

GLoucestershire Economic Growth Scrutiny Committee

MINUTES of a meeting of the Gloucestershire Economic Growth Scrutiny Committee held on Wednesday 19 January 2022 virtually.

PRESENT:

Cllr Rebecca Halifax	Cllr Gina Blomefield
Cllr Dominic Morris	Cllr Sajid Patel
Cllr Roger Whyborn	Cllr Alastair Chambers
Cllr Matt Babbage (Chair)	Cllr Chloe Turner
Cllr Nicky Packer	Cllr Paul Baker
Cllr Paul McCloskey	

Substitutes: Cllr Dr Andrew Miller
Cllr Sandra Ford

Officers in attendance: Neil Hopwood, Mike Dawson, David Owen, Simon Excell and Colin Chick.

Apologies: Cllr John Murphy, Cllr Robert Vines and Pete Carr

2. DECLARATIONS OF INTEREST

No declarations of interest.

3. GLOUCESTERSHIRE INFRASTRUCTURE INVESTMENT FUND PROGRAMME (GIIF)

3.1 The Chair welcomed Neil Hopwood, Projects and Infrastructure Manager for GFirst LEP, to present this item. Members noted the following points:

- Originally the GIIF Programme was a grant fund (Growing Places Fund) which was awarded in 2012 and allowed local authorities/LEP to be flexible in how they used the funding. In Gloucestershire it was used as revolving loan fund to provide gap funding for commercially viable projects that needed start up support.
- Typically, once the funding had created an asset, the project would generally then be refinanced, which would then repay the GIIF loan and GFirst would then recirculate the money. The use of this loan had been very successful in creating infrastructure and assets that were struggling to get off the ground.
- Each project had to be commercially viable, but one of the great advantages of the fund was being able to take a slightly longer-term view and look at schemes that might not have been as commercially viable at that point in time.
- Slide 2 gave an overview of all the projects that had been supported to date. The *Honeybourne Gate Extra Care Home* and *Park View Extra*

Care Home were both regarded as 'gateway sites' that had struggled to get funding. Both of these sites were now fully operational and regarded as having high value facilities. By GFirst investing £2.75m of GIIF funding upfront, this drew in £13.4m private sector investment.

- Another notable project was the Gloucester M5 Services (Southbound) with initial GIIF investment of £3m, which drew in £20.34m in private sector investment.

- 3.2 A member asked if there were projects in the pipeline when the repayments are made in the third quarter. It was noted that there was a major repayment due this quarter and the funds were fully committed to the second phase of Bakers Quay. Following this, there was availability for new projects and the LEP would be looking to promote these available funds in the next few months.
- 3.3 Following a question, it was explained that the GIIF was currently the only grant funding available. The Getting Building Fund had now been fully committed to projects. It was stated that they were awaiting the Levelling Up White Paper which was expected to be published in the following weeks for clarity on future investment funds.
- 3.4 Looking at the type of projects the loans could fund, it was queried whether a working group in Gloucester that were looking into creating a sculpture on Robinswood Hill, could apply for the funding. It was advised that unfortunately, as the loan needed to be repaid, this would not be suitable for a community project such as this. Gloucester City had been nominated as a 'priority place' by the Arts Council, so the working group could look to apply for a grant capital fund from the Arts Council, which would not need to be repaid.
- 3.5 It was queried how local authorities were consulted in the decision process. It was explained that the LEP would not fund schemes that hadn't been granted planning permission, and therefore would have gone through the normal local authorities procedure, which offered an opportunity for councils to influence the process and whether the scheme went ahead or not. It was then the role of the Investment Panel to make the decision on which projects were successful for funding. An action was taken to provide data on how many loan applications were received and how many were refused.

ACTION: David Owen/Neil Hopwood

- 3.6 A member questioned whether it was suitable for public money to be loaned, interest free, to the private sector. It was confirmed that each project had to demonstrate, through the due diligence process, that this was a 'loan of last resort' and prove they had explored all other avenues for funding. There was also a fee that covered due diligence and admin costs of the process.
- 3.7 On questioning, it was explained that generally, loans of less than £1m would not be granted, as it had been decided by the Investment Panel that it

would cost too much for applicants in terms of legal fees involved than it would through other means for smaller loans. It would also be a considerable undertaking for the LEP to manage many smaller loans, although this was being explored for the future.

- 4.8 A member noted that if interest rates were changing, would this erode the value of the fund overtime, and questioned whether there were future plans to add some interest rate loans to the process. It was advised that the LEP had been making a strong pitch to Government on how well this loan was working for Gloucestershire and the necessity to increase funding in the next round of funding. It was stated that there were no plan to start charging interest except for when projects defaulted (payback periods were slower than predicted), and therefore after a period of time were charged interest.

4. STRATEGIC PLANNING IN GLOUCESTERSHIRE

- 4.1 Mike Dawson (CEO) and Cllr Sandra Ford from Tewkesbury Borough Council were invited to present this item. Members noted the following points:

- This report was presented to the GEGJC at their last meeting and was for noting and a reference point for this Committee.
- The report provided an update on the status of strategic plans that had been progressed by the Gloucestershire authorities and the levels of growth that had been identified/planned for each.
- Stroud District Council had commenced a review of their Local Plan, they were expecting to have an examination in public sometime this year.
- Tewkesbury/Cheltenham/Gloucester had a Joint Core Strategy (adopted in December 2017) and this was currently being reviewed. The authorities had also carried out an 'issues and options' consultation which had unfortunately experienced delays. They had now appointed consultants to support the review of the JCS and had a revised timetable for completion.
- Forest of Dean had an adopted Strategy, this was currently under review and they planned to have a 'preferred options' consultation in Summer/Autumn 2022.
- Cotswold also had an adopted plan which was under review and they were looking at a regulating consultation for early 2022.
- In summary all councils had adopted plans and were all in the review stage at different times.
- Page 19 listed a number of plans that GCC were responsible for, strategic documents, a list of plans that had been adopted and the number of plans that were under review.
- Key projects:
 - The consultation on M5 Junction 10 proposals would expire on 15th February 2022.

- M5 Junction 9 and A46 - GCC were leading on considering options for the new A46 alignment. The council had applied to the DfT for the large local major spending to be able to take this forward. A consultation was expected in 2022 on options on what the realignment could be.
 - A417 Missing Link – This was being taken forward as a development consent order application so that application had been submitted to the planning inspectorate, which would likely be considered sometime this year.
 - National planning matters – It was expected that government would announce a much less radical reform of the planning system than previously thought.
- 4.2 A member questioned what impact the revised Environment Bill would have on future planning. It was advised that the key impact for planning authorities was the need to show that all new developments would provide a net gain in terms of biodiversity.
- 4.3 Noting that the majority of the report content referred to major road schemes, it was questioned how the planning process would change/adapt to changes in the law and public opinion, especially around climate change movements and the increased emphasis on separating safe cycle paths from existing roads etc.
- 4.4 In response, it was acknowledged that there were a necessity to look at modal shift in terms of future infrastructure and climate change, but it would also remain important for people to have a choice. All district councils would continue working with GCC, as the lead highway authority, in connection with what plans the council had adopted.
- 4.4 It was added that GCC commented on all planning applications (apart from extremely minor ones) and ensured that the district councils (as the local planning authority) were fully aware of the County's requirements in term of future infrastructure. In addition, it also commented on all emerging local plans and were a partner of the JCS. The list in the report was lengthy but incorporated all aspects that GCC had statutory responsibility for such as, highways and transport, schools, libraries, flood elevation, broadband, waste etc. There was an annual requirement to produce an Infrastructure Funding Statement and this was produced by the end of December each year, the most recent statement is available here: [Infrastructure Funding Statement \(IFS\) - Gloucestershire County Council](#)
- 4.5 It was noted that the issue of 'affordable housing' not being affordable or available for local residents was an issue across the county and especially for first-time buyers. It was advised that planning authorities

could refer to the 'Housing Needs Survey' in terms of having the evidence base so they can ensure that the balance is there between affordable housing units.

5. WORK PLAN

5.1 The Chair reconfirmed that the two items that had previously been scheduled for today's session had been delayed and would therefore be allocated new meeting dates as a priority:

- Youth unemployment
- Economic Impact of Climate Change – to include green jobs

5.2 The Chair asked members to comment on the proposed list of items in terms of which should be prioritised or if members had alternative suggestions:

- The item on Public Transport (to include the impact of driver shortages) was requested as a priority, but to expand and include a dialogue with bus companies and to explore the extend they were willing to engage with GCC on local issues. This may best served as a joint meeting with the Environment Scrutiny Committee.
- It was confirmed that the final item on Modern Methods of Construction would be a discussion with the private sector developers. The aim would then be to pull together a report on all three sessions, which the Chair could then present to GEGJC on behalf of the Committee.
- On the Youth Unemployment item, a member suggested getting input from local education providers e.g. Cirencester College as well as looking at opportunities for cementing opportunities in the workforce as these young people leave education.
- It was noted that there was a regular economic dashboard that went to GEGJC which provided the latest figures and information in response to the Pandemic.

ACTION: Add dashboard to future GEGJC update item for Committee to note

- Members clarified that they would like the item on Economic Impacts of Climate Change to include information on what the council was doing to support the development of green jobs in low carbon industries across Gloucestershire and what the initiatives were within the council, LEP and within our further education providers across Gloucestershire to support a low carbon future.

7. EXECUTIVE DIRECTOR'S REPORT

7.1 There was a question on the process of CIL payments. The Executive Director explained that CIL has been implemented in five of the county's six districts. Those with neighbourhood plans immediately assumed 25% of the

funds for use in their local neighbourhood. Following this the district would be allowed to apply a 5% administration charge which resulted in 30% of the CIL money being immediately swallowed up, and already resulted in a much reduced level of funds for the county who were responsible for providing infrastructure to support the development.

- 7.2 The Executive Director stated that of the five district councils that had implemented CIL in Gloucestershire (the exception being the Forest of Dean) only Stroud had given out any CIL funds to GCC since implementation. As a result of this being introduced, the Infrastructure Funding Statement previously referred to showed a very worrying trend of reduced monies received from developers through Section 106 payments. The Executive Director noted that prior to CIL being introduced, GCC would be receiving well in excess of £10m per annum for infrastructure works, year on year this had severely depleted.
- 7.3 The Executive Director stated that consultants have been commissioned (jointly funded by the county council and the JCS authorities) to review the JCS CIL and see if there is a way to improve this situation, but noted that it would need to reach a place where CIL reflected monies that would have been received via Section 106 payments or it would continue to be flawed. GCC would now have to wait a year for the review to take place. It was hoped that now the county were a fully paid partner of the JCS, this would help improve the position.

CHAIR

Meeting concluded at 11:59.