



Meeting: **Cabinet**

Date/Time: **Tuesday, 24 October 2023 at 2.00 pm**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Miss. G. Duckworth (Tel. 0116 305 2583)**

Email: **gemma.duckworth@leics.gov.uk**

Membership

Mr. N. J. Rushton CC (Chairman)

Mr. B. L. Pain CC Mrs H. L. Richardson CC
Mrs D. Taylor CC Mrs. P. Posnett MBE CC
Mrs. C. M. Radford CC Mr. R. J. Shepherd CC
Mr. O. O'Shea JP CC Mr. P. Bedford CC
Mr. L. Breckon JP CC

SUPPLEMENTARY REPORTS

<u>Item</u>	<u>Report by</u>	
6. Melton Mowbray Distributor Road South.	Director of Environment and Transport and Director of Corporate Resources	(Pages 3 - 6)
7. Charnwood Borough Council's Local Plan.	Chief Executive and Director of Environment and Transport	(Pages 7 - 20)



This page is intentionally left blank



CABINET – 24 OCTOBER 2023

**MELTON MOWBRAY DISTRIBUTOR ROAD SOUTH
SUPPLEMENTARY REPORT**

**JOINT REPORT OF THE DIRECTOR OF ENVIRONMENT AND
TRANSPORT AND THE DIRECTOR OF CORPORATE
RESOURCES**

Purpose of the Report

1. The purpose of this supplementary report is to provide the Cabinet with amended recommendations regarding the Melton Mowbray Distributor Road South (MMDR S) project.
2. This supplementary report is also intended to clarify the position of Homes England regarding the MMDR S project and its approach to the provision of grant funding in connection with that scheme.

Recommendations

3. It is recommended that:
 - a) The County Council's ongoing commitment to Melton Borough Council's (MBC) Local Plan strategy be confirmed;
 - b) Homes England (HE) be informed that despite the best efforts of the County Council it is unable to meet the terms and conditions within the Grant Determination Agreement in order to draw down any further grant monies from the Housing Infrastructure Fund (HIF);
 - c) It be noted that in the absence of further grant funding the County Council will be unable to proceed at present with construction of the Melton Mowbray Distributor Road South (MMDR S) and that MBC and other stakeholders be advised accordingly;
 - d) The County Council's Capital Programme 2023-27 be amended as set out in paragraph 20 of the Original Report, noting that this will include funding for development of an alternative delivery strategy (£0.5m), costs incurred on programme which will be unrecoverable (£1.3m), and

withdrawal of the existing strategy (£1.7m) for the MMDR S at a likely total cost of £3.5m;

- e) The MMDR North and East scheme be amended as required; and
- f) The Director of Environment and Transport and the Director of Corporate Resources following consultation with the relevant Cabinet Lead Members, be authorised to pursue discussions to seek additional funding, including with MBC, the local Member of Parliament, the Department for Transport and developers.

Reason for Recommendation

4. The published Report to Cabinet explained the up-to-date financial position regarding the MMDR S scheme and the Council's options in light of that position. This supplementary report revises certain references to the position of Homes England following the publication of the report.
5. Homes England wrote to the Council on 16 October 2023 advising that it was of the view that it would be incorrect to state that it had withdrawn from the MMDR S project.
6. Statements to the effect that Homes England had withdrawn the grant were set out paragraphs 2 c), 5 and 36 of the Original Report.
7. The Council accepts that Homes England has not communicated an intention to withdraw from the Grant Determination Agreement (*in the sense of being unwilling to perform its obligations under the Grant Determination Agreement*) and the published report should be read in light of that.
8. Homes England also pointed out that the position under the GDA is an issue for Homes England and the County Council and did not extend to Melton Borough Council and recommendation (b) above has been amended to reflect that.

Officers to contact

Ann Carruthers
 Director, Environment and Transport
 Tel: (0116) 305 7000
 Email: Ann.Carruthers@leics.gov.uk

Declan Keegan
 Director, Corporate Resources
 Tel: (0116) 305 7668
 Email: Declan.Keegan@leics.gov.uk

Janna Walker
 Assistant Director, Environment and Transport
 Tel: (0116) 305 7215

Email: Janna.Walker@leics.gov.uk

This page is intentionally left blank



CABINET – 24 OCTOBER 2023

CHARNWOOD BOROUGH COUNCIL'S LOCAL PLAN

**JOINT REPORT OF THE CHIEF EXECUTIVE AND THE DIRECTOR
OF ENVIRONMENT AND TRANSPORT**

PART A

Purpose of the Report

1. The purpose of this report is to provide the Cabinet with an update on the current status of Charnwood Borough Council's Local Plan, the position of the County Council in respect of the latest period of consultation and the progress made on the Interim Transport Contributions Strategy (ITCS).

Recommendations

2. It is recommended that:
 - a) The latest position regarding Charnwood Borough Council's Local Plan Examination be noted;
 - b) The County Council's initial response to the Charnwood Local Plan consultation, as outlined in paragraphs 36 to 50 of this report, be agreed as a basis for the formal response to the consultation;
 - c) The Chief Executive, following consultation with the Cabinet Lead Member, be authorised to submit the County Council's formal response to the Charnwood Local Plan consultation, setting out its latest position, by 8 November 2023;
 - d) The revisions made to the draft Interim Transport Contributions Strategy (ITCS) designed to manage the risks associated with the delay in implementing the Local Plan be approved;
 - e) A 6-week consultation exercise be held on the revised draft ITCS;
 - f) The Director of Environment and Transport, following consultation with the Cabinet Lead Member, be authorised to make such refinements to the revised draft ITCS as might be required to implement it following the consultation exercise;

- g) The Director of Environment and Transport, following consultation with the Cabinet Lead Member, be authorised to make such refinements to the ITCS as might be required for it to become the Transport Contributions Strategy, at the point of the Charnwood Local Plan being adopted.

Reasons for Recommendation

3. The revised draft ITCS will ensure the County Council's interests remain protected, on a policy basis, during the period of Charnwood Borough Council having no adopted Local Plan, and following its adoption.
4. On 26 September 2023, Charnwood Borough Council confirmed further consultation would take place on elements of its Local Plan, to run from 27 September to 8 November 2023. The consultation includes viability work which could affect the ability of the plan to provide sufficient contributions to deliver education and highways and transport requirements.
5. Delegating authority to submit the County Council's formal response to the consultation post-Cabinet will provide additional time for officers to consider and respond to the Inspectors in the most productive manner, using the latest available information.
6. Non-implementation of the ITCS risks further developer contributions being missed and continued difficulties in covering shortfalls to key infrastructure mitigation, increasing levels of financial risk to the County Council.
7. A 6-week consultation with the industry, relevant local planning authorities and a public consultation (via the County Council's website) would provide appropriate weight to the ITCS.
8. Authority to make refinements to the ITCS post-consultation, and to produce the Transport Contributions Strategy at the point of the Charnwood Local Plan being adopted, would minimise delays and maximise the County Council's opportunity to secure education and highways contributions from new development.

Timetable for Decisions (including Scrutiny)

9. Formal consultation on a set of distinct work streams as part of the Charnwood Borough Council's Local Plan commenced on 27 September 2023 and closes on 8 November 2023. Following the close of this consultation and any deliberation by the Inspectors, there is likely to be a further 6-week consultation on Main Modifications. It is not expected that the Plan would be adopted until Spring 2024.

Policy Framework and Previous Decisions

10. In September 2021, the Cabinet considered a report setting out the County Council's proposed response to the Pre-Submission Charnwood Local Plan. That report included detail of the policy framework within which the Plan sits.

The report also set out an ‘in principle’ supportive approach to the draft Local Plan to be taken by the County Council, based on a commitment by Charnwood Borough Council to complete further work between then and the Examination in Public and to certain other conditions, including in respect of highways and transportation matters.

11. In May 2022, the Cabinet noted with concern the increasing pressures on the County Council’s Capital Programme relating to infrastructure required to support housing and economic growth in the delivery of planned growth. The report set out some of the elements required to manage the financial risk to the County Council.
12. In June 2022 the Cabinet considered a report on Highways and Transportation matters in respect of the Charnwood Local Plan, providing background and setting out the County Council’s position leading up to the commencement of the Examination in Public. The Cabinet, inter alia, offered the County Council’s support for the draft Local Plan at the Examination in Public, noting the scale of the highways and transportation mitigation package.
13. In September 2022 the Cabinet considered the latest position on the Charnwood Local Plan and approved work towards an interim approach to dealing with planning applications in Charnwood and that, as the local planning authority, Charnwood Borough Council’s support for implementation of this interim approach be sought.
14. In November 2022 the Cabinet considered a report regarding the financial implications for the County Council of delivering sustainable and inclusive growth. An approach and a set of principles were agreed in order to address and manage risks, including that the district councils integrate the County Council’s requirements relating to delivery of statutory infrastructure in their Local Plans and that the entire cost of statutory infrastructure projects would be recovered from developers (and other appropriate sources) and sufficient contributions secured before the County Council funded scheme delivery.
15. On 10 February 2023 the Cabinet considered a report regarding the County Council’s interim approach to securing developer contributions and managing development in respect of highways and education infrastructure needs in Charnwood Borough, pending the adoption of the Charnwood Local Plan. It resolved that the approach, as set out in the Transport Contributions Strategy and Education Infrastructure Evidence Base, be approved and that the Director of Environment and Transport be authorised to make refinements to the Transport Contributions Strategy as required.
16. On 23 June 2023 the Cabinet considered a report advising of the potential risks to the progress of Charnwood Borough Council’s Local Plan and the County Council’s progress towards securing developer contributions and managing development in respect of highways needs in the Borough, following a change of administration at Charnwood Borough Council. It was resolved, amongst other things, that the County Council remained in support of the Borough Council in demonstrating that the draft Local Plan is viable, but required

assurances from the Borough Council that the Area Transport Strategies and interim approach should be jointly owned and approved by both councils in order to provide assurances that necessary developer contributions would be secured.

Resource Implications

17. The County Council has committed significant resources to engaging in and supporting a collaborative approach to strategic planning, which is intended to facilitate the delivery of growth within the County and mitigate the negative impacts of development.
18. The County Council's Capital Programme includes over £200m to fund infrastructure projects that support growth in the County.
19. The previous approach to delivering infrastructure (highways, schools and some community facilities) has required significant forward-funding from the County Council and in the current financial climate this approach is no longer possible.
20. The County Council continues to seek to provide support for a Local Plan that provides a robust as possible policy platform for securing the provision of infrastructure and services required to support its successful delivery.
21. The Director of Corporate Resources and Director of Law and Governance have been consulted on this report.

Circulation under the Local Issues Alert Procedure

22. This report will be circulated to all Members.

Officers to Contact

Tom Purnell
Assistant Chief Executive
Tel: 0116 305 7019 Email: tom.purnell@leics.gov.uk

Julie Thomas
Head of Planning and Historic and Natural Environment
Tel: 0116 305 5667 Email: julie.thomas@leics.gov.uk

Ann Carruthers
Director, Environment and Transport
Tel: 0116 305 7000 Email: ann.carruthers@leics.gov.uk

Janna Walker
Assistant Director, Development and Growth
Tel: 0116 305 0785 Email: janna.walker@leics.gov.uk

PART B

Background

23. In September 2021, the Cabinet agreed the County Council's in-principle support for Charnwood Borough Council's draft Plan on a conditional basis subject to additional work, including the development and adoption of specific transport strategies that would satisfy a delivery strategy and would deal with cumulative impacts of development.
24. Charnwood Borough Council submitted its Local Plan for Examination in December 2021.
25. A further report was taken to the Cabinet in June 2022, prior to the Examination in Public (EiP), noting that key highways and transport conditions set out in the September 2021 report had been fulfilled, whilst noting that it would be necessary to accept a proportionate and reasonable deterioration in traffic conditions as a result of developments being permitted prior to the overall mitigation package being put in place.
26. Following the first week of the EiP Hearing in June 2022, weeks two and three were adjourned to allow for consultation on Leicester and Leicestershire's Housing and Employment Land Needs, and on the evidence underpinning the Leicester and Leicestershire Statement of Common Ground, with this matter then being covered at the Hearing sessions on 25 and 26 October 2022. As a result of those sessions, the Inspectors agreed a minimum local housing requirement for Charnwood of 1,189 dwellings per annum to 2036 (as agreed in the Statement of Common Ground). This was increased from the 1,111 dwellings per annum which was included in Charnwood's submitted draft Plan.
27. Further hearing sessions in the EiP took place during February 2023 and covered remaining Matters, Issues and Questions that were not dealt with at the June or October sessions, together with some supplementary questions. The County Council produced written statements which were submitted to the Charnwood Local Plan EiP, referring to the draft ITCS as a means to deal with the situation in advance of the Plan being adopted.
28. Subsequent to the approval of the ITCS on 10 February 2023 officers have been working to implement the strategy whilst managing associated risks. A draft formula for securing infrastructure contributions was shared informally and in confidence with Charnwood Borough Council in April 2023.
29. Discussion with Charnwood Borough Council regarding the ITCS and formula for securing infrastructure contributions have continued resulting in a revised ITCS. However, to date the ITCS has not been implemented.
30. It is the position of the County Highway Authority that given the proposed approach to the distribution of development set out within the proposed Local Plan and the number of developments that have already received planning permission that the plan requires modification, as previously submitted to the

examination, and that the transport strategies are necessary to support sustainable growth in Charnwood. This position remains unchanged, subject to the continued commitment of Charnwood Borough Council.

31. Charnwood Borough Council's current Local Plan is now nearly seven years old, and the Borough Council is also unable to demonstrate a five-year supply of housing land. Under the National Planning Policy Framework (NPPF) a Local Planning Authority in such a situation is in a relatively poor position to seek to resist speculative, unplanned sites coming forward through the planning process. Unplanned development can lead to cumulative impacts on infrastructure such as roads and schools that have not been mitigated, in turn impacting on existing residents and communities. The County Council has therefore sought to support Charnwood Borough Council in developing, adopting and implementing a new local plan to help manage this risk.

Latest Position in respect of Local Plan Examination

32. Following the conclusion of EiP hearing sessions held in February 2023, the Inspectors for the Charnwood Local Plan examination set out the next steps in a letter to Charnwood Borough Council in May 2023. Inspectors considered that further work was required on the three Transport Strategies and that the viability work should be further updated to reflect the indicative costs of the Transport Strategies, and updated school build costs.
33. The letter specifically highlighted that the Transport Strategies were not sufficiently detailed or developed to meet the Plan's objective to increase use of the sustainable modes of travel, nor to securing effective mitigation for the effects of the Plan's growth on the Local and Strategic Road Network. The Inspectors therefore sought the identification and submission of a framework for Transport Strategies for Loughborough Urban Centre, Shepshed Urban Area, North of Leicester, and Soar Valley.
34. A paper explaining the scope of the three Area Transport Strategies was submitted to the Local Plan examination on 26 July 2023 by the County Council and led to further viability work to be commissioned by the Borough Council to assess the indicative costs of the Transport Strategies and to consider increased school build costs.
35. Following the submission of these additional documents, a 6-week consultation began on 27 September, due to end on 8 November 2023. Inspectors are seeking views on the transport strategies and viability work and three other matters; a sustainability appraisal addendum, the approach to increasing housing land supply and an update to the five year housing supply position on adoption of the Local Plan.
36. It is anticipated that should the comments received not lead to further questions on the Plan or necessitate a further period of consultation, a 6-week consultation on Main Modifications would follow and that if found sound, the Plan would not be adopted until Spring 2024.

Summary of consultation and basis of the County Council's response

37. The County Council, alongside all other parties who were consulted at the Regulation 19 Pre-submission Local Plan stage, has been contacted regarding the consultation on the new documents. Whilst there is no requirement to respond to the consultation, it is considered appropriate for the County Council to do so, to demonstrate continued engagement in the Examination process. A summary of the documents being consulted on, and the County Council's suggested approach is as follows:

Sustainability Appraisal Addendum

38. This document was uploaded to the examination library in early 2023, ahead of the hearing sessions in February 2023. The addendum was produced to consider options for the delivery of the additional 78 homes per annum (the City's unmet need). In its written statements in January 2023, the County Council made reference to the in-principal approach to accommodating the unmet need as being a practical and relatively low-risk overall approach. It is not considered necessary to further comment on this document.

Additional Housing Supply Update

39. This document demonstrates the effects of updating the housing land supply position to that as of 31 March 2023 (as a replacement to a previous version which looked to 31 March 2022). The document also includes an updated version of the local plan trajectory. The paper highlights a total requirement of 19,024 homes and a supply of 21,134 homes and therefore a buffer of 11.1% at 1,189 homes per year. It is not considered necessary to further comment on this document.

Updated Housing Trajectory

40. Updates have been made to housing trajectory based on April 2023 data, and the document reflects an updated 5-year housing land supply position (2023-2028). The housing requirement has been amended from 1,111 dwellings per annum to 1,189 dwellings per annum to take account of the City's unmet need. It is not considered necessary to further comment on this document.

Draft Transport Strategy

41. This document was prepared by the County Council and then submitted to Charnwood Borough Council in response to the Inspectors' letter to the Borough Council on 23 May 2023. It provides the broad contents of and framework for the three area transport strategies (for *Loughborough and Shepshed*, the *North of Leicester* and the *Soar Valley* respectively) that were identified to be necessary within the Local Plan to underpin its delivery, once adopted, outlining in more detail:

- their rationale and context
- work undertaken to date to prepare them

- work that is currently ongoing to inform the final strategy documents
- the latest assumptions about their costs, potential funding sources and delivery
- next steps

42. In their subsequent letter to Charnwood Borough Council on 21st August 2023, the Inspectors confirmed that *“we consider that the document sets out a clear approach to the development of the strategies and the next steps in their development are clearly identified. The level of detail is proportionate in relation to the level of evidence required for the examination, and for the consultation.”*

Updated Viability work

43. The initial Charnwood Local Plan Viability study report was dated February 2021. Numerous addendum reports have been produced since to reflect changes in off-site transport costs, but also the effects of other significant changes to local and national policies and development costs.

44. The updated August 2023 report from Charnwood Borough Council’s viability consultants seeks to update and consolidate the various viability assessments, to form a robust and sound evidence base for the Local Plan to be adopted. County Council officers have engaged with Charnwood Borough Council officers around updated school build costs and the indicative costs of Transport Strategies.

45. Before commenting on the updated viability work, it is important to provide some context. The planning system in England is largely predicated on the basis that developers should fund the infrastructure and services required to enable/mitigate the impacts of their development, albeit within a legislative and regulatory framework that controls what can be reasonably required. Aside from some one-off examples such as the Housing and Infrastructure Fund (which is not without its issues and challenges), there exists under the present system little or no ability to coordinate public investment with growth – be that at a national level for strategic scale projects, such as in improvements to the Strategic Road Network – or more local measures.

46. It has been the experience in Leicestershire, that in recent years it has become ever more challenging to identify Local Plan spatial patterns of growth or allocation sites that are ‘cheap’ and ‘easy’ to deliver from an infrastructure and service provision perspective. An example of this is the scale, cost and complexity of the Melton Mowbray Distributor Road North and East scheme, where even prior to the compounding inflationary impacts of the pandemic and war in the Ukraine, the income generated by a ‘roof tax’ approach to developer contributions was never going to be sufficient to fund the project alone. The scale of contributions otherwise required would have rendered the sites unviable in financial terms.

47. There is no single ‘big ticket’ item required to enable delivery of the Charnwood Local Plan, essentially because of the dispersed nature of the housing spatial strategy. Nevertheless, in terms of education, and highways and transport alone

the currently estimated total cost is at least £320m, split as follows:

- i. **Education circa £140m:** The figures in the updated viability work from a school build cost perspective have been reviewed by County Council officers and it is considered that these are accurate and follow an appropriate methodology. There had been some concern from the County Council that costs would be based on those in the County Council's current Planning Obligation Policy, but costs have been duly based on the County Council's most recent experiences of delivering new school places and so more accurately reflect the high inflationary costs being experienced. It is considered that the plan would provide sufficient contributions to deliver education requirements.
- ii. **Highways and transportation circa £183m:** The figures used in the updated viability work reflect the best estimates available. In the case of the road scheme estimates, they have been subject to an independent peer review; the estimates for the walking and cycling elements have been derived from work undertaken to develop Local Cycling and Walking Infrastructure Plans; and the passenger transport cost estimate is based on costings for the current Rural Mobility Fund 'FoxConnect' pilot.

48. In comparison, the updated viability report states that the maximum developer funding that could potentially be secured from allocated housing sites within the draft Plan is circa £200m. It is also important to note that:

- i. It is understood that this calculation is based on all allocated sites contributing at the maximum level. It does not discount for those sites that have already secured approval (currently circa 1,500 dwellings to date out of circa 9,300 total).
- ii. The viability report states that it is not recommended to set contributions right up to the margins of viability. This is because every site and scheme is unique and there needs to be sufficient additional contingency / buffer / optimum bias to ensure that the policies and the Plan are deliverable, and that property development is not stymied.
- iii. This £200m is the maximum for all contributions, not just those for highways and/or education.

49. In previous reports to the Cabinet on the matter of the Charnwood Local Plan it has been stated that contributions to education would take priority over those for highways and transportation measures. On that basis, and reflecting the figures set out above there is an apparent minimum funding gap of at least £120m in terms of funding for highways and transportation measures and infrastructure, calculated as follows:

- £200m (maximum level of developer contributions as set out in updated viability report) - £140m (current estimated education cost) = £60m (balance) -
- £180m (current estimated highways and transportation costs) means £120m gap at least.

50. This is a very significant gap, and therefore the County Council's response to the consultation needs to be carefully considered. On balance it is proposed that the

Local Plan is supported for the following reasons:

- i. The demand for new homes, jobs, school places, travel, etc. is a result of the area's growing population. That demand will arise whether or not there is a Local Plan in place.
- ii. Given the context set out in paragraph 44, that the Local Plan in and of itself is unable to meet the estimated costs of the infrastructure and measures required to enable growth in Charnwood in the future should be of no surprise. In reality, the lack of coordination between spatial planning and 'public' investment in infrastructure and services is a national issue; officers have taken and will continue to take appropriate opportunities, such as through Government consultations or Parliamentary calls for evidence, to raise this issue and call for action by Government to address the problem.
- iii. The failure to achieve an adopted Local Plan would do nothing but worsen the situation, with speculative, unplanned growth coming forward to fill the vacuum and without a cohesive basis on which to secure developer contributions, and thus with the potential to have far more significant impacts on local communities than if growth was delivered in a planned way.
- iv. Continuing on the course of developing the three area transport strategies (for Loughborough and Shepshed; North of Leicester; and the Soar Valley) underpinned by a contribution's mechanism remains the best way in the circumstances to:
 - a. Secure whatever level of developer contributions is available to fund highways and transport measures in the Borough, bearing in mind site viability considerations
 - b. Seek to secure whatever 'public' funding might be available. At this time, there is still much uncertainty about how the Prime Minister's recent announcement on "Network North" to cancel the remaining sections of HS2 and redistribute the funding across much of the country will work in practice. Nonetheless his announcement referred to two new funding sources that could be relevant: a Midlands Road Fund worth nearly £650m for new roads and £2.2bn fund to transform local transport, to be available in every part of the Midlands outside the mayoral combined authority areas and the new East Midlands (Derbyshire, Nottinghamshire, Derby and Nottingham) combined authority.

51. To conclude, overall, it remains in the best interests of communities in the Borough of Charnwood to have an up-to-date Local Plan in place and thus for the County Council to continue to work with Charnwood Borough Council to seek to achieve this, recognising the challenges faced as set out above.

Considerations for the County Council in terms of spatial plan development beyond the Borough of Charnwood

52. It is highly likely that viability challenges will arise for other Local Plans across Leicestershire (and in all likelihood across the country more widely). As with the Charnwood Local Plan, from the County Council's perspective this means it is

ever more important to ensure that there is in place the most robust, evidence and policy basis possible for seeking to secure whatever levels of developer contributions are available, mindful of viability considerations, and to secure 'public' funding, too. This means, for example:

- Continuing to work through the Strategic Planning Partnership (the County Council, Leicester City Council, the seven district councils in Leicestershire and the Leicester and Leicestershire Enterprise Partnership) to ensure that there remains an agreed, clear direction of travel for the spatial pattern development across the Leicester and Leicestershire Housing Market Area (HMA) out towards 2050. This in turn should enable the earliest possible identification of the strategic infrastructure and measures required to support the HMA's growing population over the coming decades and begin to hold conversations with Government about how that is funded.
- Based on the spatial direction set at the HMA level, work with plan-making authorities to understand at a more granular level the infrastructure and service requirements for sub-areas of the HMA, and to ensure that Local Plans as submitted for Examination in Public acknowledge and reflect those requirements and, reflecting viability considerations, contain robust policy frameworks for seeking to secure developer contributions and 'public' investment.

Revisions to Interim Transport Contributions Strategy for Developments in Charnwood

53. An ITCS for Developments in Charnwood District (approved by the Cabinet in February 2023) was produced with support from Charnwood Borough Council, National Highways and Leicester City Council. It was envisaged it would be in place until at least Charnwood's adoption of its Local Plan and until superseded by the more detailed transport strategies set out through the proposed main modifications to the Local Plan put forward by Charnwood Borough Council (with the agreement of the County Council, Leicester City Council and National Highways).
54. The ITCS was prepared in response to ongoing development pressures across Charnwood to provide an evidence base for the Borough Council to seek necessary transport contributions through the development management process towards the Local Plan mitigation package in advance of an adopted plan and/or associated detailed area transport strategies to be developed in support of this, including setting out the broad approach to implementation of the Strategy. This became necessary because a number of developments identified within the Local Plan have been coming through the planning process ahead of its adoption.
55. Since the original ITCS was approved by the Cabinet, discussions with Charnwood Borough Council have continued, resulting in a revised ITCS. These changes are summarised as follows:
 - i. Scope of the ITCS - the original version approved in February was largely limited to providing a basis for seeking contributions towards the ten

targeted highway interventions identified through the draft Local Plan evidence base. The revisions widen this out to include sustainable transport packages that are currently being investigated and developed through the County Council's ongoing Local Cycling and Walking Infrastructure Plans, Bus Service Improvement Plan refresh and next priority Major Road Network scheme programmes. The revised version thus presents a much more comprehensive picture of the overall Local Plan mitigation strategy and associated costs

- ii. Proposed contributions mechanism and policy - the original version envisaged that contributions would be calculated, collected and pooled separately for each of the three transport strategy areas identified through the draft Local Plan and again for each mode/type of intervention (highways, passenger transport and active travel). The revisions are based on a single (multi-modal and district-wide) contributions calculation without any ring-fencing, which would be simpler to administer and provide much greater flexibility to pool and use contributions to deliver priority schemes.
56. The revisions made to the ITCS means that, in effect, it now fundamentally represents the approach that would be taken as and when the Local Plan is adopted.
57. Discussions are ongoing with Charnwood Borough Council around the ITCS as there are concerns from the Borough Council around establishing the methodology to implement the Strategy.
58. Whilst the County Council can implement the ITCS without the Borough Council's support, in practical, terms, the County Council would be reliant on the ITCS being given weight in planning decisions.

Proposed Next Steps

59. Continued delays to the adoption of the Charnwood Local Plan are likely to lead to further uncertainty and unplanned growth and without an ITCS would leave the County Council without an ability to seek and agree developer contributions to mitigate the cumulative impact of this growth.
60. Undertaking consultation on the revised draft ITCS would result in a slight delay to its implementation but is considered to be worthwhile as it would give the policy additional weight. It is considered that the ITCS still offers significant value to the County Council given that Charnwood Borough Council's adoption of the Local Plan is unlikely to be before March 2024, and much development is likely to come forward before this time which will require support and mitigation to be funded via developer contributions.
61. Once the Local Plan has been confirmed sound by the Inspectors and is adopted, prospective development will align with the Plan with an adopted contributions strategy in place to ensure education/highways contributions from developers. These contributions will be requested via the planning process by Charnwood Borough Council, as the local planning authority. The County

Council, as a statutory consultee, may advise the Borough Council to refuse a planning application if it considers that the necessary mitigation has not been addressed and sufficient funding stipulated via the planning process. It would then be a matter for Charnwood Borough Council to consider if it accepts the County Council's advice. It is important to ensure that there is a robust evidence and policy basis for seeking to secure developer contributions. Having an approved process that has been through a Local Plan examination gives confidence that an adopted Local Plan can be put in place, despite the viability challenges.

62. It is considered that other scenarios, including the County Council not supporting the Local Plan and/or the Plan being found unsound by the Inspectors would be to the detriment of the County Council given that it may be in the position of "planning by appeal" (i.e., ad hoc applications, refused by the planning authority, being approved at appeal due to the absence of agreed Local Plan policy) and having no sound evidence base against which to justify, seek and achieve the required education or highways contributions. It may also pose wider risks to the County Council's relationships with the other Local Plan Authorities across Leicester and Leicestershire including in dealing with the issue of unmet need.

Equality Implications

63. There are no equality implications arising from the recommendations in this report. Charnwood Borough Council is working with the County Council and with other partners in the Leicester and Leicestershire Housing Market Area to provide for the homes and jobs required in the future.

Human Rights Implications

64. There are no human rights implications arising from the recommendations in this report.

Environmental Implications

65. The County Council will continue to work closely with Charnwood Borough Council and other partners to minimise the impact of the planned growth on the environmental assets of Leicester and Leicestershire.
66. The impact upon the environment is a key consideration in all planning decisions made within the context of an approved or emerging Local Plan, and as a consultee the County Council will seek to ensure that opportunities are taken to enhance the environment through biodiversity net gain and sustainable forms of development.

Partnership Working and Associated Issues

67. The County Council works closely with the Leicester and Leicestershire Strategic Planning Partnership. A strengthening of partnership working is

sought to deal with the infrastructure challenges which require a strategy-led approach with multiple partners, both in Leicester City and the wider area.

Background Papers

Report to the Cabinet on 22 June 2021: Urgent action taken by the Chief Executive in relation to the Leicester and Leicestershire Statement of Common Ground relating to housing and employment land needs (March 2021) - <https://bit.ly/3ueF6S8>

Report to the Cabinet on 17 September 2021: Response to the Charnwood Borough Council Pre-Submission Charnwood Local Plan (2021-2037) Consultation and minutes of that meeting - <https://bit.ly/3PHXqNr>

Report to the Cabinet on 24 June 2022: Charnwood Local Plan (2021- 2037) – Highways and Transportation Matters and minutes of that meeting - <https://bit.ly/3v20P0a>

Report to the Cabinet on 23 September 2022: Charnwood Local Plan (2021- 2037) Latest Position - <https://bit.ly/3EbMySG>

Report to the Cabinet on 23 September 2022: Medium Term Financial Strategy - Latest Position - <https://bit.ly/3EbMySG>

Report to the Cabinet on 23 September 2022: Leicester and Leicestershire Authorities – Statement of Common Ground relating to Housing and Employment Land Needs - <https://bit.ly/3EbMySG>

Report to the Cabinet on 25 November 2022: Managing the Risk Relating to the Delivery of Infrastructure to Support Growth - <https://bit.ly/3EN8P9Z>

Report to the Cabinet on 10 February 2023: Interim Approach to Planning Issues in Charnwood Borough - <https://bit.ly/3MI7XXZ>

Report to the Cabinet on 23 June 2023: Charnwood Borough Council's Local Plan - <https://bit.ly/3RFyeud>