

Extraordinary (West Cheltenham Southern Parcel) Planning Committee Friday 4th July 2025

To Case Officer: Cheltenham Borough Council
From: Gloucestershire County Council
Date: 2 July 2025
Application Ref: 23/01875/OUT
Site: Land At West Cheltenham Southern Parcel Fiddlers Green Lane Cheltenham
Proposal: 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 and F), mobility hubs, new homes (Use Class C3) and other associated infrastructure.
Summary: These representations are in addition to the representations already submitted in relation to impact on Gloucestershire County Council strategic infrastructure and are in response to the report being considered by Cheltenham Borough Council Members at the Planning Committee on 4 th July 2025. These representations should be shared with all CBC Planning Committee members with immediate effect, including any substitutes.
Recommendations: The County Council strongly urges the CBC Planning Committee to amend the officer recommendation for Section 106 contributions, so that the vision for the Joint Core Strategy can be achieved and to consider the following options: 1. Members support the recommendation, but with an amendment that Section 106 contributions are reprioritised, to enable the full contribution to be made for the M5 Junction 10 scheme. 2. Members support the recommendation, but with an amendment to secure the full Section 106 contribution for Libraries. 3. The application is deferred to allow discussion to take place between GCC and CBC to determine what level of capital receipts from enhanced land values CBC can afford to put towards the M5 Junction 10 junction scheme to ensure its successful delivery, and which has the potential to realise up to 9,000 new dwellings of which up to 3,150 could be affordable dwellings.

Cheltenham Borough Council Planning Committee – 4th July 2025

23/01875/OUT - Land At West Cheltenham Southern Parcel Fiddlers Green Lane Cheltenham

Introduction

This paper sets out Gloucestershire County Council's (GCC) response to the report to be considered by Cheltenham Borough Council (CBC) Members on 4th July 2025.

It provides an update on the M5 Junction 10 Scheme, relating it to the unlocking of the considerable development potential of nearby sites such as the West Cheltenham Strategic Allocation and Elms Park, that will be enabled.

There follows 2 sections:

- GCC comments in response to the highway considerations
- GCC comments in response to the library considerations

The final section respectfully suggests recommendations for consideration by CBC Members.

County Council M5 Junction 10 Update

The M5 Junction 10 scheme would be transformative for Cheltenham, Tewkesbury and Gloucester. The proposed slip roads facing towards Bristol would allow traffic to re-route away from the A40, Arle Court, Benhall Roundabout, Princess Elizabeth Road, Coronation Square, Lansdown, Gloucester Road, Old Gloucester Road, Cheltenham Road East, Hatherley Road, etc., with all the inherent safety and air quality, walking and cycling benefits. The benefits realised by the scheme have very little to do with the M5 itself.

Tewkesbury residents also realise a massive benefit by being able to join the M5 via the A38 and Coombe Hill rather than waiting in queues at the M5 Junction 9.

Lastly Gloucester benefits with traffic re-routing away from the A38 Twigworth route and thereby reducing delays at Longford roundabout on the A40.

Currently, there is an £81m funding gap for the M5 Junction 10 scheme. This will increase due to ongoing delays and inflationary pressures. Additional delays are now likely due to the current level of funding shortfall. Due to funding uncertainty, Homes England have suspended funding on the project, except via what is known as a waiver and, as a result, the intended start on site this Summer to undertake weather dependant work before the winter may be delayed. At the same time, Homes England have asked GCC to prepare a recovery programme, which includes options to abandon the scheme if third party funding is not successful. By not being able to undertake weather dependant works this summer such as ecology and archaeology, it is likely to result in a year's delay to the start of construction.

GCC have developed a strategy for apportioning the £81m (as requested by Homes England) between developers who are unlocked by the infrastructure providing traffic relief throughout

Cheltenham. Elms Park have agreed to pay £20m in line with this apportionment. The SLP CIL Board have recently agreed to contribute £10m.

The Committee report proposes a reduction to the proportionate contribution from HBD (South) towards the M5 Junction 10 scheme from £10,308,487 to £1,730,621.40, which is a hugely significant reduction of £8,577,866.

The M5 J10 scheme was due to start this Autumn with completion in 2028. But it is in serious jeopardy due to the funding gap.

HBD (South) Viability

County Council officers agree that Policy INF7 allows the assessment of viability to ensure developments are still deliverable, when all infrastructure requirements are taken into account. The published viability report for this development ringfences **£84m** of potential developer profit, prior to other considerations like road infrastructure education and libraries. Profit is not a material planning consideration; however, the viability implications clearly need detailed consideration in compliance with policy INF7, to bring forward this vital employment site. (Note the published financial appraisal for the other HBD (North) site identifies a further **£25m** of profit). Prioritising Section 106 funding is a matter for the Planning Committee.

Affordable Housing Implications

Including recent consents, there are likely to be in excess of 7,000 residential units coming forward in this area over the next 15-20 years. Therefore at 35%, this could realise 2,450 new affordable homes. A new application for a site access has just been received by Tewkesbury Borough Council, which could unlock further land, resulting in an increase to 9,000 dwellings, realising up to 3,150 new affordable homes.

If the M5 scheme stalls due to inadequate developer funding and Homes England take back their grant, then the north-west and west Cheltenham sites will just build out to their interim limits. (1,711 units). This would see only 599 affordable homes at 35% provision. So, a potential loss of 1,851 – 2,551 affordable homes.

There is also the risk that the effects of this decision will cascade when other developers see the outcome for an application on CBC land and resubmit their proposals with watered-down highways contributions or other S106 obligations.

Lastly, County Council officers consider that it may be appropriate to consider the level of over-provision of affordable provision on sites elsewhere in Cheltenham, such as the recent Folley site, where CBC have been successful in delivering affordable housing at higher levels for sites (100%) that have not then been able to make contributions to wider Section 106 requirements. Where this has been done CBC could use this overprovision to help off-set the shortfall at HBD south to allow a higher S106 contribution to be made towards J10.

Homes England Funding

GCC officers have asked Homes England for further funding to address inflationary pressures to bring this scheme forward, but there is little prospect of that being forthcoming if the developers that benefit from the scheme do not make a proportionate contribution from the enhanced land value the scheme creates. Homes England has asked for details of CBC and GCC land holdings and profits to determine whether the local Councils are making a proportionate contribution and those negotiations will continue throughout the Summer. It is unlikely that additional funding will be forthcoming from Homes England if they believe that all this is doing is subsidising the profits of another public body.

Highways Comments on Committee Report Details

M5 J10 All Movements Improvement Scheme

Para 7.264 of the published Planning Committee report states - *As part of the DCO, Gloucestershire County Council presented a funding methodology which apportioned the funding shortfall of the scheme costs between allocated development sites that may come forward at 'West' and 'Northwest' Cheltenham and in adjacent areas. Whilst this is Gloucestershire County Council's methodology other funding streams are available for the scheme. The LPA provided comments on the methodology. The LPA continues to work collaboratively with the County Council on the matter of the funding methodology, but at the time of writing this methodology is not agreed, nor has the transport modelling upon which it has been based (GC3M model) been shared with the LPA or the applicant.*

The above statement is not correct. CBC were actively involved in the M5 J10 Development Consent Order (DCO) Inquiry and, as part of the Joint Councils' team, had access to all modelling evidence submitted in support of the scheme.

Please see link below to the Joint Councils' submission of evidence of the GC3M Model to J10 inquiry:

Joint Councils REP3-065 infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/TR010063/TR010063-000842-Joint Councils - Comments on submissions for Deadline 2 2.pdf

Paras 7.268 – 7.271 discuss the West Cheltenham Transport Improvement Scheme (WCTIS) and its potential to mitigate the impact/harm from this development. There is clearly a misunderstanding of the WCTIS scheme. The submitted WCTIS Business Case objectives clearly states that *The purpose of the scheme is to contribute to accelerating the release of the employment land associated with the 'West Cheltenham' strategic allocation ...*.

The business case makes it clear the overall scheme would not mitigate for the full Cyber Park development but will assist in bringing forward potential developments in the West of Cheltenham by addressing some of the existing traffic issues. It was made clear that it would be incumbent on

the developer(s) to continue to provide the necessary transport and highway infrastructure improvements as part of any submitted planning application/transport assessment.

Further information on the WCTIS scheme as reported to GCC's Cabinet in October 2018 can be viewed via the following link:

<http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=117&MId=8901&Ver=4>

At Para 7.274 the report also makes a case against developer funding on the grounds that the site has little impact at the M5 Junction 10 by virtue of the bus gate and its distance from the motorway junction. This is a common argument amongst developers in Cheltenham against contributing towards the Junction 10 scheme. The reality is that the motorway scheme has very little to do with relief at M5 junction 10 itself, but rather it redirects traffic away from Cheltenham's local roads and provides the necessary local relief to bring forward both strategic sites at west and north-west Cheltenham. The County Council's funding apportionment methodology is based on traffic impact from the respective strategic allocations in Cheltenham at existing hotspots that will be relieved by the scheme. For example, the A40/Benhall roundabout, A40/Gloucester Road signals and Princess Elizabeth Way, etc.

The report states a number of times that the County Council's GC3M traffic modelling undertaken by the County Council has not been shared with the applicant. This is also not correct, the applicant's consultants were provided with the GC3M model forecasts and decided not to use them in their Paramics traffic model. However, their more recent supplementary traffic sensitivity tests submitted by the developer were based on the County Council's GC3M.

As stated within the report the National Planning Policy Framework (NPPF) at paragraph 116 states "Development should only be prevented and refused on highway grounds if there would be an unacceptable impact on highway safety, or if the residual cumulative impacts on the road network, following mitigation, would be severe, taking into account all reasonable future scenarios". It is clear from the evidence presented to the DCO Inquiry that the impacts of development on the local highway network will be severe without the M5 J10 scheme. As detailed above the M5 J10 scheme is at significant risk without the necessary contributions being secured from developments.

S106 Highways and Transport Contributions:

Public Transport Strategy – It is noted the requested contribution has been reduced from the requested £1,110,772 to £931,300 which is a reduction of **£179,472**. We note the applicant directly engaged with the bus service provider. However, it will be the GCC Integrated Transport Unit (ITU) that will be responsible for securing the necessary bus services to ensure residents and employees have access to an appropriate level of bus service provision. Significant discussions have taken place with the ITU, and they have calculated the total cost to provide the services needed to support developments within West Cheltenham and these costs have been appropriately apportioned across the sites. This proposed reduction in S106 contribution will result in a reduced level of service being provided.

Commercial Travel Plan – It is noted the contribution has been reduced from the requested £1,187,043 to £989,000 which is a reduction of **£198,043**. Para 7.247 deals with this and is accepted by GCC officers.

M5 Junction 10 All Movements Improvement Scheme – The requested contribution has been reduced from the requested £10,308,487 to £1,730,621.40 which is a reduction of **£8,577,866**. The Committee report states that the reason for this reduction is the contribution does not meet the first or third S106 tests. The 3 s106 tests are:

- The obligation must be necessary to make the development acceptable in planning terms.
- It must be directly related to the development.
- It must be fairly and reasonably related in scale and kind to the development.

Necessary to make the development acceptable in planning terms

Existing allocations at A4 and A7 are unable to mitigate their cumulative 'severe' impacts - Gloucestershire County Council – Draft Local Development Guide – stakeholder engagement February 2025 Appendix B – M5 Junction 10 Scheme identifies the following:

- Increased congestion and journey times causing rat running onto inappropriate routes.
- Increased congestion at junctions/links resulting in additional vehicular emissions impacting air quality and linked to this queuing and congestion making walking and cycling less attractive due to increased vehicle emissions in the locality.
- Blocking back through key junctions caused by junctions operating above their theoretical capacity.
- Increased congestion and journey times having a negative impact on journey times for local and strategic public transport routes, again making these modal choices potentially less attractive.
- Increased congestion/volume of traffic hindering pedestrian and cyclists crossing the highway safely. Currently the cumulative “deadweight” level of traffic which is not dependant on the scheme is assessed as being 1,711 units, however applications need to be considered on a case-by-case basis, taking into account their vision-led approach in accordance with the NPPF Para 115d (December 2024).

Fairly and reasonably related in scale and kind to the development

- The apportionment methodology uses SATURN traffic modelling select link analysis to fairly relate the contributions to respective development sites. The funding shortfall of £81M apportioned amongst development sites is 27% of the current scheme cost estimate. The agreed methodology apportions the funding shortfall between existing allocated sites and potential future strategic allocations within the emerging Strategic and Local Plan. The location of future strategic allocations is unknown at this time, and it has therefore been based on an anticipated level of growth if the A4019 safeguarded site were allocated.
- On this basis GCC officers consider that the cost is reasonably related in scale and kind to the development. Furthermore, the outputs from the funding methodology and the level of contribution identified is well within what could reasonably be expected for development sites arising from site-specific highways mitigation.

CBC, Gloucester City Council and Tewkesbury Borough Council were consulted on the draft Local Development Guide that set out the funding apportionment approach and GCC's reasons that the apportionment complies with the tests. Their formal consultation response did not raise any issues concerning compliance with those tests.

Conditions:

Condition 42 states – **Local Road Network Capacity**

No more than 76 dwellings and 42,757 sqm of commercial use (or any other combination of equal value) shall be occupied prior to the securing of the contracts for the "M5 Junction 10 All Movements Improvement Scheme" (Housing Infrastructure Fund Major improvements scheme), or an alternative scheme that provides equal or greater benefit, unless otherwise agreed in writing by the local planning authority.

We would request the condition is amended to state:

*No more than 76 dwellings and 42,757 sqm of commercial use (or any other combination of equal value) shall be occupied prior to the securing of the **main works contract** for the "M5 Junction 10 All Movements Improvement Scheme" (Housing Infrastructure Fund Major improvements scheme), or an alternative scheme that provides equal or greater benefit, unless otherwise agreed in writing by the local planning authority.*

Further considerations

In the absence of a comprehensive masterplan for the emerging proposed developments in the whole of this area, GCC officers worked proactively with CBC officers to distribute the calculated and agreed deadweight of 1,711 amongst the known sites at the time on a proportional basis.

The way this apportionment strategy has been framed within the Committee report is not in the spirit of the discussions that took place. The apportionment was designed to allow for each development to gain some benefit from the deadweight to start to develop out before the J10 contract was signed, whilst at the same time contributing towards the construction of J10 through a S106 agreement in line with the agreed methodology for the whole site. The apportionment was not designed for a developer to gain permission for the whole site and then build out to the dead weight apportionment for the site and then wait for the rest of the site to be built out once everyone else (assuming they do) contribute to J10 in line with the agreed apportionment which allows the J10 contract to be signed.

If GCC had not taken this approach, the first consent development to come forward would've taken all the deadweight and prevented any further development being delivered.

The deadweight doesn't come without consequences. There will still be implications and increased congestion on the local network before the scheme is delivered. CBC Planning Committee members should consider this when deciding on the application.

It is worth noting other developments, either those who have not yet come before Committee or consented sites, without a signed s106 agreement in place, could seek to challenge contributions particularly towards M5 J10. This will continue to place the M5 J10 scheme at significant risk.

Libraries Comments on Committee Report Details

Within the CBC officer report, paragraph 7.342, there is a lack of clarity for the reasoning behind the LPA's proposed reduction in the library contribution requested. The report starts by saying there has been S106 prioritisation and as such the LPA's officer's recommendation is only supporting one third of the County Council's request. Further, the report advises this percentage reduction will be applied to the whole of the West Cheltenham allocation.

The report then goes on, in the same paragraph, to justify how the reduced contribution meets the CIL regulation 122 tests and further states that *'future residents will pay council tax and the developer CIL, as such other funding streams are available for community services'*.

The County Council seeks clarity as to whether the contribution has been proposed to be reduced solely on viability grounds or whether the LPA's case officer considers that the original contribution request does not meet the CIL tests.

In representations dated 23rd September 2024, County Council officers clearly and comprehensively set out the mitigation required and how it meets the CIL regulation 122 tests. For reasons of insufficient capacity being available at existing libraries and the inability to expand those libraries for practical and sustainable reasons, County Council officers have demonstrated the need for new library floorspace to be provided, and for the floorspace to be fitted out and stocked to serve the residents of the development.

The implication that the contribution is not CIL compliant is inconsistent with that of the LPA's case officer in relation to the recent Elm's Park planning application (16/02000/OUT). The LPA officer report for this application stated:

"Gloucestershire County Council have requested a contribution of £485.66 per dwelling towards the provision of a new library serving the development or enhancements, including extension or premises relocation, of Hesters Way and/or Cheltenham Libraries, including the improvement of customer access to services through refurbishment of buildings, improvements to stock, IT and digital technology, and increased services.

The planning obligation will allow for flexibility in how the library provision will be provided, and the final solution may be determined taking account of cumulative contributions that may be received from other strategic proposals including those currently being considered in the West Cheltenham Strategic Allocation.

The applicants have agreed to the principle of the planning obligation request, and it is considered by officers that the contribution meets the s106 tests insofar that it is directly

related to the size of the development, and fairly and reasonably related in scale and kind for what is a substantial development which will generate a need for new library space.

The applicants have indicated a willingness to enter into a legal agreement to secure the provisions set out above. These provisions have been agreed following discussions with consultees, and officers consider that these provisions provide appropriate infrastructure which is necessary, directly related and reasonably related in scale and kind to the development proposals. As such it is concluded that the development is compliant with policies INF4, INF6, INF7 and A4 of the JCS, as well as Regulation 122 of the Community Infrastructure Levy Regulations 2010”.

County Council officers remain firmly of the view that the request towards the provision of a new library serving the development or enhancements, including extension or premises relocation, of Hesters Way and/or Cheltenham Libraries, including the improvement of customer access to services through refurbishment of buildings, improvements to stock, IT and digital technology, and increased services does, therefore, meet the CIL regulation 122 tests.

In any event, the requested sum is to mitigate the impact of this development, not to support growth more widely. Planning obligations are the only planning mechanism available which give local authority officers certainty, at the point at which the planning application is determined, that the specific impacts on local library services will be mitigated, thus satisfying adopted JCS Policy INF6 (test 4). Conversely, if the reduced sum is solely a matter of viability, then that's a planning balance point and should be considered separately to the matter of compliance with the CIL regulation 122 tests.

However, the LPA has not accounted (within the CBC officer report) for how they reached their decision in terms of recommended S106 prioritisation, nor how they arrived at a figure equalling one-third of the original request and why this has been applied across the whole allocation. The County Council would like to fully understand the justification and reasoning behind this proposed significant reduction and would like it noted that the request of £ 402,117.52 falls well below our established tariff of £196 per dwelling for library improvements, including the improvement of customer access to services through refurbishment of buildings, improvements to stock, IT and digital technology and increased services.

County Council officers therefore request that consideration is given to applying the long established tariff of £196 per dwelling, as an absolute minimum, in respect of this development, and that further consideration is given to the inclusion of a viability review mechanism within the S106 Agreement that would allow for payment of additional contributions (across the whole site) towards the provision of library services.

Lastly, County Council officers advise that library services do not receive any Council Tax receipts that can be used towards library capital works projects. There is no mechanism to do so. In addition, CIL cannot be relied upon as a funding stream for library works because the award of monies to projects is at the discretion of the lower tier local authorities, and there will be competing bids from other parties. The County Council has no control over how the CIL pot is spent, and what it is used for is subject to the priorities of the District Councils. Moreover, the Borough

Council's latest Infrastructure Funding Statement: Infrastructure List does not include any library projects which can potentially be funded via CIL.

Recommendations:

GCC officers strongly urge the Planning Committee to amend the officer recommendation for Section 106 contributions so that the Vision for the adopted Joint Core Strategy can be achieved and consider the following options:

- Members support the recommendation, but with an amendment that Section 106 contributions are reprioritised, to enable the full contribution to be made for the M5 Junction 10 junction scheme,
- Members support the recommendation, but with an amendment to secure the full Section 106 contribution for Libraries.
- The application is deferred to allow discussion to take place between GCC and CBC to determine what level of capital receipts from enhanced land values CBC can afford to put towards the scheme to ensure its successful delivery.