



*Meeting:* **Scrutiny Commission**

*Date/Time:* **Wednesday, 10 April 2024 at 10.00 am**

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

*Contact:* **Mrs J Twomey (Tel: 0116 305 2583)**

*Email:* **joanne.twomey@leics.gov.uk**

### **Membership**

Mr. M. T. Mullaney CC (Chairman)

Mr. T. Barkley CC    Mrs. A. J. Hack CC  
Mr. M. Frisby CC    Mr. J. Morgan CC  
Mrs. H. J. Fryer CC    Mrs. R. Page CC  
Mr. S. J. Galton CC    Mr J. Poland CC  
Mr. T. Gillard CC    Mr. T. J. Richardson CC

### **AGENDA**

<u>Item</u>	<u>Report by</u>
1. Minutes of the meeting held on 13 March 2024	(Pages 3 - 10)
2. Question Time.	
3. Questions asked by members under Standing Order 7(3) and 7(5).	
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	
5. Declarations of interest in respect of items on the agenda.	
6. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.	
7. Presentation of Petitions under Standing Order	



- 35.
- |    |                                                                                                                                  |                 |                 |
|----|----------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| 8. | Transition of Leicester and Leicestershire Enterprise Partnership (LLEP) Responsibilities to Upper Tier Local Authority Control. | Chief Executive | (Pages 11 - 18) |
| 9. | Refresh of Leicestershire County Council Planning Obligations Policy.                                                            | Chief Executive | (Pages 19 - 44) |
10. Date of next meeting.
- The next meeting of the Commission is scheduled to take place on Monday, 10<sup>th</sup> June 2024 at 10.00am.
11. Any other items which the Chairman has decided to take as urgent.
12. Exclusion of the press and public.
- The public are likely to be excluded during the following item of business in accordance with section 100(a) of the Local Government Act 1972:-
- Corporate Ways of Working Programme Update
- |     |                                            |                                 |                 |
|-----|--------------------------------------------|---------------------------------|-----------------|
| 13. | Corporate Ways of Working Programme Update | Director of Corporate Resources | (Pages 45 - 64) |
|-----|--------------------------------------------|---------------------------------|-----------------|



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 13 March 2024.

PRESENT

Mr. M. T. Mullaney CC (in the Chair)

Mr. T. Barkley CC  
Mr. M. Frisby CC  
Mrs. H. J. Fryer CC  
Mr. S. J. Galton CC  
Mr. T. Gillard CC

Mrs. A. J. Hack CC  
Mr. D. Harrison CC  
Mr. J. Morgan CC  
Mrs. R. Page CC  
Mr J. Poland CC

56. Minutes.

The minutes of the meeting held on 29 January 2024 were taken as read, confirmed and signed.

57. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 34.

58. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

59. Urgent Items.

There were no urgent items for consideration.

60. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

61. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.

There were no declarations of the party whip.

62. Presentation of Petitions under Standing Order 35.

The Chief Executive reported that no petitions had been received under Standing Order 35.

63. Equality, Diversity and Inclusion Strategy 2024 - 2028

The Commission considered a report of the Chief Executive, the purpose of which was to seek its views on the draft Equality, Diversity and Inclusion (EDI) Strategy for 2024-2029 as part of an ongoing public consultation on the Strategy. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) Members welcomed the proposal to adopt those with lived care experience as a 'protected characteristic'.
- (ii) Members were pleased to see that 93% of staff had provided positive feedback to the staff survey held in 2023 and agreed that the Council was committed to equality, diversity and inclusion. This demonstrated that many staff were treating others with decency and respect and suggested that the culture of the Authority as an organisation was largely good. For individual instances where this was not the case, it was important to ensure managers were equipped to respond and address such behaviour quickly. It was noted that the Council had been robust and clear in its response to some recent incidents which demonstrated its zero tolerance to hate and any member of staff affected would be supported.
- (iii) Members were assured that the information collected through staff surveys was broken down to head of service level which ensured anonymity of staff.
- (iv) The Council sought to ensure decisions were based on evidence and not perception. A data driven approach would therefore be adopted and this would include both quantitative and qualitative data. It was suggested that the Council needed to be clearer about the data it used and provide context where appropriate. For example, a Member suggested that the Stonewall workforce equalities index did not include all councils. Whilst therefore the Council was ranked as the highest performing local authority, which was to be welcomed, it should be made clearer out of how many councils it was being measured against.
- (v) Staff were being encouraged to report characteristics to better understand the Authority's staff profile and to enable it to consider any potential trends around complaints, recruitment and promotions. This would also support the Council's aim to create a representative workforce which would in turn enable it to better meet the needs of the communities it served.
- (vi) A Member commented that it would be important to ensure that the Council's increased digital approach did not inadvertently increase the barriers faced by some residents accessing either employment with the Authority or its services. As an example, it was suggested that the Council's recruitment portal was not easily accessible for those with a learning disability or who might have English as a second language. The Chief Executive provided reassurance that following concerns being raised, the Council's recruitment portal had now been updated to include a telephone option to make the process for requesting a paper version

much easier. This was welcomed by all Members.

- (vii) It was suggested that digitisation had both advantages and disadvantages. A Member commented that as the County's aging population increased there was a risk of people being left behind and so this needed to be approached with care and with EDI at the heart of the process.
- (viii) Members suggested that whilst deprivation was recognised within the draft Strategy, more emphasis was needed to capture hidden deprivation too. Reference to Gypsies and travellers should also include reference to Showmen and Boatmen. A Member further suggested that the Strategy was too text heavy and the inclusion of case studies would help make the document more accessible and relatable. It was also suggested that reference to members should be included within the Strategy to reflect their role as community representatives.

The Lead Member for Communities encouraged everyone to respond to the consultation as this provided a wealth of information to help the Council better understand how residents were affected in their daily lives and what barriers they faced. This helped the Council better shape the delivery of its services to address such issues.

#### RESOLVED:

- (a) That the draft Equality, Diversity and Inclusion Strategy for 2024-28 be noted and welcomed;
- (b) That the Chief Executive be requested to take account of the comments now made by the Scrutiny Commission as part of the consultation.

#### 64. Leicestershire County Council's Customer Programme and Approach to Automation

The Commission considered a report of the Director of Corporate Resources, the purpose of which was to provide an update on progress made in the delivery of the Council's Customer Programme, including the current approach being taken and the successes so far. The report also set out the Council's proposed approach to automation as an enabler for improving the efficiency and effectiveness of Council services. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

In introducing the report, the Director provided a presentation which included examples of some of the work undertaken. A copy of the presentation slides is filed with these minutes.

Arising from discussion, the following points were made:

- (i) The Council had over 3,000 separate service routes through which customers could access Council services. It received over 400,000 contacts per month (excluding web page visits). This was therefore a major programme of work which would cut across all departments. Members commented that with so many ways to contact the Council it would be important to ensure the Programme did not overcomplicate this by adding even more channels. Variety was important but there was a risk that too many options could add complexity and confusion.
- (ii) The two key drivers behind the Programme were the worsening financial position of the Authority and the change in customer behaviour and expectations, accelerated

by the Covid-19 Pandemic. There had been a sharp increase in those seeking access to services and information through digital channels. A Member commented, however, that approximately 28% of people were not digitally enabled and so there was still a large proportion of people that would require access through traditional channels.

- (iii) Members raised concerns that digital options could alienate some residents, particularly those most vulnerable and in need of support. The Director confirmed that accessibility was paramount, and the Programme was not seeking to remove any of the current means of contacting the Council. However, as the Programme progressed some might cease or be adapted if they were found not to be operating well. All channels would be analysed in detail and reviewed end to end to ensure these were not wasteful and inefficient. Members were reassured that those non-digital channels that worked well and were being utilised by residents would always remain for those that needed them.
- (iv) Members noted that the Programme was in its early stages, but that good progress was being made and the forecasted savings target within the MTF5 was expected to be met this year and next. In response to questions raised, the Director confirmed that these were real savings, taking account of all project delivery costs, that would be delivered year on year. The budget of service areas achieving customer efficiencies including the Customer Service Centre (CSC) would therefore be a permanent reduction.
- (v) Members noted that, at present, the Programme was focused on ensuring online options were available and worked well for those that wanted to use them. A key aim would be to drive out wasteful processes that were no longer appropriate for a modern organisation and which were time and resource intensive. This would allow more time for face to face and telephone contact for those that needed this most. Self-service options had been developed, for example, for blue badge applications. These had been well received by residents and significantly reduced the number of contacts made to the Council.
- (vi) Regarding the blue badge online application process, Members noted that an appointment option had been established and customers that struggled with the online form could book a dedicated timeslot with an officer who could talk through and complete the form with them. The reduction in unnecessary contact with the CSC meant there was more time to provide this dedicated level of support. Members noted, however, that of those that contacted the CSC for advice about the online service, only a quarter went on to require a dedicated appointment. The feedback provided was that with some initial support, many would prefer to use the online option.
- (vii) Members noted that the reduction in demand for those contacting the Council by telephone had resulted in call queue times being reduced from an average of 24 minutes to 3 minutes. Whilst welcomed, a Member suggested that in some areas, call waiting times were still too long and that this continued to be a cause of frustration for residents. A Member challenged if this reduction in demand was genuine, or if there was an element of people being fearful of digital options and so abandoning contact altogether. The Director clarified that demand was not reducing but there had been a shift in the channels accessed. Demand for blue badges had therefore remained constant, but most contact was now made via the online self-service application form. Similarly for school admissions, improved digital

processes had reduced the volume of calls received.

- (viii) A Member suggested that the terminology in the report was not entirely reflective of the purpose of the Programme. For example, introducing self-service options was not to reduce customer contact per se, but to provide an alternative route for such contacts. This was therefore more about enhancing and improving the quality of access provided.
- (ix) A Member questioned if consideration had been given to the development of a Council mobile app. The Director confirmed that this had been looked at and was being kept under review. There were both benefits and disbenefits to this option. The development of an app would be costly both to at the outset and in ensuring this was kept up to date. Also, most residents that interacted with the Council did so on an irregular basis and so would be unlikely to download and use it. Therefore, priority had been given to the mobile optimisation of the website.
- (x) Members commented that their contact with the CSC was good, with enquires being acknowledged, numbered, and feedback provided in a timely way. However, issues arose when matters were then referred to departments for response. A lack of response (or update) from departments often resulted in frustration and repeat contacts and complaints. Members agreed that communication was key, as was a clear expectation around response times. Members noted that so far, the Programme had focused on the CSC, but that the intention would be to reach out into departments to make sure the end-to-end process for customer and member contacts worked well. Members suggested that a clear protocol with timescales that extended to departments was necessary to better manage expectations and avoid what was a common area of dissatisfaction. The Director undertook to consider this further and to look at how current processes could be improved to address this as part of the Programme.
- (xi) A Member challenged if new hybrid working arrangements could be having an impact on customer and member contact, causing delays within departments. Another Member commented that staff working from home were still working and that this needed to be made clear. However, the Council was operating with reduced resources, and so had to target these where they would be most effective.
- (xii) Members agreed that this was a far-reaching programme, and that progress would need to be monitored. The Commission requested that more detailed updates be provided as the Programme was progressed including case studies of the changes made to demonstrate how well this was working, the challenges faced and how these were being mitigated.
- (xiii) It was suggested that as the Programme was rolled out to departments, consideration should also be given to updating the relevant departmental overview and scrutiny committees. Furthermore, as all Members were a key point of contact for residents, it would be important that they were kept informed of changes and able to provide feedback. It was suggested that an all member briefing on the Programme would be beneficial.

RESOLVED:

- (a) That the update on progress being made in the delivery of the Council's Customer Programme and the proposed approach to automation be noted;

- (b) That a further, detailed update on progress be provided to a future meeting of the Commission including case studies of the changes made to demonstrate how well this was working, the challenges faced and how these were being mitigated;
- (c) That the Director of Corporate Resources be requested to:
  - (i) Consider the comments now made regarding the need for improvement when CSC contacts were passed on to departments;
  - (ii) Consider providing an update to the relevant departmental overview and scrutiny committees as the programme was rolled out into individual departments;
  - (iii) Provide an all member briefing on the Programme given that elected Members were a key point of contact for residents, and through whom many contacts with the Council were made.

65. 2023/23 Medium Term Financial Strategy Monitoring (Period 10)

The Commission considered a report of the Director of Corporate Resources, the purpose of which was provide an update on the 2023/24 revenue budget and capital programme monitoring position as at the end of period 10 (the end of January 2024). A copy of the report marked 'Agenda Item 10' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) Notwithstanding the longer-term financial deficit faced by the Authority, a Member commented that officers should be congratulated for getting this year's deficit down to £3.2m since the previous quarter. Service budgets had shown improvement which suggested the actions being taken, which included the introduction of spending controls, were having the required impact. The improvement in cost inflation was also to be welcomed.
- (ii) Members recognised that cost pressures in children's and adult's social care and SEN transport continued unabated. Demand continued to rise but funding was not increased nationally to accommodate this. A Member raised concern that locally the Authority could not address this and that change at a national level was needed urgently.
- (iii) Members were pleased to see an increase in forecasted business rates income for 2023/24. It was noted that the additional income of £12.2m was largely made up of growth in the business rate base, which was more than had been accounted for in the MTFs, and an extra allocation from the Leicester and Leicestershire Business Rates Pool. It was not yet known what future business rates income would be, as such income could be volatile from year to year. Also, a government reset of the business rates retention system was overdue. Though not expected to take place until before 2025/26, this would result in a reduction to business rate growth retained. A prudent approach each year would be taken given such uncertainty. Essentially, current growth above the baseline had to be treated with some degree of caution when setting the Council's MTFs.
- (iv) Members noted that the tender process for works to Zouch bridge had been completed. Officers were currently undertaking the valuation process. The Director confirmed that the contract for the works should therefore be awarded shortly.



- (v) Whilst there had been slippage (i.e. a delay in delivery) in expenditure for the Ways of Working Programme this did not mean it would become overspent. Savings were therefore still on target to be delivered. A Member suggested that this had not been made clear in the report and requested that in future reports more context be provided.
- (vi) Noting the slippage and forecasted increase in costs for the Melton Mowbray Distributor Road NE, a Member questioned if risks had been adequately transferred to the contractor. Members were assured that standard industry contracts had been used and that the increase in costs had stemmed from unforeseen weather events and archaeological issues which were outside the scope of such contracts.
- (vii) Members noted that following the recent announcement of Network North Funding allocated by the Government following the cancellation of phase 2b of HS2, the Council would receive £238m under the Local Transport Fund element of that funding. However, this would be received over a period of 7 years from 2025/26. The annual allocations had not yet been confirmed and guidance was still awaited. This was expected at the end of March following which the Council would develop a schedule of priority projects which would be subject to engagement with members, and MPs and other stakeholders.
- (viii) In response to a question raised, the Director advised that slippage in projects in the capital programme did not have any revenue impacts.
- (ix) The Investing in Leicestershire Programme (IILP) held investments in both property and not direct property investments, such as pooled infrastructure funds and pooled bank risk sharing funds. The latter added diversity to the Programme. Members noted the Leicestershire Local Government Pension Fund held similar investments and these were therefore known to have stability and a good track record. The Director explained that income earned from the IILP had started lower due to initial investment costs made but that returns would increase year on year.

RESOLVED:

That the update on the 2023/24 revenue budget and capital programme monitoring position as at the end of period 10 (the end of January 2024) be noted.

66. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on 10 April 2024 at 10.00am

Tim 10.00am - 12.39pm  
13 March 2024

CHAIRMAN

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## SCRUTINY COMMISSION – 10 APRIL 2024

### TRANSITION OF LEICESTER AND LEICESTERSHIRE ENTERPRISE PARTNERSHIP (LLEP) RESPONSIBILITIES TO UPPER TIER LOCAL AUTHORITY CONTROL

#### REPORT OF THE CHIEF EXECUTIVE

##### Purpose of the Report

1. The purpose of this report is to advise the Commission on progress in transferring the responsibilities of the Leicester and Leicestershire Enterprise Partnership (LLEP), a strategic body which has existed since 2011 to drive forward the growth of the Leicester and Leicestershire economy, to the two upper tier local authorities (the County Council and Leicester City Council).

##### Policy Framework and Previous Decisions

2. The County Council's Strategic Plan is based on five strategic outcomes which describe the Council's vision for Leicestershire, including:
  - **Strong economy, transport and infrastructure:** *Leicestershire has a productive, inclusive and sustainable economy and infrastructure which meets the demands of a growing population and economy.*
3. Working in partnership with businesses and the stakeholders across the Leicester and Leicestershire functional economic area is essential to achieving this outcome. Since 2011 the main vehicle for this partnership working has been the LLEP and the new arrangements being put in place will be critical to delivering this Strategic Plan outcome.

##### Background

4. In 2010 the Government invited proposals from local areas for the establishment of Local Enterprise Partnerships (LEPs) and in 2011 the Leicester and Leicestershire Enterprise Partnership (LLEP) was established. A joint public/private LLEP Board, with a private sector majority, was established, led by a private sector chair. The County Council was represented on the Board by the Leader or another Cabinet member. In 2018 the Government required that all Local Enterprise Partnerships become incorporated. LLEP Ltd., a company limited by guarantee, was established in April 2019 with a Board of Directors. Mr. Bedford CC is a current Director of LLEP Ltd. representing the County Council.

5. The LLEP has been responsible for setting the sub-regional strategy for economic growth and this has taken a number of forms, including the original Strategic Economic Plan through to the Economic Growth Strategy published in 2021. It has also delivered a wide range of programmes and initiatives to the benefit of the county and sub-regional economies.

### **Transition**

6. In the Spring Budget of March 2023 the Chancellor announced that the Government was 'minded' to withdraw central government core funding for LEPs from April 2024. This decision was confirmed in August 2023. The Government also stated that its funding to LEPs for a number of key functions, namely business representation, strategic economic planning, and the delivery of government programmes where directed, would be transferred to upper tier local authorities (UTLAs) where they are not already being delivered by combined authorities or the Greater London Authority. The expectation is that UTLAs work together across a functional economic area. Leicester and Leicestershire has long been considered a functional economic area as the boundaries provide a good approximate fit to key economic geographies such as travel to work areas.
7. The Government has issued guidance which includes the following:
  - Government encourages single upper tier local authorities, or local authorities working together across a prospective devolution deal geography or functional economic area, to create or continue to engage with an Economic Growth Board (or similar) made up of local business leaders and relevant representative bodies to (a) provide the view of local businesses as part of regional decision making and (b) work with local leaders to create a broad economic strategy for the area.

Business representative boards should follow the below guiding principles for ensuring business representation in local decision-making:

- a. Involve business representative organisations, such as a local Chamber of Commerce, the Federation of Small Businesses; or the designated Employer Representative Body (ERB) developing the Local Skills Improvement Plan (LSIP);
  - b. Include a diverse range of businesses related to local economic strengths and priorities. This should include businesses of all sizes and businesses which are geographically diverse, e.g., urban, rural, coastal businesses as appropriate to the local area;
  - c. Ensure a diversity of voices; and
  - d. Have a clear conflict of interest policy.
8. The approach to Governance set out further below in this report has been designed to meet these requirements, with there being a clear mechanism set out for the UTLAs to secure engagement with a Business Board made up of local business leaders and relevant representative bodies.

9. In this context the LLEP Board resolved to work together with the UTLAs to ensure a smooth handover. A LLEP Transition Board was subsequently established with a membership of several private sector LLEP Directors, the LLEP Chief Executive, and senior officers from the Council, Leicester City Council, and a representative of the district councils.
10. The Transition Board has considered a range of issues including priority LLEP activities to be continued under the new arrangements and proposals for governance and business representation.

### **Proposed New Arrangements**

#### Priority Activities

11. The Government has indicated that it will provide funding for local economic planning, supporting business representation, and the delivery of government programmes when directed. These requirements have informed the priority activities for the next two years which have been agreed as part of the transition discussions. These are as follows:
  - a. Supporting the designated Enterprise Zones, which include sites in the county at MIRA near Hinckley and at Loughborough University Science and Enterprise Park (LUSEP) and Charnwood Campus in Loughborough;
  - b. Skills and apprenticeships, including the work of the Leicester and Leicestershire Careers Hub;
  - c. The Business Gateway Growth Hub;
  - d. Local economic planning; principally through an early update of the Economic Growth Strategy. The Government has indicated that updated economic growth strategies may need to be submitted by October 2024 with further guidance expected in June 2024;
  - e. Supporting business representation through the establishment of a Business Board (see below).
12. It is expected that a number of Government programmes will be added to the list as the Government requests the UTLAs nationally, supported by their business representation boards, to deliver them locally.
13. Most of these activities are already overseen by a number of LLEP sub-boards. These will be integrated into the new arrangements and then reviewed and adjusted in the context of the updated Economic Growth Strategy.

#### Governance, Business Representation and Enterprise Zones

14. The Government has made very explicit its intention that the LLEP's responsibilities are being transferred to the UTLAs and it is therefore considered necessary that the two UTLAs become the key decision-makers within the new arrangements. It is also emphasised that the decision-makers need to be informed and advised by the local business continuity and other key stakeholders.

15. Taking this into account the new governance arrangements will consist of a Business Board, including within its membership representatives from key business bodies, local business representatives selected through a recruitment process, and representatives of key economic development stakeholders including universities, further education colleges, district councils and the voluntary and community sector. The Business Board will be chaired by a private sector business representative. The detailed process for setting up the Business Board is under development.
16. The Business Board will meet bi-monthly and provide advice to the leaders of the two UTLAs, namely the Leicester City Mayor and the Leader of the County Council, to inform their decisions regarding economic development strategy and investment. The two leaders will meet bi-monthly with the Business Board's Chair.
17. The decision-makers and Business Board will be supported by an executive team hosted by the City Council on behalf of the two UTLAs, and the wider partnership. Existing LLEP sub-groups will be integrated into the new arrangements and reviewed as the economic growth strategy is updated and as government requirements for programme delivery and greater clarity on funding emerge.
18. For most activities there can be a seamless transition on 1 April 2024 with the former LLEP Team continuing to deliver activities whilst the new governance, business representation and staffing arrangements are put in place. It is considered appropriate, however, that LLEP Ltd. be retained as a legal entity in the short term (ideally only to June/ July 2024) with an 'administrative' Board comprising City and County senior officers, and for the City Council to formally remain as the Accountable Body. This will enable the existing contractual and financial arrangements regarding the Enterprise Zones to be preserved pending the new arrangements being finalised. LLEP Ltd. is party to the Charnwood and Hinckley and Bosworth Enterprise Zone Business Rates Agreements. The City Council is also party to these and to the subsequent Forward Funding Agreements, specifically in its capacity as Accountable Body and not in its own right.
19. Keeping LLEP Ltd. as a legal entity is considered appropriate as a short-term measure as there are no investment decisions required in the short term. There are no business cases 'in the pipeline' and as they take time to work through no immediate difficulties should occur.
20. Establishing the new 'administrative board' will require existing LLEP Directors to resign their positions. This course of action was discussed and agreed at a recent LLEP Board meeting, where all directors confirmed their earlier intention to resign on 31 March. When this has happened, the two UTLAs will each appoint a senior officer to the Board. The Cabinet at its meeting on 26 March 2024 authorised the Chief Executive to nominate a senior officer to represent the Council.

21. In agreeing future arrangements for management of the Enterprise Zones and the deployment of retained business rates, it will be important that all parties have a clear understanding of the current financial position and forecast business rates growth. It is understood that, as Accountable Body, Leicester City Council is liaising with the billing authorities to ensure this up-to-date information is available. Further information on financial implications will be presented to the Council's Cabinet in due course before a final decision is made on governance arrangements for Enterprise Zones.
22. The Council is in discussions with the Government regarding a non-mayoral Level 2 devolution deal for Leicester, Leicestershire and Rutland. In the event of a deal being agreed, the new post-LLEP economic development arrangements would become part of the new Combined County Authority.

### **Resource Implications**

23. The County Council has not in recent years provided any funding to support the operations of the LLEP. The LLEP has received an annual government core funding allocation which in 2023/24 was £250,000 and delivers a range of programmes which have received additional funding.
24. In December 2023 the Government indicated that the UTLAs would receive 'up to £240,000' in 2024/25 and that any future allocations would be subject to future spending reviews. Announcements from Government relating to funding for the 'Business Gateway Growth Hub' and 'Careers Hub' in 2024/25 are expected shortly.
25. Operating reserves of approximately £2.8m are held by Leicester City Council on behalf of the LLEP. These will transfer to the City Council as the future host UTLA and will be used to meet transition costs and also to fund and underwrite priority activity up to March 2026 including developing an updated economic growth strategy, skills and apprenticeships programmes, the Business Gateway Growth Hub, and the Careers Hub. This will help to provide stability and confidence for key stakeholders as future funding and delivery strategy at national and local level become clearer. Activity beyond 2026 will be reviewed in the context of the financial position at that time.
26. The LLEP has also operated a Growing Places Fund as a revolving loan fund. This originated as a capital grant from the Government. After approximately £1.8m of spending on priority initiatives as previously approved by the LLEP Board, and allowing for outstanding loans, the present balance in hand from loan repayments is approximately £10m. All of the grant conditions were met some time ago and the £10m is held by the City Council and will be held on behalf of the two UTLAs from 1 April 2024. The two UTLAs have indicated they expect to use the funding to support economic development and prosperity across the sub-region, informed by the planned engagement with businesses and other stakeholders through the Business Board.

27. Creating and supporting successful economic development across Leicester and Leicestershire will play an important role in strengthening the economy and also be important to secure funding from Government.

28. The LLEP Team has been hosted by Leicester City Council which has also acted as the LLEP's accountable body. It is intended that the City Council will continue to carry out similar roles on behalf of the two UTLAs for the new arrangements. The City Council has undertaken a review of LLEP Team staffing to take account of the transition, the latest funding position, and the priority activities and this will lead to a small reduction in staffing numbers.

29. The Director of Corporate Resources and the Director of Law and Governance have been consulted on this report.

### **Timetable for Decisions**

30. The Government will cease funding for Local Enterprise Partnerships from 1 April 2024 with responsibilities transferring at that time, in the case of Leicester and Leicestershire, from the LLEP to the two upper tier local authorities (UTLAs).

31. The Cabinet considered a report on the LLEP transition at its meeting on 26 March 2024.

32. The arrangements for the transition will also need to be agreed by Leicester City Council through its governance processes.

### **Conclusion**

33. The Commission are asked to note the update now provided.

### **Equality Implications**

34. There are no equality implications arising from the recommendations in this report.

### **Human Rights Implications**

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

### **Other Implications and Impact Assessments**

36. There are no health or environmental implications arising from this report.

### **Background Papers**

None.



**Circulation under the Local Issues Alert Procedure**

None

**Officer(s) to Contact**

Tom Purnell  
Assistant Chief Executive  
Tel: 0116 305 7019  
Email: [tom.purnell@leics.gov.uk](mailto:tom.purnell@leics.gov.uk)





## **SCRUTINY COMMISSION: 10 APRIL 2024**

### **REFRESH OF THE LEICESTERSHIRE COUNTY COUNCIL PLANNING OBLIGATIONS POLICY**

#### **REPORT OF THE CHIEF EXECUTIVE**

##### **Purpose of report**

1. The purpose of this report is to seek the views of the Scrutiny Commission on the proposed changes to the Leicestershire County Council Planning Obligations Policy which was last refreshed in 2019. A summary of the proposed changes is appended to this report.

##### **Policy Framework and Previous Decisions**

2. The existing Leicestershire County Council Planning Obligations Policy (LPOP) was adopted by the County Council on 10<sup>th</sup> July 2019. The LPOP was prepared in conjunction/consultation with several key stakeholders and partners including district local planning authorities (LPAs).
3. The proposal to review the policy cuts across all directorates within the authority and therefore accords with all the Strategic Outcomes referenced in the Leicestershire County Council Strategic Plan 2022-26. For example:
  - Clean and Green: Changes to contributions sought towards Sustainable Travel will encourage residents of new developments to travel by methods other than by car.
  - Improved Opportunities: Making changes to the way contributions towards Education infrastructure are costed and calculated will help to ensure that there are sufficient pupil places available at the catchment schools, and that those schools are built, extended, or maintained to a high standard to support educational attainment.
  - Strong Economy, Transport and Infrastructure: The policy seeks to collect contributions from developers towards creating, or enhancing County Council infrastructure, including Schools, Libraries, Waste Sites and Local and Strategic Highways. Updating the policy ensures robustness in the methodology by which the Authority is able to justify and collect contributions towards this infrastructure, making Leicestershire an attractive place to live and work.

## **Background**

4. The LPOP was adopted by the County Council in July 2019. It now requires updating in the light of changes to the planning system, particularly the revision of the National Planning Policy Framework (NPPF) and National Planning Policy Guidance (PPG). The NPPF has undergone 2 revisions since 2019, but the LPOP has not yet been updated to reflect those changes.
5. Since the adoption of the LPOP in 2019 there have been several internal changes in practice, either in the calculation of a developer contribution, or in the cost multiplier/s used. Some of these changes have been universally accepted by LPA's and applicants, and some are still subject to scrutiny and justification, either to the LPA, or to a Planning Inspector. This refresh seeks to bring the Policy in line with these changes of practice and uplifts in cost, which will formalise the practice, with a view to making them less complicated and resource intensive to justify.
6. The current Policy allows an uplift in the costs set out therein. However, no uplifts or increases have occurred, except for pupil cost multipliers, which have been updated twice. In some instances, this means that the Authority is not collecting enough money to deliver required infrastructure.
7. This position is worsened reflecting the severity of growing budget pressures across the County Council, and those costs now need to be revised and included in the LPOP.
8. Leicestershire faces major growth over the next 5-10 years, and to meet the challenges and opportunities this presents, the County Council's Planning Obligations Policy needs to be revised to ensure it is 'fit for purpose' to enable it to secure the necessary and proper provision of infrastructure and services needed to support the areas of growth and its local communities.
9. The Policy also needs to be revised in full context of changes in the local and national planning arena, locally in respect of the significant increase in the cost of construction materials since the Coronavirus pandemic, and its impact on the delivery of infrastructure, and nationally, changes being introduced as part of the Department for Levelling Up Housing and Communities' introduction of the Levelling Up and Regeneration Act (LURA) and other mandatory changes, such as the introduction of Bio-Diversity Net Gain under Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environment Act 2021).
10. It should be noted that there are no proposed additions to those services likely to request developer contributions as part of the refresh of the current Policy. This is because of the uncertainty of the construction industry including the increased costs that developers are facing, and in lieu of the LURA.
11. The LURA is expected to fundamentally change the way the planning system works but in the main, "root and branch" reform and "simplification" referenced in the Act have not yet materialised, and much of the LURA requires secondary legislation before the implications are fully known.

12. Once more is known about the LURA, and its implications on Developer Contributions (for example through the proposed Infrastructure Levy), then consideration will be given to a further review of the Policy.

### **Proposed Changes to the Policy**

13. In addition to referencing relevant, up to date national and local policies, the Policy sets out departmental changes as highlighted below:

14. Adult Social Care

- a. The proposed Policy confirms that the County Council cannot collect financial contributions towards Adult Social Care because the Department does not have any capital funded infrastructure. The proposed Policy does propose a change in the way that the Department is consulted on planning applications with an aim to influence district council decision-making.

15. Waste

- a. The existing Policy uses a cost multiplier that was calculated in 2015. The proposed Policy seeks to update the cost multiplier used to calculate waste contributions and is benchmarked on a site delivered more recently.
- b. The average contribution sought across the County is proposed to increase from £62.02 per dwelling to £89.15 per dwelling.

16. Education

- a. The current policy contains outdated cost multipliers from 2018, some of which have been updated twice since the adoption of the current policy. It is proposed to update those cost multipliers to bring them in line with current requirements.
- b. Further, in line with Department for Education (DfE) guidance, it is proposed to change the methodology used to calculate the surplus or deficit places available in catchment schools, to make the request for contributions more robust, accurate, and relevant.
- c. For Early Years Education, the cost multiplier will also be updated to reflect best practice recommended by the DfE (to match the cost of providing a Primary place), and due to changes in Legislation announced by Central Government on free childcare places, which is expected will increase demand, to reduce the threshold for seeking Early Years contributions from 100 dwellings to 50 dwellings.

17. Highways, including Local Highways Infrastructure, Major Programmes, and Sustainable and Active Travel

- a. The current policy references Highways' role as a statutory consultee as the Local Highway Authority, and as such, much of the requests for contributions are sought in line with National Policy. However, some of the costs used to calculate contributions are outdated, and the proposed Policy seeks to bring those

calculations up to date.

- b. The pending introduction of the new Local Transport Plan (LTP4) proposes transformational changes which shift away from planning for vehicles, and towards planning for people and places, reducing a reliance on private car travel and supports sustainable economic development and regeneration to promote active lifestyles, and contributions will be sought in line with the requirements set out in LTP4.
- c. This shift will assist the County Council in meeting its Carbon and Public Health targets
- d. Notwithstanding the above, the preference is for developers to deliver Highways infrastructure, either through a planning condition or through a separate Section 278 Agreement.

#### 18. Libraries

- a. The current cost multiplier has not been updated since 2017, and the proposal seeks to update that cost multiplier.

#### 19. Public Health

- a. Although the County Council cannot directly collect contributions towards Public Health, the Public Health appendix in the policy will be updated to reflect the "Health in All Policies" approach taken by the County Council, in partnership with district councils.

#### 20. Biodiversity Net Gain (BNG)

- a. There may be development sites that are able, or are required, to offset the ecological impact of a development site on County Council infrastructure. This could be via a financial and/or non-financial contribution towards BNG offsetting. In addition, a monitoring fee to monitor development sites in respect of BNG will be required.
- b. However, mandatory BNG is in its infancy and there is little guidance available on how fees should be calculated and charged; the County Council is working with other 2-tier authorities on this, and it is envisaged that by the time the revised Policy is out for consultation, more will be known, or there will be further guidance from the Department for Environment, Food and Rural Affairs (DEFRA).

#### 21. Monitoring Fees

- a. It is proposed to increase the monitoring fee from £300 to £375 per clause but retain the "or 0.5% of the value of the clause, whichever is greater", and cap the overall monitoring fee at £20,000.
- b. Allow monitoring fees to be indexed at Retail Price Index (RPI) to reflect any increase in staffing costs.

## **Consultation**

22. The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) requires that Supplementary Planning Documents (SPDs), such as Planning Obligations Policies (or similar) drafted by LPA's must be subject to public consultation prior to their adoption by the local planning authority. The County Council's Planning Obligations Policy is not an SPD, however following Cabinet approval at its meeting on 26 March 2024, the draft Policy will be published for public consultation.
23. This consultation is proposed to run in May and June 2024, with a view to taking a subsequent paper to the Cabinet setting out the final proposals in September 2024.
24. The County Council will directly notify the district councils and developers of the consultation, and public communications will be issued and managed through the Council's Communications and Digital Team prior to the start of the consultation period, and half way through.
25. The consultation will be hosted online for 8 weeks, through the County Council's website. Respondents will be presented with the appendix, and a "Yes / No" question for each section of the appendix asking if the respondent is in support of the updated position, with an opportunity to provide further comments if the answer is "No".
26. Members will be advised when the consultation starts.

## **Resource Implications**

27. The legal framework for planning obligations provides the means by which the additional impacts and demands on necessary services and infrastructure arising from new development can be funded through the planning process. These can be provided in the form of financial payments and/or direct infrastructure facilities.
28. It is not proposed that the remit of the Planning Obligations Policy is extended to encompass other service areas not currently requesting developer contributions.
29. There are no proposed fundamental changes to the approach to securing the contributions, and as there is no scope to widen the request for developer contributions across the Authority, there are currently no other resource implications.
30. The Director of Corporate Resources and Director of Law and Governance have been consulted on this report.

## **Timetable for Decisions**

31. The Cabinet considered the proposals at its meeting on 24 March 2024 and gave permission to consult on the LPOP.
32. The public consultation is set to run in May and June 2024.

33. It is intended that the Cabinet will receive a further report in September 2024 regarding the outcome of the consultation and presenting the revised Policy.
34. The full County Council will be asked to approve the final Policy at its meeting on 25 September 2024, as it forms part of the Authority's Policy Framework.

### **Conclusions**

35. The Scrutiny Commission is asked to comment on the proposed refresh of the LPOP and the changes outlined in the appendix attached.

### **Background papers**

Report to the County Council on 10 July 2019 – "Leicestershire County Council - Leicestershire Planning Obligations Policy"

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=5788>

### **Circulation under the Local Issues Alert Procedure**

36. None.

### **Equality Implications**

37. Developer Contributions support the County Council efforts to develop its services to all sectors of the Community. The securing of necessary funding from developer contributions for local infrastructure and services has benefits for all sections of the community and developer contributions seek to mitigate any disadvantages arising from the impacts of new development.
38. An Equalities impact Screening Assessment has been carried out and concluded that there are no equality implications arising from the recommendations in this report.

### **Human Rights Implications**

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

### **Health Impact Assessment**

40. A Health Impact Assessment has been completed. The Planning Obligations Policy has a generally positive health impact across most areas covered by the assessment.
41. The area where the Policy may not have a positive impact is on Affordable Housing. Whilst this is a district council responsibility, seeking more contributions towards County Council infrastructure could come at a sacrifice to Affordable Housing provision. However, the County Council will seek to work constructively with applicants, and district councils where concerns are raised.
42. In addition, whilst we cannot collect developer contributions towards Public Health, the Public Health team is referenced in the current and proposed Policy, and will be



engaged in the planning process on applications above a certain threshold (threshold to be confirmed) with the objective to be able to influence district councils through the planning process, as well as the NHS, where we have identified and evidenced an issue which is likely to be exacerbated by development.

### **Other Relevant Impact Assessments**

None.

### **Appendices**

Appendix – Summary of Changes to Planning Obligations Policy

### **Officer(s) to Contact**

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**Summary of Proposed Changes to Planning Obligations Policy**

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## **General Changes Proposed**

1. Update references to outdated national and local policies, including...
  - i. National Planning Policy Framework (NPPF)
  - ii. Regulations 122 and 123 of the Community Infrastructure Regulations 2010 (as amended)
  - iii. Leicestershire County Council's Enabling Growth Plan 2018-2019
  - iv. Leicestershire County Council's Strategic Growth Plan 2018-2022
  - v. The County Council Infrastructure Plan (Sept 2016)
  - vi. Department for Education (DfE) guidance on securing developer contributions
2. To avoid outdated information (i.e., costs, land specifications etc.) being included in the policy, it is proposed to have links to relevant literature / guidance that contain the most recent information, summarised in a table, with this link to be included under section 6. The same section should set out the County Council's expectations on indices to be used to uplift contributions secured in agreements.
3. Each service specific appendix relates to expectations on phased payments (known as triggers). To assist in pro-active and consistent monitoring of development sites, it is proposed to remove individual references to trigger points within each departmental section and include these as part of the Legal section (paragraphs 6.8 and 6.9) and ensure consistency (where possible) on wording of when triggers should be paid and repaid.
4. Under Section 6, insert a paragraph explaining how the County Council will refresh its requests for developer contributions if the application remains undetermined 12 months after the initial consultation response has been sent back, and also upon receipt of an appeal (irrespective of when the last update was) in order to give applicants, and district and borough councils the most up to date position on our requests.
5. Under paragraph 6.3 (Viability) it is proposed to add a preferential order and % of contributions where not all monies are likely to be collected in the event of a viability challenge and add that the County Council may choose to object to an application on the grounds that the development does not contribute towards sustainable development if a reduced contribution either cannot be justified, or if it is not accepted.
6. To factor in an annual uplift of all contribution requests, where required and/or necessary.

## Appendix 1: Adult Social Care and Health

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
Adult Social Care	<p><b><i>Dwelling threshold: 10+</i></b>  <b><i>Current S106 Balance: £0</i></b></p> <p>Can request contributions towards capital expenditure to mitigate the impacts of development on a case-by-case basis.</p>	<p><b><i>Dwelling threshold: 10+</i></b></p> <p>To work closer with district and borough councils to deliver extra care and supported living accommodation in line with district and borough councils Affordable Housing requirements.</p> <p>To try to influence the design of major development schemes to ensure that they meet the future needs of the population as residents from the development age.</p>	<p>LCC is no longer able to collect contributions towards capital funded Adult Social Care and has previously struggled to justify how financial contributions comply with relevant planning policy and legislation without having capital infrastructure to spend contributions on.</p> <p>Working closer with district and borough councils to deliver relevant types of accommodation and influence the design of development (i.e., dementia friendly) will help to future proof developments for the aging population, however, these requests are not for LCC infrastructure, and should not be included as a County obligation in a S106, or in the County's consultation response back to LPA's</p>	<p><b><i>Planning Policy and Legislation</i></b>            Not being able to justify financial contributions in respect of relevant planning policy and legislation.</p> <p><b><i>Viability</i></b>            Delivering extra care and supported living accommodation is more expensive and could come at the cost of other requests for developer contributions.</p> <p><b><i>Other</i></b>            Delivering extra care and supported living accommodation may come at the sacrifice of district and borough council's affordable housing targets.</p>

## Appendix 2: Household Waste Recycling Centres and Waste Management

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
Waste	<p><b><i>Dwelling threshold: 10+</i></b>  <b><i>Contribution threshold: £500+</i></b>  <b><i>Current S106 Balance: £837,929</i></b></p> <p>Request contributions towards capital improvements at the nearest HWRC to a development site, based on the proportionate Ha capital cost of new site built pre-2015.</p> <p>Each HWRC seeks a different contribution per dwelling depending upon its size per Ha relative to the cost of that benchmarked HWRC.</p> <p>Where a waste site has capacity to accommodate demand within its “catchment” area, a contribution is not sought.</p>	<p><b><i>Dwelling threshold: 10+</i></b></p> <p>Request contributions towards capital improvements at the nearest HWRC to a development site, based on the proportionate Ha capital cost of new site built more recently.</p> <p>Each HWRC seeks a different contribution per dwelling depending upon its size per Ha relative to the cost of the new build benchmark.</p> <p>Where a waste site has capacity to accommodate demand within its “catchment” area, a contribution is not sought; but an annual review mechanism will be factored in to ensure that we are only collecting contributions for sites where we are able to demonstrate their necessity.</p>	<p>The current costs are based on a site built pre-2015, and the revised costs are more up to date.</p>	<p><b><i>Viability</i></b></p> <p>An increase in cost per dwelling for each site may result in a viability challenge from an applicant and push back from the district and borough councils.</p>

**Table 2: Comparison between 2019 and 2024 Costs per Dwelling per Waste Site**

<b><u>HWRC</u></b>	<b><u>2019 Cost per Dwelling</u></b>	<b><u>2024 Cost per Dwelling</u></b>	<b><u>Change</u></b>
Barwell	£49.53	£72.26	£22.73
Bottesford*	£63.59	£104.68	£41.09
Coalville	£65.38	£80.57	£15.19
Kibworth*	£44.61	£133.29	£88.68
Loughborough*	£84.96	£112.09	£27.13
Lount*	£61.41	£55.60	<b>-£5.81</b>
Lutterworth	£72.74	£98.71	£25.97
Market Harborough	£80.04	£87.77	£7.73
Melton Mowbray	£82.66	£107.93	£25.27
Mountsorrel	£51.67	£67.27	£15.60
Oadby*	£45.92	£70.15	£24.23
Shepshed	£42.71	£80.41	£37.70
Somerby*	£99.20	£102.11	£2.91
Whetstone	£23.87	£75.32	£51.45
<b>Average</b>	<b>£62.02</b>	<b>£89.15</b>	<b>£27.13</b>

*\* These sites do not show a capacity shortfall and therefore requests for contributions will not be sought, but this may change either way in the future if circumstances change.*

### Appendix 3: Education

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
<p>Education</p> <p><i>* For SEND education, the threshold is 100+ dwellings and this is not proposed to change</i></p> <p><i>** Balance includes monies held for Early Years Education</i></p>	<p><b>Dwelling threshold: 10+*</b>  <b>Current S106 Balance: £54,838,642**</b></p> <p>Contributions are based on a calculation which looks at the overall number of pupils from each education sector likely to be generated from a development (pupil yield) multiplied by the average cost per pupil place for each sector based on the costs of extension and rebuild projects taken from the National School Delivery Cost Benchmarking Report (NSDCBR). This is weighed up against the available capacity within the catchment schools nearest the development, and a contribution is sought where there is no capacity within those catchment schools.</p> <p>Where a new school is required, LCC look to work with developers to provide land and either deliver the school, or pay a contribution towards delivering the school, but the policy does not set out a methodology for doing so.</p> <p>Contributions can also be sought towards home to school transport where required, but the policy does not set out a methodology for the costs of provision.</p>	<p><b>Dwelling threshold: 10+*</b></p> <p>Update policy to reflect changed position on calculating school capacity (assuming all schools are at 100% of aggregated capacity), but then re-assess the contribution and delivery solution based on 95% capacity 3 months prior to commencement of development.</p> <p>Update cost multipliers to reflect actual costs to deliver expansions to schools, and land required to do so.</p> <p>Change wording to emphasise LCC's preference is for developers to lead on construction of new schools, subject to LCC specifications.</p> <p>Update home to school transport costs methodology.</p>	<p>Increases in the cost of construction, and the liability of escalating costs being met by LCC.</p> <p>The NSDCBR multipliers are updated regularly but we have concerns that they are not reflecting the current costs.</p> <p>There has been pushback from applicants, and district and borough councils on the approach taken to calculate capacity and contribution requirements for new schools.</p> <p>Updated policy and guidance from the Department for Education which reflects and recommends some of this practice.</p>	<p><b>Service Delivery</b>            Not revising the policy in line with new costs and methodology means that the service may not be able to deliver or appropriately plan to deliver infrastructure etc. in line with demand.</p> <p><b>Viability</b>            An increase in costs and a change in capacity calculation may result in a viability challenge from an applicant and push back from the district and borough councils.</p>



Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
Early Years Education	<p><b><i>Dwelling threshold: 100+</i></b></p> <p>Contributions are based on 8.5 pupils requiring early years provision per 100 dwellings, multiplied by the same cost multiplier as is used for Primary Education (as recommended by the Department for Education).</p> <p>These contributions are largely to be spent on enhancing early years provision at Primary Schools but could also be spent on building a new facility.</p>	<p><b><i>Dwelling threshold: 50+</i></b></p> <p>Updated yield rates from 8.5 to 12.9 to account for the changes in free childcare legislation and free entitlement for children aged from 9m+</p> <p>Update cost multipliers to reflect current cost of delivery, bringing in line with DfE guidance on matching the Primary Education cost multiplier</p>	<p>Accounting for the changes in free childcare legislation.</p> <p>To better inform applicants and district and borough councils on the costs of delivering Early Years Education.</p>	<p><b><i>Service Delivery and Viability</i></b></p> <p>Upcoming changes to entitlement to free childcare will have an impact on the demand across the sector, which will likely result in an increase in contribution requests as providers have less capacity.</p>

## Appendix 4: Highways and Transportation

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
<p>Local Highway Infrastructure</p> <p><i>* Total balance, including contributions towards major schemes</i></p>	<p><b><i>Dwelling threshold: N/A</i></b>  <b><i>Current S106 Balance: £25,054,035*</i></b></p> <p>The Local Highway Authority (LHA) is a statutory consultee to the planning process.</p> <p>In accordance with National Policy, highway obligations are currently sought towards...</p> <ul style="list-style-type: none"> <li>• Bus stop improvements</li> <li>• Construction traffic routing</li> <li>• Public Rights of Way</li> <li>• Traffic signs and signals</li> <li>• Traffic calming</li> <li>• Traffic Regulation Orders</li> <li>• Tree replacements</li> </ul>	<p>In line with national policy, it is anticipated that a greater focus will be placed on supporting the delivery of growth that maximises sustainable and active travel connectivity and transport options. This is likely to be reflected in a greater proportion and focus on obligations and schemes that furthers this aim.</p> <p>Continue to ensure that the costs of providing this infrastructure is either fully met by the developer or is conditioned to be delivered by the developer in a Section 278 agreement. This will be assessed on a case-by-case basis, dependent upon which is more preferential for the County Council.</p>	<p>The pending introduction of the new Local Transport Plan (LTP4). LTP4 proposes transformational changes which shift away from planning for vehicles, and towards planning for people and places, reducing a reliance on private car travel and supports sustainable economic development and regeneration to promote active lifestyles.</p> <p>This shift will assist the County Council in meeting its Carbon and Public Health targets.</p>	<p><b><i>Service Delivery</i></b>            Not revising the policy in line with new costs and methodology means that the service may not be able to deliver or appropriately plan to deliver infrastructure etc. in line with demand and local and national policy.</p> <p><b><i>Viability</i></b>            An increase in costs and a change in capacity calculation may result in a viability challenge from an applicant and push back from the district and borough councils.</p>

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
Major Programmes	The LHA collect, and pool developer contributions from developments where a cumulative impact on the highway from multiple developments means that significant improvements are required.	<p>Continue to ensure the costs of providing this infrastructure is either fully met by the developer or is conditioned to be delivered by the developer in a Section 278 agreement.</p> <p>Ensure the Policy continues to remain relevant to the major schemes linked to sustainable travel and active travel, pending the introduction of LTP4.</p>	<p>To either continue to ensure that the costs are fully met by the developer, or to oblige the developer to deliver this infrastructure via other means, where necessary.</p> <p>The pending introduction of the new Local Transport Plan (LTP4). LTP4 proposes transformational changes which shift away from planning for vehicles, and towards planning for people and places, reducing a reliance on private car travel and supports sustainable economic development and regeneration to promote active lifestyles.</p> <p>This shift will assist the County Council in meeting its Carbon and Public Health targets.</p>	<p><b>Service Delivery</b> Not revising the policy in line with new costs and methodology means that the service may not be able to deliver or appropriately plan to deliver infrastructure etc. in line with demand.</p> <p><b>Viability</b> An increase in costs and a change in capacity calculation may result in a viability challenge from an applicant and push back from the district and borough councils.</p>

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
Sustainable and Active Travel Transport	<p>Contributions are currently sought for;</p> <ul style="list-style-type: none"> <li>• Travel packs - £52.85 per dwelling</li> <li>• Bus passes – Between £360 and £480 per pass, with each dwelling entitled to 2 bus passes.</li> <li>• Travel Plan Monitoring fees of either £6,000 (for residential developments) or £11,337.50 (for commercial developments).</li> <li>• Bus service contributions – negotiated on a case-by-case basis with the applicant.</li> </ul>	<p>Consider the LHAs position in relation to Sustainable Transport and Active Travel obligations to maximise efficiency and cost effectiveness of obligations that maximise mode shift and positive behaviour change. Further work is required that may include amending how s106 money can be used to promote and encourage sustainable transport and active travel.</p> <p>Travel plan monitoring fees are set to change to be more in line with increased staffing costs.</p> <p>The preference is for developers to provide bus services directly; however, we will work with developers on a case-by-case basis where we feel that this best meets the needs of the bus routes / communities / existing networks in the area.</p>	<p>Cycling and walking strategy, changes to bus services,</p> <p>To continue to ensure that the costs are fully met by the developer, or to oblige the developer to deliver via other means, where necessary.</p>	<p><b>Service Delivery</b> Not revising the policy in line with new costs and methodology means that the service may not be able to deliver or appropriately plan to deliver infrastructure etc. in line with demand.</p> <p><b>Viability</b> An increase in costs and a change in delivery method may result in a viability challenge from an applicant and push back from the district and borough councils.</p> <p><b>CIL Compliance</b> Bus passes and travel packs have often been seen as contentious requests – consultees may use this as an opportunity to question how a sustainable travel voucher makes a development necessary when it can be spent on non-development specific items.</p>

## **Appendix 5: Economic Growth**

- This section will be updated to reflect the changes across the Economic Growth service (now called the Growth Service) to better reflect the relationship between developer contributions and growth.

## Appendix 6: Library Services

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
Libraries	<p><b><i>Dwelling threshold 10+</i></b> <b><i>Current S106 Balance: £670,395</i></b></p> <p>Contributions are based on the assumed occupancy per dwelling, based on the dwelling type and number of bedrooms.</p> <p>This figure is multiplied by the minimum library stock holdings as set out by the Department of Culture, Media and Sport (DCMS) which sets out 1,157 items of stock per 1,000 people in a library catchment area, and then multiplied by the average cost of an item of library stock, which is currently £8.70 (June 2017).</p> <p>The contributions are spent either on library stock (books etc.) or furniture, equipment, or reconfiguring library space (either internal or external).</p>	<p>Increase the cost per item from £8.70 to £11.25 of stock to reflect the increase since June 2017.</p>	<p>To reflect the increase in buying library stock since June 2017.</p>	<p><b><i>Viability</i></b> An increase in costs may result in a viability challenge from an applicant and push back from the district and borough councils.</p>

## **Appendix 7: Sports and Recreation**

- As the County Council is not directly responsible for delivering Sports and Recreation, and do not request developer contributions for this purpose, there are no fundamental changes to this section, however, this section will be re-written in partnership with Leicestershire and Rutland Sports (now known as Active Together) to reflect any changes in practice, especially in conjunction with updates from Public Health (see appendix 9).

## **Appendix 8: Community Safety**

- As the County Council is not directly responsible for delivering Community Safety, and do not request developer contributions for this purpose (any requests from Leicestershire Police are led by District and Borough Councils), the only change proposed to this section is to link to the County Councils webpage on Community Safety and the Community Safety Strategy 2022-26, subject to any other updates from Public Health (see appendix 9).



## Appendix 9: Public Health

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
Public Health	<p>Influencing contributions towards Public Health via the district and borough councils' consultation with the NHS.</p> <p>The policy allows for provision of County led developer contributions towards public health.</p>	<p>To continue to influence developer contributions via the district and borough councils' consultation with the NHS.</p> <p>To influence developer contributions via district and boroughs through health impact assessment reviewing the wider determinants of health, supported by Local Plan policy.</p> <p>To influence the county council's requests for developer contributions to ensure that relevant aspects of public health are considered, which may include financial and non-financial contributions. This may be more prevalent in Highways and Sustainable Transport, factoring in LTP4 (although this will be process led rather than policy driven).</p> <p>This may be led by the number of dwellings proposed, or the location of a development based on health inequality (or both).</p>	<p>LCC is currently unable to seek contributions for capital-funded public health initiatives and may face challenges in substantiating the alignment of financial contributions with relevant planning policies and legislation in the absence of capital assets for deployment of such funds.</p> <p>Enhanced collaboration with district and borough councils as well as the NHS to implement public health interventions and potentially aligning these efforts with the infrastructure needs of the County Council further amplifies the benefits and reinforces partnership working across the County and potential to reduce health inequality in Leicestershire by mitigating risk of harm and amplifying opportunities to improve health.</p>	<p><b><i>Planning Policy and Legislation</i></b></p> <p>Not being able to justify financial contributions in respect of relevant planning policy and legislation.</p> <p><b><i>Viability</i></b></p> <p>Influencing public health in other County Council requests may increase the contributions required, which could have an impact on viability, however, efforts will be made to reduce this risk and focus on health inequality reduction rather than increasing overall contribution requests.</p>

**Appendix 10: Biodiversity Net Gain (New addition)**

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
Ecology (Biodiversity Net Gain)	Contributions are not currently sought towards Biodiversity Net Gain (BNG).	<p>Biodiversity Net Gain is a mandatory introduction to the planning process under Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environment Act 2021).</p> <p>There may be development sites that are able, or a required to offset the ecological impact of a development site on County Council infrastructure. This could be via a financial and/or non-financial contribution towards BNG offsetting.</p> <p>In addition, a monitoring fee to monitor development sites in respect of BNG will be required.*</p>	To comply with mandatory legislation.	<p><b>Viability</b> BNG becoming mandatory means that it “comes first” in the order of financial contributions. This may have an impact on the viability of schemes, affecting other County Council sought contributions, but because BNG is mandatory, it sits outside of any viability assessment.</p>

\* Whilst BNG is mandatory, very little is known about the full impact, and calculating required contributions towards monitoring and off-setting is at a very early stage. The County Council is working with other 2-tier authority areas to establish consistency in approach, and it is envisaged that by the time the policy is out for consultation, more will be known, or there will be further guidance from the Department for Environment, Food & Rural Affairs (DEFRA).

We are also working on behalf of Leicestershire district councils against a service level agreement. This means that the County Council will be assuming some responsibility for monitoring district development sites' compliance with BNG. There may be a requirement for reciprocal arrangements with partner authorities on Section 106, where land is owned by either Authority, because an Authority cannot enter into a legal agreement with itself. However, part of the additional guidance we are waiting for should include more information on conservation covenants, which are an alternative legal agreement that can secure management of land for BNG.

## Appendix 11: Notification Procedure for Planning Obligations

Service Area	Summary of Current Policy Position	Summary of Revised Policy Position	Reason for Change	Risks
County Council Monitoring Fee	<p><b>Current S106 Balance: £495,514</b></p> <p>Contributions towards monitoring are either £300, or 0.5% of the total value of each obligation, whichever is the greatest. *</p> <p>Contributions are spent on providing the monitoring database and staffing costs.</p>	<p>Increase the cost to £375 or 0.5% of the total value of each obligation, whichever is the greatest.</p> <p>Add in the requirement to index link the contribution.</p> <p>Reserve the right to waive monitoring fees on applications where contributions sought are not necessary (negotiated on a case-by-case basis).*</p> <p>Reserve the right to cap monitoring fees to ensure they are not excessive but reduce the cap to £20,000.*</p>	To reflect the actual effort required to undertake monitoring activities in 2024 and to ensure that future monitoring cost increases are covered. **	<p><b>Viability</b></p> <p>An increase in costs may result in a viability challenge from an applicant and push back from the district and borough councils.</p>

\* Monitoring fees are often the most negotiated contributions; this could be for many reasons, including where the requested contribution does not exceed the value of the monitoring fee, which may also result in the request itself being dropped, or where the applicant opts to pay all contributions in advance.

However, monitoring fees are also the least guided of all developer contribution requests, and there is no clear government (or other) guidance that sets out a formula for calculating or capping monitoring fees like there are with other requests, and it is largely left to the monitoring authority to determine.

\*\* Work has been undertaken to ascertain the effort involved with monitoring development sites, which has been calculated at £620 per obligation, however concerns were raised about the fee being too excessive for smaller sites, and not enough for larger sites, so it was instead agreed to take the middle ground and uplift the current £300 fee to £375 which brings it in line with increases in staffing costs. To maintain that uplift, it is proposed to index the contribution in line with the Retail Price Index (RPI).

Where a larger, more complex development is proposed, for example a sustainable urban extension (SUE), then these tend to require more complex monitoring of parcels of land, multiple developers etc. over a longer period, and there are typically more obligations to monitor, however, to avoid the fee being excessive, a cap of £20,000 should be applied, which more accurately reflects the effort required.

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By virtue of paragraph(s) 3, 10 of Part 1 of Schedule 12A of the Local Government Act 1972.

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