

**Cheltenham Borough Council**  
**Cabinet – 15 December 2015**  
**Gloucester, Cheltenham and Tewkesbury Joint Core Strategy**  
**budget request for 2016/17**

<b>Accountable member</b>	<b>Leader</b>
<b>Accountable officer</b>	<b>Director of Planning</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>Due to the extended period of the examination of the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (JCS) and the extensive additional evidence and legal advice to support the process the budget implications for each of the JCS authorities has been revised for the period 2016/17.</p> <p>The JCS authorities have, since 2008 provided an annual contribution per authority of £60,000. Section 2 of this report sets out the detail of the request for a total contribution of £195,000 (i.e. £135,000 per Council in addition to the £60,000) per JCS authority for the financial year 2016/17.</p> <p>This report identifies the continuing resource needs of work to deliver a Community Infrastructure levy (CIL) and ways in which management and set up costs can be claimed back.</p>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. <b>Cabinet endorses the recommendation of the JCS Cross Boundary Programme Board for inclusion within the 2016/17 budget of a total of £195,000 (£60,000 + £135,000) to complete delivery of the JCS examination and its adoption; and</b></li> <li>2. <b>Tasks the Director of Planning to investigate options for a management fund facilitated through S106 and CIL and how alternative funds may support a shared officer resource.</b></li> </ol>
<b>Financial implications</b>	<p>The funding recommendation will form part of the 2016/17 budget proposals for Council approval in February 2016.</p> <p>Should alternative funding options for the shared CIL post be unavailable, further budgetary provision will be required.</p> <p><b>Contact officer: Nina Philippidis,  nina.philippidis@cheltenham.gov.uk, 01242 264121</b></p>

<b>Legal implications</b>	<p>The JCS forms part of the Council’s statutory emerging development plan and it is essential to have a “plan led” system if the planning process is to deliver sustainable growth. In the absence of an up to date JCS and supporting Local Plan, local authorities are vulnerable to challenge when they are unable to demonstrate a robust 5 year housing land supply (HLS).</p> <p>In the absence of a 5 year HLS, local authorities are having imposed upon them by decision of the Secretary of State, planning permissions which need not necessarily comply with the current or emerging Local Plan or any of the emerging strategic policies within the JCS. It is therefore essential that Local Plans and the JCS are progressed expeditiously if the threat of adverse planning decisions being forced upon JCS partners is to be avoided.</p> <p><b>Contact officer: cheryl.lester@teWKesbury.gov.uk, 01684 272013</b></p>
<b>HR implications (including learning and organisational development)</b>	No implications arising from this report
<b>Key risks</b>	See Appendix 1.
<b>Corporate and community plan Implications</b>	The JCS is a corporate project.
<b>Environmental and climate change implications</b>	
<b>Property/Asset Implications</b>	No implications arising from this report

## 1. Background

- 1.1 Cheltenham Borough Council has been working in collaboration with Gloucester City and Tewkesbury Borough Council since 2008 on the preparation of the JCS. The commitment to collaborative working is supported by an annual contribution of £60,000 per authority. This resource has been used to put in place the detailed evidence underpinning the JCS across a variety of disciplines where the technical expertise and/or capacity is unavailable within existing local authorities planning teams. The JCS budget over 2015/16 and 2016/17 are very much focussed upon delivering the Examination in Public (EiP). Costs arising in regards to this include Inspector and examination support costs, legal support and additional technical work arising from the debate at the EiP as directed by the Inspector. Where appropriate officers have questioned the need to deliver additional evidence, however the Inspector has responded on all occasions that additional work is required to address, in what her view are, gaps in information, updates to evidence and clarification - required to make the JCS a sound plan.

## 2. Reasons for recommendations

- 2.1 The JCS examination process is taking significantly longer than expected. The JCS was submitted to the Secretary of State in November 2014 with the expectation that the examination would be mostly complete in the 2015/2016 financial year. Accepting that the adoption process would have continued into 2016/2017, the budget impact for 2016/2017 was projected to be

relatively small and well within the agreed JCS authorities agreed contributions of £60,000 per annum per authority.

- 2.2** However with the substantial increase in work requested by the Inspector (updates to pieces of technical evidence including objectively assessed need (OAN), economy, housing market assessments and viability), an increase over double of the number of sitting days as well as delays incurred by the transport modelling difficulties experienced by Gloucestershire County Council in gaining validation approval for the 2013 update of the Saturn model, has meant that now a substantial amount of the examination programme and adoption process will be examined in the 2016/2017 financial year and hence a budget request is necessary.
- 2.3** The key areas will be the stage three examination covering flooding, infrastructure needs, transport modelling, monitoring, viability and other more general policies; completion of the main modifications proposed and subsequent public consultation; and a further examination review by the Inspector before adoption. In addition to the JCS plan, CIL has also been budgeted for and whilst currently at the stage of a draft charging schedule, will subsequently also require its own examination process before adoption. Work on CIL is progressing and debate with elected members will be scheduled in the New Year.
- 2.4** It must be noted that a substantial amount of the further work being requested will also be useable for the Councils local plans and whilst this will not eliminate the need for further evidence (and cost) will reduce it.
- 2.5** A budget report was given to the JCS Cross Boundary Programme Board on 22 October 2015 and totalled a budget request of £435,000 (i.e. £145,000 per Council).
- 2.6** It was also noted that there is a risk of further costs especially expert legal advice/support and therefore it is prudent to add a further £150,000 to the total (£50,000 each Council) at this stage. Therefore **the total budget request is £195,000** per Council.
- 2.7** The following breakdown was noted:
- Consultancy (including infrastructure, flooding, viability): £84,000
  - Inspectors cost, Consultation on major changes and expert legal support: £130,000
  - Community Infrastructure Levy (completion of draft charging schedule, consultation and examination): £105,000. (see note below)
  - Internal costs (programme management, IT, etc.): £ 60,000

Of note within this budget the examination costs total £135,000 and associated legal support for the JCS examination is £55,000. Finally there is a £150,000 contingency against unknowns for example: expert legal advice, further transport modelling etc.

- 2.8** In regards to CIL – the levy is an alternative method to S106 for collection of monies from development and is different in that a rate is defined and set per sq. metre of development as opposed to the S106 system of negotiation. The levy is applicable to all development types set by the Borough Council should the Council agree to the implementation of CIL; so would support the infrastructure required for the economic growth of the area.
- 2.9** There is the option to retain a management charge on CIL income, however there is also the option to ‘claim back’ setup costs preceding the publishing of the charging schedule. The legislation allows for up to 5% of the total amount of CIL charged in the first 3 years from date of publishing the charging schedule to cover on-going costs as well as set-up costs. This will be better determined as soon as rates are submitted for examination.

- 2.10** The Borough Council does not currently make a charge from S106 to the management of the fund, however should CIL be adopted it is likely that there will be a blend of CIL and S106. The recommendation of this report therefore tasks officers with investigating the implementation of a management charge to support ongoing administration, costs currently absorbed internally.
- 2.11** A shared resource with Gloucester and Tewkesbury Councils is currently being investigated to support the JCS councils in the future delivery of CIL. Costs arising are outside the £105,000 set out within paragraph 2.7 and options are being investigated to identify these costs through alternative funding sources.

### **3. Alternative options considered**

- 3.1** There are no realistic alternative options. Cost could be limited on technical evidence and legal support, but this seriously puts all the JCS authorities at risk of the Inspector finding the JCS unsound.
- 3.2** The Cross Boundary Programme Board wrote to the Planning Inspector in November 2015 setting out their concerns regarding the speed and progress of the examination.

### **4. Consultation and feedback**

- 4.1** Consultation has taken place with the Cross Boundary Programme Board. This Group receives regular updates on the JCS budget. The JCS Member Steering Group was updated on the budget position on 30 November 2015.

### **5. Performance management –monitoring and review**

- 5.1** The JCS budget is monitored by the JCS Programme Manager and reported to the JCS Cross Boundary Programme Board.

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<b>Appendices</b>	1. Risk Assessment
<b>Background information</b>	N/A

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
CR33	If the council does not keep the momentum going with regards to the JCS and move towards adoption this could result in inappropriate development.	Andrew North	May 2012	4	3	12	Reduce	Ongoing actions managed by JCS team	ongoing	Tracey Crews	Corporate Risk
<p><b>Explanatory notes</b></p> <p><b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p><b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p><b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											