highways works, all matters reserved except partially for access	Not yet determined. Agreed Expiry Date: 10 January 2025.	Proposed developer contribution methodology under discussion.

Policy Allocation	Planning Application Ref	Developer	Description	Status	Status of Scheme discussions with development
			<p><i>Up to 1100 residential units</i></p> <p><i>Up to 1000sqm mixed use area, comprising a community hub and flexible commercial, business and service floor space.</i></p>		
	23/01874/OUT (northern parcel)	HBD X Factory Limited	<p>Outline planning permission (with all matters reserved except for access) for a severable and phased development to provide new homes (Use Class C3) and non-residential floorspace comprising flexible commercial and community uses (Use Class E), as well as land for potential primary education (Use Class F1) and other associated infrastructure.</p> <p><i>491 residential units, 500sqm of flexible non-residential uses</i></p>	<p>Not yet determined.</p> <p>Agreed Expiry Date: 30 Jun 2024.</p>	Proposed developer contribution methodology under discussion.
	23/01875/OUT (southern parcel)	HBD X Factory Limited	<p>Outline planning permission (with all matters reserved except for access) for a severable and phased development to provide non-residential floorspace comprising flexible commercial and community uses (Use Classes E, F and Sui Generis), new homes (Use Class</p>	<p>Not yet determined.</p> <p>Agreed Expiry Date: 30 Jun 2024.</p>	Proposed developer contribution methodology under discussion.

Policy Allocation	Planning Application Ref	Developer	Description	Status	Status of Scheme discussions with development
			<p>C3) and other associated infrastructure.</p> <p><i>Up to 576 residential units</i></p> <p><i>Up to 125,698 sqm of non-residential floorspace, including commercial and community uses</i></p>		
	23/01418/SCOPE	NEMA Strategic Land	Request for a scoping opinion for the NEMA owned land within the West Cheltenham allocation	Scoping Opinion Provided on 20 September 2023.	
	24/01268/OUT	NEMA Golden Valley Ltd.	<p>Outline planning permission (with all matters reserved) for a severable development to provide the following severable elements: flexible commercial uses (Use Class E and Sui Generis); healthcare centre (Use Class E); flexible community uses (Use Class F); new homes (Use Class C3); other associated infrastructure.</p> <p><i>Up to 365 residential units</i></p> <p><i>Up to 2,475sqm of Class E(a) (retail), 3,750sqm Class E(b) (scale of food and drink) and Class E (e)</i></p>	<p>Application Validated 31 July 2024.</p> <p>Current determination deadline 30 October 2024.</p>	Proposed developer contribution methodology under discussion.

Policy Allocation	Planning Application Ref	Developer	Description	Status	Status of Scheme discussions with development
			<i>(healthcare) 727sqm and Class E (g) (office and industrial) 37560sqm.</i>		
Policy SD5- Area of Restraint Safeguarded Area <i>(safeguarded land to the north-west of Cheltenham)</i> SITE A	n/a	n/a	Development anticipated include 2,258 dwellings and 30ha employment use anticipated.		Discussions held around Scheme interface with development masterplan proposals, Proposed developer contribution methodology under discussion.

Figure A-1 - Location of the Scheme elements (M5 Junction 10 Improvements, A4019 Widening, and the Link Road to West Cheltenham), the allocated land at West and North-west Cheltenham (light blue areas on the figure), and the safeguarded land areas at north-west and west Cheltenham (dark blue areas on the figure). (* Safeguarded land is land which has been identified for development in the future and is protected from conflicting development).



AtkinsRéalis

The Hub
500 Park Avenue
Aztec West
Bristol
BS32 4RZ