



Cabinet

Meeting: Wednesday 10 December 2025 at 6pm in Civic Suite, North Warehouse, The Docks, Gloucester, GL1 2EP

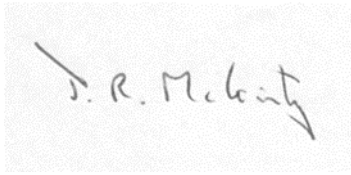
Membership:	Cllrs. Hilton (Chair), Wilson (Vice-Chair), Courtney, Field, Sawyer, Shervey and Trimnell
Contact:	Democratic and Electoral Services 01452 396126 democratic.services@gloucester.gov.uk

AGENDA

1.	APOLOGIES To receive any apologies for absence.
2.	DECLARATIONS OF INTEREST To receive from Members, declarations of the existence of any disclosable pecuniary, or non-pecuniary, interests and the nature of those interests in relation to any agenda item. Please see Agenda Notes.
3.	PUBLIC QUESTION TIME (15 MINUTES) The opportunity is given to members of the public to put questions to Cabinet Members provided that questions do not contravene the provisions set out Council Procedure Rule 10.01. To ask a question at this meeting, please submit it to democratic.services@gloucester.gov.uk by 12 noon on Friday 5 th December 2025 or telephone 01452 396203 for support. Questions and responses will be published at least 24 hours before the meeting. Supplementary questions may be put and answered during the meeting, subject to the relevant time limit.

4.	PETITIONS AND DEPUTATIONS (15 MINUTES) The opportunity is given to members of the public to present a petition or deputation provided that any such petition or deputation does not contravene the provisions set out Council Procedure Rule 11.01. To present a petition or deputation at this meeting, please provide the subject matter to democratic.services@gloucester.gov.uk by 12 noon on Friday 5th December 2025 or telephone 01452 396203 for support.
5.	LEADER AND CABINET MEMBERS' QUESTION TIME (15 MINUTES) Any Member of the Council may ask the Leader of the Council or any Cabinet Member any question upon: • Any matter relating to the Council's administration • Any matter relating to any report of the Cabinet appearing on the summons • A matter coming within their portfolio of responsibilities Only one supplementary question is allowed per question. Questions must be submitted to democratic.services@gloucester.gov.uk by 12 noon on Friday 5th December 2025. Responses to questions will be published in an addendum to the agenda by 12 noon on the day of the Cabinet Meeting.
6.	LEADER AND CABINET MEMBERS' QUESTION TIME (15 MINUTES) Any Member of the Council may ask the Leader of the Council or any Cabinet Member any question upon: • Any matter relating to the Council's administration • Any matter relating to any report of the Cabinet appearing on the summons • A matter coming within their portfolio of responsibilities Only one supplementary question is allowed per question. Questions must be submitted to democratic.services@gloucester.gov.uk by 12 noon on Friday 5th December 2025. Responses to questions will be published in an addendum to the agenda by 12 noon on the day of the Cabinet Meeting.
7.	Updated Financial Position To consider the report of the Cabinet Member for Resources presenting an updated financial position following on from the Finance report in September and seeking Members to consider the consequences arising from this.

8.	ADDITIONAL CONTROLS FOR HOUSES IN MULTIPLE OCCUPATION IN GLOUCESTER To consider the report of the Leader of the Council proposing actions to tackle the prevalence and proliferation of poorly managed Houses in Multiple Occupation (HMOs) in Gloucester.
9.	GLOUCESTERSHIRE HOUSING PARTNERSHIP To consider the report of the Cabinet Member for Community Engagement providing an outline of the Gloucestershire Housing Partnership and Gloucester City Council's role in housing the team and the contracts on behalf of the partners.
10.	DISCRETIONARY HOUSING PAYMENTS POLICY To consider the report of the Cabinet Member for Resources proposing changes to the Discretionary Housing Payments Policy with regards to the decision-making process and giving delegated authority to make future minor amendments.
11.	LOCAL COUNCIL TAX SUPPORT SCHEME 2026/27 To consider the report of the Cabinet Member for Resources seeking approval to adopt the proposed scheme and recommend that Council approves it as the Council's Local Council Tax Support Scheme for 2026/27.
12.	INFRASTRUCTURE FUNDING STATEMENT (IFS) 2024/25 AND ANNUAL COMMUNITY INFRASTRUCTURE LEVY (CIL) RATE SUMMARY STATEMENT To consider the report of the Cabinet Member for Planning seeking Members' approval to publish the Infrastructure Funding Statement (IFS) and Community Infrastructure Levy (CIL) Rate Summary Statement before the regulatory deadline of 31st December 2025.
13.	GREYFRIARS QUARTER PROJECT DELIVERY PROPOSAL To consider the report of the Leader of the Council and Cabinet Member for Regeneration seeking Members to approve the commencement of Phase 1 of the Greyfriars Quarter Project and to release the associated funding. Please note that Appendix 2 is exempt from disclosure to the press and public by virtue of Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended (information relating to the financial or business affairs of any particular person including the authority holding that information). If Members wish to discuss Appendix 2, the Committee will need to consider resolving to exclude the press and public before doing so.

A handwritten signature in dark ink, appearing to read 'J. R. McGinty', is centered at the top of the page.

Jon McGinty
Managing Director

Date of Publication: Tuesday, 2nd December 2025

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NOTES

Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows –

<u>Interest</u>	<u>Prescribed description</u>
Employment, office, trade, Profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between you, your spouse or civil partner or person with whom you are living as a spouse or civil partner (or a body in which you or they have a beneficial interest) and the Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the Council's area. For this purpose "land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for you, your spouse, civil partner or person with whom you are living as a spouse or civil partner (alone or jointly with another) to occupy the land or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the Council's area for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge) – (a) the landlord is the Council; and

(b) the tenant is a body in which you, your spouse or civil partner or a person you are living with as a spouse or civil partner has a beneficial interest

Securities

Any beneficial interest in securities of a body where –

(a) that body (to your knowledge) has a place of business or land in the Council's area and

(b) either –

- i. The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
- ii. If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, your spouse or civil partner or person with whom you are living as a spouse or civil partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose, "securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

NOTE: the requirements in respect of the registration and disclosure of Disclosable Pecuniary Interests and withdrawing from participating in respect of any matter where you have a Disclosable Pecuniary Interest apply to your interests and those of your spouse or civil partner or person with whom you are living as a spouse or civil partner where you are aware of their interest.

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a courtesy, anyone wishing to do so is advised to make the Chair aware before the meeting starts.

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- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building; gather at the assembly point in the car park and await further instructions;
- Do not re-enter the building until told by a member of staff or the fire brigade that it is safe to do so.

Gloucester City Council

Meeting:	Cabinet	10 December 2025
Subject:	Updated Financial Position	
Report Of:	Cabinet Member for Resources	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: Yes
Contact Officer:	Alison Turner, Head of Finance & Resources	
	Email: alison.turner@gloucester.gov.uk	Tel: 396091
Appendices:	A. Financial Monitoring Report Q2	
	B. Independent ARA/Lighthouse report	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To present an updated financial position following on from the Finance report in September and to consider the consequences arising from this.

2.0 Recommendations

- 2.1 Cabinet is asked to:

- (1) Note the revised 2024-25 outturn and the significant impact this has had on the reserves position as detailed in section 7.(This is subject to on-going work by CIPFA and the Finance Team.
- (2) Note the six month financial monitoring position for 2025/26 as detailed in Section 5 and Appendix A.
- (3) Note the independent ARA/Lighthouse report in Appendix B as requested by Cabinet which investigated the problems the Council has faced in producing timely accounts since the cyber-attack.
- (4) Recommend to Council approval of a revised budget for 2025-26 increasing the net budget requirement by £2.8m as detailed in Table 3 noting the impact this will have on reserves and the Money Plan projections.
- (5) Approve that an application for Exceptional Financial Support (EFS) is submitted to the Ministry of Housing, Communities and Local Government (MHCLG) as set out in this report. The details of the EFS application to be finalised by the Section 151 Officer in consultation with the Cabinet Member for Performance & Resources.

- (6) To note the outline recovery plan shown in section 10 and the governance arrangements that will need to be set around this
- (7) To approve the following changes to fees and charges from 1 January 2026:
- Increase the Green Waste Bin Charge to £60 and remove concessions.
 - Increase the charge for Bulky Waste Collections to £30 for up to 3 items and £10 for each additional item and remove concessions.
 - To increase Fly Tipping Fixed Penalty Notices as detailed in section 9 of this report.

3.0 Background

- 3.1 This Council has struggled to meet the statutory deadlines for publishing its Annual Statement of Accounts since the cyber attack in December 2021. This backlog has created a situation where financial information was delayed and incomplete over a number of years. The accounts for 2021-22 were published in late 2024 with a standard disclaimed external Auditor option (a shortcut directed by Government in an attempt to deal with a national backlog of accounts) by Deloitte's (the Council's then external auditors) on 13 December 2024 and likewise for the 2022-23 accounts on 27th January 2025.
- 3.2 The accounts for 2023-24 were published 8th September 2025 and are currently being audited by the Council's new auditors Ernst & Young. Based on the previous VFM review and the Council repeatedly missing the statutory deadline for publishing accounts, the auditors issued a Statutory Recommendations notice on 30th October; these, along with the Council's response, were approved by Members unanimously at Council on 25th November. The actions approved by Members will assist in getting back to regular financial reporting, robust budget monitoring and trustworthy financial information and improving the capacity and capability within the finance service ensuring it is fit for purpose in the future. They are consistent with emerging findings from the work currently being undertaken by CIPFA which will be reported to the Authority shortly.
- 3.3 The 2024-25 Accounts are transactionally closed but have not been published. The estimated overspend for that year is £4.3m which puts general fund reserves into a negative balance. The Council has engaged the Chartered Institute of Public Finance Accountants (CIPFA) advisors to assist with a discovery exercise to review the Council's financial policies and ensure that this base position is accurate before the accounts are published.

4.0 Final Outturn Position 2024-25 (Pre Audit)

- 4.1 The 2024-25 Financial year is transactionally closed, the variance against the budget is a significant overspend of £4.3m, higher than the estimated outturn reported in July this year of £262k. This level of overspend takes the general fund reserves into a negative position. This effectively means the authority is in a Section 114 position and as such CIPFA advisors have been engaged to work with the finance team. The internal finance team have already over the past six months carried out a full review of the budgets and financial controls which has led to the findings in the September report and this report. The work by CIPFA is a discovery phase where the historical transactions are reviewed along with accounting policies for Minimum Revenue Provision (MRP), capitalisation, borrowing, valuations to ensure that the Council's

baseline going forward is on the correct basis, initial work has not highlighted any further issues at this stage. But it is not complete therefore Members need to be aware that this figure could change.

Table 1 - 2024-25 Outturn Compared with Budget and Estimated Outturn (Jul 25)

Council Summary	2024-25 Budget £000	2024-25 Estimate £000	2024-25 Actual £000	Variance (Estimated v Actual) £'000
Regeneration & Leader	1,669	1,511	1,477	(34)
Resources	(1,068)	486	2,787	2,301
Housing	1,363	1,371	592	(779)
Community Engagement	1,496	1,407	1,591	184
Environment	6,512	6,810	6,846	36
Planning	525	609	631	22
Culture & Leisure	2,160	2,415	2,235	(180)
Corporate & Funding	(12,668)	(14,347)	(11,875)	2,471
Total	(12)	262	4,284	4,023

4.2 **Main Variances from the previous estimate**

The figures in the estimated outturn report in July were presented before the year was transactionally closed. This led to estimates being used for some areas which still had a number of transactions to go through eg Commercial Property, Interest payments and Housing. The work carried out by the finance team over the past six months highlighted issues for example with the accountancy treatment for Commercial Properties income. A number of the issues identified by the team led to the change in the figures and these are being reviewed along with the policies by CIPFA to get the base financial picture accurate.

Resources

Commercial Property Budget included initial income expectations for the Forum, Hotel & Car Park. Completion delays have impacted on the income received against budget in this year. Also, higher than estimated costs were incurred in relation to the property voids that have occurred in the city centre retail areas leading to the Council as landlord picking up significantly greater service charges, business rates and other costs– the timing of the invoicing and recognition of these is affected by the time taken to legally complete leases and lease contract extensions.

IT: Additional costs of the continued rebuild of the IT infrastructure and moving software into the “Cloud”; along with additional costs of new digital service provision and cyber security.

Revenues and Benefits: Additional administrative costs continued to be required of the Council to distribute a variety of new grants to the population of Gloucester. Also additional costs arose from pursuing increased levels of Council Tax and Business Rates arrears following Covid and the cyber incident.

Housing Subsidy: The final position in relation to the amounts that were reclaimable in relation to the actual housing benefits provided was greater by £150k.

Housing

Housing Services: This is an area where the actions taken by the Council and budget changes made for the 2024-25 budget following the 2023-24 sharp increases in temporary accommodation costs have proved more beneficial than expected. Additional grant income was identified from 2024-25 that could be released to cover the costs of this service provision.

Community Engagement

Community Strategy, Projects & Grants: Lower than estimated recovery of shared service costs and less grant income than estimated.

Culture & Leisure

Museum: a further review identified amounts that could be capitalised as part of the MEND grant capital works programme. The Business Rates position for the museum was also finalised leading to a credit for previously paid rates.

Corporate & Funding

Interest Costs: Less of the interest costs faced by the Council in 2024-25 were able to be capitalised into The Forum project.

Pension Costs: The actuarial figures for pension costs for the year were slightly higher than estimated.

Reserves transfers: The result of the reduction in the reserves following the finalisation of the 2023-24 accounts has meant that less reserves were available for utilisation than previously estimated.

5.0 Current Year – Q2 2025/26 Financial Monitoring Position

- 5.1** The half year financial position is presented in detail in Appendix A: this table summarises the main spending lines in line with the outturn table in section 4. This highlights an estimated forecast of £2.5 million net overspend which will increase the negative reserves position. The main reasons for the overspends are ongoing budgetary challenges for the Council's commercial properties income, bereavement services income, IT spending, waste spending, and housing subsidy budgets.

Table 2 Financial Monitoring Position Apr-Sept 2025-26

Council Summary	2025-26 Budget £000	Actual Apr-Sept £000	Year End Estimate £000	Final Variance £'000
Regeneration & Leader	1,592	359	1,426	(167)
Resources	(941)	2,766	2,301	3,421
Housing	1,232	(794)	751	(481)
Community Engagement	1,413	798	1,451	38
Environment	6,967	3,018	7,038	72
Planning	573	242	666	93
Culture & Leisure	1,604	950	1,633	28
Corporate & Funding	(12,567)	(5,748)	(12,746)	(180)
Total	(126)	1,590	2,519	2,645

6.0 2025-26 Revised Budget

- 6.1 It is clear from the overspends in previous years and the mid-year financial monitoring report detailed in Appendix A that some key service budgets have been set at unrealistic levels for a number of years through a combination of lack of financial data, lack of engagement with budget officers and limited budget monitoring. This has, and would otherwise continue to, lead to overspends at year end and therefore needs to be fundamentally addressed to more accurately reflect likely activity and performance. It is recommended that a revised budget for 2025-26 is brought to January Council for Members' approval, focusing on amendments as set out in Table 3 below. The revised budget is expected to add an additional £2.8m to the net budget requirement which will impact further on reserves.

Table 3 – Revised Budgets for 2025-26

Summary	Approved Budget £000	Recommended revised budget £000	Variance £000 Increase/(reduction)
RESOURCES			
Commercial Property	(3,317)	(1,540)	1,777
Asset Management	741	1,130	389
Housing Subsidy	(377)	(10)	367
IT	2,132	2,430	298
Cemeteries/Crematorium	(1,406)	(910)	496
HOUSING			
Housing & Homelessness	1,232	750	(482)
Total increase in Net Budget Requirement/impact on reserves			2,845

- 6.2 The reset of the budgets detailed above are based on the figures presented in sections 4 and 5 of this report and Appendix A which show that these budgets have not reflected a realistic position and require revision for the reasons explained.

7.0 Money Plan 2026-31 with adjusted Reserves

- 7.1 The table below details the updated general fund reserves position based on the 2024-25 Outturn (Section 4), the 2025-26 revised budget reset (Section 6) and updated Money Plan high level projections. The table shows that this Council is in a negative General Fund reserves position (effectively in a S114 position) due to overspends in previous years with reserves not being replenished and various unrealistic budgets that don't reflect the current activity. This table below clearly demonstrates that without Exceptional Financial Support (EFS) from Government, the Section 151 officer will be in a position where a Section 114 notice would need to be issued as the Council would not be able to set a balanced budget for 2026-27. It is only due to the fact that the council is in discussions with MHCLG that means the Section 151 Officer doesn't need to consider a section 114 notice.

Table 4 Money Plan 2026-31 update with Adjusted Reserves

Money Plan 2025-30	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	2029-30 £'000	2030-31 £'000
Opening Balance	394	(3,890)	(5,127)	(12,483)	(17,331)	(19,454)	(21,736)
Contribution to/(from) General Fund	(4,290)	(1,237)	(7,356)	(4,848)	(2,123)	(2,282)	(2,403)
Closing Balance	(3,890)	(5,127)	(12,483)	(17,331)	(19,454)	(21,736)	(24,139)

7.2 The figures presented in Table 4 are based on the high level update of the 2026-31 Money Plan. The figures have been increased for the pay award, inflation on contracts and income from fees and charges all at 3%. Additional provision has been built in for interest on borrowing, Local Government Reorganisation implementation costs and additional capacity needed in Finance and Property teams to deliver the improvements required as part of the recovery plan. The figures also include projected savings/increased income of £1m in 2026-27 and a further £1m in 2027-28. Revenue Support Grant and Business Rates figures have been increased back to the current year's level based on projections following the recent local government finance policy statement and Government's Budget announcements. This will be adjusted again when the provisional settlement is issued week beginning 15th December.

8.0 Current position

8.1 If confirmed following this discovery exercise, the 2024-25 Outturn position has taken the Council into negative reserves. Additionally, the latest Q2 financial monitor is highlighting that budget issues still exist across a number of areas of the Council's finances, and therefore a number of the 2025-26 budgets need to be reset, adding additional pressure on the net budget requirement.

8.2 The scale of the accumulated negative balances position means that the only way in which a Section 114 notice for the Council can be avoided is if an exceptional financial support (EFS) application is made to, and granted by, Government. The current estimate is that an EFS application in the range of between £12.5m and £17.5m will be required to build up the Council's reserves sufficiently to deliver a balanced budget. This may need to be reviewed further for future years. Initial discussions have already taken place with Government officials to begin the process of an application and these will continue during December and January.

8.3 The internal Finance team have over the past six months worked on improving the financial controls, budget monitoring and financial reporting. This has led to the findings detailed in the September financial update report and this report. CIPFA Advisors have been engaged to assist with the discovery phase ensuring the work the internal finance team have completed ensures base position is correct. They are also providing advice on the EFS process, recovery plan and the governance

arrangements required to ensure the Council meets Government and public expectations.

- 8.4 Officers are working on plans to reduce spending and increase income as part of the Council's financial recovery, including focussed work on culture and property. It will be essential to demonstrate to Government that the Council can deliver savings, extra income and realise capital receipts. The money plan assumes a reduction in the net budget requirement of £1m in 2026-27 and a further £1m in 2027-28.

9.0 Exceptional Financial Support (EFS)

- 9.1 The Council has approached Government officials to find out if it would be eligible for EFS based on the financial situation presented. The informal discussions have been positive which means a s114 notice is not required at this stage which is supported by Kings Counsel advice. Based on the updated general fund reserves detailed in Table 4 the EFS application would be a minimum of £12.5m to ensure the Council could set a balanced budget for 2026-27, however there would still be significant challenges in 2027-28 to set a balanced budget therefore the range for EFS is expected to be between £12.5m and £17.5m.
- 9.2 The Government's EFS arrangement provides councils with exceptional permission to capitalise annual revenue costs and then fund them through long term borrowing which can be paid off with capital receipts from asset disposals and other savings plans. EFS provides permission to borrow and does not provide grant funding. If Government approves EFS, it is agreeing to the Council borrowing on an exceptional basis to fund annual, recurring, revenue expenditure e.g. staffing, utilities, rather than capital expenditure.
- 9.3 EFS will enable budget funding gaps to be met temporarily in order to deliver balanced budgets, while providing time for the Council to deliver reductions and generate increased income to set balanced budgets and increase general fund reserves to ensure the Council is financially sustainable over the medium term.
- 9.4 If EFS funding is granted, Government will expect a robust recovery plan detailing how the net budget will be reduced and the borrowing repaid. When applying for EFS the Council must indicate the total amount of borrowing; however, borrowing is only undertaken at each year-end, based upon what is required at that time. Therefore asset disposals concluded in-year could reduce the amount of EFS required.
- 9.5 The Application Process requires completion of a EFS form with a range of supporting information requested by Government during December. A "Provisional" EFS approval may then be granted by Ministers in February which should be in time to be used to set the 2026-27 budget. If EFS is not granted the Section 151 officer will have to issue a s114 notice as the 2026-27 budget cannot be balanced due to prior year negative general fund reserves and the pressures on the net budget requirement without external assistance. This would have significant implications for the council.

10.0 Outline Recovery Plan

- 10.1 Government will require a recovery plan alongside the EFS application. This document will show how the Council intends to manage the process to get back to a

stable financial position. It will outline immediate and long term actions to achieve stabilisation.

Officers recommend that the Recovery Plan has four main themes:

- 1 Financial recovery and taking early actions to deliver savings
- 2 Ensuring sufficient capacity, capability and resilience in key areas such as Finance and Asset Management to deliver the recovery plan and provide sustainable sound governance and stewardship of resources.
- 3 Improved budget monitoring, reporting and accountabilities
- 4 Appropriate governance and communications to manage the plan.

10.2 The Council's overriding financial strategy for the next few years or up to LGR needs to be to

- (a) rebuild its revenue reserves to sufficient levels,
- (b) reduce the extent of its borrowing position and scale of debt repayments,
- (c) reset budgets to realistic levels and reduce running costs/increase income to meet those revised budgets and:
- (d) to improve its in year budget monitoring accuracy and timeliness.

10.3 Key elements to address this will be:

Asset Management

The recovery plan will set out an Asset Disposal Plan, generating sufficient capital receipts which, if EFS is granted, may be used to temporarily support the cost of revenue spending and pay off borrowing to reduce costs. It will also set out a more proactive approach to asset and portfolio management, increasing the income from key retained commercial property assets. A review of the Council's Car Parks Service and how these can best support the Council's financial strategy will also be a priority.

Review Council's discretionary spend

Officers have reviewed spending options for cultural services and have concluded the following changes need to be made in that area:

- Cease to operate Blackfriars Priory from May 2026
- Keep the Museum of Gloucester Open but reduce its opening hours from April 2026
- Reductions in the Council's financial support for Festivals and Events programme.

Officers have reviewed the Council's Community Engagement service area and have concluded the following changes need to be made:

- Change in Community Safety Management
- Reduction in Staffing and replacing members grants with a different method of awarding grants.
- Review arrangements for the Solace partnership

Additionally, the Council is also reviewing the management of its Countryside Unit

Fees and Charges

These will be comprehensively reviewed as part of the usual budget setting process in February. However, the following are recommended for approval by Cabinet as part of this report, with immediate implementation from 1st January 2026.

- Green Waste optional collection service: increase charge to £60 and remove concessions
- Bulky waste: Increase fee to £30 for up to 3 items and then £10 for each additional item and remove concessions
- Fly-tipping Fixed Penalty Notices: Increase from £400 (statutory minimum) to scaled approach as set out in the table below:

Incident	FPN level	Discount	Notes
1-4 bags of waste or equivalent.	£600	25% within 14 days	First offence only.
More than 4 bags of waste or equivalent	£800	25% within 14 days	First offence only.
Any amount of waste	£1000	None	2 or more offences within 24 months with FPNs or prosecution, or, First offence and the offender meets any 1 or more the above high or medium aggravating factors.

Employee Costs

The Council is introducing a Mutually Agreed Resignation Scheme (MARS)

Recruitment – Officers are reviewing all current Temp/Interim appointments and seeking to regularise these into permanent positions if essential, or releasing those staff if not. It is also more rigorously reviewing all vacant posts, and is suspending the Apprenticeship Programme for a year.

Other actions

The Council is continuing to review all non-essential spend, including spend currently planned but not yet commissioned

Officers are exploring further restructuring options and other operational efficiencies (including the scope of the Ubico contract and further actions to reduce housing temporary accommodation revenue spend) and further income generation opportunities.

- 10.4 The reserves position in section 7 includes revenue savings of £1m in 2026-27 and a further £1m for 2027-28. The actions in the recovery plan will deliver these reductions to the net budget requirement. Further work will be required to provide meaningful savings estimates in the area highlighted above with appropriate plans to ensure the capacity and capability to deliver.

11.0 Governance and Communication

- 11.1 CIPFA advisors have highlighted that to be successful, an EFS application will need to be accompanied by robust governance arrangements that will satisfy Government scrutiny and confidence that the recovery plan will actually be delivered. This is particularly the case for a Council that is in no overall political control, as Government will want reassurance that tough, unpalatable and undesirable decisions will be made in a timely fashion and implemented with minimal scope for political backtracking. If Government does not have confidence in the Council's governance arrangements, there is a risk they will send in Commissioners to take charge of the Council's decision-making (and at additional cost to the Council).

- 11.2 CIPFA advisors have likened this to a 'Command and Control' Gold/Silver/Bronze emergency planning approach, where officers will be taking immediate decisions whilst keeping Members informed, and seeking Member endorsement of recovery plans drawn up by officers rather than seeking Member approval. Effectively, the Council should treat the delivery of its recovery plan as if the Council were in a Section 114 scenario, where the Council's Chief Financial Officer along with the other Statutory Officers would effectively take over decision-making responsibility for all expenditure.
- 11.3 However, the drawing up and delivery of the Council's Recovery Plan needs to be led by a sub-group of the Council's Senior Management Team, acting as a recovery leadership team. This Team will assign lead accountabilities for delivery of each strand of the Recovery Plan to individual officers. This team would also benefit from independent external advisors such as CIPFA and a property expert as asset Management is a key priority for the Recovery Plan.
- 11.4 It will be critical to ensure that there is no confusion of accountabilities and duplication of effort with regards to Member oversight of the Recovery Plan activity. It is therefore recommended that regular reports on the delivery of this Plan will come exclusively to a cross-party Member task and finish Recovery Board, to be chaired by the Leader of the Council, with Terms of Reference to be developed with the assistance of CIPFA advisors. Additionally, where necessary, reports seeking executive decisions will be brought to Cabinet and those can be scrutinised by Overview & Scrutiny Committee. Audit and Governance Committee should retain its primacy of role of ensuring that the External Auditors' Statutory Recommendations are implemented but neither it, nor Overview & Scrutiny, will be responsible for overseeing the Recovery Plan or duplicating the role of the Recovery Board.
- 11.5 The tough and challenging decisions that need to be made to stabilise the Council's financial position will be of great importance and concern to the public, Councillors, external stakeholders and staff. It is also important to ensure transparency of information about those decisions and to that end, it will be critical that effective communications are delivered around the Council's Recovery Plan and a Communications Plan will be drawn up and implemented throughout this process as part of the Recovery Plan.

12.0 Social Value Considerations

- 12.1 There are no social value implications arising from this report.

13.0 Reasons for Recommendations

- 13.1 It is a good practice for Members to be regularly informed of the current financial position of the Council. This report is intended to make members aware of any significant issues in relation to financial standing and any actions that officers are taking in response to reduced reserves. The EFS application is essential to avoid a Section 114 notice being issued.

14.0 Financial Implications

- 14.1 All financial implications are within the report, which is of a wholly financial nature.

15.0 Legal Implications

15.1 There are no legal implications from this report.

(One Legal have been consulted in the preparation this report)

16.0 Risk & Opportunity Management Implications

16.1 There is a risk of financial sustainability as general fund reserves are in negative balance and the 2026-27 budget can only be delivered with EFS. The figures presented have a level of risk because they are based on a number of assumptions with the best information available. External factors such as payaward, inflation, interest rates increases will impact on the figures presented. Its also important to note that a essential part of the recovery plan is asset management and disposal, if this can not be delivered it will have a significant impact on the estimates presented.

16.2 This Council may need to consider an EFS application for future years but this will depend on the recovery plan delivery and external factors.

17.0 People Impact Assessment (PIA):

17.1 An individual PIA will be provided for any relevant recovery plan proposals.

18.0 Other Corporate Implications

Community Safety / Sustainability / Staffing & Trade Union

18.1 None.

Financial Monitoring Report Q2 – April – September 2025**1.0 Purpose of Report**

- 1.1 For Members to note the current and year-end forecasts for the General Fund Revenue position against the agreed budgets for the 2025-26 financial year.

2.0 Recommendations

- 2.1 Cabinet is requested to **NOTE** that:
- (1) The forecast year end position is currently for a decrease to the Council's General Fund balance of £2,519k against a budgeted increase of £126k.
 - (2) The details of specific budgetary issues identified by officers and the actions being taken to address those issues.

3.0 Background and Key Issues

- 3.1 The Council approved the 2025-26 Budget in February 2025. This report sets out the financial position as at the end of September 2025. It is based on actual costs and income mid-way through the year, with the current forecast for the remainder of the financial year. The forecast is based on the 6 months of this year and historical trends, therefore needs to be considered in this context. Financial performance is a key element within the assessment of the Council's overall performance framework and is essential to achievement of the objectives within the Council's Policy Agenda and Plan.
- 3.2 As detailed in the updated 2023-24 Outturn and consequent impact on Money Plan report presented to members in September, the financial challenges have increased due to the impact the overspends have had on the level of reserves. The Financial Statements for 2024-25 are nearing completion and are showing a further reduction in the General Fund reserves of £4.3 million which takes the Council into negative reserves. Inevitably, the current budget is being monitored robustly, and discussions are underway with the MHCLG and CIPFA to bring the funding position under control by applying for Exceptional Financial Support (EFS).
- 3.3 On the 20th November the Government issued an outline policy statement following the Fair Funding Review consultation that has provided indications of their plans, which appear to retain a significant linkage to delivering a greater level of funding to those areas with the highest levels of deprivation according to the Government's indices. Our advisors are currently updating their models for the potential impact of these announcements. The Government will not announce the full detail of the provisional settlement until week beginning 15th December; although it is currently expected to be a multi-year settlement which will assist with medium term planning. The money plan has been updated to take the external funding back to current year level and this will be updated when the provisional settlement is issued.
- 3.4 This report summarises the estimated position at the end of the Financial year and highlights the continued need for the Council to manage its limited financial resources to ensure the achievement of its ongoing service delivery obligations, and to continue its wider regeneration activities. It is important that the current year budget is managed robustly to minimise the eventual level of overspend faced by the Council, with plans being put in place to revise the 2025-26 budget and to build the necessary savings into the 2026-27 budget processes.

- 3.5 This report will focus on providing some detail and commentary of the financial variances at a portfolio level for 2025-26. It should be noted that these estimates have been based on the best information we currently have available at this stage of the financial year.

4.0 Whole Council Summary

- 4.1 The summary table below shows the forecast outturn position for the Council by Cabinet portfolio.

	25-26 Budget £000	Actual £000	Year End Estimate £000	Final Variance £000
Council Summary				
Regeneration & Leader	1,592	359	1,426	(167)
Resources	(941)	2,766	2,301	3,241
Housing	1,232	(794)	751	(481)
Community Engagement	1,413	798	1,451	38
Environment	6,967	3,018	7,038	72
Planning	573	242	666	93
Culture & Leisure	1,604	950	1,633	28
Corporate & Funding	(12,567)	(5,748)	(12,746)	(180)
Total	(126)	1,590	2,519	2,645

- 4.2 The current year end forecast position is for the Council to have a budget shortfall of £2.645 million. This will add to the negative reserves position, urgent actions are required to be taken to further address this difficult financial situation. As noted in paragraph 3.2 discussions are underway with the Government and CIPFA to develop plans to address the financial situation of the Council going forwards.

5.0 Significant items of note

Regeneration and Leader

	25-26 Budget £000	Actual £000	Year End Estimate £000	Forecast Variance £000
Regeneration & Leader				
Economic Development	337	(250)	238	(100)
Democratic Services	888	434	808	(80)
Communications	116	64	113	(3)
Senior Management	251	111	267	16
Total	1,592	359	1,426	(167)

- 5.1 The outturn for this portfolio is favourable to budget by £167k.
- 5.2 The favourable variance in the Economic Development service area primarily arises from the application of Regeneration Reserve amounts to cover staff costs related to The Forum development whilst this project continues to its conclusion. This team also continues to manage the distribution of the Government funded UK Shared Prosperity Fund for projects in the City.
- 5.3 The underspend in the Democratic Services team is mainly due to staff vacancies.

Resources

	25-26		Year End	Forecast
	Budget	Actual	Estimate	Variance
Resources	£000	£000	£000	£000
Financial & Corporate	1,241	458	1,220	(21)
Revenues & Benefits	523	330	424	(99)
IT	2,132	1,972	2,427	295
Parking	(1,919)	(822)	(1,875)	44
Business Support	320	211	350	30
Asset Management	741	750	1,127	386
Commercial Property	(3,317)	(214)	(1,536)	1,781
SWRDA	(445)	(227)	(435)	11
Cemeteries & Crematorium	(1,406)	(485)	(907)	499
Internal Audit	213	51	205	(8)
Transformation	308	141	275	(33)
HR & Apprentices	476	212	388	(89)
Legal Services	630	338	697	67
Housing Subsidy	(377)	16	(11)	367
Markets & Street Trading	(60)	37	(48)	12
Total	(941)	2,766	2,301	3,241

- 5.4 This portfolio is forecast to be adverse to budget by £3.241k.
- 5.5 The Cemeteries and Crematorium service is adverse to budget by £499k. The current trend seems to be for more direct cremations to be taking place which is leading to a resultant reduction in the demand for full cremations. The number of wakes at the Arbor is strongly linked to the level of full funerals that occur at the Crematorium and is therefore also seeing lower income levels. The forecast included in this report attempts to reflect the trends, and going forwards proposals will be made to adjust this income budget in light of the trends being observed.
- 5.6 The Commercial Property portfolio is adverse to budget by £1.78 million. Overall, the portfolio is forecast to contribute a net income to the Council of over £1.5m. As mentioned in prior monitoring reports, the Council has purposefully invested in city centre real estate as part of its regeneration agenda. Given its location, much of this estate is retail based. The regeneration of the Kings Quarter area of Gloucester City Centre is approaching completion with several key tenants signed up and starting to take occupation of the office, hotel, and car park elements of the project as it reaches completion in the second half of 2025-26. The historic investment property portfolio is slowly recovering as new arrangements are reached with tenants. A review of the budget for this portfolio is being undertaken and a revised position is being presented as part of the overall restatement of the 2025-26 budget.
- 5.7 As noted in previous monitoring reports, the Council manages more than £30m of Housing Subsidy and benefit payments, and the smallest percentage change can have an impact on the final outturn. The forecast outturn for 2024-25 is adverse to budget by £367k. Across the year it is partly mitigated by potential new burdens funding from the Government and the recovery of historic housing benefit overpayments by the Revenues & Benefits service.
- 5.8 The forecast for Parking is slightly adverse to budget by £44k. The Council continues to face significant ongoing survey, repairs, and maintenance works costs at the various car parks; along with increased security costs to ensure customer safety

within the car parks. Officers are continuing to manage these costs and take actions to mitigate them as appropriate. Fees were also increased from November this year.

- 5.9 The Asset Management spend is currently forecast to be £386k adverse to budget. This is primarily a result of the costs of the ongoing work being undertaken to ensure the latest regulatory requirements for buildings are being met and that necessary emergency works are addressed as identified. Officers are acting to ensure that the works undertaken are required and are in the process of developing a longer term asset management plan. The costs incurred will be reviewed to ensure spend is capitalised where possible.
- 5.10 The adverse position to budget for IT reflects the changes to the Council's operations over the past few years as more services have been made accessible through digitalisation. Some of this additional cost is mitigated by the savings noted in other service areas.
- 5.11 The Revenues and Benefits service is continuing to undertake the additional work of managing the distribution of central Government grants such as that for Homes For Ukraine; a total of £193k being distributed in the first four months of 2025-26.
- 5.12 As was the case in 2024-25, the estimated income from the ex-South West Regional Development Agency owned properties, and the VAT Shelter, for 2025-26 is being utilised to cover some of the interest charges in relation to the regeneration projects.

Housing

	25-26 Budget £000	Actual £000	Year End Estimate £000	Forecast Variance £000
Housing				
Private Sector Housing	37	(400)	(1)	(38)
Housing Strategy	168	32	164	(4)
Housing & Homelessness	1,027	(426)	588	(439)
County Homelessness Partnerships	-	(0)	(0)	(0)
Total	1,232	(794)	751	(481)

- 5.13 This portfolio is currently forecast to be favourable to budget by £481k.
- 5.14 The level of grants received into this area increased in the year and officers are taking actions to ensure that the grants are used appropriately to mitigate and reduce long term costs where appropriate.
- 5.15 The various properties that the Council has purchased over the past 18 months to reduce the reliance on hotel rooms as temporary accommodation have started to be occupied by individuals and families and as such are forecast to alleviate some of the financial burden on the Council. As with many items in the Council budget, the levels of homelessness and other individuals requiring support are hard to forecast, especially across the forthcoming winter period, along with the costs of any of any further preventative actions required. The budget officer is proactively monitoring this budget to ensure action is taken to mitigate overspends.

Community Engagement

	25-26 Budget	Actual	Year End Estimate	Forecast Variance
Community Engagement	£000	£000	£000	£000
Community Strategy, Projects & Grants	1,043	649	1,140	98
Customer Services	410	214	438	28
Licensing	(114)	(97)	(184)	(70)
Shopmobility	73	32	56	(17)
Total	1,413	798	1,451	38

- 5.16 The outturn for this portfolio is currently forecast to be slightly adverse to budget by £38k. Similar to prior years the Communities teams continued to work collaboratively with the County Council and the neighbouring districts to ensure a co-ordinated response to a series of community and social wellbeing projects; where appropriate, costs are shared to ensure the efficient use of funds.
- 5.17 The Communities team is continuing its work on the Health Inequalities Project using the grant funding from the NHS received towards this project.

Environment

	25-26 Budget	Actual	Year End Estimate	Forecast Variance
Environment	£000	£000	£000	£000
Waste & Recycling	5,511	2,320	5,750	239
Streetcare & City Centre	882	570	909	27
Environmental Health	215	(111)	(30)	(245)
Parks & Countryside	272	192	295	23
Climate Change & Environment	85	47	113	28
Total	6,967	3,018	7,038	72

- 5.18 This portfolio is currently forecast to be adverse to budget by £72k.
- 5.19 There continue to be inflationary pressures on the costs of the waste, recycling and street care services contract. These costs are partly mitigated by the sale of recyclable materials, and other grants and income from various contracts with Gloucestershire County for highways grounds maintenance; the income from which remains on target for the year. The Council has continued to work with Ubico to invest capital towards the purchase of additional vehicles and machinery to reduce hire costs and the overall costs of the service provision.

Planning

	25-26 Budget	Actual	Year End Estimate	Forecast Variance
Planning	£000	£000	£000	£000
Planning	60	47	241	181
Planning Policy	394	140	304	(91)
Community Infrastructure Levy	-	0	0	0
Land Charges	(85)	(40)	(77)	8
Heritage	203	94	198	(6)
Total	573	242	666	93

- 5.20 This portfolio is currently forecast to be adverse to budget by £93k.

- 5.21 The net cost of the Planning service is currently forecast to be adverse to budget by £181k as a result of lower income from planning applications and government grant funding. The cost of the Building Control shared service has also increased significantly in the year.
- 5.22 The Planning Policy service manager has been seconded into the Strategic Local Plan team and their salary recharged to this Tewkesbury based project. This has led to the forecast underspend in this area as there is no back-fill.

Culture & Leisure

	25-26 Budget	Actual	Year End Estimate	Forecast Variance
Culture & Leisure	£000	£000	£000	£000
Museums	769	481	750	(19)
Guildhall	432	195	426	(6)
Blackfriars	77	(41)	91	14
Events	309	166	268	(40)
Destination Marketing	172	122	234	62
Leisure Service	(155)	28	(137)	18
Total	1,604	950	1,633	28

- 5.23 This portfolio is currently forecast to be adverse to budget by £28k.
- 5.24 The Museum service is currently reviewing its business strategy and developing a plan with the Asset Management team for the works required on the current museum building. During the summer and beyond they have been working with the Council's archaeology team to work through the huge amount of potentially important historical artefacts discovered at development sites, and have been showcasing this work at a Discovery Centre unit in the Eastgate shopping centre. This work has been funded by a National Heritage Lottery Fund grant.
- 5.25 The Guildhall team have continued to develop and expand their programme utilising their Arts Council England National Portfolio Organisation funding. Some of the new activities are proving more successful than others, the current forecast position is one of £6k favourable to budget.
- 5.26 The Council's leisure operator, Freedom Leisure, are continuing to improve the services provided at both GL1 and Oxstalls, and this area is currently forecast to be adverse to budget by £18k due to repairs costs, but will still see the Council receive an income rather than face a cost for the service by the end of the year. These developments include capital improvements to the buildings and infrastructure at both sites, many of which are in progress or currently being procured. Any delay in these projects could have an impact on revenue but this will be managed between the Council and operator.



Management Advice & Action Memo

To: Jon McGinty – Managing Director
Alison Turner – Head of Finance and Resources and Section 151 Officer
Jane Cryer – Monitoring Officer

From: Chris Harris Associate Auditor, Lighthouse Consulting working for ARA

Issue Date: 01/12/2025

Audit Title: Audit Advisory Work – Management and Oversight of the Financial Position at Gloucester City Council

1. Introduction

1.1 The purpose of the review was to provide independent advice on the Financial Position of Gloucester City Council following the cyberattack in December 2021.

1.2 This was an advisory piece of work focusing on the financial issues including monitoring and reporting arrangements from December 2021 to September 2025 and how they have been managed.

1.3 Internal Audit advice is given without prejudice. We reserve the right to review and provide further advice or make recommendations on relevant policies, procedures, risks, controls, and operations at a later date.

1.4 This management advisory memo will be submitted to the relevant head of the service that was subject to this work. This memo does not constitute a formal Internal Audit report.

2. Objectives

2.1 This was a review into the financial issues referred to within the Cabinet report 10th September 2024, 'Updated 2023-24 outturn report and the consequent impact on the Money Plan,' it included:

- i. identification of the root causes of the changing understanding of the Council's financial position over the period referred to in this report;
- ii. an assessment of decision-making, governance, and oversight arrangements in place during that period including the extent to which Members were informed of the uncertainty of the figures in a timely manner;
- iii. recommendations to prevent recurrence and restore public and stakeholder confidence.

3. Root Causes and Remedial Actions

3.1 Root Cause Issue / Critical Event:

Loss of Financial Systems.

The root cause/critical event leading to the loss of financial systems was the deployment of ransomware following a spear-phishing attack via a compromised supplier email. This encrypted on-premise servers hosting Civica Financials, forcing reliance on manual workarounds and creating fragmented financial data streams. The incident exposed vulnerabilities in supplier email security, system hosting arrangements, and business continuity planning. The ransomware attack disabled electronic financial systems, including accounting software and digital records.

3.1.1 Remedial Action(s) Taken:

The Council undertook a series of remedial actions to stabilise operations and finances. Core IT systems were rebuilt from scratch, with Civica Financials and other critical applications gradually restored to service. To maintain business continuity during the outage, staff relied on manual workarounds and later reconciled these records into the restored systems. Financially, urgent measures were introduced to offset reserve erosion once this was known, including car park fee increases, pausing staff recruitment, and asset reviews. The Council also strengthened its cyber security posture by working with the National Cyber Security Centre, enhancing monitoring, and updating disaster recovery arrangements to reduce future vulnerability.

3.1.2 Further Actions Required.

No further action required

3.2 Root Cause Issue / Critical Event:

Manual Workarounds and Data Fragmentation; Delayed and Incomplete Financial Reporting.

Servers were encrypted and access to Civica Financials and other core financial systems was blocked. With these systems and services unavailable for months, staff were forced to develop and rely on manual workarounds. Provisional spreadsheets were created, paper based records introduced and ad-hoc reports to try to keep essential services running.

When systems were eventually rebuilt and restored, these manually recorded transactions had to be re-entered into Civica Financials, creating multiple overlapping data streams (backups, manual records, restored entries). This reconciliation process took time and introduced duplication and inconsistencies, resulting in data fragmentation across financial records.

3.2.1 Remedial Action(s) Taken:

The Council rebuilt the core IT infrastructure and gradually restored Civica Financials and other critical systems. Manual workarounds used during the outage were reconciled into the restored systems. Urgent financial measures such as car park fee increases, a pause on recruitment of staff, and asset reviews were also introduced to stabilise reserves. The Council also worked with national cyber security partners to strengthen monitoring, enhance disaster recovery arrangements, and embed improved business continuity planning. These actions provided a level of stabilisation but highlighted the need for longer-term resilience measures to protect financial integrity and governance assurance in the event of future disruption.

3.2.2 Further Actions Required:

- Embed reconciliation protocols for manual workarounds, with dual sign-off and audit trails by Q2 2026.
- Record “data fragmentation” as a corporate risk linked to continuity and ITDR planning by Q1 2026.
- Commission independent assurance of post-attack reconciliation accuracy by Q3 2026
- Test manual workaround reconciliation in annual continuity exercises.

3.3 Root Cause Issue / Critical Event:

Forecasting Based on Incomplete or Provisional Data

Financial forecasting during the prolonged outage of Civica Financials was based on incomplete or provisional data. Reliance on manual estimates and fragmented records created gaps and inconsistencies, meaning forecasts were based on partial datasets rather than assured and verified financial information. This highlighted a control weakness in business continuity planning, where forecasting processes lacked structured protocols to preserve accuracy and integrity during system outages.

3.3.1 Remedial Action(s) Taken:

These focused on manual continuity, system rebuilds, and eventual account publication. Also embedding stronger forecasting, governance oversight, and cyber resilience to restore financial credibility and ensure future budget plans are robust.

3.3.2 Further Actions Required:

No further actions required.

3.4 Root Cause Issue / Critical Event:

Governance and Oversight Gaps

The root cause/critical event was insufficient oversight of phishing resilience and legacy IT vulnerabilities and the ransomware encryption of core systems.

3.4.1 Remedial Action(s) Taken

The Council undertook a full forensic review to understand the attack’s scope. Remedial actions included working with national agencies to investigate and contain the breach, rebuilding legacy IT systems, enhancing monitoring over the network infrastructure and segmentation of the IT network, revising business continuity arrangements. Staff also received additional cyber awareness and phishing training to help embed staff phishing awareness. These measures demonstrated the importance of treating cyber threat as a core governance domain risk. Governance frameworks were updated so that cyber risk is now embedded more firmly into assurance reporting and oversight and reporting was updated to ensure cyber assurance is embedded within risk frameworks with oversight committees receiving clear assurance that resilience is managed with the same rigor as financial and operational risks.

3.4.2 Further Actions Required:

No further actions required.

3.5 Root Cause Issue / Critical Event:

Political and Leadership Transitions

The critical event was the encryption of core systems that disrupted essential services and tested leadership accountability during a period of political change.

3.5.1 Remedial Action(s) Taken:

The Council worked closely with the National Crime Agency and National Cyber Security Centre to investigate and contain the breach. The IT infrastructure was rebuilt and modernised to replace vulnerable legacy systems and enhanced infrastructure monitoring to detect intrusions more quickly was also introduced. Network segmentation was also established to provide increased resilience. Secure backups were used to recover data and business continuity arrangements were revised to ensure faster restoration in future scenarios.

3.5.2 Further Actions Required:

No further actions required.

3.6 Root Cause Issue / Critical Event:

Operational and Service-Level Shocks

The root cause/critical events were as follows:

- Commercial Property: Income shortfalls from delayed Forum, Hotel, shopping centre void units and Car Park completion.
- Leisure Services Collapse: Aspire Trust's financial demise led to the emergency procurement of Freedom Leisure.
- Housing Pressures: Inflation and cost-of-living spikes drove up temporary accommodation costs.
- Bereavement Services: Underperformance in income and unexpected crematorium maintenance costs added financial pressure.

3.6.1 Remedial Action(s) Taken:

Income streams were stabilised, emergency procurement measures introduced and essential services maintained. Prioritisation was given to maintaining waste, recycling, street cleaning, housing and grounds maintenance as essential services.

3.6.2 Further Actions Required:

No further actions required.

3.7 Root Cause Issue / Critical Event:

Audit Bottlenecks and National Backlog

The auditors were prevented from accessing financial records due to the Council's financial records being incomplete, delayed, and affected by governance weaknesses. This resulted in disclaimed opinions for both the 2021–22 and 2022–23 accounts, mirroring the wider local government audit backlog. Caused by a combination of structural problems in the audit system, shortages of qualified auditors, and increasing complexity in local authority accounts.

3.7.1 Remedial Action(s) Taken:

The council worked with its appointed auditors to provide missing information and respond to queries, though the national backlog meant progress was slower than desired.

3.7.2 Further Actions Required:

No further actions required.

3.8 Root Cause Issue / Critical Event:

Asset and Infrastructure Challenges

The Council was heavily reliant on outdated servers and applications, which were more vulnerable to exploitation and harder to restore, post-attack. Financial pressures and competing

priorities meant cyber resilience and IT modernisation were not adequately resourced. Core services were concentrated on centralised infrastructure without sufficient redundancy or segmentation, amplifying the impact of the breach. Asset management and infrastructure resilience were not embedded into risk oversight, leaving vulnerabilities unaddressed.

3.8.1 Remedial Action(s) Taken:

These focused on maintaining service continuity, managing income shortfalls, and funding unplanned ICT rebuild costs.

3.8.2 Further Actions Required:

No further actions required.

3.9 Root Cause Issue / Critical Event:

Consequences for Financial Planning

The root cause/ critical event was the erosion of reserves from £8.6m in March 2022 to a projected £2.8m by March 2026. The Council is also predicting a 2026–27 General Fund deficit of £241k.

3.9.1 Remedial Action(s) Taken:

Remedial actions focused on freezing discretionary spending, tightening financial controls, using reserves to cover overspends, and reassessing housing and leisure costs. These steps were taken to stabilise finances after the discovery of accounting discrepancies (systemic misreporting of overspends and reserve movements) and repeated budget pressures.

3.9.2 Further Actions Required:

- Establish a ring-fenced cyber resilience reserve to protect general balances by Q3 2026
- Develop contingency plans for the projected 2026–27 General Fund deficit by Q2 2026.
- Undertake service transformation reviews to identify sustainable efficiency savings by Q4 2026.

4. Assessment of Governance, Oversight and Decision Making

4.1 During the period December 2021 to early 2025 there were a lot of staff movements, long-term sickness and retirements including at Section 151 Officer level. In addition, the Malvern / Civica application support services were also brought back in house during that period. The return of planning applications from Malvern Hills District Council and the TUPE transfer of staff from Civica. Both events added strain to already stretched resources, making it harder to stabilise accountancy and deliver services.

4.2 The absence of complete financial data in one place or form led to the outturn reports for the years 2021-22, 2022-23, and 2023-24 being based on the best estimates at the time of compilation. These reports were caveated to make this clear to the reader. The process of loading data into the new financial system, Financials, was lengthy and also meant that the budget setting process in the past few years has been based on best estimates and not on confirmed final positions by service.

4.3 Throughout the period from 9th February 2022 through to the current time, regular reports were presented to Cabinet, Council, the Audit and Governance and the Overview and Scrutiny Committees.

4.4 An example of the reporting can be seen for the 12 July 2023 Cabinet meeting - “That the work to reconstitute the large volume of data from the manual transactions processed following the cyber incident in December 2021 into the system is in progress. The volume of manual data being analysed and reconciled means that there will be movements between the outturns forecast for the detailed categories, and that the figures provided are the best estimates based on current analyses”. “The financial systems are now operational and have been moved into the Cloud. The process of reviewing, analysing, and reconciling the vast quantum of manual data for upload into the system is in progress. The volume of data concerned means that there will be movements between the detailed categories and that the figures provided are the best estimates based on our current analyses.”

4.5 Members of the Council were kept informed of the uncertainty surrounding financial figures following the cyberattack through a combination of formal reporting, committee updates, and leadership briefings. This multi-channel approach ensured Members were not only informed of the figures but also were advised of the broader context and constraints affecting financial clarity.

5. Conclusion

Following the Cyberattack, the officers used their best endeavours to maintain budgetary control during a period of unprecedented difficulty and while the new financial systems were being developed and implemented. There were also a number of financial issues that were either already in train or would occur before new systems were in place that made the accounting process and reporting challenging. For instance, the spreadsheets in place would have recorded transactions as they took place and committed sums via the purchase order system, but may have missed unplanned or emergency future commitments, many of which were significant.

The Council’s understanding of its worsening financial position evolved gradually over a four-year period from late 2021 through to September 2025 not due to mismanagement, but from a confluence of systemic shocks, data recovery delays, and shifting external pressures. These were amplified by staff movements plus long-term sickness and retirement including at S151 Officer level. The Head of Finance and Resources’ report sent to Cabinet on the 10th September 2025 reflects a mature reckoning with these realities moving from reactive patchwork to proactive recalibration.

Gloucester City Council

Meeting:	Cabinet	Date:	10 December 2025
Subject:	Additional Controls for Houses in Multiple Occupation in Gloucester		
Report Of:	Leader of the Council		
Wards Affected:	All		
Key Decision:	Yes	Budget/Policy Framework:	Yes
Contact Officer(s):	James Dykes – Enforcement and Regulation Manager		
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Appendices:	1. Cabinet Report 13 November 2024 - Agenda for Cabinet on Wednesday, 13th November 2024, 6.00 pm Gloucester City Council - Democracy 2. Report on HMOs in Gloucester 3. Process and Timeline for Making an Article 4 Direction 4. Process and Timeline for Making an Additional Licensing Designation 5. Article 4 Direction – Notice 6. Additional Licensing Designation – Notice 7. HMO – A Guide on Standards for Landlords, Managers and Tenant 8. HMO Licensing Conditions 9. HMO Planning Policy A2 - gloucester-city-plan-low-res.pdf		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To propose actions to tackle the prevalence and proliferation of poorly managed Houses in Multiple Occupation (HMOs) in Gloucester.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

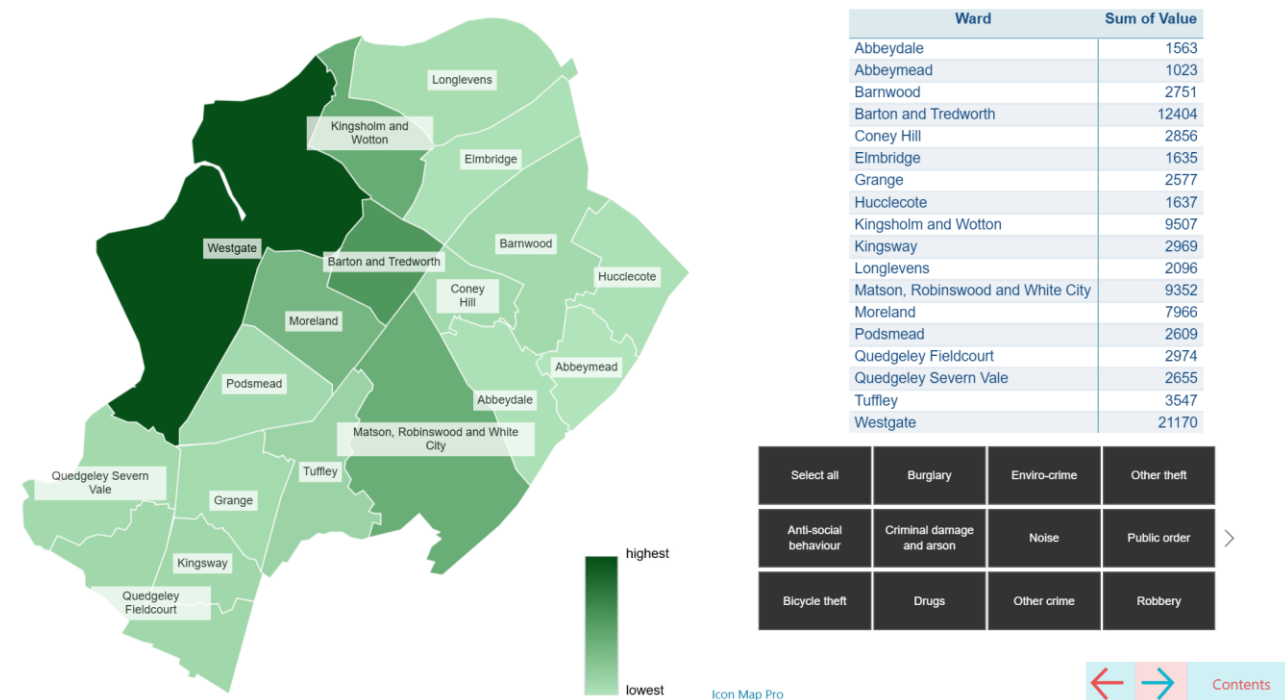
- (1) subject to consultation and publishing of statutory notices, a city-wide (all wards) Additional Licensing Designation be made and applied to all HMO's, including s257 HMOs, that are currently not required to be licensed under the mandatory HMO licensing scheme (see map 3 in section 3.12 below);
- (2) subject to consultation and publishing of the statutory notices, a non-immediate Article 4 Direction be made in the following wards – Kingsholm and Wotton, Westgate, Barton and Tredworth, Moreland, Kingsway and Elmbridge to withdraw the permitted development rights to convert a dwelling house (C3) to a House in Multiple Occupation (C4) (see map 2 in section 3.7 below);

- (3) authority be delegated to the Corporate Director and Head of Place in consultation with the Leader of the Council and Cabinet Member for Regeneration for the following –
- a) agree the commitment of resources funded from within existing budgets to carry out the statutory consultations on the proposals to introduce the Additional Licensing Designation and the non-immediate Article 4 Direction. This will include a robust engagement and communications strategy to ensure that the consultations are legally robust, and all statutory requirements are met;
 - b) agree to consider the outcomes of the Additional licensing consultation and thereafter determine the approval of the Designation;
 - c) agree to consider the outcomes of the making of the Article 4 Direction consultation and thereafter determine if the Direction should be confirmed;
 - d) agree the review of current policies, staffing resources and IT solutions for the delivery of the proposed schemes to ensure that the proposals are met by the revenue and income from the fees and charges for each proposal.

3.0 Background and Key Issues

- 3.1 Gloucester is a diverse and vibrant city which is experiencing many pressures on its housing market and is seeing a shift in the socio-economic dynamics of its neighbourhoods impacting on social cohesion. Housing tenure is moving away from owner occupation and being replaced with rented accommodation and more noticeably Houses in Multiple Occupation (HMO's). Safe, secure, and high-quality housing is not just a basic need, it is a key determinant of health, education, and economic opportunity. Poor housing conditions, overcrowding, and housing insecurity disproportionately affect disadvantaged groups and are issues prevalent in HMOs and areas with HMOs, reinforcing cycles of poverty, limiting life chances and impacting an individual's resilience to thrive.
- 3.2 Many HMOs in Gloucester are well managed and provide good homes for our residents and make an important contribution to meeting Gloucester's housing needs, particularly for people on low incomes, seasonal migrant workers, young professionals, the growing number of one person households, referrals for homeless, ex-offenders, and asylum seekers. However, high concentrations and poorly managed HMOs can present a challenge in sustaining mixed, balanced communities and can impact on the residential character and amenity of neighbourhoods. Improving the regulation and quality of HMOs is therefore essential to tackling housing-related inequalities.
- 3.3 Community complaints, crime and ASB are common in Gloucester and found in all wards. There are significant correlations and inter-relationships between areas with high concentrations of HMOs and complaints resulting in associated consequential community impacts. The map and table below illustrate the distribution and count of complaints across all wards reported over a 3-year period.

Crime / ASB & Community Complaints per ward



Map 1 – Summary of community complaints – All wards of Gloucester

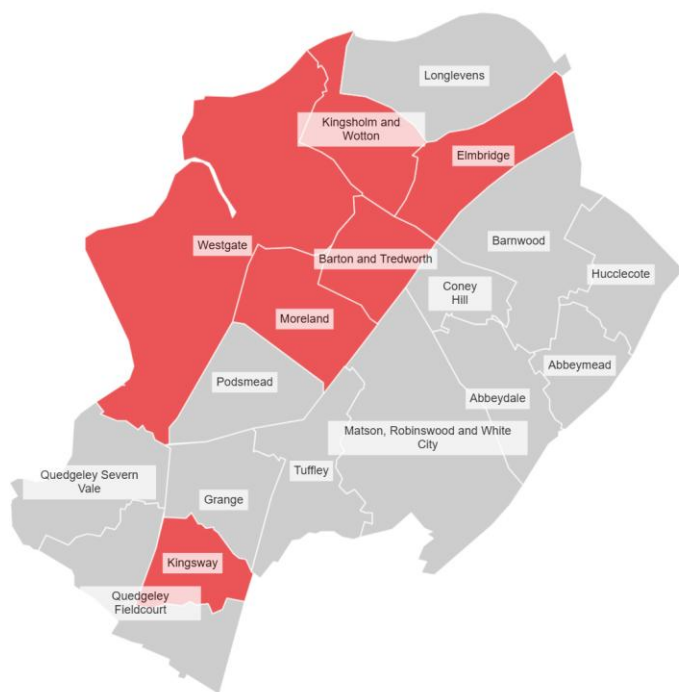
- 3.4 The evidence in the enclosed report (Appendix Report on HMOs in Gloucester) supports the view that the over intensification of HMOs and their ineffective management is causing a negative impact on communities and neighbourhoods. The evidence demonstrates that if the current trends continue in the absence of any additional controls, then the decline and impacts demonstrated will only continue, and for these reasons, a greater degree of control is needed Gloucester

Article 4 Direction for HMOs

- 3.5 At present conversions of residential dwelling houses to create small HMOs (use class C4) is permitted development by virtue of Class L(b) of Part 3 of Schedule 2 of the GPDO and does not require planning consent. Requiring the submission of a planning application for such proposals will allow the effects of a proposed HMO on an area's amenity and local community to be taken into consideration as quality and quantity can be monitored and influenced through the planning process and the application of the Councils planning policies.
- 3.6 The ability to exert greater control over the quality, number, distribution and management of HMOs will help us to meet the diverse housing needs of our residents, creating fair opportunities and reducing housing related inequalities. Furthermore, the introduction of the non-immediate Article 4 Direction in the city will help to promote community wellbeing and flourishing neighbourhoods as the cohesiveness of communities will not be undermined by unregulated conversions and the over concentration of HMOs. Creating a new HMO without the correct permissions can led to planning enforcement action being taken.

- 3.7 If Cabinet are minded to approve the non-immediate Article 4 recommendations in the wards identified in Red in the map and table below, and the timescales set out, then the Article 4 Direction, could be in place by the end of March 2027, subject to confirmation of the Direction being made following the statutory consultation.

HMO proportion by Ward relative to National Average
with those above highlighted



Ward	Relative to National Average
Kingsholm and Wotton	6.91%
Westgate	4.78%
Barton and Tredworth	4.67%
Moreland	2.59%
Kingsway	1.46%
Elmbridge	0.50%
Coney Hill	-0.43%
Podsmead	-0.65%
Longlevens	-0.81%
Quedgeley Severn Vale	-0.84%
Tuffley	-0.98%
Abbeydale	-1.03%
Matson, Robinswood and White City	-1.13%
Quedgeley Fieldcourt	-1.18%
Grange	-1.22%
Barnwood	-1.29%
Abbeymead	-1.35%
Hucclecote	-1.49%

Icon Map Pro

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Map 2 - Proposed Article 4 Direction – Affected Wards in Gloucester

- 3.8 The removal of permitted development rights through the introduction of a non-immediate Article 4 direction may result in an increase in the number of planning applications for HMO's, although there is anecdotal evidence to suggest that organisations or landlords seeking to develop HMO's avoid those areas with Article 4 Directions in place. This can impact on the new supply of affordable HMO accommodation that Gloucester needs in its housing offer, but by restricting the article 4 to defined ward areas it is promoting investment in other areas in the city so that new HMO supply is not suppressed and is redistributed.
- 3.9 An Article 4 Direction only means that a particular development cannot be carried out under permitted development and therefore needs a planning application. It does not mean that the council will refuse permission. In addition, an article 4 direction does not apply retrospectively so the HMOs presented in this report will not be captured under a Direction if introduced.

Additional licensing of HMOs

- 3.10 HMOs are already recognised as being of higher risk than other rented accommodation with a higher likelihood of hazards occurring and wider impacts such as waste management, noise, overcrowding and parking issues. Currently small HMOs of 3-4 persons and s257 HMOs do not need a HMO licence to operate lawfully

whereas those with 5 or more persons do require a HMO licence. This creates a 2-tier regulatory framework for HMOs and landlords resulting in a disparity of property and tenancy management. A licence comes with conditions that introduces a set of standards for property and tenancy management as well as levels of occupation. Gloucester is predicted to have 1680 HMOs of which only 312 are mandatory licensable HMOs.

- 3.11 Section 56 of the Housing Act 2004 permits the Council to extend licensing beyond the scope of mandatory licensing. The Council can designate part, or all of its area as subject to additional licensing for specified types of HMOs but the council must consider that a significant proportion of the HMOs are being managed ineffectively so as to give rise problems for the occupiers or members of the public. The additional licensing designation would remain in place for a period of 5 years.
- 3.12 Additional licensing will provide a mechanism which allows for a standardised and co-ordinated regulatory approach for strong effective partnerships, which will link agencies and services together for the benefit of tenants and the communities they live in. Licensing promotes a dialogue between the Council and Landlords and encourages landlords and the sector to adopt a responsible attitude to property management and safety. Additional licensing introduces a robust enforcement framework that would apply to all HMOs in the city and allows the council to ensure that licence holders are a fit a proper person to control a HMO and that suitable financial and management arrangements are in place. The criminal offences associated with licensing include, failing to have a HMO licence and breach of licence conditions and can result in one or more of the following –
- Civil penalty notice up to £40,000
 - Prosecution
 - Rent Repayment Orders
 - Reduced Licence duration and additional licence conditions
 - Management Orders taking control of the property away from the landlord, and
 - Banning Order for individuals who commit multiple offences.
- 3.13 The evidence and recommendations show that additional licensing is likely to be an effective tool to control HMOs and tackle their impacts especially if used not in isolation, but to complement existing powers and a non-immediate Article 4 Direction. The evidence illustrates there are clear and significant correlations and patterns that highlight the inter-relationship between HMOs and complaints across all wards in the city and demonstrates that a significant proportion of HMOs are being managed ineffectively giving rise to problems for tenants and the community. The city-wide (all wards) scheme is the most effective approach to tackle those wards that have the highest issues with HMOs and allows all other wards to have licensed and well managed HMOs reducing any further impacts and decline in community cohesion. It would mirror the existing mandatory HMO licensing scheme and would help ensure clear communication and expectations of residents, landlords and other stakeholders about their responsibilities and requirements.
- 3.14 The recommended city-wide additional licensing scheme would complement the Article 4 recommendations where the proliferation and over-intensification of HMOs have a significant impact on community cohesion. It would allow for the identification and licensing of all existing HMOs in the city and would ensure the application of the Councils HMO planning policies and supplementary planning guides would be more effective to address the impacts HMOs are having in those areas.

- 3.15 If Cabinet are minded to approve the city-wide Additional Licensing recommendations (all wards – see map below), and the timescales set out, then the designation, could be in place by the end of July 2025, subject to confirmation.



Map 3 - Proposed Additional Licensing designation area – All wards of Gloucester

4.0 Social Value Considerations

- 4.1 Overall, the guiding recommendations of this report are to approve the implementation of additional controls to manage the quality and quantity of HMOs in the city and address their negative impacts on residents and communities. The recommendations aim to balance the need to protect local amenity and the well-being of the area with individual property owners' rights to carry out development and operate lawfully.
- 4.2 The recommendations will enable the council to prioritise services to our residents and promote a fairer housing market and promote stronger communities to support people's feeling of safety, well-being and health and reduce health inequalities.

5.0 Environmental Implications

- 5.1 The recommendations will enable the council to prioritise services to our residents and promote a better quality of housing offer that reduces the environmental impacts of poorly managed HMO's and the over concentration of HMOs in our communities. This will provide for a fairer housing market and promote stronger communities to

support people's feelings of safety, well-being and health and reduce health inequalities.

6.0 Alternative Options Considered

- 6.1 The options appraisal for alternative considerations are covered in the enclosed report. In summary - the 'do nothing above the current statutory requirement' is to continue with a 'complaint driven' reactive approach. This is a siloed high-risk approach which can frequently result in vulnerable residents, often unaware of their rights and protections, living in unsuitable or unsafe conditions and communities being negatively impacted by the over intensification of poorly managed HMOs and a loss of community cohesion. A 2-tiered regulatory framework would continue to exist as it only requires large HMOs (5 or more tenants) to have a licence to operate and only large HMOs (7 or more tenants) to require planning permission. Smaller HMOs would only be able to be tackled through reactive housing interventions.

7.0 Reasons for Recommendations

- 7.1 This report supports the view that the over intensification of HMOs and their ineffective management is causing a negative impact on communities and neighbourhoods. The evidence demonstrates that if the current trends continue in the absence of any additional controls, then the decline and impacts demonstrated will only continue, and for these reasons, a greater degree of control is needed in Gloucester.
- 7.2 The additional licensing scheme would ensure that the approach is consistent with the Councils overall housing strategy and corporate vision and seeks to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour.
- 7.3 The recommendations will compliment and inform wider priorities such as the local housing needs assessment, the development of the strategic local plan, the housing and homelessness and rough sleeping strategy and the supported housing strategy review.

8.0 Future Work and Conclusions

- 8.1 Future work is addressed in the timeline and checklists in the supporting appendices. Once the schemes have been implemented there will be ongoing monitoring and impact reviews to evaluate if Gloucester and its residents are realising the positive outcomes of the schemes.

9.0 Financial Implications

- 9.1 The introduction of the Article 4 Direction would result in an increase in planning enquiries and applications. There would be the associated planning fee income associated with the processing of these applications should an Article 4 direction be

confirmed. This should offset the resource implications of determining the additional applications.

- 9.2 The revenue costs of carrying out the statutory consultation requirements and the publishing of the Article 4 Direction in local press and notices around the city pursuant to the consultation will need to be met by existing budgets.
- 9.3 The introduction of the Additional Licensing Scheme would result in a significant increase in licensing applications (predicted to be over 1000). The legislation and supporting guidance (Housing Act 2004) clearly states that the licensing fees and enforcement income generated will fully cover the costs to the local authority for the implementation, delivery and the associated enforcement of the scheme. The existing HMO Licensing fees and charges are reviewed annually to ensure that all realised costs of our licensing policies are covered. It is recommended that the fee structure is reviewed to ensure that the costs of these recommendations are effectively accounted for. It is expected there will be additional associated transformation costs for IT equipment and staffing that will need to be covered by existing budgets but can be recharged against the licensing fee income. It is recognised that further revenue can be generated by enforcement activities, the maximum penalties for HMO licensing offences are being increased to a maximum of £40,000 under the Renters Rights Act 2025.
- 9.4 The upfront revenue costs of carrying out the statutory consultation requirements and the publishing of the Additional Licensing Designation in local press and notices around the city pursuant to the consultation will need to be met by existing budgets. These costs can be recovered by subsequent licensing fees.
- 9.5 The fees and charges for both schemes will be set out in the annual fees and charges report to Council.
- 9.6 If members approve this report all costs need to be funded from within existing budgets and income generated as this Council needs to reduce expenditure and generate additional income to deliver a sustainable Medium Term Financial Plan and balanced budget.

(Financial Services have been consulted in the preparation of the report)

10.0 Legal Implications

- 10.1 The Article 4 Direction is prepared in accordance with Article 4 of the GPDO. The process for making and confirming an Article 4(1) Direction is set out in Schedule 3 of the GPDO. Additionally, Sections 107 and 108 of the Town and Country Planning Act 1990 and The Town and Country Planning (Compensation) (England) Regulations 2015 (as amended) provide that property owners may be eligible for compensation if they are affected by the introduction of an immediate Article 4(1) direction within in a 12-month period of it coming into effect. To be able to claim compensation a property owner must show that the Article Direction has resulted in either the refusal of planning permission for development which would otherwise have been permitted, or the grant of planning permission is subject to more limiting conditions than those set out within the relevant part of the GPDO. The recommendations in this report are for a non-immediate Article 4 Direction which

mitigates the legal risk of compensation as it is proposed that it will come into effect twelve months after confirmation. The Secretary of State has the power to cancel or modify an Article 4 direction at any time before or after it is confirmed.

- 10.2 The statutory consultation requirements must be met before the confirmation of the Article 4 Direction, and the Secretary of State must be notified of the Direction and consultation.
- 10.3 There is no appeal process against the making or confirmation of an Article 4 Direction although the Council's decision may be subject to challenge by means of judicial review.
- 10.4 Section 56 of the Housing Act 2004 permits the Council to extend licensing beyond the scope of mandatory licensing. The Council can designate part, or all of its area as subject to additional licensing for specified types of HMOs but the council must consider that a significant proportion of the HMOs are being managed ineffectively so as to give rise problems for the occupiers or members of the public. The additional licensing designation would remain in place for a period of 5 years.
- 10.5 Sections 56 – 60 set out the statutory requirements including the statutory consultation and notice publication requirements that must be met before the Additional Licensing Designation is made.
- 10.6 Consideration will also need to be made whether there are any other effective courses of action available to the Council and whether making the designation will deal with the problem(s).
- 10.7 The Council must be satisfied that there is evidence that HMO's are impacting negatively on the local community.
- 10.8 Any decision will need to include consideration of the Council's public sector equality duties.

(Legal Services have been consulted in the preparation of the report)

11.0 Risk & Opportunity Management Implications

- 11.1 The recommendations reduce the legal, financial and reputational risk the Council is exposed to by not doing anything as the decisions are informed by a sound platform of evidence.
- 11.2 The recommendations and the evidence and assessment report will be used to support, inform and compliment the ongoing local housing needs assessment, the development of the strategic local plan, the housing and homelessness and rough sleeping strategy 2025 (onwards) and the supported housing strategy review.
- 11.3 There could be other unintended risks related to the recommendations coming into effect in terms of the potential restriction on the supply and delivery of smaller HMO properties that are used by groups such as single homeless with no priority need or low-income people, and this may increase the risk of homelessness.

- 11.4 The risk of compensation claims being brought against the Council are mitigated by the non-immediacy of the Article 4 recommendations.

12.0 People Impact Assessment (PIA) and Safeguarding:

- 12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impacts; therefore, a full PIA was not required.
- 12.2 The recommendations and proposals are subject to statutory public notices and consultations which will allow any concerns to be identified and considered through the subsequent decisions on the confirmation (or otherwise) of the schemes.

13.0 Community Safety Implications

- 13.1 Social and community safety implications are addressed in the enclosed evidence report. In summary the realised outcomes will be positive.
- 13.2 There are no direct implications but introducing an Additional Licensing Designation and an Article 4 Direction will help support the delivery of homes that are better regulated and controlled by the planning and licensing processes, therefore issues like space standards, amenity, management and quality can be assessed and considered to inform decision making.

14.0 Staffing & Trade Union Implications

- 14.1 The recommendations do not introduce any staffing or trade union implications. Staffing growth will be met by the fee revenue.

Appendix 1 Cabinet report 13 November 2024

[Agenda for Cabinet on Wednesday, 13th November 2024, 6.00 pm Gloucester City Council - Democracy](#)



GLOUCESTER CITY COUNCIL

Houses in Multiple Occupation in Gloucester

October 2025

INTRODUCTION

1. Gloucester City Council ('the Council') has identified concerns with the growth of high concentrations of Houses in Multiple Occupation ('HMOs') which are leading to negative impacts on the local community and housing market.
2. In November 2024, the Cabinet gave approval to undertake a review of the evidence to better understand the nature, extent and impact of HMOs in Gloucester. The review would also consider how statutory powers might be used to address problems.
3. Legislation provides councils with a range of statutory powers to tackle problems arising from HMOs and other rented accommodation. Mandatory HMO licensing is a statutory duty with councils able to use additional discretionary controls where appropriate. However, before these additional powers can be used, the council must ensure that:
 - they are assessed against national and locally adopted strategies, policies and guidance including the Local Development Scheme (LDS), Supplementary Planning Documents (SDP), the City Plan, National Planning Policy Framework (NPPF), Enforcement Policies and the Housing and Homelessness Strategy to ensure the Council adopts a co-ordinated approach; and
 - statutory requirements have been met to complete a clear market evidence assessment that evaluates any relationships that may exist between the density of HMOs or other rented accommodation, their mismanagement and the impacts on the community to inform the decision-making process.
4. This report draws together evidence and considers how Gloucester City Council might use the statutory powers available to best meet the needs of its local community.

CONTEXT

The private rented sector

5. The private rented sector is characterised by diversity and looks very different now than it did in decades past. The number of households in the sector rose by over 50 per cent in the last 15 years, from 3.1 million to 4.7 million households (11 million people). The private rented sector is now the second largest tenure in England and is home to 19% of all households.
6. However, the private rented sector remains the tenure where dwellings are most likely to fail the Decent Homes Standard. In 2020, the proportion of non-decent homes in the South West of England was approximately 28 per cent. Indeed 16.1 per cent of private rented dwellings in the South West contained at least one Category 1 hazard. This is higher than both the owner occupied (14.5%) and social rented (3.2%) sector.
7. The supply side of the privately rented sector, nationally, has been influenced by the demand for asylum seeker accommodation, with some councils experiencing higher demand for accommodation solutions than others. The area will also feel the pressures of demographic change on housing demand caused by the increase in students with the new development of its higher education offer in the city.
8. There are major changes in legislation on the horizon which will have a significant impact on how councils tackle poor property conditions and management. These changes include:
 - **Renters' Rights Bill** is expected to become law this year with the aim of transforming the experience of private renting. The Bill will:
 - Introduce a national landlord database. This will be a mandatory register for all private landlords and their properties in England. It will be a government-run, council regulated public register of private rented sector homes.
 - The database aims to hold landlords accountable, provide tenants with crucial property information, and serve as a single point of contact for landlords to access guidance and understand their responsibilities.
 - The database is intended to go beyond a simple directory, including vital safety information and compliance details to help tenants make informed decisions and will compliment discretionary licensing schemes and Article 4 directions.
 - Strengthen council enforcement by expanding civil penalties, introducing a package of investigatory powers and bringing in a new requirement for councils to report on enforcement activity.
 - Affect how landlords end tenancies by abolishing "no-fault" evictions, introducing more security of tenure and ending discriminatory practices in the private rented sector.

- Include a Decent Homes Standard, Awaab's Law for damp and mould and a private sector Ombudsman amongst other measures.
- **EPC Reform:** Proposals are in place to require all rented properties and HMOs to obtain an Energy Performance Certificate (EPC), with a target of Band C for new tenancies and full compliance by 2028.
- **Supported Housing:** The Supported Housing (Regulatory Oversight) Act 2023 gives the Secretary of State powers to:
 - Require councils to have a supported housing strategy that aligns and complements other strategies and measures to improve the provision of safe well managed accommodation in the City.
 - Introduce National Supported Housing Standards for England, providing minimum standards for both the property and the care, support and supervision provided in supported homes.
 - Require councils to create locally led supported accommodation licensing schemes for supported housing. This is exempt from the discretionary licensing powers mentioned earlier as the supported accommodation is often owned and managed by registered providers who are exempt from the HMO definition.
 - Introduce a strategic planning duty for councils, which will include collecting data on the supply of homes, a forecast of future need and a delivery plan.
 - Create a national expert advisory panel to monitor the sector, which will report to the Secretary of State.

Houses in Multiple Occupation

9. Houses in Multiple Occupation (HMOs) or, put simply, properties shared by more than three tenants living in more than one household. HMOs consist of a variety of property types including bedsits, shared houses, hostels, and self-contained flats. HMOs make an important contribution to a housing market, often providing low-cost affordable housing to meet the needs of specific groups/households including young people, and those on low incomes, students and those needing temporary accommodation.
10. However, HMOs can impact on communities in a negative way, causing problems where there are higher concentrations in specific areas and/or where they are poorly managed and maintained. This can increase demands on local services and impact on the local community in a number of ways including:
 - increased crime and drug-related problems and anti-social behaviour, noise and nuisance;
 - negative impacts on the physical environment and streetscape including graffiti, fly tipping and pressures on parking provision;
 - social impacts including overgrown vegetation, litter and accumulations of waste within the curtilage of the property;

- growth in the private rented sector at the expenses of low-cost home ownership because landlords are willing to pay higher property prices than families;
 - loss of community cohesion and community imbalance which can result from a high concentration of certain social groups; and
 - pressure of council services because of increased complaints about housing conditions such as damp or mould.
11. The number of HMOs in England has increased by 2.3 per cent over the past year, with nearly 10,500 new properties added. However, there are some differences in localities with some councils seeing HMO numbers more than double in a single year, while others see numbers "collapse." The trend is influenced by rising interest rates, increased operating costs, and a surge in tenant demand for shared living due to affordability issues, leading to some landlords selling their properties while others are investing in the sector. Increased affordability pressures are driving a 12 per cent rise in demand for HMOs as tenants are priced out of single lets or home ownership

Definitions of Houses in Multiple Occupation

12. There are four legal definitions of what constitutes an HMO. The general definition of HMO is given in section 254 of the Housing Act 2004 as a building which satisfies the following tests:
- a) it consists of one or more units of living accommodation not consisting of a self-contained flat or flats;
 - b) the living accommodation is occupied by persons who do not form a single household;
 - c) the living accommodation is occupied by those persons as their only or main residence, or they are to be treated as so occupying it;
 - d) their occupation of the living accommodation constitutes the only use of that accommodation;
 - e) rents are payable, or other consideration is to be provided in respect of at least one of those persons' occupation of the living accommodation; and
 - f) the accommodation is let to three or more tenants who form two or more households that share one or more basic amenities (i.e., a toilet, personal washing facilities, or cooking facilities) or the living accommodation is lacking in one or more basic amenities.
13. According to "*the self-contained flat test*", the definition also applies to self-contained flats that meet conditions b) to f).
14. The "*converted building test*" applies to converted buildings (i.e. those where the units of living accommodation were created since the building was constructed) that contain one or more units of living accommodation that do not fall under the definition of self-contained flat. Conditions b) to

- e) will apply to these cases. According to this definition, bedsits, shared houses or flats, or households with a lodger would fall under the definition of HMO.
15. Section 257 of the Housing Act 2004 also considers the conversion of buildings into flats which does not meet appropriate Building Regulations and where less than two thirds of the flats are owner occupied as a separate/unique type of HMO.
 16. The planning system does not tightly define an HMO; it considers them to be a house split into separate bedsits, a shared house or shared flat, a hostel or shared accommodation for students.
 17. Small HMOs are classified as Use Class C4 when occupied by between 3 and 6 unrelated individuals who share basic amenities such as a kitchen or bathroom facilities. Dwelling houses are classified as Use Class C3. Under the planning system, Permitted Development ('PD') rights exist to change use between C3 and C4 and back again without planning permission.
 18. Larger HMOs are properties occupied by more than 6 unrelated individuals who share basic amenities such as a kitchen or bathroom facilities. They are classified as 'sui generis' (a use like no other and not within a specified class) and always require planning permission
 19. For Council Tax purposes, a house in multiple occupation is any type of dwelling which:
 - was originally constructed or subsequently adapted for occupation by persons who do not constitute a single household; or
 - is occupied by one or more people, each of whom –
 - is a tenant or licensee of part only of the house, flat etc.(e.g. renting a room only); or
 - has a licence to occupy the dwelling as a whole but who does not pay rent or licence fee for the whole dwelling.

Council regulatory powers

20. Councils have clear statutory frameworks and regulatory powers to manage the presence of HMOs in their areas, some of which are mandatory powers and others are discretionary. The primary statutory powers relate to either:
 - Regulation under Housing legislation; and
 - Control under the planning system
21. Councils have regulatory powers to require landlords to improve conditions in HMOs. The Housing Health and Safety Rating System (HHSRS) was introduced in Part 1 of the Housing Act 2004. It is a risk-based assessment tool to assess health and safety hazards in homes. Hazards are categorised as:
 - A category 1 hazard is the most serious and presents a significant risk, requiring action to address it;
 - A category 2 hazard is less severe hazards but can still pose a risk to health and safety.
22. The Council can take action against landlords, for example, serving Improvement or Prohibition Notices. Councils can carry out work in default if a notice is not complied with. Landlords also risk being issued with a civil penalty notice or prosecuted if they do not comply with the notice.
23. However, the use of these existing regulatory powers to deal with property conditions and management is predominantly a reactive response - Councils rely heavily on complaints from tenants and neighbours to identify which properties are HMOs in poor condition or being badly managed.
24. HMO Management Regulations 2006 (as amended) impose a range of duties on both managers and occupiers of HMOs whether they are licensed by the Council or not (see following paragraphs regarding licensing). It is an offence not to comply with the Regulations.
25. The duties on managers include such responsibilities as ensuring that all means of escape from fire are well maintained, annual gas safety checks are carried out, maintaining repair, cleanliness and lighting of common parts etc.
26. Duties on tenants include avoiding damage, complying with refuse management arrangements and fire escape instructions etc. New Regulations in 2018 introduced mandatory minimum room sizes and compliance with refuse collection schemes.
27. Under wider public health legislation, formal notices can be served on named individuals at addresses identified as having anti-social behaviour issues. Because action would generally be taken against the tenant in occupation, these powers do not place any obligations on landlords to be proactive in managing their properties.

28. Councils also have regulatory powers (both mandatory and discretionary) to require landlords to licence their properties. Councils have a statutory duty to license some HMOs. Licensing schemes require landlords letting privately rented properties to hold a licence and comply with the licence conditions. Licensing also provides a clear driver for effective engagement between landlords and councils and drives up landlord awareness of their responsibilities. There are three types of licensing scheme:
 - A **Mandatory HMO Licensing Scheme** applies to all larger 'high risk' HMOs let to five or more unrelated people forming two or more households who share amenities such as a kitchen or bathroom. All councils are required to operate such schemes for all relevant HMOs within their district.
 - An **Additional HMO Licensing Scheme** applies to smaller HMOs not covered by mandatory licensing, let to three or four unrelated people forming two or more households who share amenities such as a kitchen or bathroom.
 - Additional HMO Licensing also applies to poorly converted buildings into flats which do not meet Building Regulations and where less than two thirds of the flats are owner-occupied (sometimes known as section 257 HMOs).
 - Additional HMO Licensing are designated by the Council if they believe that a significant proportion of these properties are not being managed effectively so as to give rise to problems for the occupiers or members of the public. It can apply to a specific area or the whole area within the council's district. Since 2024, additional licensing schemes can be granted under General Approval – previously schemes needed to be confirmed by the Secretary of State.
 - A **Selective Licensing Scheme** applies to all other residential accommodation let to a single-family household or two sharers (not HMOs). It can apply to a specific area or the whole area within a district. Since 2024, Selective Licensing Schemes can also be granted under General Approval.
29. All three licensing schemes introduce requirements that licence holders and property managers are *"fit and proper persons"*, that adequate financial and management arrangements are in place and attaches licence conditions to the issuing of a licence.
30. Licence conditions typically deal with issues such as fire safety, permitted occupancy and other property management issues that affect the health and welfare of tenants. Conditions can also cover tenancy management including managing environmental problems, nuisance or anti-social behaviour. These conditions are monitored during the life of the licence as part of the licensing process.

31. Following these initial checks, the council can undertake targeted and random inspections to ensure ongoing compliance. Failing to licence a property and breaching any licence conditions are offences and can lead to enforcement action.
32. Under the planning system, permitted development rights exist to change use between a 'standard house' (C3) and HMO (C4) and back again without requiring planning permission. Converting dwellings to an HMO when classed as *sui generis* (i.e. larger HMOs occupied by more than 6 unrelated individuals who share basic amenities) will require planning permission. Likewise, a conversion from an HMO to flats will require planning permission.
33. Directions made under the Article 4 Direction of the Town & Country Planning General Permitted Development Order remove permitted development rights. This means that any new HMO conversion in a specified area where a Direction is in place will require a formal planning application. Paragraph 53 of the National Planning Policy Framework (NPPF) states that *"The use of Article 4 directions to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the well-being of the area"*.
34. Councils can choose to make an "immediate" Article 4 direction which would be implemented right away, while a "non-immediate" one will come into effect after a notice period, typically 12 months or more, giving people time to act before the rules change. In this way councils can mitigate against any risk of claim for compensation because sufficient notice has been given.
35. Before considering the application and implementation of any discretionary regulatory powers, each approach must be justified and evidenced and a robust evaluation made of any relationships that may exist between the presence of Houses in Multiple Occupation and negative impacts on the local community.

36. The following table sets out a summary of the statutory requirements for each of the discretionary powers that must be met before they can be implemented:

Additional HMO Licensing Scheme ¹	Selective Licensing Scheme	Article 4 Directions
The local housing authority must satisfy all statutory requirements contained in Part 2 of the Housing Act 2004 and supporting guidance. The authority must consider that a significant proportion of the smaller HMOs are being managed sufficiently ineffectively to give rise to one or more particular problems either for those occupying the HMOs or for members of the public. These problems can include: - poor housing conditions - poor property management - anti-social behaviour - concentrations of HMOs and their detrimental impact on areas The authority must demonstrate that existing measures are insufficient to deal with the issues concerned.	The local housing authority must satisfy all statutory requirements contained in Part 3 of the Housing Act 2004 and supporting guidance. A selective licensing designation may be made if the area to which it relates satisfies one or more of the following conditions: - low housing demand (or is likely to become such an area) - a significant and persistent problem caused by anti-social behaviour - poor housing conditions - high levels of migration - high level of deprivation - high levels of crime Should a local authority be considering designating an area on the following grounds: - poor housing conditions and/or - migration - deprivation - crime	Article 4 Directions are made under the Town & Country Planning (General Permitted Development) (England) Order 2015 and supporting guidance. An Article 4 Direction can remove specified permitted development rights: - related to operational development or change of use - with temporary or permanent effect The National Planning Policy Framework advises that all Article 4 directions should be applied in a measured and targeted way. They should be based on robust evidence and apply to the smallest geographical area possible but can be applied to the whole local authority area. The primary condition for Article 4 directions is that the local planning authority must have robust evidence that a specific type of development, typically allowed under permitted

¹ Further information on this scheme can be found in:

- Housing Act 2004 Part 2,
- HMO and Residential Property Licensing Reform: Guidance for Local Housing Authorities 2019,
- Licensing of HMO (Mandatory Condition of Licences) (England) Regulations 2018,
- The Licensing and Management of HMOs and other Houses (Miscellaneous Provisions) (England) Regulations 2006,
- The Licensing and Management of HMOs and other Houses (Additional Provisions) (England) Regulations 2007,
- HMO Management Regulations 2018,
- HMO England and Wales Briefing Paper No.0708 Sept 2019

Additional HMO Licensing Scheme ¹	Selective Licensing Scheme	Article 4 Directions
The authority must ensure that any exercise of the power is consistent with the authority's overall housing strategy and seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour The authority must not make a designation unless: (a) they have considered whether there are any other effective courses of action available to them and (b) that making the designation will deal with the problem or problems	then the area must have a high proportion of housing in the private rented sector A local housing authority must: • first identify whether the area is suffering problems that are caused by any of the criteria for making the designation and what it expects the designation to achieve • it must also consider whether there are any other courses of action available to it that would achieve the same objective. Any designation made must: • ensure that it is consistent with the overall housing strategy; and • maintain a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour as regards combining licensing with other action taken by them or others	development rights, is causing harm to the local amenity or the proper planning of the area. The potential harm that the Article 4 direction is intended to address will need to be clearly identified. The key types of evidence typically required includes (but not exclusively): • Housing and Demographic Data. • Evidence of the concentration of HMOs in the area, impact on housing supply and type. • Amenity and Environmental Impact Evidence of anti-social behaviour, noise complaints, littering, or fly-tipping linked to HMOs. • Community Balance and Social Impact Evidence of a decline in community cohesion and mixed communities • Impact on the Built Environment Evidence of poor property maintenance, changes in streetscape etc. • Crime and Safety concerns & a link between increased crime rates and high HMO densities. • Planning and Policy Justifications Alignment with Local Plan policies, and evidence from public consultations showing

Additional HMO Licensing Scheme ¹	Selective Licensing Scheme	Article 4 Directions
		community support for restricting HMO conversions. The pre-existing conditions for making an Article 4 direction include: • Some permitted development rights must be removed because they are threatening the character or appearance of an area. • The LPA must be satisfied that it is "expedient" to control certain types of development that would normally be permitted. • The primary purpose is to protect the amenity or well-being of an area by preserving its character and visual amenity. • Directions are tailored to specific local circumstances and may cover a range of issues, such as restricting conversions of single-family houses to HMOs. An Article 4 direction only means that a particular development cannot be carried out under permitted development and therefore needs a planning application. The Secretary of State retains the power to intervene if a direction is deemed unreasonable, disproportionate, or does

Additional HMO Licensing Scheme ¹	Selective Licensing Scheme	Article 4 Directions
		not meet the criteria set out in the NPPF.
Local authorities will be expected to consult for a period of at least 10 weeks on the proposed designation. This should include consultation with local residents, tenants, landlords and where appropriate their managing agents and other members of the community. Notices of any designations must be published once it has been confirmed and a designation cannot come into force until 3 months after it is made.	Local authorities will be expected to consult for a period of at least 10 weeks on the proposed designation. This should include consultation with local residents, tenants, landlords and where appropriate their managing agents and other members of the community. Notices of any designations must be published once it has been confirmed and a designation cannot come into force until 3 months after it is made.	Local authorities are expected to carry out a full and comprehensive consultation period that can take 6-12 months to complete when making an Article 4 direction. Notice of any Article 4 direction must be given by the local planning authority— (a) by local advertisement; (b) by site display at no fewer than 2 locations within the area to which the direction relates for a period of not less than 6 weeks. The notice must specify a period of at least 21 days, stating the date on which that period begins, within which any representations concerning the direction may be made to the local planning authority.
	Local Authorities are also requested to: • include the mayor in the consultation on the proposed designation, where applicable • provide MHCLG with data on their selective licensing scheme(s), upon commencement of the scheme, and on the scheme end date or within 12 weeks of scheme end date. • publish on their website the outcome of any selective licensing review(s) undertaken pursuant to their legal duty to	it is important for local planning authorities to monitor any Article 4 directions regularly to make certain that the original reasons the direction was made remain valid.

Additional HMO Licensing Scheme ¹	Selective Licensing Scheme	Article 4 Directions
	review the operation of schemes.	
A designation may be made for up to 5 years. Local housing authorities must review the operation of a designation made by them from time to time.	A designation may be made for up to 5 years. Local housing authorities must review the operation of a designation made by them from time to time.	An Article 4 Direction lasts indefinitely unless cancelled or modified by the Secretary of State

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STRATEGIC CONTEXT

37. Guidance on the use of additional statutory powers stresses that tools to control the adverse impacts or over-concentration of HMOs should not be used in isolation. Their use must complement other activities and align with the Council's strategic ambitions. For example, Gloucester is a pilot council for the supported housing improvement programme which focusses on driving up standards in supported housing.
38. In ARK's view the need to improve the management and condition of the private rented sector is clearly identified in the Council's strategic plans. The Council recognise the need to minimise the negative impacts of HMOs on the local community, to increase community cohesion and to create inclusive, thriving communities. The full use of regulatory powers therefore strongly aligns with the Council's ambitions, set out across its key plans. These include ambitions to:
- work closely with private landlords to provide more affordable housing and tackle homelessness;
 - tackle poverty and deprivation in the worst affected areas of the city;
 - provide a balanced mix of new homes to meet the needs of existing and future communities including younger and single people; and
 - improve housing quality and standards.
39. Indeed, the Council's Corporate Plan 2025-28 sets out a specific ambition to use stronger mechanisms and regulatory powers, to control Houses in Multiple Occupation. The Council recognise the role a good quality and professional private rented sector plays in meeting local needs.
40. ARK has reviewed key Council documents to understand how targeted action on Houses in Multiple Occupation fits with existing policies. These are set out in the table below.

Key Plan	Summary: Key priorities aligned to additional powers
Housing, Homelessness and Rough Sleeping Strategy 2020-25.	Making the best use of housing stock: • Through interventions, improving housing quality and standards, enforcing them when necessary • Maximising opportunities for regeneration and conversion to create more homes • Contributing to improving the health and wellbeing of our communities Increasing Supply: • Making sure [new homes] are built to a high standard of design with the right balance and mix of homes to meet the needs of the local community Reducing Homelessness • working with our partners to enable people to find the right housing solutions

Gloucester City Plan 2011-31	Key Principles: • Provide a balanced mix of new homes that provide for the needs and aspirations of existing and future communities. • Deliver development that achieves high quality design and layouts that integrates new and existing communities, reduces crime • Tackle poverty and deprivation and the worst affected areas of the city. Under Policy A1, development proposals should result in improvements to the built environment e.g. the appearance of the street scene, adequate off-street parking, secure cycle storage, outdoor amenity and garden space, bin storage etc. Under Policy A2: Houses in Multiple Occupation, planning permission for the creation of an HMO (with 7 or more tenants) will be permitted where: • The development would not result in any existing residential property (C3 use) being ‘sandwiched’ between two HMOs; and • The development would not result in the creation of more than two adjacent properties in HMO use; and • HMOs, including the proposed development, would represent no more than 10% of properties within a 100-metre radius of the application property. Under Policy C1, the GCP also requires that development can be used safely, easily and with dignity by all – e.g. in any proposed shared facilities, at least one bedroom, and the garden is designed in such a way that it can be easily accessed and used equally by all. Under Policy F6, development proposals must meet Nationally Described Space Standards Under Policy G1 relating to sustainable transport and parking, the GCP requires that for HMOs cycle parking shall be provided and car parking will be provided to a level and design that is appropriate for the local context
Joint Core Strategy 2011-31	Vision: The character and identity of individual communities will have been retained while improved access to housing will have addressed the needs of young families, single people and the elderly. New developments will have been built to the highest possible standards of design and focused on protecting the quality and distinctiveness of each community.

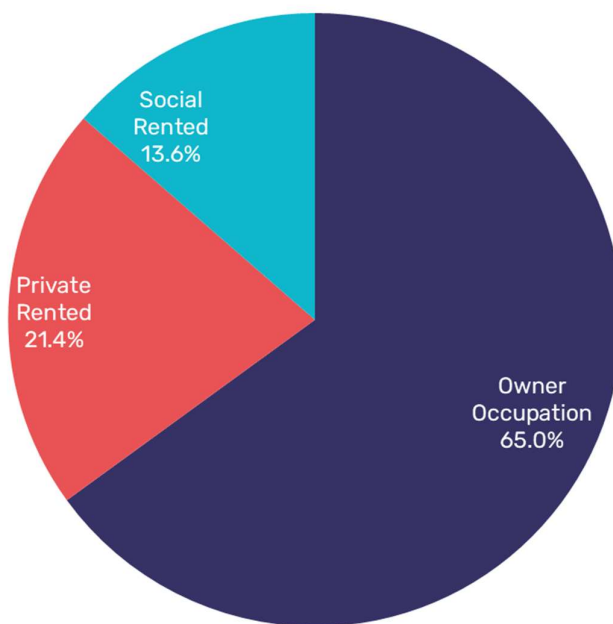
Corporate Plan 2025-28	Inclusive, thriving communities and residents that feel safe, supported and valued. • Ensure that all our residents have somewhere to call home by providing more affordable housing, working closely with private and registered social landlords and providing improved support and accommodation to tackle homelessness. • Secure more funding to tackle homelessness to ensure that good quality support and accommodation is available for those in need. • Introduce stronger mechanisms and regulatory powers, such as an Article 4 Direction, to control the proliferation of Houses in Multiple Occupation.
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LOCAL CONTEXT

The housing market

41. There are around 55,000 homes in Gloucester. The 2021 Census shows that most homes in the city are owner-occupied; the highest levels of home ownership are found in the wards of Abbeydale, Abbeymead, Elmbridge, Grange, Hucclecote and Longlevens (more than 80 per cent). The rates of owner occupation at around 65.0 per cent are notably higher than the UK average of 62.4 per cent.
42. Social renting accounts for some 13.6 per cent of all homes – notably lower than the national average of 17.2 per cent. Social renting accounts for around a third of all homes in the Podsmead and Matson, Robinswood & White City wards. It is also high (around 1 in 5 homes) in the Coney Hill, Kingsway, Tuffley and Westgate wards. Areas with higher levels of rented housing align to some of the most deprived areas in Gloucester.

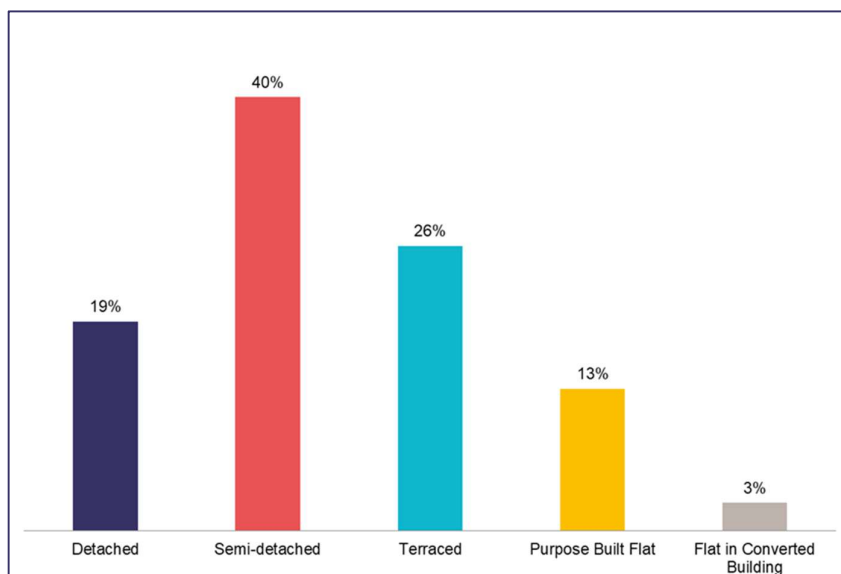


Gloucester housing market

43. The size of the private rented sector accounts for 21.4 per cent of the stock. Private rented homes are most common in Westgate, Kingsholm & Wotton and Barton & Tredworth.
44. Overall rented homes account for at least 40 per cent of all homes in seven wards. It is important to have a mix of tenures in areas to meet the diverse needs of the local community while maintaining community cohesion.

Ward	Owned	Social rented	Private rented or rent-free	Total rented
Abbeydale	84.7%	4.0%	11.3%	15.3%
Abbeymead	78.0%	2.8%	19.3%	22.1%
Barnwood	79.3%	7.3%	13.5%	20.7%
Barton & Tredworth	47.4%	12.5%	40.1%	52.6%
Coney Hill	60.9%	23.6%	15.5%	39.1%
Elmbridge	81.3%	5.7%	13.0%	18.7%
Grange	78.9%	5.4%	15.7%	21.1%
Hucclecote	83.4%	4.3%	12.3%	16.6%
Kingsholm & Wotton	47.8%	16.1%	36.0%	52.2%
Kingsway	59.3%	20.3%	20.4%	40.7%
Longlevens	86.1%	2.1%	11.9%	13.9%
Matson, Robinswood & White City	51.9%	36.6%	11.6%	48.1%
Moreland	58.2%	13.4%	28.4%	41.8%
Podsmead	53.9%	35.5%	10.6%	46.1%
Quedgeley Fieldcourt	73.1%	6.8%	20.1%	26.9%
Quedgeley Severn Vale	71.7%	4.7%	23.6%	28.4%
Tuffley	67.5%	22.6%	9.9%	32.5%
Westgate	40.9%	19.4%	39.7%	59.1%

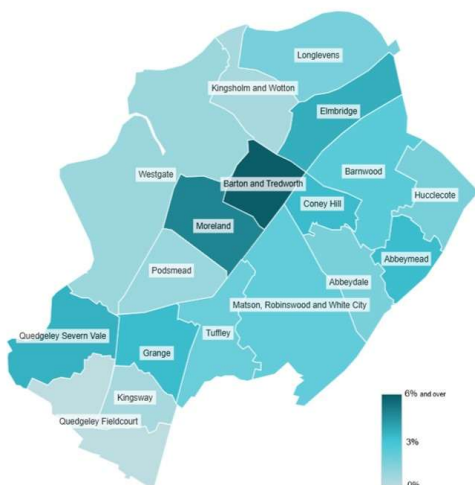
45. The housing mix in Gloucester is dominated by semi-detached housing. This is the most common archetype in England accounting overall for about 31 per cent of all homes. There are lower proportions of detached and terraced housing in Gloucester than in other areas of the country (both around 23%). There are also notably fewer flats than the English average of 22 per cent.



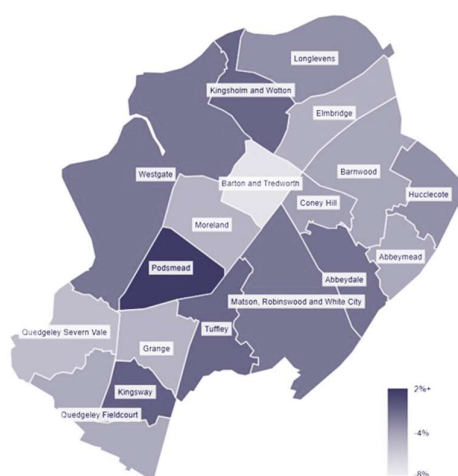
Housing types in Gloucester

Changes in tenure

46. Gloucester has seen a change tenure balance between the 2011 Census and the 2022 Census. During this period, the proportion of privately rented housing increased by 3.1 per cent. This increase was the second-largest increase in the South West of England.
47. The proportion of owner-occupation decreased by 3.0 per cent while the proportion of social housing renting remained relatively static (+0.3%).
48. At a ward level the highest increases in private renting have been in the Barton & Tredworth Moreland and Elmbridge wards. The greatest reduction in the level of owner-occupation has been in the Barton & Tredworth, Moreland, Quedgeley Severn Vale and Grange wards.



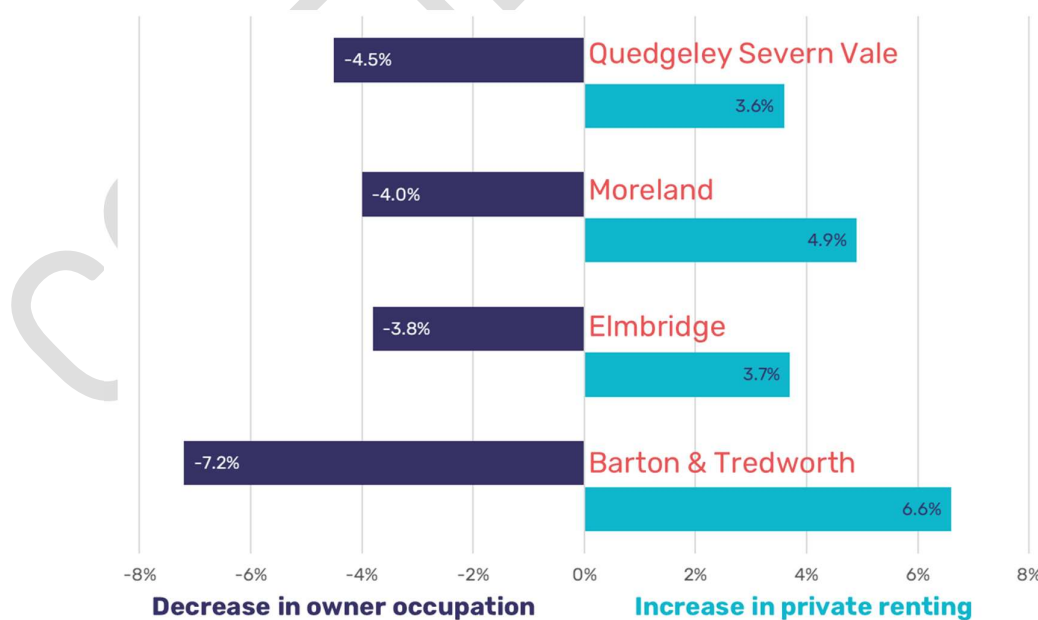
Change in private rented



Change in owner-occupation

Ward	Change in owner-occupation 2011-21	Change in private rented 2011-21
Abbeydale	-0.9%	1.6%
Abbeymead	-3.4%	3.2%
Barnwood	-3.3%	2.4%
Barton & Tredworth	-7.2%	6.6%
Coney Hill	-3.0%	3.3%
Elmbridge	-3.8%	3.7%
Grange	-3.9%	3.3%
Hucclecote	-2.2%	1.7%
Kingsholm & Wotton	-0.4%	0.5%
Kingsway	-0.1%	0.5%
Longlevens	-2.1%	1.7%
Matson, Robinswood & White City	-1.1%	2.2%
Moreland	-4.0%	4.9%
Podsmead	5.3%	0.9%
Quedgeley Fieldcourt	-3.4%	-0.2%
Quedgeley Severn Vale	-4.5%	3.6%
Tuffley	-0.4%	2.0%
Westgate	-1.0%	0.8%

49. The four wards that have the largest overall change in tenure are Barton & Tredworth, Moreland, Elmbridge and Quedgeley Severn Vale. These tenure changes over a relatively short space of time can impact on the character of an area and have negative impacts on the local community leading to a loss of community cohesion.



Tenure changes in Gloucester 2011-21

Demographic Context

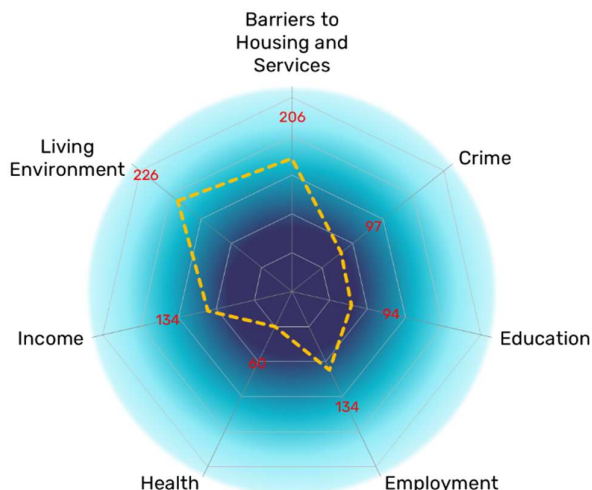
50. In 2021 the population of Gloucester was estimated at approximately 133,530. This represents a growth of around 9 per cent or 11,609 people over the previous decade. This is notably higher than the all-England average of approximately 6.5 per cent and nearly double the average growth rate in Gloucestershire.
51. This level of population growth puts pressure on available housing leading to increased risks of homelessness, overcrowding and affordability challenges. These pressures, due to market forces, can lead to a reduction in the level of owner-occupation and an increase in the number of HMOs. While HMOs provide more affordable and flexible housing, their concentration can increase demands on local services and impact on community cohesion.
52. The number of households in Gloucester increased from 2011 to 2021 by approximately 2,500 households. The household composition also changed with an increase in the number of one-person households from 17.9 per cent in 2011 to 18.6 per cent in 2021. Some of this growth may have arisen from in-migration. For example, Gloucester has supported the highest proportion of asylum seekers per head of population in the whole of the South West. The majority are housed in HMOs.
53. Overall population density has increased considerably in Gloucester over the last decade. The 2021 Census shows an average population density across all wards of 3,267 people per km² compared with 3,001 people per km² in 2011. This is a net increase in population density in Gloucester of 8.9 per cent. Within this overall increase, a number of wards experienced a population expansion between 2011-21 while some saw a decrease in numbers. The top wards in both categories are shown below.

Ward	Population Density change (2011-22)
Abbeydale	-2.1%
Abbeymead	-4.7%
Barnwood	-2.7%
Barton & Tredworth	10.2%
Coney Hill	2.8%
Elmbridge	1.3%
Grange	-4.0%
Hucclecote	0.9%
Kinasholm & Wotton	6.5%
Kingsway	53.2%
Longlevens	-1.8%
Matson, Robinswood & White City	7.7%
Moreland	3.1%
Podsmead	20.1%
Quedgeley Fieldcourt	12.6%
Quedgeley Severn Vale	0.2%
Tuffley	3.1%
Westgate	63.5%

54. The drivers for these changes are complex. They can reflect new development, redevelopment of existing homes at higher densities as well as the conversion of single-family houses to Houses in Multiple Occupation. The greatest increases in population density in the last decade have been seen in the Westgate, Kingsway and Podsmead wards.

Deprivation

55. Councils can use their regulatory powers as part of their wider strategy to improve housing conditions in the private rented sector in areas that experience a high level of deprivation.
56. The English Indices of Deprivation 2019 are a relative measure of deprivation. The overall Index of Multiple Deprivation (IMD) is based on 37 separate indicators, organised across seven distinct measures (known as domains). These are combined, using appropriate weights, to calculate the overall score. The seven domains are:
- **Income** - relates to the proportion of households with low incomes;
 - **Employment** - captures those who want to work but cannot;
 - **Education, Skills and Training** - covering the (lack of) skills and qualifications in the working age population;
 - **Health Deprivation and Disability** - the risk of premature death and impairment due to physical or mental health or disability;
 - **Crime** - reflects the risk of personal or material victimisation arising from violence, burglary, theft and criminal damage;
 - **Barriers to Housing and Services** - this measures the affordability and physical accessibility of housing and other key local services – significant determinants of quality of life. Those who cannot afford to buy, are homelessness or live in a home that is overcrowded or not suited to their needs (often older people) will experience deprivation.
 - **Living Environment** - this reflects the 'outdoors' living environment including air quality and road traffic accidents. It also covers the 'indoors' living environment includes measures of the quality of housing such as meeting the Decent Homes Standard and the provision of central heating.
57. In 2019 Gloucester was ranked as the 138th most deprived of the 317 districts in England – in line with the all-England average – experiencing moderate deprivation. The chart below shows relative deprivation for Gloucester across the seven domains.

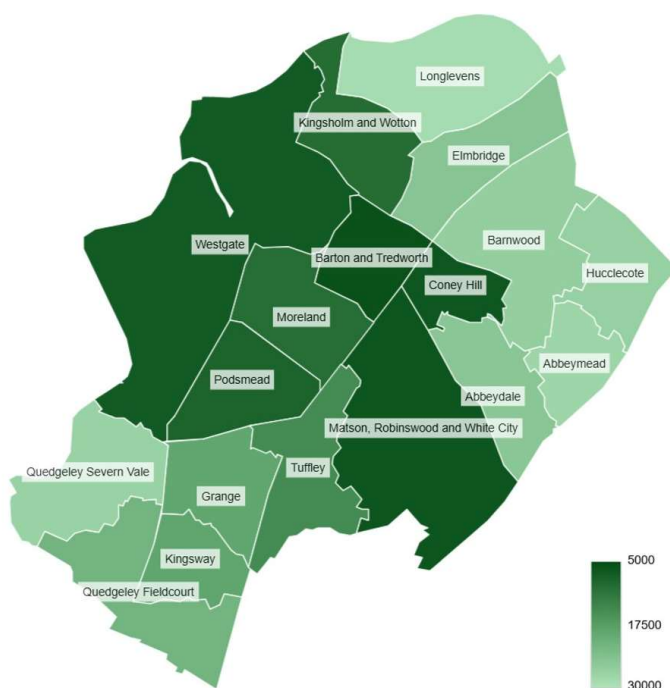


Index of Multiple Deprivation (IMD)

58. Across most measures performance is around the national average – moderately deprived. However, Gloucester experiences significant deprivation on the crime and education domains and severe deprivation on the health domain. More than 1 in 10 (11.4%) people in Gloucester are living in the most deprived 10% of neighbourhoods nationally.
59. Relative deprivation is reported at a neighbourhood level. These neighbourhoods are called Lower-layer Super Output Areas (LSOAs) and are typically lived in by around 1,500 people. Every LSOA in England receives an overall IMD score and is then ranked from 1 (most deprived) to 32,844 (least deprived).
60. The table below shows the average IMD LSOA Rank for each ward in Gloucester (where a lower rank indicates that an area is experiencing high levels of deprivation).

Ward	Mean IMD rank
Abbeydale	24,370
Abbeymead	27,287
Barnwood	25,896
Barton and Tredworth	5,385
Coney Hill	6,161
Elmbridge	24,005
Grange	18,640
Hucclecote	26,347
Kingsholm and Wotton	9,550
Kingsway	18,445
Longlevens	28,482
Matson, Robinswood and White City	6,103
Moreland	9,628
Podsmead	8,066
Quedgeley Fieldcourt	20,375
Quedgeley Severn Vale	26,655
Tuffley	14,206
Westgate	6,807

61. There are seven wards in Gloucester experiencing severe or significant deprivation characterised by high unemployment, income deprivation, crime, health and poor housing conditions/living environment. Importantly, these seven wards all have at least 40 per cent of homes rented in either the private rented or social housing sector.
62. This can also be shown on a heat map which illustrates the mean IMD rank in each ward.



Index of Multiple Deprivation 2019

Houses in Multiple Occupation in Gloucester

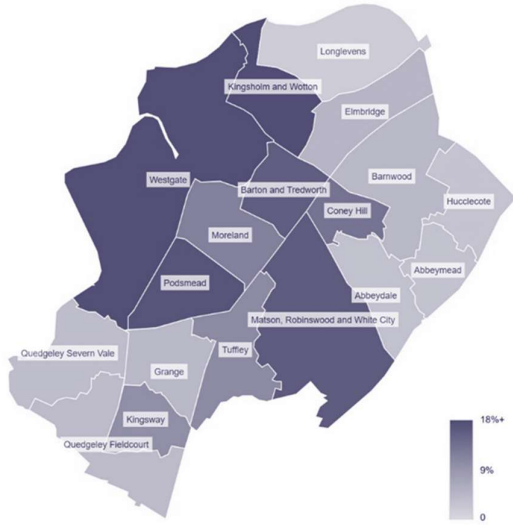
63. Determining the number of HMOs in England is challenging due to differing estimates and changes over time. The national average percentage can also be misleading, as the concentration of HMOs varies significantly by region. For example, around a third of homes in London are estimated to be HMOs.
64. The 2025 National HMO Market Report estimates between 0.7-1.4 per cent of homes are HMOs. The Office for National Statistics estimates HMOs account for about 1.8 per cent of the total housing stock. ARK's analysis suggests that 2.64 per cent of homes in Gloucester are HMOs.
65. To understand the picture of HMOs in Gloucester, ARK has collated and analysed data from a range of sources. This included data specifically relevant to HMOs, for example HMO licensing. ARK also drew on a wide range of data drawn from across the council including the Electoral Register. National data sources such as the Office for National Statistics

(ONS) were also used to identify potential HMOs. Data was also shared by partners such as the Police.

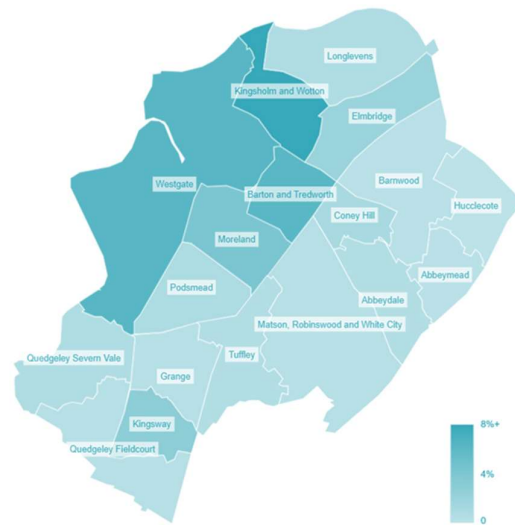
Data sources		
• Council tax data • Housing Benefit Rented Tenure Flag • HMO Register & HMO Licence Applications • Service requests received Uniform 2022-25 • Complaints to the Council • When Fresh HMO Risk Flag	• Police Incident Data 2022-25 • Anti-Social Behaviour • Planning Enforcement Cases • Pest Control Granicus 2023-25 • Noise Complaints 2022-25 • Housing Association Completions	• Population Density 2011-22: ONS • Accommodation Tenure: Census • Indices of Deprivation • Electoral Register 2025 • Shell Property, National Address Gazetteer

66. The distribution of HMOs has been plotted down to a neighbourhood level (Lower-layer Super Output Areas). In some cases, the data shows, at a neighbourhood level, that as many as one dwelling in every five are potentially HMOs.
67. In total ARK identified around 1,680 HMOs (2.64 per cent of the overall stock) with almost 90 per cent located across just six wards. The highest numbers of HMOs are in the Westgate, Kingsholm & Wotton, Barton & Tredworth and Moreland wards. The Kingsway and Elmbridge wards also have significant concentrations above the national average. These are shown in the table and heatmaps below.

Ward	Percentage HMOs	Number of HMOs
Abbeydale	0.52%	14
Abbeymead	0.20%	4
Barnwood	0.26%	7
Barton & Tredworth	6.22%	326
Coney Hill	1.12%	20
Elmbridge	2.05%	51
Grange	0.33%	9
Hucclecote	0.06%	2
Kingsholm & Wotton	8.46%	354
Kingsway	3.01%	83
Longlevens	0.74%	31
Matson, Robinswood & White City	0.42%	21
Moreland	4.14%	203
Podsmead	0.90%	17
Quedgeley Fieldcourt	0.37%	14
Quedgeley Severn Vale	0.71%	23
Tuffley	0.57%	16
Westgate	6.33%	485
Total of 1,680 HMOs		



HMO count by ward



HMOs as a percentage of the housing stock

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IMPACT OF HMOs ON LOCAL COMMUNITIES

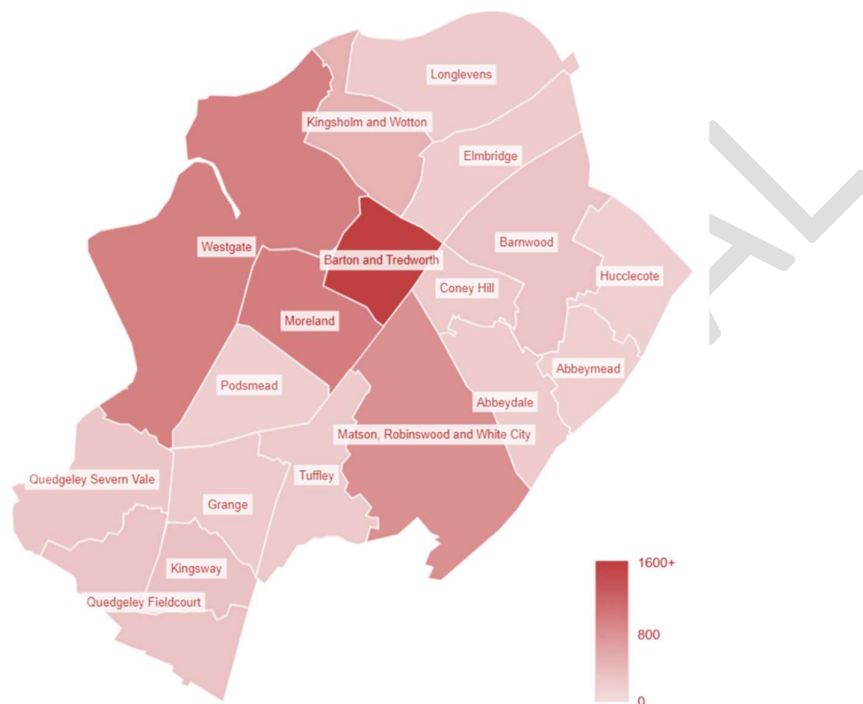
68. Before proposing the use of discretionary regulatory powers councils must provide evidence of the problems that an area experiences.
69. ARK has undertaken detailed analysis at a local level to establish the extent of problems across the city. The analysis also looks to establish a link between the areas with the greatest concentrations of HMOs and negative impacts on local communities.

Community complaints - Environmental or nuisance

70. ARK undertook an analysis of complaints about environmental problems or nuisance impacting on the local community. These included negative impacts on the physical environment and streetscape. These problems include issues such as fly tipping, overgrown vegetation and waste accumulations, pests (including bedbugs, rats & mice), filthy and verminous homes, litter and street cleaning.

Ward	Waste accumulations	Pets & filthy & verminous	Fly-tipping	Graffiti	Litter bins	Overgrown area or grass	Street cleaning /littering	Drug paraphernalia
Abbeydale	1	2	73	5	27	68	40	
Abbeymead	1	5	51	11	9	72	22	
Barnwood	8	4	79	8	31	60	118	6
Barton & Tredworth	83	25	1871	31	44	55	206	11
Coney Hill	8	4	116	9	19	37	55	4
Elmbridge	1	1	51	4	37	11	111	
Grange	5	4	64	2	65	58	34	3
Hucclecote	1	9	40	3	32	61	26	
Kingsholm & Wotton	16	14	254	20	48	34	111	11
Kingsway	9	6	169	8	23	59	57	2
Longlevens	5	7	59	5	46	61	50	5
Matson, Robinswood & White City	21	19	523	12	30	95	115	6
Moreland	26	13	559	42	53	45	216	17
Podsmead	2	7	60	5	28	38	37	9
Quedgeley Fieldcourt	14	9	123	3	88	62	24	
Quedgeley Severn Vale	2	1	92	6	60	98	11	1
Tuffley	9	11	82	1	49	57	26	1
Westgate	23	17	594	31	61	54	140	25

71. The analysis shows that five wards account for almost two thirds of all complaints made to the Council (Barton & Tredworth, Moreland, Westgate, Matson, Robinswood & White City and Kingsholm & Wotton).
72. Four of these wards have been identified as having a high number of HMOs. All five are characterised by a significant number (at least 40 per cent) of rented homes (either private or social rented).



Environmental impact community complaints

73. ARK undertook a statistical analysis (Spearman's rank correlation coefficient) to explore the relationship between complaints about environmental problems or nuisance and rented homes. This identified a strong correlation between this type of community complaint and rented homes (private or social rented).

Community complaints - housing conditions and management

74. Private renters are more likely than any other tenure to live in a poor-quality home. ARK analysed service requests made to the Council which relate to the home. These include service requests related to asylum accommodation and complaints about poor housing conditions, poor property management (such as illegal eviction or homes that are overcrowded), empty properties or specific complaints relating to an HMO.
75. Again, complaints are focussed on the five wards where renting (either private or social rented) accounts for more than 40 per cent of all homes. The outcomes are shown in the table below.

Ward	HMO Complaint	Housing disrepair	Illegal eviction	Over crowding	Empty properties	Asylum & dispersal
Abbeydale		1			1	
Abbeymead		3			1	
Barnwood		4			2	
Barton & Tredworth	16	94	1	2	10	26
Coney Hill	1	6	1			
Elmbridge	4	5			3	
Grange		11		1		
Hucclecote		3			3	
Kingsholm & Wotton	18	44	1	3	5	14
Kingsway	4	9	1		2	
Longlevens	2	3			3	
Matson, Robinswood & White City	3	28		3	1	
Moreland	8	45		1	3	10
Podsmead	1	9		1		1
Quedgeley Fieldcourt		13		1	2	
Quedgeley Severn Vale	1	8				
Tuffley		13				
Westgate	11	94	1	2	1	15

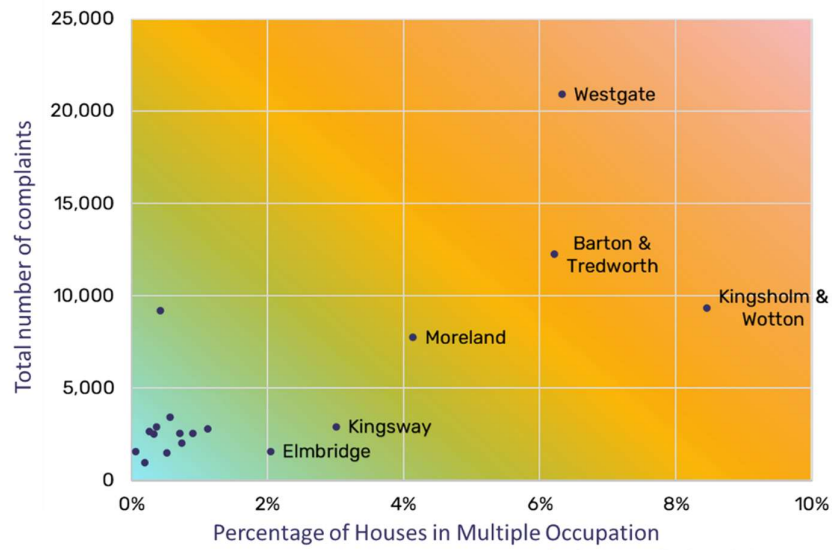
76. ARK's statistical analysis identified a strong correlation between poor housing conditions and management and rented homes (private or social rented). Importantly there is also a strong correlation between this type of problem and concentrations of HMOs.

Community complaints – crime and anti-social behaviour

77. The effective management of private rented homes by landlords can contribute to a reduction in crime/anti-social behaviour incidents caused by their tenants or people visiting their properties.
78. ARK analysed data provided by the Police as well as complaints made about noise nuisance, abandoned vehicles and general service requests. ARK found that four of the top five wards (Westgate, Barton & Tredworth, Kingsholm & Wotton and Moreland) with the highest total number of incidents also have the highest number of privately rented dwellings. All five are wards have at least 40 per cent rented homes (either private or social rented).

Ward	Crime / ASB count	Noise Complaints	Abandoned vehicles	General advice or enquiries
Abbeydale	1,249	7	1	2
Abbeymead	781	1		2
Barnwood	2,294	3	4	5
Barton & Tredworth	9,627	24	12	30
Coney Hill	2,499	11	5	2
Elmbridge	1,334	2	2	7
Grange	2,226	8	4	6
Hucclecote	1,383	1	1	2
Kingsholm & Wotton	8,712	10	6	23
Kingsway	2,531	6	12	4
Longlevens	1,760	4	4	5
Matson, Robinswood & White	8,262	19	14	12
Moreland	6,630	15	24	15
Podsmead	2,326	7	7	6
Quedgeley Fieldcourt	2,519	13	5	6
Quedgeley Severn Vale	2,247	6	5	8
Tuffley	3,164	9	6	5
Westgate	19,766	23	14	34

79. ARK's analysis found a very strong correlation between crime and anti-social behaviour and the combined number of rented homes. ARK also identified a strong correlation between the concentrations of HMOs and the total number of complaints/service requests. This correlation was strongest in the Westgate, Barton & Tredworth, Kingsholm & Wotton and Moreland wards.



Number of complaints & percentage HMOs

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OPTION APPRAISAL

80. ARK has worked with the Council to develop a picture of the nature, extent and impact of the privately rented sector and, particularly, houses in multiple occupation in Gloucester. This forms a firm foundation for understanding the local housing market and preparing for the expectations set out in the Renters' Rights Bill.
81. The next step is to identify the Council's preferred option(s) that will help support a strong private rented sector in the city while also tackling any negative impacts on the local community and housing market arising from Houses in Multiple Occupation.
82. It is worth stressing that it is not always possible to identify a single intervention that 'ticks all the boxes' - all options will have advantages and disadvantages. With major legislative change pending, the Council may choose to adopt different approaches in different areas and over different time periods. A more flexible approach may help the Council to take bespoke action where needed, use resources more efficiently, and adapt to the changing context and housing market.

Reactive Enforcement Approach using existing powers

83. The Council could "continue as is," using existing regulatory powers in a reactive way - often in response to community complaints. This would typically involve the Council taking enforcement action against private landlords where they became aware of poor housing conditions or property management.
84. This approach does not encourage landlords to proactively provide good quality homes and to manage them in a professional way. It can result in tenants, who are often vulnerable and may not have access to other housing options, living in unsatisfactory conditions for prolonged periods of time.
85. Mandatory licensing already applies to all larger 'high risk' HMOs let to five or more people who form two or more households. Mandatory licensing has been in place in Gloucester since 2006 and applies to around 300 HMOs.
86. This option results in a two-tier' approach to the regulation of HMOs. The current mandatory framework only requires large HMOs (5 or more tenants) to have a mandatory licence to operate and only large HMOs (7 or more tenants) to require planning permission. Smaller HMOs would only be tackled through reactive intervention.

Proactive enforcement approach using existing powers

87. Using existing regulatory powers, the Council could adopt a proactive approach to identify and inspect all private rented sector accommodation - not just HMOs. Improvements would then be carried out either through enforcement action or a more partnership approach with landlords and managing agents.

88. The Council could control the pace of its intervention and align service activity to available resources. However, with around 1,680 HMOs identified in this report, the Council would require a significant enforcement team to carry out inspections/enforcement action etc. within a meaningful timescale. Some income can be generated through financial penalties for certain offences (where witnessed and proved).
89. Best practice would be to adopt a risk-based approach to inspection. This would mean that smaller HMOs would be “at the back of the queue” or addressed on a reactive basis.
90. In ARK’s experience many councils simply do not have the resources to implement a more proactive enforcement approach regardless of the council’s strategic ambitions or the wider benefits identified.
91. The proactive approach may encourage more landlords to improve property standards to avoid enforcement action, but it does not compel them to do so.
92. In addition, a more proactive approach does nothing to address the negative impacts associated with the growth of high concentrations of HMOs in particular wards.
93. If a property meets the required standard and falls outside planning control (i.e. a small HMOs with less than 7 occupiers (Use Class C4) the Council cannot control its use.
94. The loss of single-family houses to HMOs, their impact on community cohesion and the increased demands on local services could continue unchecked despite the Council’s strategic ambitions.

Additional Licensing Scheme

95. An Additional Licensing Scheme can apply district-wide or to a specific area or areas. They typically apply to smaller HMOs outside the mandatory licensing scheme or to poorly converted flats. In Gloucester around 1,300 HMOs are not covered by mandatory licensing. ARK’s analysis has identified that many of these HMOs are impacting negatively on the local community.
96. Councils can set their own licence fees to cover the actual cost of implementing and operating the licensing scheme. This income can be used to pay staff costs to carry out inspections/enforcement action etc. as well as the Council’s administration costs.
97. An Additional Licensing Scheme can drive improvements in housing quality and professionalism in the private rented sector. It allows councils to deal with the worst landlords – reducing the impact on local communities and leading to better outcomes for tenants.
98. In ARK’s experience the best landlords are often supportive of licensing – particularly where they are meaningfully engaged in the development and

delivery of the scheme. An Additional Licensing Scheme would also align to the Council's strategic ambitions.

99. In ARK's view an additional licensing scheme is likely to be an effective tool to control HMOs. While there are clearly some wards with significant concentrations of HMOs, ARK's experience suggests a city-wide (all wards) scheme is the simplest approach. A city-wide scheme also helps ensure clear communication with residents, landlords and other relevant stakeholders about responsibilities and requirements.
100. For the same reasons ARK recommend the Additional Licensing Scheme applies to all HMOs outside the mandatory licensing scheme. Again, for ease and clarity, poorly converted flats (Section 257 HMOs) could be excluded from the scheme.
101. An Additional Licensing Scheme can be used alongside other tools such as Article 4 Direction to address problems in specific wards.

Selective Licensing Scheme

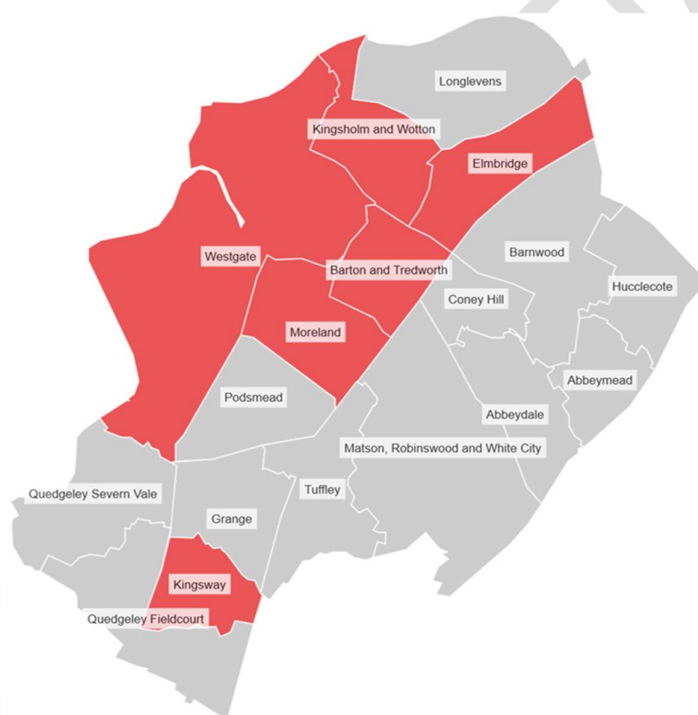
102. A Selective Licensing Scheme applies to properties let to a single-family household or two sharers (not HMOs). It can apply district-wide or to a specific area or areas where there is or likely to be low housing demand. It can be used in tandem with other types of licensing schemes.
103. A selective scheme has many of the same advantages of an additional licensing scheme including charging a licence fee. A selective licensing scheme helps to drive improvements in standards without the need for immediate enforcement action.
104. It should be noted that a selective licensing designation must also be accompanied by other measures to help address the problems affecting an area. A scheme cannot be proposed unless those other measures are to be introduced (or continued).
105. ARK's analysis did not identify an immediately compelling case for the designation of a selective licensing scheme. Gloucester does not experience low housing demand and there was insufficient evidence to demonstrate poor housing conditions in this type of property. ARK recommend data is kept under review as a selective licensing scheme may be a useful tool in tandem with other measures in different areas and over time.

Article 4 Direction

106. An Article 4 Direction removes permitted development rights to convert single-family houses to HMOs. Article 4 directions are *"limited to situations where this is necessary to protect local amenity or the well-being of the area"*.
107. ARK's analysis has identified a high concentration of HMOs in wards experiencing severe or significant deprivation - characterised by high

unemployment, income deprivation, crime, health and poor-quality housing/living environment.

108. ARK has also identified a correlation between HMO concentrations and demands on local services including community complaints about housing conditions and management, environmental problems or nuisance as well as higher incidence of crime and anti-social behaviour.
109. ARK identified wards with significant concentrations of HMOs. Some areas are also experiencing significant changes in tenure balance with significant increases in private renting. This presents a risk of an over-concentration of HMOs and a subsequent loss of community cohesion in the future.
110. An Article 4 Direction could be a useful tool in protecting these areas. ARK's analysis suggests the Article 4 Direction would be best used in the wards identified below.



Wards that may benefit from an Article 4 Direction

111. An Article 4 Direction would give the Council more power to control the adverse impacts arising from the over-concentration of HMOs. It does not wholly restrict new HMO supply. It simply means that a planning application is needed. In this way, the Council can continue to encourage the private rented sector to help meet local needs by providing good quality homes that are managed in a professional way.
112. The removal of permitted development rights should lead to an increase in the number of planning applications (and associated income) for the Council.

113. In ARK's experience some landlords choose to avoid the areas with Article 4 Directions in place. This could impact on future supply and/or encourage HMO growth in wards outside the Article 4 direction. This would need to be monitored and may lead to an adjustment of the Article 4 Direction. However, by limiting the Article 4 Direction to specific wards, overall supply within the city should be maintained.
114. The National Planning Policy Framework advises that an Article 4 Direction should generally be limited to the smallest geographical area possible. An Article 4 direction also does not apply retrospectively or indeed to all privately rented properties. This means some problematical HMOs may not be captured by the Direction.
115. In ARK's view if the Council chose to use an Article 4 Direction for specific wards this would need to be in tandem with another regulatory power such as a city-wide (all wards) Additional Licensing Scheme. This allows for the Council's current planning policy and guidance on HMOs and the planning impact test to be applied more effectively.
116. Councils can choose either to make an "immediate" or "non-immediate" Article 4 direction to remove permitted development rights. With an "immediate" Direction there is a risk of claim for compensation. For example, developers can claim compensation for any abortive expenditure or other loss attributed to the withdrawal of permitted development rights.
117. A "non-immediate" Direction comes into effect following a notice period typically of 12 months or more. This mitigates any risk of claim for compensation as it gives people time to act before the rules change. ARK would highlight this as the preferred approach.

ARK Consultancy Limited
October 2025

Checklist and Timeline for Introducing an Article 4 Direction for HMOs

- **1. Establish Need and Justification - completed**

Identify issues such as high HMO concentration, ASB, loss of family housing, and environmental degradation. Align with Local Plan and NPPF.

- **2. Evidence Gathering - completed**

Collect data and evidence on HMO density, ASB, housing conditions, planning applications, and consider options appraisal.

- **3. Draft Article 4 Direction - completed**

Prepare the legal wording and define the geographical area. Decide on immediate or non-immediate type.

- **4. Cabinet Approval to Make Direction**

Present draft Direction and evidence to Cabinet for approval to proceed with consultation.

- **5. Public Consultation**

Conduct statutory consultation (minimum 21 days) and consider community feedback. Publish notices in local press, website, and display in affected areas.

- **6. Notify Secretary of State**

Send copy of the Direction and consultation notice to the Secretary of State.

- **7. Review Consultation Responses**

Analyse feedback and prepare report with recommendations.

- **8. Cabinet Decision to Confirm Direction**

Seek Cabinet approval to confirm the Direction based on consultation outcomes.

- **9. Publish Confirmation Notice**

Notify public and Secretary of State of confirmed Direction. Publish final notice.

- **10. Direction Comes into Force**

For non-immediate Direction, enforce after 12 months (subject to confirmation)

- **11. Monitoring and Review**

Track planning applications, ASB, housing conditions, and community feedback.
Consider future amendments or expansions.

 Timeline (Non-Immediate Direction Example)

Stage	Target Date
Establish Need and Justification	November 2024
Evidence Gathering	January - September 2025
Draft Article 4 Direction	October 2025
Cabinet Approval to Make Direction	December 2025
Public Consultation	February – March 2026
Notify Secretary of State	January 2026
Review Consultation Responses	April 2026
Delegated Decision to Confirm Direction	April 2026
Publish Confirmation Notice	April 2026
Direction Comes into Force	April 2027
Monitoring and Review	Annually

Checklist and Timeline for Introducing an Additional Licensing Scheme for HMOs

- **1. Establish Need and Justification - completed**

Identify issues such as high HMO concentration, ASB, loss of family housing, and environmental degradation. Align with local policies and priorities.

- **2. Evidence Gathering - completed**

Collect data and evidence on HMO density, ASB, housing conditions, planning applications, and consider options appraisal.

- **3. Draft Designation and Licence Conditions - completed**

Prepare the legal wording and define the scope and geographical area.

- **4. Cabinet Approval to Consult**

Present draft designation and evidence to Cabinet for approval to proceed with consultation.

- **5. Public Consultation**

Conduct statutory consultation (minimum 10 weeks) and consider community feedback. Publish notices in local press, website, and display in affected areas.

- **6. Review Consultation Responses**

Analyse feedback and prepare report with recommendations.

- **7. Approval to Designate Scheme**

Officer decision to approve the additional licensing designation.

- **8. Implementation and Statutory Publication period**

Notify public and all interested parties of the designation and meet statutory publishing requirements. Publish designation notice.

- **10. Scheme Launch**

3 months after the additional licensing designation being confirmed and published.

- **11. Monitoring and Review**

Track licence applications, ASB, housing conditions, and community feedback. Consider future amendments.

Checklist and Timeline

Stage	Target Completion Date	Notes
Establish Need and Justification	November 2024	Complete this stage by the target date.
Evidence Gathering	January - September 2025	Complete this stage by the target date.
Draft Designation and Licence Conditions	October 2025	Complete this stage by the target date.
Cabinet Approval to Consult	December 2025	Complete this stage by the target date.
Public Consultation (minimum 10 weeks)	January – April 2026	Complete this stage by the target date.
Review Consultation Responses	May 2026	Complete this stage by the target date.
Approval to Designate Scheme	May 2026	Complete this stage by the target date.
Implementation and Statutory Notice period	May-July 2026	Complete this stage by the target date.
Scheme Launch	August 2026	Complete this stage by the target date.
Monitoring and Review	January – June 2031	Complete this stage by the target date.

Draft Article 4 Direction: Houses in Multiple Occupation (HMOs)

1. Purpose of the Direction

The purpose of this Article 4 Direction is to remove permitted development rights for the change of use from dwellinghouses (Use Class C3) to small Houses in Multiple Occupation (Use Class C4) within the designated area. This will enable Gloucester City to manage the concentration and impact of HMOs through the planning process.

2. Legal Basis

This Direction is made under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015, as amended. The Direction removes permitted development rights granted under Schedule 2, Part 3, Class L(b) of the Order.

3. Area Affected

The Direction applies to the administrative area of Gloucester City Council, specifically the following wards: [Insert Ward Names or Map Reference]. A map showing the boundaries of the affected area is available on the Council's website and at the Council's offices.

4. Justification for the Direction

The Direction is justified by evidence of high concentrations of HMOs in the designated area, which have led to:

- Increased levels of anti-social behaviour (ASB) and noise complaints;
- Pressure on local services and infrastructure;
- Loss of family housing and imbalance in the housing mix;
- Poor waste management and environmental degradation;
- Negative impacts on community cohesion and residential amenity.

5. Type of Direction

This is a non-immediate Article 4 Direction. It will come into force 12 months after the date of publication of the notice, subject to confirmation by Gloucester City Council following public consultation.

6. Consultation and Notification Requirements

In accordance with the Town and Country Planning (General Permitted Development) Order 2015, the Council will:

- Publish a notice of the Direction in a local newspaper;
- Display site notices in the affected area;
- Notify the Secretary of State;
- Make the Direction and supporting documents available on the Council's website and at its offices;
- Allow a minimum of 21 days for public representations.

7. Enforcement Date

Subject to confirmation, the Direction will come into force on [Insert Date – typically 12 months from publication]. From this date, planning permission will be required for any change of use from Use Class C3 to Use Class C4 within the designated area.

Additional Licensing Designation Notice

Gloucester City Council hereby gives notice of its intention to designate an area for Additional Licensing under Part 2 of the Housing Act 2004. This scheme is intended to improve housing conditions, reduce anti-social behaviour, and ensure better management of Houses in Multiple Occupation (HMOs) within the designated area.

Legal Basis

This designation is made under Section 56 of the Housing Act 2004, which allows local housing authorities to require licensing of HMOs not covered by mandatory licensing. The scheme will apply to HMOs occupied by three or more persons forming two or more households sharing amenities such as kitchens or bathrooms.

Designated Area

The designated area includes all wards in the City of Gloucester as listed in the below table and shown in the enclosed map:

Justification for Designation

The designation is based on evidence of:

- Poor housing conditions
- High levels of crime and anti-social behaviour
- Ineffective property management resulting in community complaints

These issues have been identified through a robust evidence assessment, complaints data, and consultation with residents and stakeholders.

Consultation Summary

A public consultation was conducted in accordance with Section 56(3) of the Housing Act 2004. The consultation ran for 10 weeks and included engagement with landlords, tenants, residents, and other stakeholders. TBC

Scheme Start Date

The Additional Licensing Scheme will come into force on TBC and will remain in effect for a period of five years unless revoked or extended by the Council.

Licensing Requirements

All HMOs within the designated area that are not subject to mandatory licensing must be licensed under the Additional Licensing Scheme. Landlords must apply for a licence and comply with conditions relating to property standards, safety, waste management, and tenancy management.

Further Information

For further information about the Additional Licensing Scheme, please contact:

TBC



**Houses in Multiple Occupation
&
Licensing of Houses in Multiple Occupation
A Guide for Landlords, Managers and Tenants**

Houses in Multiple Occupation or HMOs provide an essential affordable housing option for many private sector tenants. The Council recognises the important role played by landlords to provide good quality accommodation and seeks through this guide to set out the basic standards which should be met. As well as guiding and advising landlords the council has a regulatory role where standards are not achieved and maintained. This role is designed to protect the health of residents in the private rented sector and to ensure all landlords are operating within legal requirements.

1.0 What is a House in Multiple Occupation (HMO)?

If a landlord lets a property which meets one of the descriptions below - it is a House in Multiple Occupation;

- An entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet (facilities or amenities). A household includes co-habiting couples, step and foster children and relatives extending to cousins, nephews and nieces;
- A house which has been converted into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet (facilities or amenities);
- A converted house which contains self-contained flats and one or more flats which are not wholly self contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households;
- A building converted entirely into self-contained flats, where the conversion does not meet the standards of the 1991 Building Regulations or later and less than two-thirds of the flats are owner-occupied. These types of HMOs are classified as Section 257 Houses of Multiple Occupation.

1.1 What is not a HMO?

If a landlord lets a property which meets one of the descriptions below - it is not a House in Multiple Occupation;

- An entire flat or house let to one person, a couple, a family or two people sharing,
- Two lodgers with an owner occupier living in the house.

1.2 Planning Permission lawful use

This is required for all HMOs that are occupied by three or more tenants who are not related. All works carried out in an HMO must comply with Building Regulation requirements.

1.3 Housing Act 2004 - [Housing Act 2004](#)

This requires all HMOs to be free from serious hazards and managed properly. This includes having appropriate fire safety measures, adequate space, suitable and sufficient amenities, appropriate heating and a good standard of repair, decoration, cleanliness and tenancy management. It also requires for some HMO's to be licensed.

2.0 HMO Licensing

A licence is required for all HMOs that are occupied by three or more people belonging to 2 or more households and who share a facility or amenities. HMO Licensing also includes s257 HMOs (as described above). Each HMO licence that is granted will come with specific conditions that the licence holder will be bound to comply with. Failure to comply with the conditions of a HMO licence is an offence for each breach and may lead to enforcement action being taken. Before granting a licence, the Council will determine if the proposed licence holder and manager is fit and proper persons, that suitable financial and management arrangements are in place for the management of the HMO and that the HMO is suitable for occupation by a specified number of tenants based on the minimum standards in this document. Licensing decisions will be guided by the Councils Regulating Housing Standards Policy.

3.0 Health and Safety and the HHSRS

All HMO accommodation should be free from serious health and safety hazards and this is assessed using the housing health and safety rating system or HHSRS. This provides a method of scoring the deficiencies in a property and these hazards are linked to harm outcomes of occupiers in a property.

The system requires the assessment of 29 hazards grouped as:

- Damp and mould, excess cold / heat
- Pollutants e.g. asbestos, carbon monoxide, lead
- Overcrowding, security or lighting, or excessive noise
- Poor hygiene, sanitation, water supply
- Accidents – falls, electric shocks, fires, burns, scalds
- Collisions, explosions, structural collapse

The property is first inspected to identify any deficiencies that are relevant against a specific hazard(s) and a judgment is then made as to:

1. What is the likelihood of a hazard occurring from each deficiency, and,
2. If there is such an occurrence, how serious would the likely harm outcomes be?

Depending on the outcome of the assessment the Council may take enforcement action to ensure the property is made safe and is free from hazards.

3.1 How will the system be used in enforcement?

Prior to an inspection the landlord/owner/manager of a property may be invited to a joint inspection of the property with an officer from the Enforcement and Regulation Service. This is to allow the landlord/manager to remedy any defects prior to enforcement action and to promote informal discussions, where applicable.

If informal action fails to remedy the situation, or the hazards and risk are significant, the council is likely to move to formal action by serving an enforcement notice on the owner, or agent as appropriate, requiring that hazards be reduced to a safe level within a set time. Failure to comply with an enforcement notice is an offence and may lead to further legal action being taken.

For minor hazards, the council may take informal action or serve a hazard awareness notice informing the landlord of the hazards and identifying works to be undertaken to address these hazards. This type of notice is for information only.

For more information please refer to the Councils Regulating Housing Standards Policy.

4.0 Fire Safety

Fire Safety measures in HMOs are designed to alert tenants and occupiers to an occurrence of a fire and to prevent smoke and fire spreading to other parts of the property before residents have a chance to escape. In general, the following matters are considered when reviewing fire safety;

- Automatic fire detection systems.
- Protected routes for the occupiers to escape.
- Fire separation and compartmentalisation.
- Fire Doors.
- Emergency lighting.
- Fire fighting equipment.
- Fire safety compliant furniture and fittings.
- Fire risk assessments and property management.

This information is generic in its content and its recommendations and each property must be assessed and judged individually as each property is unique. Specific guidance on fire safety standards in various residential settings are detailed in the LACORS Guidance “Housing – Fire Safety” which can be downloaded from:

<http://www.communities.gov.uk/fire/firesafety/firesafetylaw/>

4.1 Automatic fire detection

As a minimum in HMO's it is necessary to provide interlinked smoke detectors in the hallways and landings of the property and a heat detector in the kitchen and high risk rooms which are mains wired with battery back up. The detectors should be interlinked and comply with BS 5839:2019 part 6 - Grade D:LD2 type system. As the number of storeys in a HMO increases and the number of kitchens increases the level of fire safety detection will also increase.

The fire safety requirements differ in all HMOs depending on the size, layout and occupation. If you own or manage a property it is vital that you carry out an adequate fire safety risk assessment (FRA) and contact the Residential Services Team to discuss your current and proposed fire safety measures. This will prevent any further possible action being taken by the Council. It is essential that your property or HMO is made safe as soon as possible.

Please note that as well as complying with housing legislation you owe a duty of care to your tenants in common law, which may be breached if there are no fire safety precautions. You may also be breaching the terms of your insurance by not complying with the law.

4.2 Protected Route/Fire Separation

The protected route or means of escape covers all staircases, landings and hallways that any tenant or occupier would need to pass through on their escape route out of the building.

All doors, walls, floors, and ceilings onto the escape route and the underneath and sides of all staircases on the route must be constructed to resist the passage and damage of fire, smoke and fumes for at least half an hour. Any electric or gas meters in the route must be enclosed in half-hour fire resisting construction and there must not be any storage or obstructions in the route. Any doors that open on the to means of escape and protected route including the final exit door from the property must be operable without a key.

4.3 Fire Doors

In a property with three or more storeys, all bedrooms, kitchens, and living room doors that open onto the protected route must be 30 minute fire doors and maintained in proper working order. Bathroom doors are only required to be a fire door if there is a fire hazard in the room i.e. a gas boiler.

In properties with less than 3 storeys, a fire door is only required on high risk rooms which contain kitchen facilities.

Fire doors must:

- Be half-hour (30 minutes) fire resisting (or one hour between commercial and residential accommodation).
- Be operable from inside the room without the use of a key.
- Be fitted with a self-closing device – which is regularly tested to ensure it fully closes the door
- Be fitted with an intumescent strip and cold smoke seal to the top and all side edges of the door or alternatively installed into all internal sides of the door frame.
- Be fitted such that there is no more than a 3mm gap between the door and frame.

4.4 Emergency Lighting

There should be sufficient and adequate light for occupiers to find their way out of the building especially on stairs and changes in level.

Emergency lighting may be required in HMOs with three or more storeys and, in smaller properties where the layout and escape route is long or complex. The emergency lighting system should be mains wired with battery back up in the escape route designed to operate if the mains electrical supply fails. Emergency lighting will also need to be tested annually.

4.5 Fire Fighting Equipment

All rooms containing cooking facilities should have a fire blanket. Suitably located on a wall near the cooking facilities and at a height of 1.2 -m 1.5 m from the floor. They must not be kept in a drawer or cupboard.

4.6 Fire Safety Compliant Furniture and Furnishings

All upholstered furniture including chairs, sofas, mattresses, headboards, cushions and seat pads should comply with The Furniture and Furnishings (Fire Safety) Regulations 1988 as amended (2010).

4.7 General

All fire doors, emergency lighting and fire detection equipment must be fitted and maintained by competent contractors in compliance with all relevant codes of practice and British Standards.

5.0 Management of Houses in Multiple Occupation (England) Regulations 2006 (as amended) [The Management of Houses in Multiple Occupation \(England\) Regulations 2006](#)

Managers of HMOs are required to meet the requirements of the HMO Management Regulations which place specific duties on them. The manager means the person who has overall management responsibility for the premises which may be the landlord, HMO licence holder or their agent. Failure to comply with any of the Regulations is an offence and may lead to enforcement action being taken. Please refer to the Council Regulating Housing Standards Policy for more information.

Reg 3 - Duty of manager to provide information to occupiers

The manager's name, address and telephone contact must be made available to each household and be clearly displayed in the HMO.

Reg 4 - Duty of manager to take safety measures

The manager must ensure all means of escape from fire are free from obstruction, well maintained and signed. All fire alarms and fire fighting equipment must be maintained in good working order. Please see the section on fire safety above for more information. This includes ensuring that adequate fire detection measures are installed

The manager must ensure the design and structural condition of the property including roofs; balconies, windows and means of escape do not put the occupiers at risk of injury.

Reg 5 - Duty of manager to maintain water supply and drainage

The manager must ensure that any tank, cistern or similar receptacle used for the storage of water for drinking or other domestic purpose is kept in a good, clean working condition and where necessary protected from frost.

The manager must not unreasonably cause or permit the water or drainage supply that is used by any occupier of the HMO to be interrupted.

Reg 6 - Duty of manager to maintain gas and electricity

Under the Gas Safety (Installation and Use) Regulations 1998 all gas appliances including cookers, heaters and boilers must have an annual safety inspection from a gas engineer registered with the Gas Safety Register. Any repairs identified must be completed without delay. Tenants should be shown a copy of the certificate.

The manager must ensure that every fixed electric installation is inspected and tested at intervals not exceeding 5 years by a person qualified to undertake such inspection and obtain a certificate specifying the results of the test. **This**

section of the HMO Regulations is now been repealed and the safety of electrical installations is now regulated under the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020. This requires all rented properties to have an Electrical Installation Condition Report (EICR) including HMO's.- [The Electrical Safety Standards in the Private Rented Sector \(England\) Regulations 2020](#)

On written request the manager must supply a current gas safety certificate issued by a Gas Safety Registered engineer to the local authority.

The manager must not unreasonably cause the gas or electricity supply used by any occupier of the HMO to be interrupted.

Reg 7 - Duty of manager to maintain common parts, fixtures, fittings and appliances

The manager must ensure all common parts of the HMO are in good and clean decorative repair, maintained in a safe working condition and kept free from obstruction. Particular attention should be paid to shared kitchens, bathrooms, WC's, handrails and banisters, stair coverings, windows and means of ventilation and light fittings. This duty also covers outdoor areas including gardens, outbuildings, yards, boundary walls and fences.

Reg 8 - Duty of manager to maintain living accommodation

The manager must ensure that each unit of living accommodation within the HMO are maintained in good repair and fixtures, fittings and appliances provided as part of the tenancy are maintained in good repair and in clean working order.

Reg 9 - Duty to provide waste disposal facilities

The manager must ensure that sufficient bins are provided for each household for the storage of refuse prior to collection. All tenants must be provided with the correct recycling and waste management information for the local authorities collections days and how to present waste for collection.

Duties of the tenant

The management regulations also place a duty on tenants not to hinder managers in complying with these duties and to provide necessary information to help comply with these duties.

To take reasonable care not to cause any damage to anything the manager has a duty to provide, to store and dispose of refuse appropriately and to comply with reasonable instructions regarding fire safety and means of escape.

There is also a separate set of HMO licensing and management regulations that cover s257 HMO's with similar principles as set out above. More information can be found here - [The Licensing and Management of Houses in Multiple Occupation \(Additional Provisions\) \(England\) Regulations 2007](#)

HMO Licensing standards

6.0 Washing Facilities

Where households are sharing a toilet and washing facilities the following must be provided:

- Up to five people may share a bathroom containing a toilet, wash hand basin and bath or shower.
- Up to six people may share these facilities if there is an additional WC and wash hand basin outside of the shared bathroom.
- If there are two bathrooms containing a toilet, wash hand basin and bath or shower then this is suitable for ten people to share.
- All baths, showers and wash hand basins must be equipped with taps providing a supply of cold and constant hot water.
- All bathrooms must be suitably and adequately ventilated.
- All bathrooms and toilets must be of an adequate size and layout.

A wash hand basin must be provided in any rooms with a toilet and must be supplied with adequate supplies of hot and cold water.

7.0 Kitchen facilities

Where households are sharing a kitchen it must be suitably located in relation to the living accommodation, must be of a minimum size and equipped with such facilities so as to adequately enable those sharing the facilities to store, prepare and cook food.

7.0.1 Kitchen(s) must be equipped with at least the following which is suitable for a maximum of 3-5 persons and must be fit for the purpose:

- Sink: A durable and easily cleansable sink, integral drainer and a tiled splash-back, on a base unit. The sink must have constant supplies of hot and cold running water and be properly connected to the drains. The cold water must come directly from the rising water main. It must be possible to stand directly in front of the cooker and sink and to place utensils down on both sides of each'
- Cooker: A gas or electric cooker with four ring burners, oven and grill, that are capable of simultaneous use. The cooker is to be located away from doorways with a minimum of 300mm worktop to both sides. The hob may be separate from the cooker.

- Electrical sockets: At least three double 13amp electrical power points (in addition to those used for fixed appliances, such as washing machines).
- Worktop: A kitchen worktop that is level, secure and impervious. The minimum dimensions are 1000mm length and 600mm width.
- Storage: A lockable food storage cupboard for each occupant comprising of a 500mm wide base unit or a 1000mm wide wall unit. This may alternatively be provided within each occupant's room (The space in the unit beneath the sink and drainer or beneath a separate hob is not allowable for food storage).
- Fridge/Freezer: A refrigerator with a minimum capacity of 130 litres plus a freezer with a minimum capacity of 60 litres. If not in the kitchen the fridge/freezer must be located in a communal space such as a utility room or shared dining room adjacent to the kitchen.
- Refuse disposal: A durable and easily cleansable waste bin of at least 50 L capacity must be provided.
- Ventilation: Mechanical ventilation extracting to the outside air at a minimum extraction rate of 60 litres/second or 30 litres/second if the fan is sited within 300mm of the centre of the hob. This is in addition to any windows.

7.0.2 Kitchen(s) must be equipped with at least the following which is suitable for a maximum of 6-7 persons and must be fit for the purpose. The Additional Kitchen facilities may be located in a second kitchen :

In addition to the standards set out above there must be:

- Additional Sink: A dishwasher is acceptable in place of a second sink.
- Additional Cooker: A combination microwave (with oven and grill and minimum 32 litre capacity) is acceptable in place of a second cooker.
- Additional Worktop: Additional kitchen worktop capacity that is level, secure and impervious. To provide a total minimum dimensions are 1500mm length and 600mm width.
- Additional Storage: A lockable food storage cupboard for each occupant comprising of a 500mm wide base unit or a 1000mm wide wall unit. This may alternatively be provided within each occupant's room.
- Additional Fridge/Freezer: A refrigerator with a minimum capacity of 80 litres plus a freezer with a minimum capacity of 30 litres. If not in the kitchen the fridge/freezer must be located in a communal space such as a utility room or shared dining room adjacent to the kitchen.

7.0.3 Kitchen(s) must be equipped with at least the following which is suitable for a maximum of 8-10 persons and must be fit for the purpose. The Additional Kitchen facilities may be located in a second kitchen

- 2 complete sets of kitchen facilities as above **7.0.1** with 2000mm x 600mm work surface.

7.0.4 Kitchen(s) must be equipped with at least the following which is suitable for 11 or more persons and must be fit for the purpose:

- Two or more separate kitchens containing the aggregated equivalent provision calculated from the above standards, each kitchen having at least the minimum provision for up to 5 people.

All shared facilities must be accessible to all households at any time and must be accessed off the common parts of the HMO.

A kitchen should have a minimum floor area of 7m² for 5 tenants and for each extra tenant an additional 1m² should be provided. See table below.

A kitchen with 2 full sets of facilities and a floor area of 12m² will be suitable for up to 10 persons.

Flexibility to this standard will be considered where there is alternative shared dining/living space in the property.

If individual bedrooms are provided with exclusive use cooking facilities, they must contain as a minimum:

- Sink: A single sink with supply of hot and cold water.
- Cooker: A 2 ring burner / hob with integrated oven. A combination microwave (with oven and grill and minimum 32 litre capacity) is acceptable.
- Electrical sockets: 2 double 13amp electrical power points
- Worktop: Suitable fixed worktop space. Dining tables and desks are not to be included.
- Storage: A lockable food storage cupboard for each occupant comprising of a 500mm wide base unit.
- Fridge/Freezer: A refrigerator with a minimum capacity of 80 litres plus a freezer with a minimum capacity of 30 litres.
- Refuse disposal: A durable and easily cleansable waste bin of at least 20 L capacity must be provided.
- Ventilation: Mechanical ventilation extracting to the outside air at a minimum extraction rate of 60 litres/second or 30 litres/second if the fan is sited within 300mm of the centre of the hob. This is in addition to any windows.

Integrated pod/mini-kitchens may also be suitable with consultation and agreement from the Private Sector Housing Team.

8.0 Space Standards

The number of persons permitted in each letting is determined by the useable space within the room and available communal space in the rest of the HMO. The whole space in a room may not be usable due to an unusual shape, low ceiling height or staircase bulkhead.

8.0.1 Bedrooms

Rooms being used as sleeping accommodation with shared facilities by the occupiers must be minimum of:

- | |
|--|
| • 6.5 square meters if occupied by one person, and |
| • 10.2 square meters if occupied by two persons. |

This size does not include any ensuite bath/shower rooms as this cannot be counted as bedroom floor area.

If the room being used as sleeping accommodation also contains cooking facilities for the exclusive use occupier(s), rooms must be:

- | |
|---|
| • 12.5 square meters if occupied by one person |
| • 15.5 square meters if occupied by two persons |

This size does not include any ensuite bath/shower rooms as this cannot be counted as bedroom floor area.

Rooms located off kitchens where the only means of escape is through the kitchen are not suitable for being used as sleeping accommodation.

8.0.2 Shared Kitchen and Communal Living/Dining room sizes:

Room Use	Number of Persons							
	3	4	5	6	7	8	9	10
Kitchen	5m ²	6m ²	7m ²	8m ²	9m ²	10m ²	11m ²	12m ²
Total communal living space	16m ²	17m ²	18m ²	19m ²	20m ²	22m ²	24m ²	26m ²

Discretion may be applied on the communal space that is available if the bedrooms are larger than the minimum sizes set out above.

The number of persons permitted in each room used as sleeping accommodation and the available facilities, amenities and communal space in a house will determine the total permitted number of tenants for the whole HMO and will be reflected on the HMO Licence (where applicable).

9.0 Standards for section 257 HMOs

A section 257 HMO refers to a building or part of a building that has been converted into self-contained flats; this applies where:

- The building work undertaken in connection with the conversion did not comply with the appropriate building standards and still does not comply with them; and
- Fewer than two thirds of the flats are owner-occupied; and
- The building is occupied by three or more people from two or more households. The appropriate building standards are the Building Regulations imposed at the time that the building was converted; unless the building work was completed before the 1 June 1992, in which case they are the Building Regulations 1991. A self-contained flat will have a toilet, personal washing facilities and cooking facilities available for the exclusive use of its occupants.

The following guidance is based on 1 to 2 person flats. If you are intending to let a flat to 3 or more persons then the non s257 HMO standards above will apply, please contact the Enforcement and Regulation Service for further guidance.

9.1 Room sizes and amenities for self-contained flats in a s.257 HMO

- All of the facilities and amenities must be behind the front door of the flat and not accessed from the communal areas of the building.
- The flat layout should ensure that any occupier does not have to pass through the kitchen area to exit the accommodation.
- The kitchen size and layout must be safe, convenient and allow good hygienic practices.
- Kitchen equipment must be fit for purpose and supplied in sufficient quantity for the number of residents.
- The flat size, bedroom and kitchen sizes specified are based on optimum space and layout. In practice, it may be necessary to have a larger size to ensure there is sufficient space to fit all facilities required and to provide a circulation area that permits safe use of the kitchen by the occupier(s).
- A reduction in kitchen size is at the Councils discretion and will be dependent on the size, layout and nature of the communal space and facilities available, standards of management and other health and safety considerations.

If the room being used as sleeping accommodation also contains cooking facilities for the exclusive use occupier(s), rooms must be:

- | |
|--|
| • 12.5 square meters if occupied by one person. |
| • 15.5 square meters if occupied by two persons. |

If the flat has 2 bedrooms and is shared by 2 occupiers living as 2 households then the kitchen and bathroom facilities must be located in separate communal rooms. Each bedroom can have a full set of ensuite bathroom facilities for the exclusive use by the occupiers of each bedroom.

Minimum room sizes where the bedroom is separate from the kitchen area (not including bathrooms or toilets)

Number of Occupiers	Bedroom size	Kitchen size
1	6.5m ²	4m ²
2	10.2m ²	5m ²

Washing Facilities

A household in a self-contained flat in a s257 HMO must have the following provided:

- A bathroom containing a toilet, wash hand basin and bath or shower.
- All baths, showers and wash hand basins must be equipped with taps providing a supply of cold and constant hot water.
- All bathrooms must be suitably and adequately ventilated.
- All bathrooms and toilets must be of an adequate size and layout.
- A wash hand basin must be provided in any rooms with a toilet and must be supplied with adequate supplies of hot and cold water.

9.0 Annex Rooms

All bedrooms, living rooms, kitchens and bathrooms in an HMO must be in the same building. Tenants must not have to go outdoors to access any other part of the HMO. If an annex room that is not part of the same building is rented out it must have planning permission to be occupied, building control regulation compliance and be fully self-contained with bathroom and kitchen facilities.

10.0 Paying Bills

In an HMO the landlord is responsible for paying council tax and for electricity and gas supplies for all installations in common use. It is not acceptable for any such installations to be on a pre-pay or key meter. All tenants must have access to any installations in common use i.e. the gas boiler and central heating controls and be able to control the temperature in their room.

11.0 Planning and HMOs

Large HMO's with 7 or more tenants require planning permission.

From 1 March 2027 smaller HMOs with 3 or more tenants require planning permission in certain wards of the City that have an Article 4 Direction in place. The wards are - Kingsholm and Wotton, Westgate, Barton and Tredworth, Moreland, Kingsway and Elmbridge (see map below) . The Article 4 Direction has withdrawn the permitted development rights to convert a dwelling house (C3) to a House in Multiple Occupation.



11.0 Further Information

Government guidance and advice for tenants can be found here:
[Private renting: Houses in multiple occupation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/private-renting/houses-in-multiple-occupation)

More information and guidance on Houses in Multiple Occupation can be found on the Gloucester City Council website:
<https://www.gloucester.gov.uk/housing/hmo-licences/housing-in-multiple-occupancy-hmo>

[Planning guidance | Gloucester City Council](#)

Alternatively contact our customer service centre on 01452 396396 or the HMO Licensing team by email psh.focus@gloucester.gov.uk

Schedule of Licence Conditions

1 Permitted Occupation

The Licence Holder must not allow a new resident (from the date of this licence) to occupy the property or any part of the property if that occupation:

- a. Exceeds the maximum permitted number of persons for the property as detailed in the schedule of permitted occupation below.
- b. Exceeds the maximum permitted number of households for the property as detailed in the schedule of permitted occupation below.
- c. Exceeds the maximum number of persons per room as detailed in the schedule of permitted occupation below.
- d. Exceeds the maximum permitted number of persons for any letting as detailed in the schedule of permitted occupation below.

Justification for determining levels of occupation:

The maximum number of occupiers has been determined by, **INSERT STATEMENT IF ROOM SIZES, BATHROOMS OR KITCHEN LIMITS THE MAX OCCUPANCY**

If any lettings have 0/zero maximum occupiers then at the end of the existing tenancy that room must not be rented to a new tenant as it is not suitable for sleeping accommodation. A new tenant means a person who was not an occupier of the property and/or the specific room at the date of the issue of the licence.

The occupancy levels are based on standards adopted by the Council and the design and layout of the property. In exceptional circumstances discretion may be applied to the minimum space standards considering all the evidence available to the Council based on the availability of shared and communal space and the design and layout of rooms.

Occupancy and Maximum Permitted Person(s) per Letting

Room Use / Description	Room Location (and room reference were available)	Room Floor area (m ²)	Maximum permitted occupiers based on room size/facilities
Total Maximum Permitted Occupants (based on room sizes and provision of amenities and facilities)			

2	Gas Safety The Licence Holder is required to: • If gas is supplied to the house, produce to the local housing authority (the Council) a current and valid gas safety certificate obtained in respect of the house within within 28 days of request being made by the Council Note: a copy must also be provided to the tenants at the start of their tenancy
3	Appliances and Furniture Safety The Licence Holder is required to: • keep electrical appliances and furniture made available by him in the house in a safe condition. • supply to The Council, on demand, with a declaration by him as to the safety of such appliances and furniture within 28 days of request being made by the Council.
4	Electrical Installation The licence Holder is required to: • Ensure that every electrical installation in the house is in proper working order and safe for continued use; and • Supply to The Council, on demand, with a current Electrical Installation Condition Report (EICR) stating as to the safety of such installations within 28 days of request being made by the Council. Note: a copy of the EICR must also be provided to the tenants at the start of their tenancy
5	Smoke Alarms The Licence Holder is required to: • Ensure that a smoke alarm is installed on each storey of the house on which there is a room used wholly or partly as living accommodation, and • To keep each such alarm in proper working order. • Supply to the authority, on demand, with a declaration by him as to the condition and positioning of such alarms within 28 days of request being made by the Council. Note: Room includes a hall or landing.
6	Carbon Monoxide Alarms The Licence Holder is required to: • Ensure that a carbon monoxide alarm is installed in any room in the house which is used wholly or partly as living accommodation and contains a fixed

	combustion appliance including boilers, gas fires and solid fuel appliances. Gas cookers are excluded from this mandatory requirement. • Keep any such alarm in proper working order; and • Supply The Council, on demand, with a declaration by him as to the condition and positioning of any such alarm within 28 days of request being made by the Council. Note: Room includes a hall or landing.
7	Tenancy Management The Licence Holder is required to: • Supply to the occupiers of the house a written statement of the terms on which they occupy it, details of the arrangements in place to deal with repair issues and emergency issues and a copy of this licence and its conditions. • Supply the Council, on demand, copies of the written statement of the terms on which they occupy within 28 days of request being made by the Council.
8	Waste Management The licence holder is required to ensure that their tenants: • Comply with any refuse collection scheme which is provided by the local housing authority (The Council) and which relates to the storage, collection and disposal of household waste at the HMO. • Supply the occupiers of the property with information on how to comply with the local authority scheme relating to the storage and disposal of household waste.
9	Fire Safety The Licence Holder is required to: • Carry out a suitable fire risk assessment with reference to The Regulatory Reform (Fire Safety) Order 2005, the LACORS Fire Safety Guidance and 'Fire Safety Risk Assessment' in Sleeping Accommodation, to determine what safety measures are needed to prevent fires and to keep the occupiers safe in the event of a fire occurring. Other specialist guidance can also be considered. • Where the property is in a block of flats or building converted into flats the licence holder shall co-operate with the building owner/manager in relation to fire prevention and evacuation procedures and ensure their tenants are aware of what to do in the event of a fire. • Keep a record of the fire risk assessment and supply it to the Council within 28 days of request being made by the Council. • Implement any controls identified during the fire risk assessment as soon as is reasonably practical. The controls should identify, any evacuation procedures as well as the frequency of testing and inspection for the fire detection alarm and emergency lighting system (if fitted). • Ensure that any firefighting equipment and fire alarm at the property are maintained in good working order. The licence holder shall supply to the Council the latest fire detection and alarms certificate, and if installed, the emergency lighting test certificates within 28 days of request being made.

10	Heating The Licence Holder is required to ensure that: • Each dwelling must have an adequate provision of heating which can be individually controllable by the tenants.
11	Pests The Licence Holder is required to: • Carry out regular checks to ensure that the property is free from a pest infestation. • Where the Licence Holder becomes aware of a pest problem or infestation at the licensed property they shall, within seven (7) days, take steps to ensure that a treatment program is carried out to eradicate the pest infestation. Records shall be kept of such treatment programs and copies of these must be provided to the Council within 28 days of request being made.

12	Notifying the Council of Changes The Licence Holder shall inform the Council directly, in writing, by email, or by telephone of the following within 28 days of the change occurring: • Any change in the ownership or management of the property. • Any change in address, email, or telephone number for the licence holder and/or agent. • If they intend to create or remove any rooms, bathrooms, WC's, or kitchens in the property.
13	Information for Tenants The Licence Holder shall display in the common parts • Information related to who to contact in the event of an emergency or to report any issues with the property. • The permitted occupancy of the property • A copy of the Licence in the common parts of the property. Note – this may be provided in electronic form to the tenants but copies must also be displayed in the common parts of the HMO.

14 Anti-Social Behaviour	The Licence Holder is required to: - Investigate and address problems of antisocial behaviour (ASB) resulting from the conduct of occupiers of, or visitors to, the licensed property as soon as possible after it has been brought to their attention. Anti-social behaviour means conduct on the part of occupiers of, or visitors to, residential premises which— - causes or is likely to cause a nuisance or annoyance to persons residing, visiting or otherwise engaged in lawful activities in the vicinity of such premises, or - involves or is likely to involve the use of such premises for illegal purposes. - The Licence Holder must co-operate with the Police and the Council in resolving ASB in the licensed property. Such co-operation includes reporting persistent ASB of their tenant or visitors to the Council, attending or being represented at any case conferences or multiagency meetings and providing information to the Police or the Council when requested. - The Licence Holder shall make a record of the action they have taken keep any emails or letters in respect of any reported ASB and send The Council a copy of these documents within 28 days of request being made.
15 Inspections	The Licence Holder is required to: - The Licence Holder shall ensure that inspections of the property are carried out at regular intervals to identify any problems relating to the, condition and management of the property and its contents. As a minimum this should be every 6 months. - The records of such inspections shall be kept for the duration of this licence. As a minimum requirement the records must contain a log of who carried out the inspection, date and time of inspection, what was inspected, issues found, and action(s) taken. Copies of these records must be provided to the Council within 28 days of request being made by the Council.
16 Responding to Complaints	The Licence Holder is required to: - Ensure that any complaints from the tenants about the condition of their property are responded to within 48 hours and remedial action started no longer than 14 days from receipt of complaint. - The Licence Holder shall make a record of the action they have taken and keep any emails or letters in respect of any complaints and send The Council a copy of these documents within 28 days of request being made.

Limitations of the Licence

This licence can **NOT** be transferred to another person or organisation or property. If the Licence Holder is a company or partnership and it is dissolved while the licence is in force, the licence ceases to be in force on the date of dissolution. If the property is sold then the new owner will need to make a new application for a licence.

Other Statutory and Legal Requirements

This licence does **NOT** grant any planning or building control approvals, consents or permissions under their respective legislation. Some Houses in Multiple Occupation (HMOs) may need planning permission and you should check the Council's website to ensure you are compliant.

This licence is **NOT** evidence that the property is safe or free from hazards and defects. The licence does not offer any protection against criminal or civil legal action being taken against the Licence Holder, or anyone else with an interest in the property, in respect of any hazards.

The address of the Licence Holder given on the application form shall be used as the address for the proper service of any letter, notice or other document by the Council on the Licence Holder. It is the Licence Holder's responsibility to ensure that they take all reasonable steps to receive and act upon any letter, notice or other document sent to that address.

More information about Houses in multiple occupation and the standards they should meet can be found in the 'A Guide for Landlords, Managers and Tenants' enclosed with this licence.

Public register of licences

The authority maintains a register of all licences granted under Parts 2 or 3 of the Act. Copies of the register are available on request and the register is also available online at www.gloucester.gov.uk.

Appendix 9 HMO Planning Policy A2

[gloucester-city-plan-low-res.pdf](#)

Gloucester City Council

Meeting:	Cabinet	Date:	10 December 2025
Subject:	Gloucestershire Housing Partnership		
Report Of:	Cabinet Member for Community Engagement		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Ruth Saunders, Corporate Director		
	Email: ruth.saunders@gloucester.gov.uk		Tel: 396789
Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To provide an outline of the Gloucestershire Housing Partnership and Gloucester City Councils role in hosting the partnership team and the contracts on behalf of the partners.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) it be noted that Gloucester City Council is the lead and host authority for the Gloucestershire Housing Partnership Team;
- (2) it be noted that Gloucester City Council currently employs 5 members of staff to deliver the work of the Gloucestershire Housing Partnership, specifically the two workstreams;
- (3) it be noted that Gloucester City Council currently holds 10 contracts on behalf of Gloucestershire Housing Partnership to deliver the two workstreams;
- (4) delegated authority be provided to the Corporate Director following consultation with the Cabinet Member for Community Engagement, Head of Finance and Resources and One Legal to accept funding from other members of the Strategic Housing Partnership and external funders to deliver the contracts and the work of the team as outlined in this report; and
- (5) delegated authority be provided to the Corporate Director in consultation with the Cabinet Member for Community Engagement, the Head of Finance and Resources and One Legal to accept tenders following procurement exercises

carried out on behalf of the Gloucestershire Housing Partnership and the partnership team; and

- (6) the Council continues to employ a small team of officers to oversee the work and support best practice across the County on behalf of the Gloucestershire Housing Partnership with funding agreed through the partnership; and
- (7) delegated authority be provided to the Corporate Director to agree to any changes to the existing partnership agreement, in consultation with the Cabinet Member for Community Engagement and One Legal.

3.0 Background and Key Issues

- a. Gloucestershire Housing Partnership has been in existence since 2017 and its role was to bring together housing and health to improve outcomes in the county for residents and to improve the efficiency of services by working together to meet shared objectives.
- b. The partners are Gloucester City Council (lead)(GCiC), Stroud District Council (SDC), Cheltenham Borough Council (CBC), Tewkesbury Borough Council (TBC), Forest of Dean District Council (FODDC), Cotswold District Council (CDC), Gloucestershire County Council (GCC), the Office of the Police and Crime Commissioner (OPCC) and the Integrated Care Board (ICB).
- c. The purpose of the partnership is “to ensure that everyone living in Gloucestershire has a home that meets their needs and enables them to live healthy, happy and successful lives”.
- d. The objectives of the partnership are:

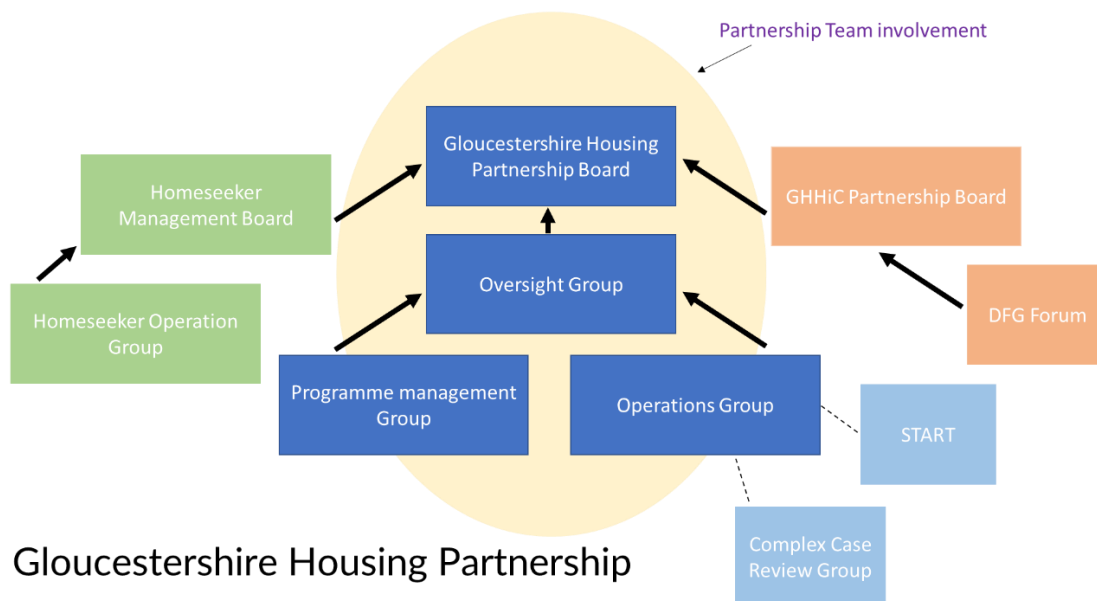
We will:

Provide strategic leadership and act as the voice for housing in Gloucestershire.

We will do this by:

- Facilitating and promoting links between the health and well-being and housing sectors.
- Adopting a trauma informed approach to addressing key housing issues and barriers that those living in Gloucestershire face.
- Responding to, shaping and seeking to influence local, regional and national housing policy.
- Supporting and encouraging the development of high-quality energy efficient new housing and improving and making best use of existing homes.
- Achieving recognition for innovation and best practice.
- Maximising funding opportunities and making best use of collective resources.
- Embracing the diversity of the partnership membership, working together to achieve our purpose whilst holding each other to account.

- To support improvements and adaptation of existing housing stock to ensure best use to meet the needs of our changing communities.
- e. Gloucester City Council hosts the The Partnership team which leads on two key workstreams:
- Rough Sleeping
 - Domestic Abuse
- f. The above workstreams are the area of focus for the Gloucestershire Housing Partnership team for several reasons. Firstly, none of them are issues that have fixed boundaries within one district, so it makes sense to take a countywide view. Secondly, none of them are likely to be high enough demand to require dedicated resource within each partner organisation, so it makes sense to employ shared resource to support all of the partners. Thirdly, District partners and in some cases the County Council, have statutory duties to deliver services in these areas, and it is most efficient and effective to do this in a joined up way. In regards to assistance for victims of Domestic Abuse, there is a statutory duty to cooperate across both tiers of government (District and County councils).
- g. Although the work sits mainly within the Gloucestershire Housing Partnership, there is further governance and activity provided from and by the Gloucestershire Domestic Abuse Strategic Board.
- h. The governance arrangements of the Gloucestershire Housing partnership are outlined below:



- i. For Domestic Abuse, the Council, through shared funding, employs two members of staff and commissions the Places of Safety Contract, as well as leading on training, development and best practice across the County in relation to Domestic Abuse Housing work.

- j. The majority of the work of the Domestic Abuse lead Officers is outlined in the Gloucestershire Domestic Abuse Strategy and Needs Assessment which is currently being updated by Gloucestershire County Council.
- k. For Rough Sleeping, the officer leads on the Rough Sleeping Outreach contract which has just been recommissioned, the Somewhere Safe to Stay Hub contract, the Enhanced Housing Support contract and the delivery of the Next Steps Accommodation Programme (NSAP) units of accommodation.
- l. The team leads and coordinates joint bids for government and other funding to deliver on shared ambitions, accepting external funding to ensure contract costs are covered, within the scope of their responsibility.
- m. Some of the cross-cutting themes for the team include trauma informed working, developing best practice, reflective practice and building a rich data picture to inform future commissioning and countywide systems change work.
- n. The team provides a small amount of support and expertise on migration, specifically to Gloucester City Council and Cheltenham Borough Council to support the commissioning and management of support for dispersed accommodation in those areas.

4.0 Social Value Considerations

- 4.1 The delivery of activity, through coordinated resource, will improve outcomes for a number of individuals.
- 4.2 Any procurement will likely meet the criteria for the social value policy and so social value considerations will be part of the decision making when appointing a contractor.

5.0 Environmental Implications

- 5.1 As part of any procurement meeting the criteria of the policy, social value measures with a positive impact on the environment can be selected.

6.0 Alternative Options Considered

- 6.1 The Council could have stepped back and let one of the other Districts lead on this work, however, outlined the highest need is often in our District, so the Council agreed to be the lead.

7.0 Reasons for Recommendations

- 7.1 Housing and engagement across these workstreams is important to the City Council so the Council has taken the lead to ensure the Housing work is delivered for all partners, as well as ourselves.
- 7.2 Given the shared funding arrangements it is important that the Council is able to receive funds from other partners to cover the obligations made on behalf of the Partnership.

- 7.3 Given the shared arrangements it is important that the partners can feed into the commissioning arrangements to make sure they meet the needs of all parties as much as possible, and delegate authority to the Corporate Director to ensure that, following the process of negotiation with partners, decisions can be made promptly and equitably.

8.0 Future Work and Conclusions

- 8.1 An annual report on the work of the Housing Partnership will come forward each year to ensure oversight by Cabinet.

9.0 Financial Implications

- 9.1 The finances for the work within the scope of this report are designed to be shared across the partnership and via external funding streams. Hosting the Partnership Team does not come at a cost to the City Council as back office and infrastructure support is costed into the shared contributions.

(Financial Services have been consulted in the preparation of this report.)

10.0 Legal Implications

- 10.1 The acceptance of funding from the other partners in the Partnership does not raise any specific legal issues. The Council can rely on the General Power of Competence in the Localism Act 2011 to work together to procure county wide agreements. All contracts that the Council awards on behalf of the Partnership must be in accordance with the Council's Contract Procedure Rules and the Procurement Act 2023.
- 10.2 One Legal will be able to advise and assist officers in relation to any agreement that needs to be completed to support the partnership and it's work.
- 10.3. Any existing partnership agreement between the councils should be reviewed to ensure that it is still fit for purpose.

(One Legal has been consulted in the preparation of this report)

11.0 Risk & Opportunity Management Implications

- 11.1 Procurement exercises will be carried out in line with the constitution and our procurement policy.
- 11.2 The financial risk associated with the work is covered in a Gloucestershire Housing Partnership Agreement signed by all the partners. This agreement is currently being updated to ensure all risks are adequately covered.

12.0 People Impact Assessment (PIA) and Safeguarding:

- 12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact; therefore, a full PIA was not required.

12.2 The PIA Screenings are completed for all decisions taken which covers the specific piece of work in more detail.

13.0 Community Safety Implications

13.1 None

14.0 Staffing & Trade Union Implications

14.1 None

Gloucester City Council

Meeting:	Cabinet	Date:	10 December 2025
Subject:	Discretionary Housing Payments Policy		
Report Of:	Cabinet Member for Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	Yes
Contact Officer:	Karen Haile, Service Delivery Manager (Revenues & Benefits)		
	Email: Karen.Haile@gloucester.gov.uk		Tel: 396476
Appendices:	1. Discretionary Housing Payments Policy 2. Discretionary Housing Payment – Guidance Manual 2022		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 The Council has powers to award Discretionary Housing Payments (DHP) to provide additional financial assistance towards housing costs where claimants are in receipt of Housing Benefit or the housing element of Universal Credit. The policy was last approved on 9 April 2025 and this report proposes changes to the policy with regards to the decision-making process and giving delegated authority to make future minor amendments.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) the Discretionary Housing Payments policy at 6.3 be amended to read 'Decisions on Discretionary Housing Payments may be taken by designated officers within the Benefits Team, in accordance with DWP guidance and this policy';
- (2) authority be delegated to make minor amendments to the policy to the Service Manager in consultation with the Cabinet Member for Finance & Resources and the Head of Finance & Resources.

3.0 Background

- 3.1 Discretionary Housing Payments (DHP's) are additional financial assistance payments offered to claimants entitled to Housing Benefit or the housing element of Universal Credit.

- 3.2 DHP schemes have been in existence since 2001 and awards are made under the statutory framework set out in the Discretionary Financial Assistance Regulations 2001. This provides Local Authorities with broad discretion and the DWP provides formal guidance which sets out how schemes should be administered. The DHP Policy for Gloucester City was updated in line with latest best practice and guidance in April 2025.
- 3.3 The Department of Work and Pensions (DWP) provides funding for the scheme each year. In 2025/26 the Council received £187,557. Funding is also provided to cover administration costs.

4.0 Progress

- 4.1 The DHP scheme has been in place for some years, there is an application form, a formal application process and the relevant software requirements to ensure that the payments are processed and recorded accurately.

5.0 Social Value Consideration

- 5.1 Not applicable.

6.0 Environmental Implications

- 6.1 Not applicable.

7.0 Alternative Options Considered

- 7.1 None.

8.0 Reasons for Recommendations

- 8.1 The Discretionary Housing Payments policy supports the decision-making process, ensuring that fair and consistent decisions are made when considering applications and that financial support goes to those most in need. The policy is being updated to simplify and streamline the decision-making process to allow officers within the Benefits Team to make decisions on applications rather than the Benefits Team Leader.
- 8.2 Streamlining the DHP process will see an improvement in the time taken for applicants to be notified of a decision.

9.0 Future Work and Conclusions

- 9.1 The number and category of discretionary housing payments are monitored on a monthly basis and reported to the Department for Work and Pensions periodically.

10.0 Financial Implications

- 10.1 The Discretionary Housing Payment Scheme enables local authorities to provide financial assistance towards housing costs through the General Fund. Government provides grant funding each year and the Council has the option to add to this amount by up to a maximum of two-and-a-half times the grant allocation. Any of the allocated budget which remains unspent by the local authority at the end of the financial year must be returned to the DWP.

The Government also provides funding each year to cover administration costs.

11.0 Legal Implications

- 11.1 The Discretionary Financial Assistance Regulations 2001 (as amended) set out the legal framework empowering the council to make discretionary awards to assist residents with their housing costs. The DWP Discretionary Housing Payments guidance manual provides guidance and advice on good practise when considering payments of DHPs.

12.0 Risk & Opportunity Management Implications

- 12.1 If the proposed change to the Discretionary Housing Payment Policy is not approved the decision-making process will not be streamlined and the opportunity to gain efficiencies and improve the customer journey will be lost.
- 12.2 If DHP awards are made in excess of the DWP funding the Council will be required to fund the excess. Internal controls are in place to monitor the DHP budget throughout the year.

13.0 People Impact Assessment (PIA) and Safeguarding:

- 13.1 The purpose of Discretionary Housing Payments is to provide additional financial support with housing costs for residents in receipt of Housing Benefit or the housing element of Universal Credit. The policy ensures that eligibility criteria is applied fairly and consistently so that the most vulnerable residents including those with Protected Characteristics receive support.

14.0 Community Safety Implications

- 14.1 None

15.0 Staffing & Trade Union Implications

- 15.1 None

16.0 Background Documents:

Discretionary Financial Assistance Regulations 2001
<http://www.legislation.gov.uk/ukxi/2001/1167/contents/made>

Gloucester City Council
Discretionary Housing Payments Policy

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1.0 Background

In July 2001, the Discretionary Financial Assistance Regulations were introduced to allow Local Authorities discretionary powers to provide additional financial assistance to claimants entitled to Housing Benefit. This was later amended to include claimants on Universal Credit where the housing costs element is included in their current award.

The purpose of a Discretionary Housing Payment (DHP) is to provide financial support towards housing costs and can be paid where the Council is satisfied that a resident needs further financial assistance with housing costs and is in receipt of either Housing Benefit or Housing element of Universal Credit.

Housing costs are not defined in the Discretionary Financial Assistance Regulations 2001, but in general means rental liability.

The Government allocates a DHP budget to the Council each financial year. The budget allocation is made up of four categories: general hardship, removal of the spare room subsidy, benefit cap, and Local Housing Allowance reforms. The spending of these categories is monitored, and bi-annual returns are submitted. Councils are advised of the DHP funding amounts annually.

The Council has formulated this policy having regard to the Discretionary Housing Payments Guidance Manual published by the Department for Work and Pensions in May 2022 – a copy of which is attached to this policy at appendix A.

The main features of this scheme are that:

- the scheme is purely discretionary; a customer does not have a statutory right to a payment,
- the amount that can be paid out in any financial year is cash-limited by the Secretary of State. Once the cash-limit is met, no additional DHPS will be awarded in that financial year.
- the administration of the scheme is for the local authority to determine.

2.0 Purpose of the Policy

- 2.1 The purpose of this policy is to specify how Gloucester City Council will administer DHPs. It details the application process and indicates some of the factors that will be considered when deciding if a DHP can be awarded.

3.0 What DHPs cover

- 3.1 DHPs are intended to support people who are receiving Housing Benefit or Universal Credit within Gloucester City and need additional support to cover housing-related costs. Housing-related costs are:

- Rental liability as defined in the Housing Benefit and Universal Credit legislation
- Lump sum payments for deposits or rent in advance where the applicant is moving to accommodation that is considered both appropriate and affordable.
- Removal costs.

3.2 Lump sum payments will be considered to help customers, where their current tenancy is unsustainable, to move to more affordable accommodation. To receive a lump sum payment, the customer must be receiving Housing Benefit or Universal Credit (that includes a housing costs element) at their current address in Gloucester City.

4.0 What DHPs do not cover

- service or rental charges ineligible for Housing Benefit
- increases in rent due to outstanding rent arrears which accrued during a period where there was no entitlement to Housing Benefit or Universal Credit.
- rent arrears which accrued during a period where there was no entitlement to Housing Benefit or Universal Credit
- to cover deductions from on-going HB due to an overpayment
- certain sanctions and reductions in benefit
- Council Tax liability

5.0 Statement of Objectives

5.1 To promote a consistent and fair approach to the assessment of eligibility.

5.2 Within the above constraints, the Council's broad aim is to support people affected by welfare reform with a view to:

- alleviating poverty
- preventing homelessness
- supporting people to secure paid employment
- supporting people to secure sustainable and affordable accommodation
- supporting those who are trying to source alternative accommodation
- supporting people who have had to flee domestic abuse and need to move to a place of safety
- keeping families together
- helping customers through personal crisis and challenging life events
- supporting people who are in unaffordable tenancies but cannot move to more affordable accommodation due to reasons such as health, disability, or child protection
- supporting families with children at a critical point in their education
- supporting young people and care leavers as they transition to adult life
- supporting families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project
- supporting people with shared care arrangements; the person who does not receive the Child Benefit will not receive calculations for the children in their housing entitlement
- Supporting claimants or their partners who are due to reach State Pension age which means they will no longer be subject to an under-occupation reduction

- supporting people with health or medical problems, either physical or mental, who need access to local medical services or support that might not be available elsewhere
- supporting disabled people who need, or have had, significant adaptations made to their property, or where they are living in a property particularly suited to their needs. This includes properties which have been adapted for other members of the household, such as disabled children or non-dependants
- supporting disabled people who receive informal care and support in their current neighbourhood from family and friends, which would not be available in a new area. In this respect, you may also consider families who have a child with an impairment who rely heavily on local support networks
- supporting the elderly or frail who have lived in the area for a long time and would find it difficult to establish support networks in a new area
- supporting people who are refugees who need to maintain stability in their financial and housing circumstances

6.0 Application process

- 6.1 An application for a DHP can be made electronically through the Council's website using the Council's DHP application form. Customers that are unable to apply online without assistance may download an application form from the Council's website or telephone the Council for a paper copy.
- 6.2 Each application will be considered on its own merits, taking into account relevant information provided by the customer in support of their application. The Council reserves the right to verify any information or evidence provided where this is essential to the decision-making process.
- 6.3 The recommendation will be made to the Benefits Team Leader who will review the application and either approve or decline the recommendation having regard to all the circumstances.

7.0 Amount and Period of the Award

- 7.1 The length of time over which a payment is made is at the discretion of the Local Authority. DHPs will not normally be used to provide long term support for individuals.
- 7.2 The minimum period for which a DHP will be awarded is one week.
- 7.3 A DHP will normally be awarded for a period of 13 weeks.
- 7.4 DHPs will not be made for a period exceeding 12 months without a review.
- 7.5 The amount of DHP paid cannot be more than the value of the rent.
- 7.6 When considering rent arrears, proof of these will be required from the landlord or their agent.

- 7.7 In exceptional circumstances, the officer will consider a long-term award until the customers' circumstances change if the officer feels this is appropriate. For example, if a customer is living in significantly adapted accommodation and it is considered unreasonable to expect them to move house.

8.0 Payment of an award

- 8.1 The Officer awarding the DHP will decide the most appropriate person to pay based on the circumstances of the case.
- 8.2 This could include, but is not limited to:
- The applicant
 - Their partner
 - Their appointee or holder of financial Power of Attorney
 - The landlord (or agent of the landlord)
 - Any other third party to whom it might be appropriate to make payment.
- 8.3 Rent arrears will usually be paid directly to the landlord or their agent. However, requests to pay the applicant directly will be considered based on the circumstances of the claim. Confirmation that the arrears have been paid to the landlord may be requested.
- 8.4 Payment will be made by BACS in all cases.
- 8.5 Payment frequency will normally be in line with payments of Housing Benefit. This will usually be on a four-weekly cycle to allow the full award to be paid within the financial year.
- 8.6 One-off lump sum payments can be made immediately if required.

9.0 Backdating a DHP

- 9.1 The Council will consider any reasonable request for backdating a DHP award. The customer will need to demonstrate that there were exceptional reasons for delaying making a claim to DHP. Examples of exceptional circumstances could be a period of illness (including mental health), a bereavement or personal trauma, hospitalisation or some fact which has left an applicant unable to deal with their personal affairs. Further evidence to support a backdate request, for example, from a medical professional may be required.
- 9.2 All requests to backdate an award of DHP will be considered on their own merits, however these will be limited to the period in which the customer has been receiving Housing Benefit or Universal Credit during the current financial year unless exceptional reasons for a late claim are accepted. Backdating cannot cover arrears accrued while not in receipt of these benefits.

10.0 Notification of decisions

- 10.1 The customer will be notified in writing of the outcome of their application within 14 working days of receiving all the necessary information to decide on the DHP, or as soon as possible after that.

If the application is successful, the notification will advise:

- the amount of any award,
- the reason for the award,
- the period of the award,
- who the DHP will be paid to,
- the requirement to report a change in circumstances,
- any conditions associated with the award

If a claim is unsuccessful, the Council's decision will include an explanation of how the decision has been reached and details of the right to request a review.

11.0 Changes of Circumstances

- 11.1 The customer must tell the Council if their circumstances change after a DHP has been awarded. This is made clear to customers in the award letter and application form.
- 11.2 Customers must report all changes of circumstances that may be relevant to the DHP award to the Revenues and Benefits Service even if they have been reported to other services or departments. The Council reserves the right to revise a DHP award at any time if the customer's circumstances have changed.

12.0 Overpayments of a DHP

- 12.1 If a change in the applicant's circumstances leads to an overpayment of DHP, The Council will seek to recover this. A written explanation of how the overpayment occurred and the periods and amounts to which it relates will be issued.
- 12.2 Recovery will be sought by issuing an invoice to the applicant or person to whom the award was paid.
- 12.3 Recovery will not be taken from ongoing awards of Housing Benefit.
- 12.4 The decision letter that notifies an overpayment will also set out the right to a reconsideration of this decision.

13.0 Disputes/Review of Decision

- 13.1 DHP's are not payments of Housing Benefit or Universal Credit and are therefore not subject to a statutory appeals process, however the Council does have a review process.

- 13.2 A request for a review of a DHP decision must be made within 28 days of the date of the notification informing the customer of the decision. The customer must clearly give their reasons why they disagree with the decision to refuse an award.
- 13.3 A senior officer not involved in the original decision will review the case within 14 days of the request. The customer will be notified of the decision of the review which will clearly state the reasons for the decision. If the applicant remains dissatisfied with the outcome, the final decision in the event of a dispute will be taken by the Head of Finance & Resources.
- 13.4 The review decision will be final and binding and may only be challenged via the judicial review process in the High Court.

14.0 Fraud and overpayments

- 14.1 Gloucester City Council is committed to the fight against fraud. A customer who fraudulently tries to claim a DHP by falsely declaring their circumstances, providing a false statement or by giving false evidence in support of their application may have committed an offence under the Fraud Act 2006. Where it is alleged, or we suspect that such a fraud may have been committed, the matter will be investigated, and any overpaid monies will be recovered. Further action may be taken, and if appropriate, criminal proceedings may be instigated.

15.0 Guidance for awarding Discretionary Housing Payments (DHP's)

- 15.1 In most cases, a DHP award will be based on the household's financial circumstances from the declared income and expenditure on the application form.
- 15.2 In deciding whether to award a DHP the following will be considered:
- The relevant Regulations and official guidance
 - The shortfall between the rent charge and the Housing Benefits or Universal Credit Housing Costs
 - The level of any rent arrears
 - Any steps taken by the applicant to reduce their rental liability, including following advice provided in a previous DHP award
 - The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home. The Council may require customers to demonstrate that their housing costs are unaffordable having regard to all their sources of income and savings by providing evidence of their income and outgoings.
 - Contributions to household expenses from non-dependants and any other adult occupiers who are not in full-time education
 - The financial and medical circumstances of the applicant, their partner and any dependants or other occupants of the applicant's home
 - Any savings or capital held by the applicant and their household members
 - The level of indebtedness of the applicant and their household members
 - The exceptional nature of the applicant and their household circumstances
 - The amount available in the DHP budget at the time of the application

- The possible impact on the Council of not making an award, for example the pressure on priority homeless accommodation
- Whether the applicant has previously refused the allocation of more suitable affordable accommodation
- Any other special circumstances indicated in the application.

- 15.3 When deciding how to treat income from disability-related benefits such as Attendance Allowance (AA), Personal Independence Payment (PIP) and Disability Living Allowance (DLA) and War Pensions these will usually be disregarded when considering the household income, as it is generally accepted that these benefits are awarded as the recipient has greater needs which can incur additional financial costs.
- 15.4 Lump sum compensation payment due to personal injury or a lump sum payment under the Armed Forces Compensation Scheme will be disregarded as capital.
- 15.5 The Benefits Service will seek to maximise a resident's income by checking the availability of state benefits and other sources of financial assistance that may be available to the resident.
- 15.6 The amount of the award will be based on the need, be that a rental deposit, rent in advance, or the shortfall between rent due and housing benefit / Universal Credit (Housing Element) award.
- 15.7 **Non dependant deductions** are made from housing benefit and the housing element of Universal Credits if there is an adult living in the household who is not a partner, or who is liable for rent. These deductions are made regardless of whether that person does in fact contribute to the household costs. However, for the consideration of DHP's the deduction should not generally be considered as a shortfall in the rent as contributions should be made by the non-dependant from their own income. This is not always the reality, so if evidence can be provided which clearly demonstrates that contributions are not being made by the non-dependant, along with the reason why such contributions are not being made, then DHP can be considered.
- 15.8 **Housing Benefit Overpayments**, if an application is made for a DHP and previous housing benefit overpayments are reducing the maximum entitlement to housing benefit or the housing element of universal credit, it must be considered what is reasonable to allow a DHP to cover.
An example would be - an overpayment has been created due to an act of fraud, and that overpayment is being recovered from the claimant's ongoing housing benefit by instalments. The claimant makes an application for a DHP as they need to downsize to a more affordable property. The DHP application is processed in the normal way, however, the amount of benefit that is being recovered by instalments is treated as though the claimant still had that money and included in the claimant's finances.

16.0 Repeat Applications

- 16.1 A customer may apply for a discretionary housing payment more than once.

16.2 However, the DHP fund is for short term support whilst customers take personal action to mitigate the impact of welfare reforms on them and cannot be considered as part of their regular income. This action will normally include seeking paid employment and/or moving to more affordable accommodation and, where appropriate, to engage in obtaining personal advice to better manage their finances. For example, the fund can be utilised to:

- Help secure and move to alternative accommodation (for example, rent deposit / rent in advance / moving costs)
- Help with short term rental costs until the claimant can secure and move to alternative accommodation
- Help with short term rental costs while the claimant seeks employment
- Help with on-going rental costs for a disabled person in adapted accommodation
- Help with on-going rental costs for a foster carer
- Help with short term rental costs for any other reason
- Prevent homelessness

16.3 These criteria must be considered alongside the financial circumstances, and whether the claimant has made, or intends to make attempts to improve their situation. This should help determine whether the claimant is eligible to receive a repeat discretionary housing payment. If a claimant cannot demonstrate that they are taking reasonable steps to improve their circumstances (for example, actively seeking to downsize their accommodation on Homeseeker, seeking debt advice through advice agencies such as Citizens Advice Bureau, Gloucester Law Centre or Money Advice at GL Communities, or getting help to budget their finances) a refusal can be made based on these grounds – regardless of the claimant’s financial circumstances. The normal review procedures would apply if a claimant disputed the decision.

16.4 An award of DHP may be conditional on customers demonstrating that they are continuing to take such action.

17.0 Homeless/Housing joint working

17.1 Upon receipt of a completed application form for a DHP, if the resident has stated that they are facing eviction proceedings or have been given notice to leave their property or have requested general housing advice, the processing officer will contact the Council’s homeless team and share the relevant details.

17.2 Applications with support and evidence from the Homeless team will be given priority and the Benefits Service will liaise closely with the team.

To try and prevent homelessness wherever possible, all applications, whether direct from resident or via internal referrals, will be treated as an emergency application where this is identified as a risk and will be prioritised.

Discretionary Housing Payment Policy

Applicable To	All Council Staff
Effective Date	1 April 2025
Termination Date	31 March 2028
Next Review Date	30 November 2027
Review Cycle	Every three years
Policy Owner	Karen Haile
Accountable Person	Karen Haile



Department
for Work &
Pensions

Guidance

Discretionary Housing Payments guidance manual

Updated 31 May 2022

Applies to England and Wales

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This publication is available at <https://www.gov.uk/government/publications/discretionary-housing-payments-guidance-manual/discretionary-housing-payments-guidance-manual>

Including the Discretionary Housing Payments Good Practice Guide.

Section 1: Manual purpose

1. This guidance manual is for local authorities (LAs) in England and Wales who are responsible for administering Discretionary Housing Payments (DHPs). DHPs have been fully devolved in Scotland since 2017.
2. It provides guidance and advice on good practice when considering payment of DHPs and updates the previous guidance issued in January 2021.

Section 2: About Discretionary Housing Payments

What are Discretionary Housing Payments?

3. DHPs provide financial support towards housing costs and are paid by an LA when they are satisfied that a claimant needs further financial assistance with housing costs and is in receipt of either:

- Housing Benefit (HB) or
- Universal Credit (UC) with housing costs towards rental liability

4. Owner-occupiers are not eligible to receive DHPs, with the exception of Shared Ownership properties which carry a rental liability.

What we mean by 'housing costs'

5. 'Housing costs' are not defined in the Discretionary Financial Assistance (DFA) Regulations 2001 and this approach purposely allows broad discretion for interpretation. In general, 'housing costs' usually refers to rental liability, as well as:

- rent in advance
- deposits
- other lump sum costs associated with a housing need such as removal costs

What we mean by ‘further financial assistance’

6. The phrase ‘further financial assistance’ is not defined in law. LAs may interpret the phrase however they wish; taking into consideration the claimant’s financial circumstances and any other relevant factors.

7. However, in most cases, a claimant will need to demonstrate that they are unable to meet housing costs from their available income or that they have a shortfall in meeting their housing costs.

What DHPs can cover

8. DHPs can cover a rental deposit, rent in advance, costs associated with taking up a new tenancy for example, removal costs.

9. DHPs can also cover shortfalls between housing support and actual rental costs, for example, where benefit cap or Removal of the Spare Room Subsidy (RSRS) deductions are applied. See [Annex A – Benefit cap and RSRS policy](#) for more information.

What DHPs cannot cover

10. There are certain elements of a claimant’s rent that the HB and UC regulations exclude so they cannot be included as ‘housing costs’ for the purposes of a DHP. See [Annex B - What DHPs cannot cover](#) for more details.

When can a DHP be awarded?

11. A DHP can only be awarded once a claimant is in receipt of either:

- HB, or
- the housing element of UC and the end of the first assessment period has passed

The level of a DHP award

12. The Discretionary Financial Assistance Regulations 2001 (regulation 4) require that the level of DHP does not exceed the weekly HB or UC housing element.

13. Regard should be given to the Court of Appeal's decision in *R v. LB Lambeth, ex parte Gargett* which sets out that any HB already paid towards 'housing costs' must be deducted when calculating the amount of a DHP to avoid duplicate provision. See Legal considerations at Annex C for more information.

Length of payments

14. The length of time over which a payment is made is at the discretion of the LA.

15. The period of the award and, importantly, any specific end date, should be made clear to the claimant. LAs may also want to provide information on how to re-apply for a DHP if necessary.

16. If the DHP is to meet a one-off housing cost such as a deposit or rent in advance, there is no requirement to specify the period of the award.

17. An LA can consider making longer term awards where appropriate, for example where a claimant has on-going needs, such as a disabled person living in specially adapted accommodation.

Rent deposits and rent in advance

18. A DHP can be awarded for a rent deposit or rent in advance for a property that the claimant is yet to move in to if they are already entitled to HB or the housing element of UC at their present home. Regard should be given to the Court of Appeal's decision in *R v. LB Lambeth, ex parte Gargett* which sets out that any HB already paid towards 'housing costs' must be

deducted when calculating the amount of a DHP to avoid duplicate provision. See [Annex C – Legal considerations](#) for more information.

Backdating

19. When deciding whether to backdate a DHP, each application should be considered on its own merits.

20. The DFA regulations require that a DHP can only be considered for a period where the linked HB or relevant award of UC is payable. This is of particular relevance to requests for a period of backdated DHP, since backdating cannot cover arrears accrued while not in receipt of these benefits.

Section 3: Funding

21. LAs can use their own funds to top up their government contribution by a maximum of two and a half times this figure. Once an LA's overall cash limit is met, no additional DHPs can be awarded within that tax year. If awards are made above this limit, the LA will be breaking the law.

22. Any unspent DHP funding from the government contribution is returned to the department at the end of the financial year.

Section 4: The application process

23. The regulations require that there must be an application for a DHP before an LA can consider making a payment.

24. Each LA can decide how the application process will operate. If an LA decides not to use a paper form, other methods can be considered such as electronic, telephone, online application or face to face claimant interviews.

Information a claimant must provide

25. In order to apply for a DHP, the claimant must provide any information the LA needs to make a decision, for example, details of income, capital and expenditure.

26. When deciding how to treat income from disability-related benefits such as Disability Living Allowance (DLA) or the Personal Independence Payment (PIP), LAs must have regard to the decision of the High Court in *R v. Sandwell MBC, ex parte Hardy*. This decision places an obligation on LAs to consider each DHP application on a case-by-case basis having regard to each component of the benefits in payment, the purpose of those disability related benefits and whether the money from those benefits has been committed to other liabilities associated with disability. See [Annex C – Legal considerations](#) for more information.

Can another person make a claim on behalf of the claimant?

27. If reasonable in the circumstances, for example, if a claimant is vulnerable and requires support, an application can be accepted from someone acting on behalf of the claimant such as [an appointee](#) (<https://www.gov.uk/become-appointee-for-someone-claiming-benefits>)

Can DHPs be awarded to people who have two homes?

28. The regulations allow for a DHP to be awarded in respect of two homes when someone is treated as temporarily absent from their main home. This includes those who have fled their main home because they are a victim of domestic abuse. Further information can be found in the [Housing Benefit Regulations 2006 \(S.I. 2006/213\)](#) (<https://www.legislation.gov.uk/ukSI/2006/213/contents/made>) or [Universal Credit Regulations 2013 \(S.I. 2013/376\)](#) (<https://www.legislation.gov.uk/ukSI/2013/376/contents/made>) for the time restrictions on these provisions.

29. In such cases of temporary absence, if the claimant is treated as liable for rent on both properties and, in both cases, there is a shortfall, it is possible to award a DHP in respect of both properties subject to the weekly or monthly limit on each property.

Delivering the decision

30. You must inform the claimant of the DHP decision either in writing or electronically (if the claimant has agreed to this). This information should include appropriate explanations and/or any reasons for non-payment.

31. This must be done as soon as is reasonably practicable. LAs must be consistent and avoid unnecessary delay, considering that an application for DHPs is often to deal with an immediate need.

Review process

32. When issuing a decision, LAs should provide information about the process in place for reviewing the decision.

33. An LA may decide who in the authority reviews a decision. There is no requirement that the review arrangements take any format as long as the authority is consistent and the original decision maker is not involved.

34. A decision on a DHP does not carry a right of appeal to a Social Security Tribunal. The route of judicial review is available; and a complaint may be made to the Local Government and Social Care Ombudsman if there is an allegation of maladministration.

35. The claimant should be notified of any review outcome in writing, including reasons, as soon as is reasonably practical.

Section 5: Payment of DHPs

Method of payment

36. DHPs may be delivered through HB payment systems and may also be paid alongside HB payments. However, there must be a clear audit trail that allows LAs to differentiate, in any given case, between HB and DHPs.

37. If a DHP is paid with HB, notifications to the claimant must clearly show the amount of HB and the amount of DHP.

38. When DHP is awarded to a UC claimant, LAs may consider paying it at the same time as the monthly UC payment.

Can another person receive payment for a DHP on behalf of the claimant?

39. A DHP may be paid to someone other than the claimant if the LA feels this is reasonable; that could be an agent, an appointee, or a landlord. However, consideration should be given to risk of fraud.

40. In the case of a person who is entitled to rent rebate, DHPs can be credited to the rent account.

Section 6: After an award has been made

Change of circumstances

41. A claimant receiving a DHP must notify the LA of any change of circumstances which may be relevant to their DHP application or award.

42. The LA must ensure that the claimant is aware of the changes they should report. There is no statutory timescale for notification, however, claimants should be advised to notify of changes as soon as reasonably practicable. It is for each LA to decide how such changes are notified.

Stopping DHP payments

43. There are instances when a DHP can be stopped before the end date already indicated to the claimant: These are if:

- The LA decides that a DHP is being, and/or has been, made because a claimant has misrepresented or failed, fraudulently or otherwise, to disclose a material fact
- The claimant has been paid because of an error
- A claimant no longer needs further financial assistance towards housing costs

Recovering overpaid DHPs

44. The DFA regulations state a DHP award can **only** be recovered if your LA decides that payment has been made because of either:

- a misrepresentation or failure to disclose a material fact by the claimant (either fraudulently or otherwise)
- an error made when the application was determined

Section 7: Budgeting

45. As the DHP scheme has been in place for some years, LAs are likely to have built up expertise and local knowledge; enabling the DHP budget to be profiled to meet demand over the course of the year.

46. You may want to explore what other funding is available for providing assistance in your local area where there may be some overlap with DHPs in what it can be used for, such as help with removal costs.

47. You may also be able to reduce some demand by offering claimants alternative support and advice in advance of considering whether a DHP is appropriate, this may include support through the Money and Pensions Service.

Section 8: DWP monitoring

48. Since April 2013, DWP has monitored how DHPs are being used to support claimants affected by the Welfare Reforms. This monitoring information continues to improve the department's understanding of how DHPs are being used.

49. The department requests information on DHPs at specific times during the financial year, including expenditure and number of awards.

50. Some of this information, such as the financial forecast and actual expenditure at mid-year and end of year, is mandatory. Other information is voluntary.

DHP mid-year estimate and final claim forms

51. The Discretionary Housing Payments (Grants) Order 2001 (S.I. 2001/2340), amended by The Income-related Benefits (Subsidy to Authorities) and Discretionary Housing Payments (Grants) Amendment Order 2021 (S.I. 2021/2031), places a legal obligation on LAs to submit forms providing details of DHP expenditure within a financial year.

52. Two forms must be submitted each financial year; a mid-year estimate form by 31 October and a final DHP claim form by 30 April of the following year. LAs is required to complete and return the forms to the department by the required deadline.

53. In addition to providing details of DHP expenditure, the forms also ask LAs to report voluntary monitoring information.

54. The mid-year estimate and final DHP claim forms are the mechanism by which DHP funding is provided to LAs. The forms contain an LA certificate which must be signed by the Responsible Finance Officer within each LA who is designated as such under Section 151 of the Local Government Act 1972. The Responsible Finance Officer must certify that all entries on the forms are accurate and expenditure has been incurred in accordance with this guidance and the regulations governing DHPs.

55. The deadline of 30 April for the final DHP claim form is a critical deadline across government as it allows for faster closure of accounts as required by HM Treasury.

Section 9: Publicising DHPs

56. It is important to publicise the existence of DHPs. They are a key element of the government's support for housing costs and are an important tool to support people experiencing temporary pressure or in enabling a move to more sustainable and affordable accommodation.

57. We recommend that LAs point to the availability of DHPs when contacting claimants who are due to be potentially affected by a particular deduction or shortfall.

58. To raise awareness of DHPs, your LA may wish to consider:

- including information on all HB decision notices where there is a shortfall
- leaflets and posters
- giving advice on DHPs when people contact your LA to discuss a claim
- proactively assisting vulnerable claimants to make applications by, for example, visiting them in their own homes

- ensuring that domestic abuse victims who are trying to move to a place of safety through contact with external welfare organisations and refuges are supported
- informing external and internal bodies that give advice (money advice, welfare rights, homelessness, housing, etc.) of the existence of DHPs
- establishing and maintaining links to ensure awareness of the scheme among staff working in housing options, homelessness and adult and children's services
- including DHP advice as part of general welfare advice services
- making landlords aware of the scheme (private landlords, housing associations and registered providers)
- establishing links with social housing tenants and residents' organisations to ask them to help raise awareness of the scheme
- raising awareness by having information of the scheme available at tenants and residents' forums
- including clear DHP eligibility requirements, application and appeal information on your LA website, ensuring it is visible and easily accessible to both HB and UC claimants
- information on Choice Based Lettings scheme websites
- information within literature or communications relevant to housing allocations policies or placements
- raise awareness through interviews with local radio, including stations targeting different ethnic groups
- targeted communications aimed at those likely to be affected by telephone, text message or social media (such as Twitter)

Section 10: Priority groups

59. LAs will need to consider how best to target the funding within priority groups, whilst remembering that each case must be considered on its own individual merits.

60. You may wish to assist certain groups to stay in their home, for example:

- people who have had to flee domestic abuse or have moved because of the threat of violence in another area
- people affected by domestic abuse who remain in a property which has been adapted under a sanctuary scheme
- families with children at a critical point in their education
- young people leaving LA care until they reach the age of 35
- families with kinship care arrangements. Children who go into the care of family and friends are often extremely vulnerable and will usually benefit

from the stability of remaining in a familiar area and continuing to attend their local school; if the current housing is not an appropriate size for kinship care families, you may want to assist in ensuring they are able to move to appropriate housing in their local area

- families with a child temporarily in care but who is expected to return home. What constitutes temporary will be at the discretion of your LA
- families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project
- families with a disabled child not in receipt of upper or middle rate DLA but whose condition makes sharing a bedroom difficult
- couples who are unable to share a bedroom due to disabilities but are not in receipt of a qualifying benefit
- families who are providing long term care to a disabled child or non-dependant
- people with shared care arrangements; the person who does not receive the Child Benefit will not receive calculations for the children in their housing entitlement
- people who are providing a room for an adult placement
- people who are victims of human trafficking
- where someone in the household is expecting a baby (including those currently in shared accommodation or subject to an under-occupation reduction)
- where a household contains a young child, specifically a child aged 9 months and under, or a child aged under two years of age where childcare is a barrier to getting work
- where a child in the household is due to reach a significant birthday which means an additional bedroom will be allowed under the size criteria
- claimants or their partners who are due to reach State Pension age which means they will no longer be subject to an under-occupation reduction
- people who have experienced homelessness being supported to settle in the community
- people with health or medical problems, either physical or mental, who need access to local medical services or support that might not be available elsewhere
- disabled people who need, or have had, significant adaptations made to their property, or where they are living in a property particularly suited to their needs. This includes properties which have been adapted for other members of the household, such as disabled children or non-dependants
- where the claimant or someone in their household has an impairment, which requires them to have a larger property than would usually be the case for the size of their household due to, for example, where a bedroom is used for storage of medical equipment or used to support their disability for example, sensory room

- disabled people who receive informal care and support in their current neighbourhood from family and friends, which would not be available in a new area. In this respect, you may also consider families who have a child with an impairment who rely heavily on local support networks
- the elderly or frail who have lived in the area for a long time and would find it difficult to establish support networks in a new area
- people who need to live near their jobs because they work unsocial hours or split shifts; or where moving home may mean living in an area where public transport would be inadequate to enable them to sustain their current job
- people who are refugees who need to maintain stability in their financial and housing circumstances
- single, under 35-year-olds who may find it difficult to live in shared accommodation, for example, due to a traumatic event

Section 11: Working with other LAs

61. It may be helpful to consider working with neighbouring LAs if claimants could be more likely to find accommodation in another area.

62. LAs will need to be mindful that if a claimant, in receipt of HB, moves to another area, they will not be able to make a new claim to HB and will need to apply for UC to get support for housing costs. For example:

- agreeing that the exporting LA (the LA the claimant is moving away from) will meet the cost of rent in advance and deposit for a property, or help with removal costs (if there is a need to do so through DHPs) to avoid the need for an ongoing award
- having mechanisms in place to ensure that the new LA is aware that such an award has been made
- discussing availability of accommodation and other services such as school places
- involving homelessness prevention teams, other housing advice teams or partner housing associations in these discussions
- agreeing that the importing LA may award DHPs to help with travel to work if these costs are increased because of the move.

63. The LA that the claimant is looking to move out of must provide DHP support, not the LA the claimant is hoping to move into.

64. If claimants from neighbouring areas are likely to be moving into your LA area, have discussions taken place with other departments on possible increases in demand, for example, on school places or social services support?

Annex A: Benefit cap and Removal of the Spare Room Subsidy policy

1. Since April 2013 the total amount of benefit paid to Working Age claimants has been subject to a cap. The benefit cap is applied either through Housing Benefit (HB) or Universal Credit (UC), as appropriate. For the purposes of applying the benefit cap we define a household as a claimant, their partner and any children they are responsible for and who live with them.
2. The benefit cap is applied by local authorities (LAs) through HB payments. When a household's total benefit entitlement exceeds the benefit cap level, the LA reduces the level of HB by the excess amount.
3. A minimum amount of £0.50 is kept in payment when the reduction of the excess would otherwise remove all payments of HB.
4. Where UC is in payment the benefit cap is applied through UC.
5. From 7 November 2016 the annual amounts at which benefits are capped were tapered to:
 - £23,000 in Greater London and £20,000 in the rest of Great Britain for couples and lone parents
 - £15,410 in Greater London and £13,400 in the rest of Great Britain for single childless households
6. For those on HB, this equates to £442.31 per week in Greater London and £384.62 per week elsewhere in Great Britain for couples and lone parent households. The levels for single adults without children are £296.35 per week in Greater London and £257.69 per week elsewhere in Great Britain.
7. For those getting UC, the benefit cap is applied over the monthly assessment period. The monthly equivalent limits are £1,916.67 in Greater London and £1,666.67 elsewhere in Great Britain for couples and lone parent households and £1,284.17 in Greater London and £1,116.67 elsewhere in Great Britain for single households without children.
8. LAs are provided with information which identifies capped claimants alongside other data that is shared to support claimants who may be eligible for the Council Tax Reduction Scheme. LAs can use this information to proactively support claimants to whom the benefit cap has been applied.

Exemptions

9. The benefit cap provides a strong work incentive and fairness for hard-working taxpaying households and encourages people to move into work, where possible. whilst continuing to support the most vulnerable.

10. There are some exemptions from the cap for certain benefit recipients:

- Households in receipt of HB who are entitled to Working Tax Credit (WTC) are exempt
- Lone parents can qualify for WTC by working 16 hours or more per week
- Couples with children must work 24 hours or more a week (including one working at least 16)
- Those without children must be 25 years old or above and work 30 hours or more a week
- The in-work exemption in UC applies to claimants earning a set amount or more a month. The in-work exemption applies when a claimant's monthly earnings (or if a couple - their combined earnings) are equal to or above the earnings threshold, for which [up-to-date figures can be found on www.gov.uk](https://www.gov.uk/benefit-cap/benefit-cap-amounts) (<https://www.gov.uk/benefit-cap/benefit-cap-amounts>)
- Households are also exempt from the benefit cap when someone is in receipt of:
 - Industrial Injuries Benefit
 - Disability Living Allowance (DLA) (* see below)
 - Personal Independence Payment (PIP) (*see below)
 - War Pensions (*see below)
 - Attendance Allowance
 - Armed Forces Independence Payment (Armed Forces and Reserve Forces Compensation Scheme)
 - Child Disability Payment (in Scotland)
 - Employment and Support Allowance (that includes the support component)
 - An award of Universal Credit that includes an additional amount for limited capability for work and work-related activity
 - Carer's Allowance (CA) or an award of UC that includes an additional amount for carers
 - Guardian's Allowance
 - War Widow's or War Widowers Pension

*Where a person is not receiving DLA, Attendance Allowance or a War Disablement Pension because they are in hospital or a care home, the exemption will continue to apply.

11. There is a grace period of 39 weeks, or nine months in UC, for those claimants who have been in work for the previous 12 months. This allows people time to find alternative employment or consider other options to avoid the impacts of the benefit cap.

12. HB paid to UC households living in specified or temporary accommodation is exempt from the benefit cap. These households are not exempt from the benefit cap in UC, rather their HB is not included in the UC calculation. The benefit cap applies in the normal way to HB claimants in specified or temporary accommodation who are not also entitled to UC.

Support for those affected by the benefit cap

13. The government has provided additional funding for DHPs to support claimants affected by the benefit cap who, as a result of several complex challenges, cannot immediately move into work or more affordable accommodation.

14. The funding for DHPs is specifically aimed at several groups who are likely to be affected by the benefit cap. These include (but are not limited to):

- those in temporary accommodation
- individuals or families fleeing domestic abuse
- those with kinship care responsibilities
- individuals or families who cannot move immediately for reasons of health, education or child protection
- households moving to or having difficulty finding more appropriate accommodation
- those with dual liability for housing costs
- women within 11 weeks of the expected week of childbirth
- households containing a young child, specifically a child aged nine-months and under, or a child aged under two years of age where childcare is a barrier to getting work
- resettlement refugees

15. There will be several ways that claimants affected by the benefit cap may react to having their HB or UC reduced. The intention is that the majority will move into work and so become exempt from the benefit cap. Some may choose to move whilst others may consider other means by which they might be able to meet any short fall such as trying to negotiate a reduction in their rent or meeting the shortfall from other income or capital.

16. Those that are affected by the benefit cap will continue to have access to and receive support from work coaches in Jobcentre Plus to help them find work. People in receipt of WTC, or in UC who earn above the current earnings threshold, are exempt from the benefit cap.

17. DHPs can make an important contribution to managing the transition for claimants whilst they make the necessary changes to adapt to the application of the benefit cap. It is important to note that there will not be enough funding to meet every shortfall as a result of the benefit cap so your LA will need to target this funding at those who need it most. The allocation of this funding reflects the varying impact of this measure on different LA areas.

18. There may be circumstances when DHP is awarded and a subsequent successful application for an exempting benefit that is awarded retrospectively means the HB is paid again. The Department for Work and Pensions recommends that when deciding whether it is reasonable to make a DHP, your LA considers the risk of eviction if arrears arise that may subsequently be covered by HB. For example, the risk may be very low for LA tenants and low for others with a good payment record but less so for claimants renting in the private sector.

The Removal of the Spare Room Subsidy policy

19. Working Age claimants living in the social rented sector face a reduction to their eligible rent if they under-occupy their property. The level of under-occupation is determined by size criteria rules which calculate how many bedrooms are required for a household. These criteria are also used in the private rented sector. The rates of reduction to the eligible rent for those affected by this policy are:

- 14 per cent where there is under-occupation by one bedroom; and
- 25 per cent where there is under-occupation by two or more bedrooms

20. The department continues to expect that most claimants affected by this measure will find ways of making up the shortfall themselves, to remain in their existing home.

21. The department would encourage all LAs to continue their work of engaging with affected claimants to identify effective ways of mitigating the effects of any reduction in entitlement.

Support for disabled people living in significantly adapted accommodation

22. For claimants living in specially adapted accommodation, it will sometimes be more cost-effective for them to remain in their current

accommodation rather than moving them into smaller accommodation which needs to be adapted. Therefore, the department recommends that LAs identify people who fall into this group and invite an application for a DHP.

23. In addition, LAs should consider DHP awards for claimants living in properties that have been significantly adapted for other household members such as for a disabled child or non-dependant.

24. There is no definition of significantly adapted accommodation. It is up to each LA to decide what constitutes significantly adapted accommodation, based on claimant need and local knowledge.

Annex B: What DHPs cannot cover

1. The Discretionary Financial Assistance Regulations 2001 precludes the following elements of rent, and shortfalls in HB or UC, from being met by a DHP:

Ineligible charges

2. Service charges which are ineligible for HB cannot be covered by a DHP. These are as specified in Schedule 1 to the Housing Benefit Regulations and Schedule 1 to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations. Examples of ineligible services charges are charges in respect of:

- the acquisition of furniture or household equipment; and
- the use of such furniture or equipment where that furniture or household equipment will become the property of the claimant by virtue of an agreement with the landlord
- Charges for water, sewerage, and environmental services – as defined and calculated under the HB provisions. The service charge rules for UC can be found in the Universal Credit Regulations 2013, Schedule 1

Increases in rent due to outstanding rent arrears

3. Under Regulation 11(3) of the Housing Benefit Regulations and Regulation 11(2) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations, where a claimant's rent is increased on account of outstanding arrears owed by the claimant in respect of their current or former property, the shortfall cannot be covered by a DHP.

Sanctions and reductions in benefit

4. DHPs cannot meet these because to do so would undermine the effectiveness of the sanctions or reduction in benefit. These are any:

- reduction in Income Support (IS) or income-based Jobseeker's Allowance (JSA(IB)) due to a Reduced Benefit Direction (RBD) for failure to comply with the Child Support Agency in arranging maintenance. The RBD is a reduction in benefit of 40% of the personal allowance and only applies to IS or JSA(IB)
- reduction in benefit as a result of non-attendance at a work-focused interview. This applies both where the person's HB is reduced and when any other benefit that the person is receiving (such as IS) is subject to a sanction
- reduction or loss of benefit due to a JSA employment sanction. JSA is not payable for the period of sanction if they have contributed towards their unemployment status, for example, by leaving employment voluntarily or failing to attend a prescribed training scheme. In such cases it may be possible for a reduced rate of JSA to be paid under the JSA hardship provisions
- reduction in benefit due to a JSA sanction for 16/17-year-olds – for certain young people who receive JSA under a Severe Hardship Direction. JSA is not payable for the period of the sanction if they have contributed towards their unemployed status, for example, by leaving employment voluntarily or failing to attend a prescribed training scheme
- restriction in benefit due to a breach of a community service order, or
- reduction in UC due to a sanction as specified under regulations 100 to 114 of the UC Regulations 2013

Benefit suspensions

5. HB or UC can be suspended either because there is a general doubt about entitlement or because a claimant has failed to supply information pertinent to their claim. In such cases, a DHP cannot be paid. One of the

intentions of the suspension provisions is to act as a lever to ensure that the claimant takes the necessary steps to provide the authority with the required information/evidence - paying a DHP could reduce the effectiveness of this lever.

6. Rent, when the person is getting Local Council Tax Support but not HB or UC housing element: in other words, when a person is only getting LCTS

Shortfalls caused by HB or UC overpayment recovery

7. When recovery of a HB or UC overpayment is taking place, such shortfalls should not be considered for a DHP.

Annex C: Legal considerations

R v. LB Lambeth, ex parte Gargett

1. The Court of Appeal's decision in 'R v. LB Lambeth, ex parte Gargett' sets out that any HB already paid towards 'housing costs' must be deducted when calculating the amount of a DHP to avoid duplicate provision.

2. This case relates to rent arrears and specifically whether a DHP could be used to pay a lump sum towards rent arrears (the Court of Appeal found that a DHP could be used for this purpose). However, the case also discusses the issue of duplication of DHPs and HB. In relation to preventing duplication of provision, part of the decision states 'housing benefits already paid for past housing costs must also be deducted. This is implicit in the purpose for which DHPs may be made. Otherwise, the applicant would be receiving DHPs for housing costs that have already been met by past payment of housing benefits. It would not be a case for a need for 'further' financial assistance to meet 'housing costs'.'

3. The case does not prevent the use of a DHP for rent in advance but indicates that when making such a decision on whether DHP can be used, you may consider whether there is likely to be a duplication of payments for the initial part of the tenancy if the DHP is made and if so, is there any means to avoid this.

4. If an LA decided that there is no way to avoid a duplication of the payment and the claimant is entitled to a DHP in respect of housing costs (specifically a rent in advance payment), then the LA may still award a DHP.
5. The DFA regulations require that a DHP can only be considered for a period where the linked HB or relevant award of UC is payable. This is of particular relevance to requests for a period of backdated DHP, since backdating cannot cover arrears accrued while not in receipt of these benefits. The case relates to rent arrears and specifically whether a DHP could be used to pay a lump sum towards past rent arrears.
6. The Court of Appeal found that there was no restriction within the DFA regulations to prevent an LA from exercising its discretion to make DHP payments for past housing costs (including arrears of rent) on the basis that the claimant was in receipt of full HB at the time.

R v. Sandwell MBC, ex parte Hardy

7. When deciding how to treat income from disability-related benefits such as Disability Living Allowance or the Personal Independence Payment, LAs must have regard to the decision of the 'High Court in R v. Sandwell MBC, ex parte Hardy'.
8. This decision places an obligation on LAs to consider each DHP application on a case-by-case basis having regard to each component of the benefit, the purpose of those disability related benefits and whether the money from those benefits has been committed to other liabilities associated with disability.



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Gloucester City Council

Meeting:	Cabinet Council	Date:	10 December 2025 29 January 2026
Subject:	Local Council Tax Support Scheme 2026/27		
Report Of:	Cabinet Member for Resources		
Wards Affected:	All		
Key Decision:	Yes	Budget/Policy Framework:	No
Contact Officer:	Karen Haile, Service Delivery Manager (Revenues & Benefits)		
	Email: Karen.Haile@gloucester.gov.uk	Tel: 396476	
Appendices:	1. Council Tax Support Scheme – Gloucester City Council		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To seek approval to adopt the proposed scheme and recommend that Council approves it as the Council's Local Council Tax Support Scheme for 2026/27.

2.0 Recommendations

- 2.1 Cabinet is asked to **RECOMMEND** that:

- (1) the current Local Council Tax Support scheme, as the approved scheme for Gloucester City in 2025/26, be adopted for 2026/27;
- (2) the scheme approved at 2.1 (1) above be updated to align with any legislation changes made prior to April 2026 and to be implemented from 01 April 2026;
- (3) any urgent amendments to the scheme approved at 2.1 (1) above, in the event of a national emergency and authorised by the government, be adopted, and implemented immediately.

- 2.2 Council is asked to **RESOLVE** that:

- (1) the current Local Council Tax Support scheme, as the approved scheme for Gloucester City in 2025/26, be adopted for 2026/27
- (2) the scheme approved at 2.2 (1) above be updated to align with any legislation changes made prior to April 2026 and to be implemented from 01 April 2026

- (3) any urgent amendments to the scheme at 2.2 (1) above, in the event of a national emergency and authorised by the government, be adopted, and implemented immediately

3.0 Background and Key Issues

- 3.1 Prior to each financial year the Council is required to determine a Local Council Tax Support Scheme to help working age people on low incomes pay their council tax. Each year the Council must decide whether to make changes to its scheme for the forthcoming financial year. This scheme replaced the national Council Tax Benefit Scheme in 2013.
- 3.2 Regulations were brought in by the Government to ensure that pensioners continue to receive the same level of financial assistance as they would have done if the Council Tax Benefit scheme was still in place.
- 3.3 The Local Council Tax Support scheme works in a similar way to other council tax discounts. The tax base is reduced due to the amount awarded and therefore the income from council tax is reduced. The full cost is met by this Council, Gloucestershire County Council, and Gloucestershire Police Authority in proportion to the share of the council tax.

3.4 Current Local Council Tax Support Scheme

The Local Council Tax Support Scheme continues to mirror the previous Council Tax Benefit scheme and remains more generous than some local authorities as residents can still apply for, and receive up to, 100% reduction from their council tax charge. Council Tax Support is a means-tested reduction to the council tax bill and compares how much money a household has coming in against an applicable amount which reflects the basic living needs of a household.

With the rollout of Universal Credit administratively it has made sense to align Local Council Tax Support to Universal Credit. For working age claims there is a complex means-tested assessment involving multiple aspects of the household circumstances including income, capital, residents, and relationships. Although the scheme retains a number of these complex areas, some were removed in the 2020/21 scheme making it easier to administer and understand. In addition, the scheme now has a more simplified way of managing claims from people receiving Universal Credit, which all working age households receiving welfare benefit support will have migrated to by March 2026.

3.5 Current Caseload and Expenditure

Table 1: Council Tax Support Working Age Caseload

	March 23	March 24	March 25	Sept 25
WA Caseload	5627	5322	5217	5164

The working-age caseload has so far remained stable during 2025/26 and is not expected to change significantly during 2026/27.

Table 2: Council Tax Support Working Age Expenditure

	March 23	March 24	March 25	Sept 25
Total CTS	£5,964,399	£6,000,541	£6,214,832	£6,317,351

Under the current Council Tax Support scheme 83% of the working age caseload are eligible to a 100% discount on their council tax bill due to being on the lowest incomes.

The cost of Local Council Tax Support falls on the collection fund and as such is shared;

- 75% Gloucestershire County Council,
- 14% Police and Crime Commissioner,
- 11% Gloucester City Council.

3.6 Comparison between Gloucestershire Districts of Working Age LCTS

Table 1: Comparison at May 2025

District	Type of Scheme	Maximum Level of Support	Caseload	Total Award	% In Receipt of 100% Support	Support Limited by Council Tax Band	Capital Limit	Vulnerable Groups
Cheltenham	Income Band	100%	4,321	£4,489,000	56%	Limited to Band E	£6,000	Income disregard relating to disabilities
Cotswold	Income Band	100%	2,026	£2,630,399	66%	Limited to Band E	£10,000	People with disabilities protected
Forest of Dean	Income Band	90% (95% for protected groups)	2,774	£3,124,456	% not awarded	Limited to Band E	£16,000	People with disabilities protected
Gloucester City	Default Scheme	100%	5,232	£6,321,321	83%	None	£16,000	Income disregard relating to disabilities
Stroud	Default Scheme	100%	2,794	£3,649,463	54%	None	£16,000	Income disregard relating to disabilities
Tewkesbury	Default Scheme	100%	3,164	£3,747,252	69%	None	£16,000	Income disregard relating to disabilities

Table 1 provides an high level view of the Council Tax Support schemes within Gloucestershire.

Default Scheme: although the default scheme is a replica of the Council Tax Benefit rules each Council has agreed revisions specific to local needs and priorities for the area. Building a local scheme based upon the default scheme continues to provide a maximum level of support set at 100% and little to no change for residents.

Income Band Scheme: an income banded scheme places residents within an income band to determine the level of support they will receive. There are different bands for single claimants, lone parents, couples and for people with children. Cotswold and Forest of Dean have also introduced locally protected groups within their income banded scheme to make the scheme more generous.

3.7 **2026/27 Local Council Tax Support Scheme**

The proposed scheme, as summarised in Appendix 1, broadly continues to mirror the Council Tax Benefit scheme, and provides up to 100% support to the most vulnerable residents.

The changes proposed for the 2026/27 scheme is that:

- The scheme approved at 2.2 (1) above be updated to align with any legislation changes made prior to April 2026 and to be implemented from 01 April 2026. This will ensure that any statutory revisions announced are incorporated in the scheme, and would be consistent with previous years.

3.8 **Consultation**

A consultation exercise was undertaken between 16 October 2025 and 30 October 2025 seeking views on whether to maintain the Local Council Tax Support Scheme on the same basis as this year and provide up to 100% support.

The consultation was published on the Consultations and Feedback page of the council website inviting views, comments, or feedback by email. The consultation attracted no response.

Major precepting authorities have been consulted on the recommendation and Gloucestershire County Council is happy to support the proposal to retain the scheme on the same basis as this year and provide up to 100% support. The Police and Crime Commissioner has not responded to the consultation.

4.0 **Social Value Consideration**

- 4.1 Gloucester City Council's Local Council Tax Support scheme is more generous than some other local authorities as it retains the ability to award 100% support to those households which are most financially disadvantaged.

- 4.2 Gloucester City Council also has a Council Tax discretionary hardship scheme for those City residents who may find themselves in exceptional circumstances. For this purpose, exceptional is defined as 'not typical, entirely unusual, and only likely to happen very infrequently'. A resident would have to demonstrate financial hardship or exceptionally difficult personal circumstances and must also have applied for all other exemptions, discounts and benefits before an award can be considered. Any award made would be for the current financial year's Council Tax only.

5.0 Environmental Implications

- 5.1 There are no environmental implications associated with this report

6.0 Alternative Options Considered

- 6.1 The Council is required to approve a Local Council Tax Support Scheme for working age people by 11 March of the preceding financial year. If the proposed changes are not adopted certain vulnerable groups will not receive the same level of council tax support in 2026/27.

7.0 Reasons for Recommendations

- 7.1 Since 2013, local authorities have taken varying approaches to design their Council Tax Support Schemes for working age due to mounting funding pressures. Following the abolition of Council Tax Benefit in 2013, working age households across England have seen support gradually eroded through funding cuts and eligibility restrictions that has seen Council Tax arrears reaching record highs as affordability declines and minimum contribution requirements increase. However, recent trends indicate that nearly half of councils now offer up to 100% support to working age households, up from 41% in 2020-21.
- 7.2 Gloucester City Council have managed to maintain the current scheme broadly mirroring the original Council Tax Benefit scheme for twelve years, to date. The cost of living crisis is still ongoing in the UK and the cumulative effect of rising prices affects the poorest households with higher proportions of their income on food and housing costs. The current working age scheme offers a degree of financial support in uncertain financial times for our residents and it is important we provide stability to our residents.

8.0 Future Work and Conclusions

- 8.1 January 29, 2026 - meeting of the full Council are asked to resolve that the scheme approved at 2.2(1) above be updated to align with any legislation changes prior to April 2026 and be implemented from 01 April 2026, with the caveat that any urgent amendments to the scheme in the event of a national emergency and decreed by central government may be implemented immediately.

8.2 The future redesign of Council Tax Support Schemes will need to consider:

- Local Government Reorganisation and alignment with neighbouring districts
- Affordability to pay
- Changes introduced by the Welfare Reform Bill 2025 are not expected to take effect until November 2026, and are likely to apply only to new claims initially. As such, the impact on our residents during the 2026/27 financial year is expected to be minimal. However, the implications will be fully assessed and incorporated into planning 2027/28.

9.0 Financial Implications

- 9.1 A review of the scheme is carried out annually to assess the financial cost of the scheme and to ensure it remains operationally and financially viable, taking into account ongoing changes in legislation and financial requirements. Central Government no longer fully funds this locally administered award, as there was an expectation that Local Authorities would amend their local schemes to fund the shortfall. The funding for the local scheme reduced immediately by 10% of direct subsidy in April 2013. Overall funding has continued to reduce, including the level of admin grant.
- 9.2 For 2026/27 there are no changes proposed.

(Financial Services have been consulted in the preparation of this report.)

10.0 Legal Implications

- 10.1 The Local Government Finance Act 2012 abolished Council Tax Benefit and instead required each authority to design a scheme specifying the reductions which are to apply to amounts of Council Tax. The prescribed regulations set out the matters that must be included in such a scheme.
- 10.2 As the billing authority the Council is required by the Local Government Finance Act 2012 to consider whether to revise its scheme or to replace it with another scheme, for each financial year. The Council must approve its scheme and make any revisions, no later than 11th March and adopt the revised scheme from 1 April each year. Paragraph 3 to Schedule 1A of The Local Government Finance Act 1992 sets out the preparation that must be undertaken prior to the adoption or revision of a scheme, including prescribed consultation requirements.
- 10.3 Pensioners (those over state pension age) are protected from any changes, but otherwise the Council has discretion to decide how it wishes to design its scheme to cover any shortfall, in accordance with the prescribed requirements.

(One Legal have been consulted in the preparation of this report.)

11.0 Risk & Opportunity Management Implications

- 11.1 Implementation of the minimum payment element of the Council Tax Support scheme has been deferred for another year.
- 11.2 The administration of the scheme lies solely with the billing authority and any uncollected council tax will be reflected in the collection fund. The council only has a minority stake in this of approximately 11%, with the majority of the revenue collected being dispersed to the preceptors; 75% to County Council and 14% to the Police and Crime Commissioner respectively.

12.0 People Impact Assessment (PIA) and Safeguarding:

- 12.1 The proposed changes to the Local Council Tax Support scheme for people of working age continues to provide up to 100% support to those on the lowest income and passported benefits.

13.0 Community Safety Implications

- 13.1 None

14.0 Staffing & Trade Union Implications

- 14.1 None

15.0 Background Documents : Local Council Tax Support Policy 2026



Local Council Tax
Support Policy 2026.

Gloucester City Council – Local Council Tax Support Scheme 2026/27

Introduction

Since 2013, the Local Government Finance Act 1992 has required Gloucester City Council to operate a Local Council Tax Support (LCTS) scheme to help households on low incomes with their Council Tax.

The council is required to design a local scheme by the 11 March in the preceding financial year.

People of pension age have any reduction in their Council Tax assessed under a national framework of rules. However, working age households are assessed under the local scheme rules. The Council's local scheme continues to broadly mirror Council Tax Benefit abolished in 2013; and provides up to 100% for the most vulnerable low-income households.

The scheme is reviewed on an annual basis and updated where it is appropriate to do so in line with local priorities and to reflect changes within the wider Welfare Benefit system.

Legislative requirements

Gloucester City Council's Local Council Tax Support scheme was introduced in April 2013 based on the default scheme set out by the Council Tax Reduction Schemes (Default Scheme) (England) 2012 Regulations.

The Government has also set out rules in the following Regulations:

- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, which protect claimants of state pension credit age.
- Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012.
- Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013.

Each year the government amends the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to ensure that pension age Local Council Tax Support schemes are updated in line with changes in the wider benefits system. The annual update also provides an opportunity to ensure that requirements for accessing both pension age and working age Local Council Tax Support remain consistent with other UK policy changes. Gloucester City Council's local scheme is updated each year to include changes detailed in the prescribed requirements legislation. Changes being applied from 1 April 2026 will be set out in The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026 and, once published, can be viewed on www.legislation.gov.uk.

Gloucester City Council scheme for 2026/27

Our Local Council Tax Support Scheme for 2026/27 will continue to be based on The Council Tax Reduction Scheme (Default Scheme) (England) Regulation 2012 and The Council Tax Reduction Schemes) (Prescribed Requirements) (England) 2012.

Some specific provisions have been added to the council's LCTS scheme since April 2013. These provisions remain unchanged and remain present as part of the scheme for 2026/27:

Changes to the scheme from 1 April 2013

- War pensions income - we disregard the statutory £10.00 per week of the War disablement pensions and War widows pensions, and in addition the Council will disregard the remainder of the 'War Disablement Pension' element of a war pension and the 'War Widows pension' element of a war widows pension, when assessing a reduction under the local Council Tax Support scheme.
- Overpayment of a reduction - when we calculate whether we have overpaid a recipient for a reduction under the local Council Tax Support scheme, we will offset any Council Tax Support that would have been due for the same period as the overpayment, had we been aware of the true circumstances of the claimant at that time (this is called 'underlying entitlement').

Changes to the scheme from 1 April 2017

- Restrictions on amounts for children and qualifying young persons – a limit to support no more than 2 children in the applicable amount for Council Tax Support.
- Removal of the family premium for all new claims and those who become responsible for a child (under 16) or young person (under 20) for the first time after 31 March 2017.
- Backdating restricted to 1 month for all working age claims.
- A reduction in the allowable period of temporary absence outside of Great Britain from 14 weeks to 4 weeks.

Changes to the scheme from 1 April 2019

- A change in circumstance that affects Universal Credit entitlements of up to £40 a month will be ignored for the purposes of reassessing Council Tax Support entitlement.

Changes to the scheme from 1 April 2020

- A change in circumstance that affects Universal Credit entitlements of up to £60 a month will be ignored for the purposes of reassessing Council Tax Support entitlement.

- Information provided by the Department for Work and Pensions in relation to an award of Universal Credit may be treated as a new claim for the purposes of determining an award for LCTS.
- To set the start date of any LCTS award in line with the award date of Universal Credit.
- To treat anyone with a UC assessment under UC rules for calculating any entitlement to LCTS and not move households between different elements of the working age scheme.
- To allow the council to substitute its own information for DWP assessed income and capital where it has evidenced the wrong information has been used where doing so would prevent a higher level of LCTS to be awarded than would otherwise be the case.
- To change the definition of a non-dependent person to include all adults in the property, for households who are claiming LCTS with an assessment of Universal Credit.
- To remove the 16-hour condition before a non-dependant change becomes applicable.
- To apply a revised set of non-dependent changes where the non-dependent is working.
- To remove Second Adult Rebate from the Working Age Scheme.
- Withdraw extended payments from the scheme.

Changes to the scheme from 1 April 2025

- To disregard the Armed Forces Compensation Scheme lump sum payment as capital for 52-weeks from the date of receipt.

Gloucester City Council

Meeting:	Cabinet	Date:	10 December 2025
Subject:	Infrastructure Funding Statement (IFS) 2024/25 and Annual Community Infrastructure Levy (CIL) Rate Summary Statement		
Report Of:	Cabinet Member for Planning		
Wards Affected:	ALL		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Sarah Screen, Strategic Infrastructure Planning Manager		
	Email: sarah.screen@teWKesbury.gov.uk	Tel: 01684 272143	
Appendices:	1. Infrastructure Funding Statement 2024/25 Parts 1 & 2 (CIL and S106 Obligations) 2. Infrastructure Funding Statement 2024/25 Part 3 (Infrastructure List) 3. Gloucester City Council CIL Rate Summary Statement December 2025		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To secure Cabinet approval to publish:

1. The Infrastructure Funding Statement (IFS) for financial year 2024/25 ending 31 March 2025 which includes three sections relating to CIL, and Section 106 Planning Obligations and the Infrastructure List, and
2. The factual CIL Rate Summary 2025 that provides information on the CIL Charging Zone rates for 2026 calendar year (1 January 2026 to 31 December 2026).

This publication is to meet the regulatory requirements of the CIL Regulations 2010 (as amended) as both these documents must be published on the Council's website by 31 December 2025 at the latest.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) the Infrastructure Funding Statement (IFS) 2024-25 (Appendix 1 and Appendix 2 combined be approved for publication and published on the Council's website by 31st December 2025 and its CIL and S106 information be submitted to Government;
- (2) the content of the CIL Rate Summary 2025 (Appendix 3) be noted and it be approved for publication on the Council's website by 31st December 2025.

3.0 Background and Key Issues

- 3.1 Regulation 121A of the CIL Regulations 2010 (as amended) require the Council to produce an IFS each year which must include:
 - 3.1.1 A CIL Report;
 - 2.1.2. A Section 106 (S106) Report; and
 - 2.1.3. An Infrastructure List.
- 3.2 Regulation 121C requires the Council as a CIL charging authority to also produce an Annual CIL Rate Summary Statement.
- 3.3 The content for both the CIL and S106 planning obligations reports sections is set out in the Regulations. These two parts of the IFS report are contained in Appendix 1 (Infrastructure Funding Statement 2024/25 Parts 1 & 2) (CIL and S106 Obligations)) Parts 1 and 2 of this report.
- 3.4 The Infrastructure List forms section three to the IFS and the 2025 updated version is attached as Appendix 2 to this report. This, as previous version has been developed as a shared list between the three Joint Core Strategy / Strategic and Local Plan (JCS/SLP) local authority partner Councils, which Councils have also as of January 2024 established the CIL Joint Committee.
- 3.5 The CIL Rate Summary Statement for 2025 which contains the adopted CIL rates for 2026 calendar year forms Appendix 3 to this report. This contains factual information only as the legal requirement is that CIL rates must be index linked from the year of the adopted CIL Charging Schedule rate to the relevant calendar year that applies to each CIL liable development in accordance with the formula set out in the CIL Regulations 2010 (as amended).

4.0 The Infrastructure Funding Statement

- 4.1 The Infrastructure Funding Statement (Appendix 1 & Appendix 2 combined) comprises 3 sections.

The IFS CIL Report section (Figures still awaiting agreement of finance)

- 4.2 The CIL Report which identifies receipts for 2024/25 of £392,961.40 with 5% for administration of £19,648.07. In addition, it sets out:
 - a. The CIL administration spend of £51,291.53 in year was raised in 2023/24 (equal to 5% of the 2023/24 total CIL paid) and it was this amount that was paid to Tewkesbury Borough Council in year to support the administration of CIL as it takes time for the transfer payments to complete their process.
 - b. £90,000.00 of the remaining receipts were held by the Council for the benefit of non-parish areas.
 - c. £91,180.79 was passed to Quedgeley Town Council in year;
 - d. At the end of the reporting year £229,956.24 was held for infrastructure in the main Regulation 59(1) Infrastructure Fund; and
 - e. In March 2025, for the first time the constituted CIL Joint Committee allocated CIL Regulation 59(1) Infrastructure Fund receipts (as received up to 5 February 2025) to strategic infrastructure projects. How the Council portion of the pooled Infrastructure Fund receipts up to 05 February 2025 were allocated

appears in the relevant table of the IFS report. The combined total of the Infrastructure Fund allocation was £1,416,017.84.

The IFS S106 Report section (Figures still awaiting agreement of finance)

- 4.3 Some key elements of the S106 report include
- a. Total S106 receipts for 2024/2025 was £4,038.00
 - b. S106 expenditure for 2024/2025 totalled £1,887,514.66
 - c. 38 affordable homes were secured via s106 agreements
 - d. A total of £34,158.00 was secured in agreements entered into in 2024/2025

The Infrastructure List Section

- 4.4 The published Infrastructure Funding Statement Infrastructure List contains a statement that this will be reviewed at least annually. That does not necessarily mean that changes will be made to it.
- 4.5 This list has been developed as a combined shared list that is identical for each of the three JCS/SLP partner Councils, which Councils have also established the CIL Joint Committee.
- 4.6 On 04 March 2025 the CIL Joint Committee made a decision to split the CIL Regulation 59(1) Infrastructure Fund so that 25% of it would be ringfenced for use on 'local strategic' infrastructure projects. These are projects of a strategic nature that are likely to benefit one, or two of the member councils, in any combination to support development of their area (as opposed to infrastructure that would support the development of all three). Informed by this decision, a review of the list has been carried out (including whether a project is likely to be a "local strategic" project or a "strategic shared" project) and it is proposed to delete or add specific projects and/or generic types of infrastructure to the list.
- 4.7 In particular, amendments are proposed to add in a Gloucester Strategic Green Infrastructure Project for the Hempsted Bridge area and also for Plock Court under the local strategic pipeline projects section. The Gloucester Crematorium and Cemetery has been moved up to the strategic projects requesting funding section. Appendix 2 (Infrastructure Funding Statement 2024/25 Part 3 (Infrastructure List) contains the proposed updated Infrastructure List 2025.

5.0 The Annual CIL Rate Summary

- 5.1 CIL regulation 121C(1) states that the CIL Rate Summary statement is to be published "no earlier than 2nd December and no later than 31st December" in a given calendar year as it must be based on the CIL Index published by the Royal Institute of Chartered Surveyors (RICS) for 1st November each year. The CIL rate for 1 Nov 2025 was published on line on Monday 27 October 2025 stating a value of 400 for 2026 calendar year (as against a 391 index value for the 2025 calendar year). The CIL Rate Summary (December 2025) at Appendix 3 contains factual information identifying the impact of indexation on the Council's adopted CIL Charging Schedule (2018) rates for any CIL liable development for which the 2026 calendar year rate will apply.

6.0 Social Value Considerations

- 6.1 None directly, though targeting funding to the delivery of strategic infrastructure in the Infrastructure List will support planned growth in and for the City.

7.0 Environmental Implications

- 7.1 None as a result of meeting our statutory reporting obligations, though the effective use of CIL receipts themselves has the potential to have a positive impact on all three dimensions of sustainable development.

8.0 Alternative Options Considered

- 8.1 None as the production of these reports are a statutory requirement of the Council being both a CIL Charging Authority and a local planning authority securing infrastructure mitigation through the framework of s106 planning obligations.

9.0 Reasons for Recommendations

- 9.1 The recommendation to agree the content and agree to publish the IFS 2024/25 (December 2025) is to ensure that the Council complies with the requirements as set out in the CIL Regulations 2010 (as amended) in this respect.
- 9.2 The recommendation to note the content of the CIL Rate Summary Statement 2025 is to ensure that that the Council complies with the requirements as set out in the CIL Regulations 2010 (as amended) in this respect.

10.0 Future Work and Conclusions

- 10.1 The IFS 2024/25 and Annual CIL Rate Summary Statement (December 2025) will be published on the Gloucester City Council website and in addition the IFS data location and information will be sent to Government Ministry of Housing Communities and Local Government (MHCLG) in December 2025.

11.0 Financial Implications

- 11.1 None directly.

(Financial Services has been consulted in the preparation of this report.)

12.0 Legal Implications

- 12.1 The production of an IFS, at least annually, including a regulation 121A Infrastructure List is a statutory obligation as a result of amendments to the Community Infrastructure Levy Regulations 2010 (the Regulations) by the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019, as is the publication of the Annual CIL Rate Summary Statement.

(One Legal has been consulted in the preparation of this report.)

13.0 Risk & Opportunity Management Implications

- 13.1 Failure to publish the required statements would be a breach of the requirements of the CIL Regulations 2010 (as amended) however there is no formal penalty for non-compliance.

Though the Infrastructure List will not dictate how funds must be spent, it does set out the Council's intentions and its publication as part of the IFS provides clarity and transparency for communities and developers on the infrastructure that the main Regulation 59(1) Infrastructure Fund may be spent on.

Not having a clear prioritisation of infrastructure projects may risk that CIL receipts are not targeted towards the most critical strategic infrastructure needed to deliver development.

14.0 People Impact Assessment (PIA) and Safeguarding:

- 14.1 The reasons behind the original adoption of the Community Infrastructure Levy, by the Council as a JCS partner authority, in October 2018, was to raise additional funding from relevant development to help to pay for infrastructure supporting development of the area to ensure the City grows sufficiently and sustainably. Whilst not identifying any negative impact on protected groups potential positive impacts were identified as a result of this new income stream for the Council, in particular in relation to improvements to physical infrastructure for those with special mobility needs and for building community cohesion not only within existing communities but also between existing and new residents as a result of new development.
- 14.2 The PIA Screening Stage has been completed in previous years and did not identify any potential or actual negative impacts therefore a full PIA was not required.

15.0 Community Safety Implications

- 15.1 None directly, though potential positive implications are anticipated as a result of the delivery of new infrastructure for the City.

16.0 Staffing & Trade Union Implications

- 16.1 None reported

Background Documents: None

Gloucester City Council

Annual Infrastructure Funding Statement

For

Community Infrastructure Levy and Section 106

Reporting Period:
From 01 April 2024 to 31 March 2025

1 Introduction

- 1.1 The Infrastructure Funding Statement (IFS) is an annual report that is required to be published by Local Authorities in accordance with Regulation 121A of the Community Infrastructure Levy Regulations 2010 (as amended) (the CIL Regulations).
- 1.2 The purpose of the report is to provide a summary of financial and non-financial developer contributions secured under the framework of the Community Infrastructure Levy Regulations 2010 (as amended), and Section 106 of the Town and Country Planning Act 1990 (as amended) for the preceding financial year to the year in which the IFS is published.
- 1.3 Gloucester City Council seeks developer contributions from both the Community Infrastructure Levy and Section 106 for the provision of infrastructure to support development and mitigate the impacts of development.

2 Background

- 2.1 The Joint Core Strategy (JCS) 2011-2031 Development Plan was adopted by Gloucester City Council, Cheltenham Borough Council and Tewkesbury Borough Council in December 2017, setting the planning strategy and policy framework for development up to 2031.
- 2.2 Following the adoption of the JCS, the Councils adopted their CIL Charging Schedules in October 2018 and began charging from the beginning of 2019. Once the Charging Schedule was adopted Gloucester City Council became both a CIL 'Charging Authority' and 'Collecting Authority'.
- 2.3 On 25 January 2024, the partner councils approved the establishment of a Community Infrastructure Levy Joint Committee. The Committee is responsible for delivering large scale projects identified on their joint 'Infrastructure List' by utilising CIL Regulation 59(1) 'strategic CIL' funds.
- 2.4 The partner councils are currently preparing the Strategic and Local Plan (SLP). This overarching planning strategy will supersede the Joint Core Strategy upon adoption.

3 The Report

- 3.1 The annual infrastructure statement comprises:

Part 1: Community Infrastructure Levy Matters

Including details of CIL receipts, allocations and expenditure

Part 2: Section 106 Matters (and potentially s278 Highways Act Matters)

Including details of S106 Income and expenditure

Part 3: The Infrastructure List

Including the infrastructure projects or types that are intended to be partly or fully funded by strategic CIL funds. This is a list that is shared by the three member Councils of the constituted CIL Joint Committee being Cheltenham Borough Council, Gloucester City Council and Tewkesbury Borough Council following the decision to pool the CIL Regulation 59(1) Infrastructure fund receipts to fund infrastructure to support development of the relevant CIL authority area.

IFS Part 1

Community Infrastructure Levy Matters

Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121A Schedule 2 Section 1

- a) The total value of demand notices issued in the reported period was **£904,712.90**. This value is of demand notices issued within the reported period that have not been suspended or superseded by new demand notices outside of the reported period.

Of that total value, the amount from Liability Notices (liable floorspace after any relief that has been granted) is **£904,712.90**. No surcharges have been imposed due to breaches of the Community Infrastructure Levy Regulations, and no late payment interest has accrued in the reported year.

- b) The total amount of CIL collected within the reported period was **£392,961.40**.
- c) The amount of CIL collected prior to the reported period totals **£2,057,430.15**. Of this total the following amount was collected in Cash and as Land Transactions (including payments in kind and infrastructure payments) and the following amounts remain unallocated:

Type	Received	Unallocated
Cash	£2,057,430.15	£229,956.24
Land Payment	£0.00	£0.00

From the commencement of charging on the 1st January 2019 to the 31st March 2024, £102,871.51 was used for Administration (5%), £144,359.44 was held as the City Council's Neighbourhood Funding (all of which has now been allocated in rounds one and two of Neighbourhood Funding projects). £164,225.09 was transferred to Quedgeley Town Council as Neighbourhood CIL Funding. £1,416,017.84 has been allocated from the Regulation 59 (1) fund for strategic infrastructure projects. The remaining 'unallocated' funding of £229,956.24 has been collected for strategic infrastructure.

- d) The total amount of CIL collected prior to the reported period allocated in the reported period in relation to cash received is £1,555,762.42 and in relation to land payments (including payments in kind and infrastructure payments) is £0.00.
- e) The total CIL expenditure recorded for the reported period is as follows:

Type	Expenditure
Admin CIL	£51,291.53 (raised in 2023/24 reported year)
Neighbourhood CIL	£0.00
Total Value	£51,291.53

- f) The total amount of CIL allocated and not spent during the reported period is as follows, this does not include allocations made within the reported year that have been fully spent:

Type	Allocated	Spent	Remaining
Admin CIL	£19,648.07	£0.00	£19,648.07
Quedgeley Town Council	£91,180.79	£0.00	£91,180.79
City Council R59F	£90,000.00	£0.00	£90,000.00
CIL Regulation 59(1) Fund	£1,416,017.84	£0.00	£1,416,017.84
Total Value			£1,616,846.70

g) i) The items of infrastructure on which CIL (including land payments) has been spent within the reported year, and the amount of CIL spent on each item was £nil:

ii) The amount of CIL spent on repaying money borrowed, including any interest, and details of the items of infrastructure which that money was used to provide (wholly or in part) was £nil

iii) The amount of CIL collected in the reported year to be allocated towards administration expenses is £19,648.07. This was 5% of the total CIL receipts collected (£392,961.40) in the reported period.

The amount spent (transferred to Tewkesbury Borough Council) as a contribution towards the shared service, raised in 2023/24 but transferred in 2024/25 was **£51,219.53**. This was 5% of the total CIL receipts collected (£1,025,830.50) in 2023/24.

The percentage taken may differ due to Land payments (including payments in kind and infrastructure payments) not being allocated to administration expenses and Neighbourhood Areas not receiving a proportion of surcharges and late payment interest.

h) In relation to CIL receipts, whenever collected, which were allocated but not spent during the reported year, summary details of the items of infrastructure on which CIL (including land payments) has been allocated, and the amount of CIL allocated to each item:

Infrastructure	Amount Allocated	Amount Unspent	Allocation Dated
CIL Reg 59 CIL0001 M5 Jn 10	£1,028,837.48	£1,028,837.48	04 March 2025
CIL Reg 59 CIL0002 M5 Jn 9 and A46 Ashchurch	£102,883.75	£102,883.75	04 March 2025
CIL Reg 59 CIL0003 MRT Mass Rapid Transport	£102,883.75	£102,883.75	04 March 2025
CIL Reg 59 CIL0004 Honeybourne Line Cycle Path Cheltenham	£79,264.11	£79,264.11	04 March 2025
CIL Reg 59 CIL0005 Cheltenham to Bishops Cleeve Cylce Spine	£60,995.25	£60,995.25	04 March 2025

Infrastructure	Amount Allocated	Amount Unspent	Allocation Dated
CIL Reg 59 CIL0006 Gloucester to Haresfield Cycle Spine	£41,153.50	£41,153.50	04 March 2025
CIL Reg 59F City Centre Engagement Team	£70,000.00	£70,000.00	15 January 2025
CIL Reg 59F Public Art Framework	£20,000.00	£20,000.00	11 December 2024

When agreeing to establish a CIL Joint Committee, in January 2024, the three partner councils also agreed to pool their 'Regulation 59(1) Infrastructure Funds' with the purpose of delivering strategic infrastructure projects identified in their joint 'Infrastructure List'.

The first allocations were made by the CIL Joint Committee on the 4 March 2025. Of these allocations, £1,416,017.84 was the total to be funded by Gloucester City Council's Regulation 59(1) income.

CIL passed to Quedgeley Town Council

- i) i) The total amount of CIL passed to a neighbourhood zone under Regulation 59A (collected on behalf of the neighbourhood zone in cash) was:

Zone	Date Transferred	Amount Passed
Quedgeley	28 April 2024	£25,795.65
Quedgeley	28 April 2024	£39,589.49
Quedgeley	28 October 2024	£25,795.65
	Total	£91,180.79

The amount allocated towards neighbourhood zones under Regulation 59B, cash provided by the Charging Authority to Neighbourhood Zones equivalent to what they would have received on a payment in kind, during the reported year was £nil.

- ii) The amount within the reported year that has been passed to a third party to spend on the provision, improvement, replacement, operation, or maintenance of infrastructure under Regulation 59(4) was £nil.
- j) i) The total amount collected by Gloucester City Council for the reported year under Regulation 59E (CIL returned to the Charging Authority after 5 years if not spent) was £0.00 and under Regulation 59F, CIL collected and retained by the Charging Authority for areas that are not designated Neighbourhood Zones, was **£33,148.56**.
- ii) The amount of CIL allocated during the reported year under Regulation 59E, CIL returned to the Charging Authority that had been passed to a Neighbourhood Zone and had not been applied to infrastructure after a 5-year period, during the reported year was £nil.

The amount of CIL spent under Regulation 59E during the reported year was £nil.

The amount of CIL allocated during the reported year under Regulation 59F non-Parish area (excluding Quedgeley Parish area) during the reported was as follows:

Infrastructure	Neighbourhood Zone	Amount	Date
CIL Reg 59F City Centre Engagement Team	All Other Areas	£70,000.00	15 January 2025
CIL Reg 59F Public Art Framework	All Other Areas	£20,000.00	11 December 2024

The amount of CIL spent under Regulation 59F non- Parish area (excluding Quedgeley Parish area) during the reported year was £nil.

- k) i) The amount of CIL requested under Regulation 59E for the reported year per neighbourhood zone was £nil.
- ii) The amount of CIL still outstanding for recovery under Regulation 59E at the end of the reported year for all years for each neighbourhood zone was £nil as no repayment requests have ever been issued.
- l) i) CIL receipts for the reported year retained at the end of the reported year other than those to which Regulation 59E or 59F was applied was **£334,017.19** made up of:
- i) £314,369.12, Infrastructure Funding (R59(1)).
- ii) £19,648.07, Administration Funding to be pooled with R61 funding from Tewkesbury Borough Council and Cheltenham Borough Council to fund the joint service.
- ii) CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied was **£1,645,974.12**, for strategic 'Infrastructure'.
- iii) The amount CIL collected and that had not been spent under Regulations 59E and 59F during the reported year was:

Type	Retained
Regulation 59E (<i>recovered from local councils</i>)	£0.00
Regulation 59F (<i>non-Parish Area</i>)	£33,148.56

- iv) CIL receipts from previous years to which regulation 59E or 59F applied retained at the end of the reported year were:

Type	Retained
Regulation 59E	£0.00
Regulation 59F	£74,359.44

IFS Part 2

Section 106 T&CPA 1990

and

(s278 Highways Act 1980 (as amended) Matters)

Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121A Schedule 2 Section 3 and 4

- a) The total amount of money to be provided under any planning obligations which were entered during the reported year is £34,158.00. This figure does not consider indexation (inflation/deflation) that may be applied when the money becomes due.
- b) The total amount of money received from planning obligations during the reported year was £4,038.00. Some of these payments may include the impact of indexation.
- c) The total amount of money received prior to the reported year that has not been allocated is £8,814.00.
- d) During the reported year, the following non-monetary contributions have been agreed under planning obligations:
 - i) The total number of affordable housing units to be provided as on-site provision agreed under planning obligations is 38.

The total number of affordable housing units to be provided by S106 off site funding allocations made within the reported period is 0.

Summary details of all non-monetary obligations agreed within the reported year are as follows:

Covenant Type/Service	Deed Date	Clause	Planning Application
Affordable Housing - S106 Contribution/GCC - Housing Enabling & Strategy	17/04/2024	Sch 2, part 1, para 17	23/00696/OUT
Affordable Housing - S106 Provided On Site/GCC - Housing Enabling & Strategy	23/01/2025	Sched 2, Part 2, para 10	22/00770/FUL

- ii) The following education provisions have been agreed under S106 agreements: Not reported in this IFS.

Gloucester City Council is not the education authority for its administrative area, Gloucestershire County Council is. For this reason this IFS will not report on education related planning obligations entered into in the reporting year which might cover

- a) Off-site financial contributions to different levels of education provision,
- b) Securing of land for schools and/or

- c) Direct delivery of schools by developers
- e) The total amount of money from planning obligations allocated towards infrastructure during the reported year was £673.00. Of this amount £673.00 was not spent during the reported year.
- f) The total amount of money from planning obligations spent during the reported year was £1,887,514.66. Of this amount £1,736,743.65 was spent by a third party on behalf of Gloucester City Council.
- g) The following items have had money allocated towards them during the reported year with unspent allocations (*the detail that sits behind question (e)*):

Infrastructure	Allocated	Date Allocated	Unspent
Cotswold Beechwoods SANG Contribution	£480.00	09 January 2025	£480.00
Cotswold Beechwoods SAMM Contribution	£193.00	09 January 2025	£193.00

- h) In relation to money which was spent by Gloucester City Council during the reported year (*this is the detail that sits behind question (f)*):
- i) The items of infrastructure that planning obligation money has been spent on and the amount spent are as follows: *Needs further review as should only be reporting on the reporting year spend (not total spend by project)*

Infrastructure	Spent	Date Spent	Spend Description
Tuffley Farm Offsite Improvements Project	£9,859.24	20 October 2020 to 30 July 2024	Refurbishment of changing rooms at Tuffley Park Grant to Tuffley Rovers *Includes Third Party spending
Rea Lane, land off (19/00068/FUL)	£40,845.86	06 September 2023 to 03 September 2025	Fencing at allotments in Hempsted Pitch Improvement grant Spa Road Cricket club fencing Work to improve Old Richians Pitch Sandyleaze Pitch Improvement grant Rugby goal post Old Richians Removal of existing broken rugby posts Old Richians Repair of gateway entrance Old Richians

Infrastructure	Spent	Date Spent	Spend Description
			Spray and scarify junior pitch at Hucclecote Verti Drain Manor Farm GPFA admin for pitch improvement grant St James volleyball court improvements Grant for tractor for Abbeymead Rovers football club as part of pitch Improvement grants. QWFC grant towards a tractor purchase. Extension for security fencing at St James park volleyball court Dug out repairs to Gala Wilton Admin for GPFA for administering the Pitch Imp Grant up to Oct 2024. Works to Junior pitch at Hucclecote Grant for machinery maintenance Abbeymead rovers Pitch Improvement Grant for reseedling works at Gala Wilton Kingsway Cricket grounds improvements GPFA admin between Sept 2024 and March 2025 Replacement posts for swings at Monk Meadow x4 Replacement goalposts for Plock Court Pitch renovation Longlevens RFC *Includes Third Party spending
Newark Farm Offsite Improvements Project	£24,289.75	29 January 2020 to 23 March 2025	PNR004552 refurbishment of the Lannett changing rooms TESN Signs for Aviary composting area

Infrastructure	Spent	Date Spent	Spend Description
			Gloucester park play area Gloucester park projects Exercise net for Gloucester Park 1,18m slide for Glos Park Glos Park Fitness equip rubber mat surfacing Asbestos removal at The Lannett Top soil for aviary planters Plants for Glos Park Steel frame for Aviary Timber for Aviary Installation of slide Post installation inspection of equipment Bakers Field Bar Park works slide Outdoor gym refurbishment part Bar Park designs
Fieldcourt Drive POS Project	£7,501.32	12 February 2020 to 01 January 2025	Field court Drive Path creation Play area works at Filed court <i>Repayment to developer as out of time to use. (however, the project was delivered)</i>
Blackbridge Sports Hub from Civil Service	£1,723,663.57	03 June 2021 to 17 March 2025	Blackridge Community Sports Hub Phase 1 Community Hub Building, Artificial Pitch, access road, car parking and all associated works
Former Civil Service Off-Site Play Facilities at Sebert Street	£6,756.20	03 May 2022 to 11 March 2025	Toddler Slide Inspection Pitch works at Sebert Street play area To supply and install 2 football goals Sebert Street Heras fencing extension Overseed sports field, roll and cut
City Wide Sports Facilities from Civil Service	£74,598.72	03 May 2022 to 24 March 2025	The Oval Tennis Courts Ardagh Signs across the city Sport pitch improvement at Manor Farm Sam Merrett services PLA002926 Manor Farm replace sports netting

Infrastructure	Spent	Date Spent	Spend Description
			Fertiliser at Old Richians part of Pitch improvement grant
			Pitch Improvement grant Sand banding at Waterwells pitches
			Pitch Improvement grant Verti draining at Old Richians
			Sports Pitch improvement grant Lobleys Drive
			pitch re-instatement Pitch improvement grant Goals for Abbeymead Rovers
			pitch improvement grant herbicide at Manor Farm
			pitch improvement grant extra work at Old Richians pitch improvement grant King George V verti draining Paul Gibson
			sports pitch improvement grant Tuffley park Paul Gibson
			Pitch Improvement grant Windfall way
			pitch improvement grant Coney Hill Verti Drain
			Pitch improvement work at Coney Hill pitch. Verti drain and sanding
			Pitch survey at Coney Hill football pitch
			Gloucester park removal and replacement of sports mesh fencing
			Administration of Pitch Improvements grants
			St James Park Bar Park works
			Hillfield gardens
			Blackbridge sports hub

ii) The amount of planning obligation money spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide was £nil:

iii) The amount of planning obligation money spent in respect of administration of planning obligations and monitoring in relation to the delivery of planning obligations during the reported year was £0.00.

- i) The total amount of money retained at the end of the reported year is £1,744,357.53. Of this amount retained an amount of £0.00 has been retained for long term maintenance. Please see the below table for a breakdown of the retained maintenance amount.

Description	Amount
Total collected for long term maintenance	£286,722.85
Total allocated towards maintenance	£286,722.85
Total spent on maintenance	£29,295.00

Section 278 Matters
Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121A
Schedule 2 Section 4

The CIL Regulations provide local authorities that are the Local Highway Authority (LHA) for their area to also include the publication of matters entered into under Highway Agreements under Section 278 of the Highways Act 1980 (as amended).

Gloucestershire County Council is the LHA for the Gloucester City Council area. For this reason, the Gloucester City Council IFS will not contain any information associated with s278 Highway Agreements as the district council is not entering into or monitoring these. It is possible that information may be published in the Gloucestershire County Council IFS annually, however, as this is not a mandatory requirement of an IFS reporting, its publication cannot be guaranteed.

Joint Core Strategy (JCS) and CIL Joint Committee Authorities of
Gloucester City Council, Tewkesbury Borough Council and Cheltenham
Borough Council

Community Infrastructure Levy (CIL)

3. INFRASTRUCTURE LIST

(dated December 2025)



Purpose of the Infrastructure List

The Community Infrastructure (England and Wales) Community Infrastructure Levy Regulations 2010 (as amended) (the CIL Regulations) under regulation 121A (1) require a CIL collecting authority to publish by the 31 December in each calendar year an Infrastructure Funding Statement which under regulation 121A (1)(a) is to also include what is termed an 'Infrastructure List'. This list is explained as

'a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL (other than CIL to which regulation 59E or 59F applies) ("the infrastructure list")'.

For clarity, the exclusion referred to under regulation 59E and 59F relates specifically to the CIL receipts that a CIL collecting authority

- a) Has previously passed to a local council (which includes a Parish or Town Council) and has recovered in accordance with the CIL Regulations; and
- b) the CIL Neighbourhood share retained by a CIL authority for use in areas not covered by a local council (including Parish & Town Council).

Types of infrastructure or specific infrastructure projects published on this list therefore reflect potential infrastructure projects that only the CIL Regulation 59(1) Infrastructure Fund receipts may fund.

Background

The Joint Core Strategy (JCS) partners of Gloucester City Council, Cheltenham Borough Council and Tewkesbury Borough Council are each both Community Infrastructure Levy (CIL) Charging and Collecting Authorities in their own right. For this reason, each is required to publish its own IFS annually and therefore an Infrastructure List.

By the end of January 2024, all three JCS partner councils agreed to set up a CIL Joint Committee to be responsible for decision-making associated with the allocation of the CIL Regulation 59(1) Infrastructure Fund receipts. Alongside this, the three member councils decided to pool the Infrastructure Fund receipts together to inform allocation decision-making. An identical Infrastructure List is published by all three of the CIL Joint Committee member councils annually.

The Allocation of CIL

On payment of CIL each receipt is split three ways:

CIL Administration Fund: Up to 5% of CIL receipts for the administration of CIL. Annually from full charging year 4 onwards 5% of total paid CIL receipts can be applied towards the ongoing administration of CIL. If the administration fee total exceeds the cost for administering CIL in a given year any remainder in this pot can be moved into the CIL Reg 59(1) Infrastructure Fund pot to fund infrastructure instead.

CIL Neighbourhood Fund (NCIL): In most cases this is either 15% (subject to a cap based on number of existing dwellings in a Parish or Town Council area) or 25% of the paid amount in areas that have a 'made' Neighbourhood Development Plan (NDP also called Neighbourhood Plans) in place. This percentage can vary in circumstances where CIL Surcharges have been applied and form part of a paid amount, as CIL surcharges are not allocated to the NCIL pot unlike CIL Late Payment interest.

Twice a year the NCIL generated in a Parish / Town Council area

- Passed to the Parish Council in whose boundary the development that made the payment is located; or
- Held by the Charging Authority on behalf of a Designated Neighbourhood Forum, as once they have made an NDP they are entitled to direct the spending of their NCIL, or
- Is held by the Charging Authority to be spent in the same way as all other Neighbourhood CIL.

CIL Infrastructure Fund: The remaining amount of CIL receipts excluding the relevant CIL administration costs and the neighbourhood CIL. This share most often (but not in all cases) reflects 70% to 80% of the paid amount in each case. This must be spent on infrastructure that supports the growth of the CIL Charging Authority's area.

The 'Infrastructure List' relates solely to schemes or infrastructure types that the Charging Authority intends may be wholly or partly funded from the 'Infrastructure' Fund. This list is not exhaustive, and the Infrastructure Fund it can also be spent on infrastructure not specified on the list. Other criteria are within the CIL Regulations also control how the Infrastructure Fund can be allocated.

At its meeting on 04 March 2025 the CIL Joint Committee decided to split the CIL Regulation 59(1) Infrastructure Fund as follows:

- 75% for strategic infrastructure projects
- 25% for local strategic infrastructure projects

The ringfencing of 25% for local strategic infrastructure projects relates to local projects of strategic importance that could benefit one or two (in any combination) of the CIL Joint Committee member council areas.

The Partnership Approach

The Joint Core Strategy (JCS) partnership of Gloucester City Council, Cheltenham Borough Council and Tewkesbury Borough Council, followed by the creation of the constituted CIL Joint Committee has led to the development of a shared Infrastructure List.

The 'Infrastructure List'

The inclusion of a project on the Infrastructure List does **not** represent a commitment that the Partners will necessarily make a decision to allocate CIL Infrastructure Fund receipts to any item on the list and for clarity, there is no priority implied by the order in which the projects appear in the list itself. Furthermore, the list is not exhaustive, and the Infrastructure Fund receipts can be allocated to projects not published on the list.

Following the CIL Joint Committee decision of 04 March 2025 to split the Infrastructure Fund, and it now having now invoked its function to allocate CIL Infrastructure Fund receipts to projects, the Infrastructure List structure has been updated and restructured to reflect this approach for the 2025 publication.

The JCS Partners will continue to review this list and provide updates on at least an annual basis, alongside the preparation of their Infrastructure Funding Statement(s).

Projects or types of infrastructure on the list appear under specific headings. The list is only a guide. It is only at the point of assessment of an individual CIL fund bid that the support for development of any of the CIL Charging Authority areas will be formally considered.

Format:

The Infrastructure List is broken down into:

- **Projects Requesting CIL Funding**, where sponsoring authorities have provided cost estimates for the project.
- the **Pipeline Projects** are projects requiring more work to identify costs.
- **Funded Projects** are projects where CIL Infrastructure Fund receipts have now been allocated to support delivery of a project in full; and
- **Part Funded Projects** that are projects that benefit from the allocation of CIL Infrastructure Fund receipts, however additional stages to support project delivery so there is the potential that future CIL funding bids may come forward or future CIL allocations considered against existing submitted bids.

It is anticipated that those projects with costs identified will be in a more advanced stage of preparation and will be the first to submit bids to secure funding. However, this is simply a means of filtering the projects and as more work is undertaken on projects currently in the pipeline, and cost estimates are received, projects will move into the list of projects understood to be in a position to bid for CIL funding. This would not prevent CIL Bid being received against pipeline projects or types of infrastructure listed.

However, to re-iterate, inclusion of a project on the Infrastructure List **does not, and cannot**, due to the gap in funding identified, represent a commitment that the Partners will necessarily spend CIL monies on that item and for clarity, there is no priority implied by the order in which the projects appear in the list itself.

The list has been further subdivided into:

- **'Local Strategic'** projects, identified by partner authority area; and
- **'Strategic Shared'** projects that will deliver infrastructure that could serve all three partner council's areas.

Prioritisation for allocation of CIL Infrastructure Fund receipts is within the remit of the **'CIL Joint Committee'** which the partner councils have established to provide governance for the strategic 'Infrastructure' fund element of CIL. The CIL Joint Committee is responsible for the allocation of an agreed pool of CIL monies collected for the provision of infrastructure using the Infrastructure List to help identify the source of bids for CIL funding.

Responsibility for the neighbourhood element of CIL sits with individual town and parish councils providing funds received are spent within the 5 years permitted.

For information, the Infrastructure List has been updated where new cost data is available and for those where it is not the costs have been increased by applying the Royal Institute of Chartered Surveyors BCIS All in Tender Price Index to reflect inflationary pressure over the last year.

Projects Requesting CIL Funding

Local Strategic

1. Cheltenham Parks and Green Space Landscape and Recreation:
 - a. Desilting of Pittville Lake– phased approach (phase 1 options appraisal £10,000.00, Phase 2 future CIL bid to be informed by Phase 1)
2. Cheltenham Town Centre Interchange study £72,164.95) – S106/County Council Funding Potential
3. Cheltenham Prince of Wales Athletics Stadium – removal of track surfacing and replacing with solid polyurethane PU (£620,000.00) further scoping to look at improved disabled accessibility (£tbc) – wider CIL potential from other local authorities where stadium is supporting school inclusion in athletics/S106
4. Cheltenham cycle spine phase 1 Construction Work (£1,340,206.19) – S106/County Council
5. Cheltenham Cycle Spine Phase 2 (Station to Pittville Park) Design Work (£618,556.70) – S106/County Council Funding Potential
6. Tewkesbury Town Centre and Riverside Public Realm Enhancements (£1,546,391.75) – including S106 Funding Potential
7. Hampton Place, Churchdown footpath (£20,618.56) (part of Tewkesbury Borough Active Travel network improvements) - S106/Neighbourhood/County Council Funding Potential
8. Melrose Walk, Mitton footpath (£10,309.28) (part of Tewkesbury Borough Active Travel network improvements) - S106/Neighbourhood/County Council Funding Potential
9. Wheatpieces Woodland Walk footpath (£10,309.28) (part of Tewkesbury Borough Active Travel network improvements) - S106/Neighbourhood/County Council Funding Potential
10. Gloucester Strategic Transport Interchange connectivity (£2,061,855.67 - ££5,154,639.18) – S106/County Council/Challenge Funding Potential
11. Gloucester Crematoria / Cemeteries (£5,377,319.59) - Section 106 Potential

Strategic Shared

M5 Junction 10 Scheme £363 million (cost at September 2025).

The Pipeline Projects - Projects Requiring More Work to Identify Costs:

Local Strategic

12. Cheltenham High Street public realm improvements – Section 106 / Neighbourhood / County Council / Challenge Funding Potential
13. Cheltenham Physical Activity and sport strategy for Cheltenham / Playing Pitch Strategy – S106/ Neighbourhood Funding potential
 - a. Action Plan Priorities
 - b. Playing pitch improvements
14. Cheltenham public safety interventions in parks and gardens S106/Neighbourhood Funding potential
15. Tewkesbury Borough Crematoria / Cemeteries – Section 106 Potential
16. Tewkesbury Borough Bishops Cleeve Leisure Centre - Section 106 /Neighbourhood Funding Potential
17. Tewkesbury Garden Town enabling infrastructure - Section 106 / County Council / Challenge Funding Potential
18. Tewkesbury enhanced cultural heritage and the arts offer – Section 106 Potential
 - a. Roses Theatre expansion Tewkesbury

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19. Tewkesbury Borough EV charging infrastructure – Section 106 / Challenge Funding Potential
20. Tewkesbury Borough Active Travel network improvements – Section 106 / Neighbourhood / County Council / Challenge Funding Potential
 - a. Tewkesbury Ashchurch Rail Station/Infrastructure Enhancements - Section 106 / Challenge Funding Potential
 - b. Tewkesbury Traffic management in historic core – Section 106 and County Council Potential
21. Tewkesbury Borough Community and Youth Facilities projects creation and improvements - Section 106 /Neighbourhood Funding Potential
 - a. Youth Hub at former Winchcombe Old Boys School Gretton Road Winchcombe
 - b. Alderton Village Hall Community Hub Project
 - c. Tewkesbury Town changing places toilet facility
 - d. Norton Village Hall refurbishment
22. Tewkesbury Borough Open Space, play facilities and enhanced sports facilities projects - Section 106 /Neighbourhood Funding Potential
 - a. 3G sports Pitch Chosen Hill School
 - b. Brockworth Community and sports Hub
 - c. Churchdown Community Hub
 - d. Tewkesbury Town play facilities enhancements
23. Tewkesbury Regeneration Infrastructure Projects
 - a. Tewkesbury Traffic Management Historic core
 - b. Tewkesbury Transport Movement Study Feasibility
24. Gloucester City GL1 Leisure Centre - Section 106 Potential/Neighbourhood Funding Potential
25. Gloucester City Oxstalls Sports Park - Section 106 Potential/Neighbourhood Funding Potential
26. Gloucester Nature Park - Section 106 Potential/Neighbourhood Funding Potential
27. Gloucester Strategic Green Infrastructure - Section 106 Potential/Neighbourhood Funding Potential
 - a. Hempsted Bridge to Gloucester Nature Park
 - b. Plock Court Enhancements
28. Tewkesbury local economic development projects
 - a. Tewkesbury Town Centre Business incubator units – Section 106 Potential
 - b. Growth Hubs (including at Cleeve)
29. Tewkesbury Borough Green Infrastructure Projects

Strategic Shared

30. Health and Wellbeing Projects including NHS GP Surgeries - Section 106 Potential
31. Express Bus Corridors – Section 106/County Council/Challenge Funding Potential
32. Brockworth to Cheltenham cycle link (via Shurdington) – Section 106/County Council/Challenge Funding Potential
33. Brockworth to Gloucester cycle link – Section 106/County Council/Challenge Funding Potential
34. Gloucester to Hartpury College cycle link – Section 106/County Council/Challenge Funding Potential
35. All Education requirements
36. Flood defence or mitigation schemes

Draft -v5 17.11.2025 (by Strategic Infrastructure Planning Manager)

37. Community Safety Projects

Funded Projects

Strategic

None listed in 2025.

Local Strategic

CIL 0007 Gloucester City Blackbridge Community and Sports Hub Phase 2 (£599,251)

- CIL allocation £534,251

Part Funded Projects

Strategic

CIL0001 M5 J10 Scheme £363 million (cost at September 2025)

- CIL funding bid request = £40 million
- In principle commitment to £30 million
- CIL allocated up to November 2025 = £14,448,369.66

CIL0002 M5 J9 & A46 Improvement Scheme £438,144,329

- CIL Requested £3,000,000
- Phase 1: Feasibility
- CIL allocated up to November 2025 = £1,000,000
- Phase 2: Costed Project

CIL0003 Mass Rapid Transit (renamed Bus Rapid Transit in November 2025),

- next business case stage (£2,061,855,67) – S106/County Council/Challenge Funding Potential
- CIL requested £3,000,000
- CIL allocated up to November 2025 = £1,000,000

CIL 0009 Combined Waste and Recycling Depot CBC and TBC & [County](#)

- (£40,000,000 split 60/40 between CBC and TBC respectively) – Section 106 Potential
- Phase 1: Update to Feasibility Costs £200,000
- Phase 2: Construction
- CIL allocated up to November 2025 = £150,000

CIL 0006 Gloucester to Haresfield Cycle Spine Design Work

- (£876,288.66) – S106 / County Council
- CIL Allocated at November 2025 = £400,000

CIL 0004 Cheltenham Spa Railway Station Enhancements (Honeybourne Line cycle path extension)

- (£1,340,206.19) – S106/County Council Funding Potential
- CIL allocated up to November 2025 = £770,424

CIL 0005 Cheltenham to Bishops Cleeve Cycle Spine

- Estimated Cost Phase 1 and 2 £24,141,414.14
- CIL Requested £1,400,000
- CIL allocated up to November 2025 = £592,856

Local Strategic

CIL 0008 Legion Footbridge Replacement – Tewkesbury Active Travel

- Phase 1: Design costs £121,212,12
- Phase 2: Project Delivery - £not yet known

DRAFT

Gloucester City Council's 'Annual CIL Rate Summary Statement'

Approved for Publication December 2025

Introduction

The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) require CIL Charging Authorities to:

"Each calendar year, no earlier than 2nd December and no later than 31st December ... publish a statement ("Annual CIL Rate Summary") in relation to the next calendar year".

Regulation 121C(1)

This 'Annual CIL Rate Summary' Statement sets out how 'indexation' will affect CIL charges within the City of Gloucester from 1st January 2026 to 31st December 2026.

Indexation

Indexation allows the rates charged to be adjusted to take account of inflation.

Whilst the most common index is the Retail Prices Index (RPI), published by the Office for National Statistics, the CIL Regulations require use of an index published by the Royal Institute of Chartered Surveyors (RICS).

Since 2019 the CIL Regulations have required the RICS to publish a 'CIL Index' for 1st November each year and for all Charging Authorities to apply this index.

Calculating CIL

CIL is calculated by multiplying the gross internal area (GIA)¹ applying relevant deductions to generate the net GIA sqm which is multiplied by the relevant CIL rate (£/m²). The CIL rates must be index linked from the year that CIL was introduced to the year that a planning permission is granted.

¹ The definition of gross internal area is not specified in the regulations; however, the generally accepted method of calculation is the RICS Code of Measuring Practice (6th edition, 2015)

Background

Prior to changes in the CIL Regulations in 2019 Charging Authorities were required to use the national 'All-In Tender Price Index', published by the RICS' Build Cost Information Service (BCIS). Changes to the CIL Regulations that came into force on the 1st September 2019 now require, from the Calendar year 2020, use of a new RICS 'CIL Index'.

Along with the other JCS Authorities Gloucester City Council began charging CIL on planning permissions granted on or after the 1st January 2019. As required at the time the Authorities applied the 'All-In Tender Price Index' published on the 1st November 2018 for the first calendar year of charging.

The index is now applied annually on the 1st January each year based on the RICS 'CIL Index' published no later than the 1st November in the previous year.

New Charges

From the 1st January 2026 to the 31st December 2026 rates have been adjusted in line with the RICS CIL Index published for the 1 November 2025.

The table below shows the original charges set for 2019 along with this years (2025) charges and the charges applying the index published on the 27 October 2025 as they will apply in the calendar year of 2026:

- The original charges which were set in Year 1 (2019) - when charging began the index was 322;
- the increased charges in Year 2 (2020) as the index rose by 3.73% to 334;
- the reduced charges in Year 3 (2021) as the index fell by 0.3% to 333;
- the reduced charges in Year 4 (2022) as the index fell by 0.3% to 332;
- the increased charges in Year 5 (2023) as the index rose by 6.9% to 355;
- the increased charges in Year 6 (2024) as the index rose by 7.3% to 381;
- the increased charges in Year 7 (2025) as the index rose by 2.6% to 391; and
- the increased charges in Year 8 (2026) as the index rose by 2.3% to 400.

Charging Schedule

Development Category	All-in TPI 01/11/18	Year 1 (2019)	CIL Index 01/11/24	Year 7 (2025)	CIL Index 01.11.2025	Year 8 (2026)
Gloucester City Council						
10 dwellings and under (including proposed residential extensions of 100 m ² or greater and annexes of any GIA sqm that meet the definition of a dwelling for CIL purposes)	322	£0 per m ²	391	£0 per m ²	400	£0 per m ²
Between 11 and 449 dwellings	322	£45 per m ²	391	£54.64 per m ²	400	£55.90 per m ²
450 dwellings and over	322	£0 per m ²	391	£0 per m ²	400	£0 per m ²
JCS Strategic Allocation B5 Winneycroft (JCS A6)	322	£0 per m ²	391	£0 per m ²	400	£0 per m ²

Note: The Charging Zone rates are rounded to the nearest whole penny.

Publication

Regulation 121C(3) requires Charging Authorities to “publish each annual CIL rate summary” on their “website”. This statement will therefore *be published on-line, alongside Gloucester City Council’s Infrastructure Funding Statement (IFS) no later than the 31st December 2025.*

Contingency

If the RICS CIL Index is discontinued, the Council will revert to using the BCIS Index and in the event that both are discontinued, will use the Retail Price Index.

Further information and all CIL forms are available on the Planning Portal website at: [About the Community Infrastructure Levy - Community Infrastructure Levy - Planning Portal](#)

If you have any questions regarding CIL please contact us at:

Gloucester – cil@gloucester.gov.uk

Gloucester City Council

Meeting:	Cabinet	Date:	10 December 2025
Subject:	Greyfriars Quarter Project Delivery Proposal		
Report Of:	Leader and Cabinet Member for Regeneration		
Wards Affected:	Westgate		
Key Decision:	Yes	Budget/Policy Framework:	No
Contact Officer:	Craig Cassely, Senior Programme Manager – Major Projects		
	Email: Craig.cassely@gloucester.gov.uk	Tel:	07456849813
Appendices:	1. Risk Register 2. Additional Legal Advice – Exempt (Paragraph 3)		

EXEMPTIONS

The public are likely to be excluded from the meeting during consideration of Appendix 2 to this report as it contains exempt information as defined in paragraph (3) of schedule 12A to the Local Government Act 1972 (as amended).

1.0 Purpose of Report

- 1.1 To seek Cabinet approval to commence Phase 1 of the Greyfriars Quarter Project and to release the associated funding. Phase 1 will deliver visioning and enabling works, including: clearing the market hall to shell condition; relocating traders; introducing the project vision; appointing a professional team and contractors; progressing feasibility studies; and undertaking heritage improvements to the Greyfriars Monument and House. It is be noted that the D&CB will monitor progress and make appropriate changes to the projects as it progresses. Phase 1 is scheduled to run from Quarter 1 to Quarter 3 of 2026

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) authority be delegated to the Head of Place in consultation with the Leader of the Council and the Head of Finance and Resources to take all necessary steps and undertake relevant actions to facilitate the delivery of the Greyfriars Project in accordance with the Project Programme and Budgets.
- (2) authority be delegated to the Head of Place, in consultation with the Leader of the Council, the Head of Finance and Resources to release the first third of project funding, totalling **£4,000,000** to enable the completion of **Phase One** as detailed in the Project Programme of the Greyfriars Quarter Project
- (3) it be noted that the Development and Capital Projects Board will monitor project progress and approve changes where necessary to enable delivery.

This will enable timely decision-making in response to urgent or unforeseen requirements, without the need for further referral to Cabinet.

3.0 Background and Key Issues

3.1 Levelling Up Fund – Greyfriars Quarter Bid Timeline:

Summer 2022 (Round 2): GCC submitted a £12.5m bid (£11.5m from LUF, £1m GCC contribution) to regenerate Greyfriars Quarter, focusing on commercial revitalisation and public realm improvements.

Early 2024 (Round 3): After the Round 2 bid was unsuccessful, GCC revised and resubmitted a more deliverable proposal aligned with council-owned assets. Updated GCC match funding of £2.7m, business cases and benefit-cost ratios were submitted following validation discussions with MLUHC.

Aug–Nov 2024: A change in national government prompted a temporary pause for strategic review. GCC's project remained on the approved list. Despite delays, GCC maintained engagement with MLUHC through monitoring and planning activities.

Nov 2024: Formal approval received to proceed with the Greyfriars project. Mobilisation began, encompassing governance, delivery planning, and a review of subsidy control.

September 2025: The MHCLG issued updated guidance, removing the need for change requests, provided projects remain commercially viable and complete by March 2028.

3.2 Project Overview

3.2.1 The Greyfriars Project represents a significant investment in the city and will rejuvenate a key strategic location. The work has been underpinned by a feasibility study, consultation and design process investigating the potential to relocate Eastgate Market to Bell Walk within the Eastgate Shopping Centre and convert the current Eastgate Market to a new multi-purpose cultural and entertainment venue with an auditorium with capacity for 450 seating (600 standing) alongside workshop/meeting and entertainment space.

3.2.2 In addition, works are proposed to refurbish Addisons Folly and the former Bowls Club to a cycle hub/cafe in accordance with the Levelling Up bid and provide a rejuvenated public realm (or pocket park) on the former bowling green and the public realm between Eastgate shopping and Greyfriars Monument.

3.2.3 Regarding the monument and Greyfriars House, discussions have been held with Historic England regarding essential works and improvements; however, no agreement has been reached to date.

3.2.4 Considerable survey work has been undertaken to support the drafting of a Vision Document and Market Feasibility Study, which sets out several options for each site and provides members with the opportunity to participate in the design process.

3.3 Work to date

3.3.1 Greyfriars is a key initiative to support the regeneration of this part of Gloucester and will also help revitalise the Eastgate Shopping Centre by attracting more visitors to

the location, in turn increasing retail revenue in nearby shops, cafés and restaurants in the surrounding area.

- 3.3.2 It is also essential to be able to create new market space on Bell Walk as soon as possible so that market traders can be relocated from their current location without loss of trade, and this will free up the market building to carry out the strip-out works required, ready to receive the proposed Cultural hub fit out.
- 3.3.3 The scheme will require a further level of design (RIBA 2-3) to apply for planning and listed buildings consents and facilitate the appointment of a main contractor to relocate the market and strip out the former market. Our consultant team has recommended that a main contractor be appointed before submission of the planning application to ensure a smooth process from planning approval through to detailed design and onto site.
- 3.3.4 Both the vacant retail units in Bell Walk, Eastgate Market, are subject to significant compliance and modernisation costs, expected to exceed £4 million, which will incorporate the stripping out of asbestos and the replacement of failing plant and utilities. Both Addison's Folly and the Former Bowls Club have been mothballed for several years, and so bringing the buildings and the surrounding public realm back into use will support the regeneration of this area.
- 3.3.5 The first phase of achieving the successful relocation of market traders is anticipated to take place by Spring 2026, subject to relevant planning approvals and tenant negotiations.
- 3.3.6 The Project Officer Group held several workshops with key officers and members earlier this year. Members were also invited to attend a presentation outlining the options for the concept masterplan on 23rd September, which was well received.

4.0 Social Value Considerations

- 4.1 The projected social value for Greyfriars is considerable. The Officers and Project Manager have been working with the Council's Economic Development Team to maximise this impact with involvement from our specialist consultants, the 'Social Value Portal', to ensure that the contractors appointed deliver their fair share of social value in accordance with prevailing Procurement Legislation.

5.0 Environmental Implications

- 5.1 The proposal emphasises how sustainable design has underpinned the redevelopment of Kings Quarter. All buildings will be refurbished with a design life well beyond the 60-year industry standard, featuring layouts, utilities, and infrastructure that are future-proofed for new technologies and uses. In addition, the works will include the following key features:
 - i) Asbestos will be removed.
 - ii) M&E installations will be replaced and upgraded
 - iii) Utility costs will be reduced
 - iv) CO2 emissions will be reduced

6.0 Alternative Options Considered

6.1 Council Officers have reviewed alternative options to bring forward the redevelopment of Greyfriars. The options include:

- i) **Do nothing:** The LUF funding will be lost, and the Eastgate market and shopping centre will continue to underperform as an asset.
- ii) **Do proposed:** Relocate existing retail tenants from Bell Walk to Eastgate Street, create the new market on Bell Walk and relocate market traders, strip out existing Eastgate Market, ready for new letting / Cultural Hub when business cases and planning are approved.

6.2 There is a strong rationale for continuing the scheme.

- i) The age of the existing buildings and the risk of them deteriorating further pose a threat to their closure due to regulatory and building compliance issues or additional remedial cost to the Council.
- ii) Continued active management of the existing Eastgate Market with risk of further voids and letting space, which is no longer fit for purpose.
- iii) Improve commercial letting opportunities for Eastgate Shopping Centre.
- iv) Address anti-social behaviour issues within the public realm and Greyfriars monument by revitalising the space and bringing it into active management.

7.0 Reasons for Recommendations

7.1 Approval of Recommendation (i) is required to enable Officers to commence Phase 1 of the programme, as outlined in Figures 1 and 2. With RIBA Stages 0 and 1 now complete, the project scope is better defined. Progression to RIBA Stage 2 is necessary to develop a more advanced concept design. Timely delivery of the remaining scheme is now critical, and the appointment of a consultant team and contractors is essential to ensure the proposals are delivered within the Levelling Up Fund (LUF) timeframe set by MHCLG, with the revised completion deadline of March 2028.

7.2 To proceed, approval is required for the release of the initial £4,000,000 funding tranche to support continued design development and commencement of enabling works, including the strip-out of the existing market. Without this approval, project activity will be paused as the current budget allocation for initial works will have been fully utilised.

7.3 Should funding not be released and timelines not met, there is a risk that the Council may fail to meet the Levelling Up Funding agreements. This could potentially affect the retention of external funding. Timely action will help safeguard the investment and maintain programme momentum.

7.4 Due to the evolving economic climate and the project's early stage, it is recommended that change protocols be established to ensure any proposed amendments align with the Council's strategic objectives. All significant changes will be presented in accordance with Gloucester City Council's constitutional policy and submitted to

Cabinet. However, to maintain project agility and respond effectively to market conditions and operational realities, it is proposed that the Development and Capital Projects Board approve minor changes, up to and not exceeding 10% of the total project value. This flexibility will support timely decision-making, particularly in negotiations with prospective partners.

- 7.5 This inaugural Cabinet paper represents the first of four phased approvals to be considered by Cabinet (see Table 1). It sets out the case for granting approval and releasing funding to support initial enabling works on dilapidated Council assets, and to progress Phase 1 of the programme (see Table 2).

8.0 Future Work and Conclusions

- 8.1 The next phase of the Greyfriars Quarter programme will involve the tendering and appointment of consultant teams to prepare planning applications and undertake the due diligence necessary to appoint contractors for enabling works. This includes the strip-out of the existing Eastgate Market building in preparation for the fit-out of the proposed Cultural Hub.
- 8.2 Officers will organise a series of further meetings with existing retail tenants, market traders, and local stakeholders before submitting any planning application. Detailed drawings for the planning applications will be presented to members at a further workshop for feedback before submission. The following Cabinet paper will formally request that the appended plans be approved before submission.
- 8.3 New market accommodation will be created for existing Eastgate Market traders within vacant retail units 12-24 Bell Walk within the Eastgate Shopping Centre. This relocation supports continuity of trade and aligns with the broader regeneration strategy.
- 8.4 In parallel, tenders will be prepared for contractors to deliver the remainder of the scheme, guided by the Vision Document and the Eastgate Market and Cultural Hub Feasibility Study. These documents will form the basis of the masterplan, acknowledging that technical design refinements will be made at the next stage.
- 8.5 A professional team will be appointed through a framework to support Phase 1 delivery (RIBA Stages 2–3). A revised planning application to modify the currently consented scheme is being prepared for imminent submission, with determination anticipated in Spring 2026.
- 8.6 Finally, engagement with Historic England will be undertaken to deliver reinstatement works to Greyfriars Monument and House using Levelling Up Fund resources. Further details on this element will be brought forward in a future Cabinet paper for approval.

Figure 1 – Project Programme (High Level)

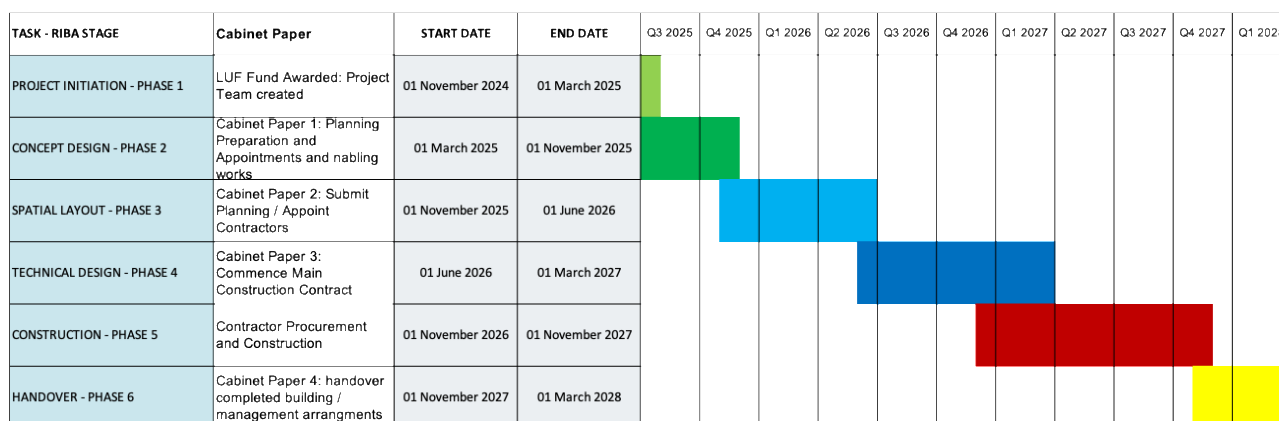


Figure 2 – Project Approval Plan

Phase: Cabinet paper	RIBA Stage	Date	Cabinet Approvals Required
1	2	Nov 25	- Request for £4 million to carry out site clearance works and relocate market traders to mutually acceptable locations to allow for vacant possession for works and maintain market operations - Tender and appoint a professional team through a framework to carry out due diligence and appoint contractors for phase 1 works (RIBA 2-3) - Tender and appoint contractors to carry out enabling works
2	3	Apr 26	- Business Case approval for all elements of the scheme - Permission to fund Historic England works to Greyfriars House / Monument - Permission to submit planning application(s) - Permission to appoint the main contractor on a D&B basis from RIBA 4-6, details of sub-contractors where required - Novation of the professional / design team to contractors

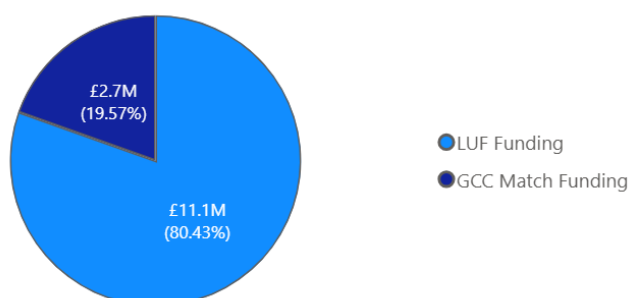
Phase: Cabinet paper	RIBA Stage	Date	Cabinet Approvals Required
3	4	Dec 26	• Complete planning pack post approval, subject to detailed design / reserved matters • Contractor costs finalised • Start on site with Cultural hub/remainder of site • Carry out work on the Greyfriars Monument and House
4	6	Mar 28	• Final contractor costs • Handover of warranties, etc • Operational details of the market / cultural hub • Details of any new lettings • Financial close • Next steps for Eastgate shopping centre

9.0 Financial Implications

9.1 Capital implications

The total funds available for the project are:

- Levelling Up Fund = £11,100,000.00
- Gloucester City Council Match Funding - £2,700,000.00
- Total project funding = £13,800,000.00



9.2 The maximum capital spend before the full Phase 2 Cabinet Report will be £4,000,000.00

9.3 All amounts in this report are in £ GBP and exclude VAT.

9.4 **Revenue Implications.** Any potential ongoing revenue projections will be based on the Greyfriars Quarter Project business case and form the basis of the following Cabinet paper for Phase 2.

(Financial Services have been consulted in the preparation of things report)

10.0 Legal Implications

- 10.1 The Council must ensure compliance with any conditions of the Levelling Up Funding and ensure that such are (where necessary) imposed on any recipients of such funds.
- 10.2 Legal and procurement advice should be sought on any services, goods and/or works required under this project. The Council will be required to comply both with its contract rules and the Procurement Act 2023 when undertaking a procurement exercise. One Legal and the Council's procurement officer will be able to assist and advise on the same.
- 10.3 The Council has the:
 - 10.3.1 power to establish markets within their area pursuant to Section 50 of the Food Act 1984;
 - 10.3.2 power to provide such recreational facilities as it thinks fit pursuant to Section 19 of the Local Government (Miscellaneous Provisions) Act 1976; and
 - 10.3.3 general power of competence which allows the Council to do anything that individuals may generally do pursuant to Section 1 of the Localism Act 2011.
- 10.4 Stallholders vacating from current Eastgate Market
 - 10.4.1 It is assumed that the Market stall holders '(the Stallholders)' currently occupy the Eastgate Market stalls under a licence. A licence is a personal agreement and does not confer exclusive occupation upon a licensee in the same way as a lease does. It is therefore relatively easier to terminate a licence agreement.
 - 10.4.2 Provided the licence is still current and has not expired then the termination provisions within the standard market licence will need to be followed and the relevant notice will need to be served. The termination provisions within the Council's standard market licence state that four weeks' previous written notice must be served. It will be prudent to however check the market licence for every Stallholder to ensure that there hasn't been a variation to the termination provisions of the standard form of licence.
- 10.5 Stallholders relocating to Bell Walk
 - 10.5.1 Where stallholders are relocating to the units at Bell Walk, the advice would be for Stallholders to be granted a lease as they will have exclusive occupation of the premises. There is a statutory duty under s123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable when disposing of land. Leases for a term exceeding 7 years are "disposals" within the meaning of this section. The advice of an independent valuer should be followed.
- 10.6 Additional legal advice is contained within Appendix 2.

(One Legal have been consulted in the preparation of this report)

11.0 Risk & Opportunity Management Implications

11.1 See Appendix 1 for the high-level Risk Register.

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 At present, there are no adverse impacts identified for any of the protected characteristic groups. As the regeneration of Greyfriars progresses, the design process has been carefully devised to ensure maximum community engagement with a focus on achieving engagement with disabled and other minority groups. Further Impact Assessments will be considered as part of the development process where relevant.

13.0 Community Safety Implications

13.1 There are believed to be limited community safety implications at this stage. Any agreement to proceed with this proposal will involve construction taking place within a busy part of the city centre. During construction periods, the contractors will be legally obliged to ensure the health and safety of not just their staff but also the local community.

13.2 The final design of the development will need to be agreed via the standard planning mechanisms, and this provides an opportunity for further scrutiny by key stakeholders such as police, counter terrorism teams, and the Fire Service.

14.0 Staffing & Trade Union Implications

14.1 Any staffing implications can be addressed when more detail is known at a later stage of the project.

Background documents: None.

Appendix A – Project Risk Register (High level)

Risk Register												
Name	Category	Description	Consequence	Pre-mitigation risk (1-6)	Pre-mitigation likelihood (1-4)	Pre-mitigation raw score (risk likelihood)	Mitigations	Post Mitigation risk (1-6)	Post Mitigation Score (1-4)	Post Mitigation Score	Timescale	Responsibility
Risk 1	Political	Economic market uncertainty risk	Uncertain tenant interest and financial stability for market, retail, F&B due to national economic trends. Uncertainty around viability of potential future business Cases	4	3	12	Comprehensive marketing campaign is initiated and thorough due diligence on prospective tenants	3	3	9	2 - Distant next 12 months	
Risk 2	Development	Financial stability of contractor / supply chain.	Financial loss if contractors become insolvent/ project loss of time / risk loss of warranty packages etc.	5	3	15	Ensure commercial viability of suppliers / test commercial strength at procurement level	3	2	6	1 - Remote	
Risk 3	Legal	Changes in legislation make project more complicated to deliver	Need to consider new building regs requirements and security requirements and build into project and design scope	6	4	24	Principal Designer, PM and building control must be joined up to ensure all latest legislation is taken into account and implemented into design	1	4	4	4 - Close next 3 months	
Risk 4	Political	Regulatory /requirements changes in relation to market trader relocations	Critical path still moving market traders. Delay in moves may result in programme delays to mobilise initial asbestos removal and stripping works. Options being explored.	4	2	8	Ensure consequence of regulatory changes are built into the scheme from an early stage	4	4	16	2 - Distant next 12 months	
Risk 5	Reputational	Risk of a lack of resident buy in for the proposed scheme	Reputational risks due to lack of stakeholder engagement could lead to planning objections and loss of Eastgate Market retail tenants	4	3	12	Ensure a comprehensive consultation programme keeps stakeholders engaged and involved in the scheme	3	2	6	5 - Imminent next month	

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Resticted