



*Meeting:* **Cabinet**

*Date/Time:* **Tuesday, 16 December 2025 at 2.00 pm**

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

*Contact:* **Ms. J. Bailey (Tel. 0116 305 2583)**

*Email:* **[jenny.bailey@leics.gov.uk](mailto:jenny.bailey@leics.gov.uk)**

### **Membership**

Mr. D. Harrison CC (Chairman)

Mr. C. Abbott CC

Mr. V. Richichi CC

Mr. K. Crook CC

Mr. M. Squires CC

Mr. H. Fowler CC

Mr. A. Tilbury CC

Mr. C. Pugsley CC

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### **AGENDA**

<u>Item</u>	<u>Report by</u>	<u>Key Decision</u>
1. Minutes of the meeting held on 18 November 2025.		(Pages 3 - 6)
2. Minutes of the meeting held on 25 November 2025.		(Pages 7 - 10)
3. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.		
4. Declarations of interest in respect of items on the agenda.		
5. Provisional Medium Term Financial Strategy 2026/27 to 2029/30.	Director of Corporate Resources	(Pages 11 - 12) Yes



<u>Item</u>		<u>Report by</u>		<u>Key Decision</u>
6.	Investing in Leicestershire Programme Rural Estate Strategy 2025-2035.	Director of Corporate Resources	(Pages 13 - 48)	Yes
7.	Procurement of Community Life Choices (Day Services and Personal Assistants).	Director of Adults and Communities	(Pages 49 - 64)	
8.	Strategic Spatial and Transport Planning.	Chief Executive and Director of Environment and Transport	(Pages 65 - 86)	
9.	Response to the Charnwood Borough Council Community Infrastructure Levy Draft Charging Schedule Consultation.	Director of Environment and Transport	(Pages 87 - 96)	
10.	Items referred from Overview and Scrutiny.			
11.	Any other items which the Chairman has decided to take as urgent.			



Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Tuesday, 18 November 2025.

PRESENT

Mr. D. Harrison CC (in the Chair)

Mr. C. Abbott CC  
Mr. H. Fowler CC  
Mr. C. Pugsley CC

Mr. V. Richichi CC  
Mr. M. Squires CC  
Mr. A. Tilbury CC

Apologies

Mr. K. Crook CC

In attendance

Mr. J. Boam CC and Mrs. D. Taylor CC.

60. Minutes of previous meeting.

The minutes of the meeting held on 28 October 2025 were taken as read, confirmed and signed.

61. Urgent Items.

There were no urgent items for consideration.

62. 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.

63. School Places Strategy 2026-2031.

The Cabinet considered a report of the Director of Children and Family Services which sought approval to consult on Leicestershire County Council's draft School Places Strategy 2026-2031. A copy of the report marked 'Agenda Item 4' is filed with these minutes.

Mr. Pugsley CC commended the work that had been undertaken to produce the draft Strategy and acknowledged the challenges associated with ensuring that sufficient school places were delivered. Members agreed that the draft Strategy set out how the Council would achieve this and the consultation would enable all stakeholders to comment.

## RESOLVED:

That approval be given for a consultation to be undertaken on the Leicestershire County Council's draft School Places Strategy 2026-2031.

## (KEY DECISION)

## REASONS FOR DECISION:

The School Places Strategy sets out how the Council will meet its statutory duties to ensure that there are sufficient high quality school places in Leicestershire which are in the right place, at the right time. It outlines the background, principles and challenges of delivering school places in Leicestershire and how the Council will work with stakeholders to fund and deliver places between 2026 and 2031.

A public consultation on the draft Strategy will seek to confirm that the final Strategy reflects local needs and will enable stakeholder feedback to be considered before adoption.

64. Proposed Transfer of Funding from the Schools Block to the High Needs Block of the Dedicated Schools Grant for 2026/27.

The Cabinet considered a report of the Director of Children and Family Services which presented the outcome of the consultation process with schools on a proposed funding transfer from the Schools Block to the High Needs Block of the Dedicated Schools Grant for 2026/27, along with feedback from the Schools Forum. A copy of the report marked 'Agenda Item 5' is filed with these minutes.

There were two options for funding a sustainable outreach and graduated support offer to mainstream schools, continuing with the transfer from the Schools Block to the High Needs Block or implementing a range of other measures to continue to fund the outreach support.

Mr. Pugsley CC reiterated that the number of children and young people with SEND in the county was growing at a faster rate than the funding available and he felt that there was a need for an ongoing outreach and graduated support offer for pupils in mainstream schools. Members of the Cabinet agreed that pursuing another Schools Block transfer was not the solution to the funding issues and were supportive of option 2, which was to support the funding of outreach and support from Oakfield School through a per-pupil contribution model.

Mr. Harrison CC commented that the Dedicated Schools Grant deficit was a significant financial concern to the Council and measures to support more children with SEND remaining in mainstream schools were essential. The model from Oakfield School would provide children and young people with the support they needed, reducing the need for specialist school places and growth on the High Needs Block budgets.

## RESOLVED:

- a) That the responses to the consultation on a 0.5% transfer from the Schools Block to the High Needs Block of the Dedicated Schools Grant for the 2026/27 financial year be noted;

- b) That in considering the two options set out in paragraphs 48-64 of the report for funding a sustainable outreach and graduated support offer to mainstream schools through Oakfield School, the decision of the Schools Forum to not support either Option 1 (a 0.5% transfer from the Schools Block to the High Needs Block) or Option 2 (a per-pupil contribution from schools to support pupil outreach support and a commitment from schools to supporting ongoing mainstream inclusion) but proposed further consultation with schools on Option 2, be noted;
- c) That the preferred option 2 for implementation be agreed, noting that if it agrees to progress with a Schools Block Transfer, the Director of Children and Family Services will be authorised to seek permission from the Secretary of State to approve a 0.5% transfer.

(KEY DECISION)

REASONS FOR DECISION:

Demand for support for children and young people with SEND in Leicestershire is growing at a significantly faster rate than was anticipated in the current Medium Term Financial Strategy, leading to an increasingly unsustainable financial position for the Council and education system in the county. These pressures are also reflected nationally. There is a need for ongoing support for inclusion and belonging of children and young people with SEND in mainstream schools, and a clear need for outreach and graduated support for pupils with additional needs following the ending of existing offers funded through the SEN Investment Fund for 2025/26. Mainstream inclusion is anticipated to be a key expectation from the upcoming Schools White Paper.

Local authorities are able to transfer 0.5% of funding from the Schools Block to the High Needs Block of the DSG following consultation with schools and the approval of the Schools Forum. If the Schools Forum does not approve, or if a transfer in excess of 0.5% is being sought, local authorities can seek formal permission from the Secretary of State to disapply sections of the School and Early Years Finance England Regulations which govern the use of DSG.

This report notes the views of consultees, feedback from the Schools Forum and seeks a decision from the Cabinet on the preferred approach for funding a sustainable outreach and graduated support offer for children and young people with SEND in mainstream schools.

Should a School Block Transfer of 0.5% be the preferred option, the Cabinet's approval is necessary in order for the Director of Children and Family Services to approach the Secretary of State for permission to undertake the transfer which would be used to continue the SEN Investment Fund.

65. Response to Hinckley and Bosworth Borough Council Regulation 18 Local Plan Consultation 2025.

The Cabinet considered a joint report of the Chief Executive and Director of Environment and Transport which advises on the content of Hinckley and Bosworth Borough Council's Regulation 18 Local Plan consultation and the County Council's proposed response. A copy of the report marked 'Agenda Item 6' is filed with these minutes.

Comments had been received from Mr. J. Melen CC in support of a written submission from Norton Heath Objection Group. These were circulated separately and a copy of

which is attached to these minutes. Mr. Tilbury CC also expressed concern around the proposed Norton Heath development and the potential consequences arising from this if it was allowed to go ahead.

The Director of Environment and Transport acknowledged the concerns raised and gave assurance that these would be fully considered by the County Council as part of its role in the wider consultation process. Further discussions would also take place in light of the concerns raised ahead of any consultation on the next stage of the Local Plan process.

**RESOLVED:**

- a) That the County Council's response to Hinckley and Bosworth Borough Council's Regulation 18 Local Plan consultation, set out in paragraphs 37 to 65 and the appendix to the report, be noted and approved;
- b) That the Chief Executive, following consultation with the Cabinet Lead Member, be authorised to make any minor amendments to the consultation response prior to its submission to Hinckley and Bosworth Borough Council by 28 November 2025, including to strongly emphasise the urgent need for further evidence on the proposed strategic development, Norton Heath, given the significant concerns the County Council has over the proposed allocation.

**REASON FOR DECISION:**

The County Council's response will set out key comments for consideration by Hinckley and Bosworth Borough Council in progressing its new Local Plan. It seeks to ensure alignment with the Leicester and Leicestershire Strategic Growth Plan, and to influence the content of the Local Plan in the interests of local communities, including ensuring that the Local Plan provides the most robust possible policy platform for securing the provision of the infrastructure and services required to support its successful delivery.

**66. Annual Delivery Report and Performance Compendium 2025.**

The Cabinet considered a report of the Chief Executive which presented the Annual Delivery Report and Performance Compendium for 2025, which set out the Council's progress and performance over the past year. A copy of the report marked 'Agenda Item 7' is filed with these minutes.

Mr. Fowler CC, as the Lead Member, thanked officers for the thorough assessment in the report. Despite the funding issues faced by the Council, it remained in a relatively strong position. He also felt that it was important to address criticisms in the report.

Mr. Harrison CC commented on the good work and services delivered by the Council. He also stated that work was taking place to close the budget gap whilst ensuring that high quality service delivery for residents continued.

**RESOLVED:**

- a) That the progress in delivering on the Council's service priorities as set out in the draft Annual Delivery Report 2025 be noted;
- b) That the Council's low comparative funding, good performance outcomes position, and the financial pressures and risks now facing the Authority set out in the Performance Compendium be noted;

- c) That in light of the pressure on the Council's financial sustainability arising from continued service demand, improvement and cost pressures, the Council continues to press its case for a fairer funding settlement, progresses plans for a fundamental Budget and Efficiency Review and its preference to secure c£40m efficiency savings and wider benefits from a new unitary authority for Leicestershire and Rutland;
- d) That the Chief Executive, following consultation with the Leader, be authorised to make any amendments to the draft Annual Delivery Report and Performance Compendium prior to its submission for approval to the County Council on 3 December 2025.

#### REASONS FOR DECISION:

It is best practice in performance management, implicit in the LGA Sector-Led approach to local authority performance and part of the Council's Internal Governance Framework, to undertake a review of overall progress at the end of the year and to benchmark performance against comparable authorities. It is also good practice to produce an annual performance report and ensure that it is scrutinised, transparent, and made publicly available.

The National Audit Office has issued best practice guidance for annual reports, highlighting that the annual report is a key mechanism for transparent disclosure of an organisation's in-year performance and governance matters. The report should discuss how the entity has performed in the year, including areas where performance has deteriorated or is below expectations, and the other key risks.

The County Council is poorly funded in comparison with other local authorities and this, until addressed, will continue to affect delivery, performance, risks and Council Tax levels. The Annual Performance Report will be a useful source of data for the Council's Efficiency Review which is due to start this month with the aim of identifying further opportunities to reduce costs, generate income and deliver services differently.

The draft Annual Delivery Report and Performance Compendium may be modified to reflect comments made by the Cabinet as well as to include any final national comparative data which becomes available prior to its consideration by the County Council.

#### 67. Annual Report of the Traded Services Strategy.

The Cabinet considered a report of the Director of Corporate Resources which advised of the performance of the County Council's Traded Services Strategy, which set out the performance of the Council's traded services. An update was also provided on the progress on exiting the school food business and engagement over the future of Beaumanor.

Mr. Fowler CC commended the work undertaken by the Services over the year, despite there being a number of challenges. Members agreed that the decision to exit the school food service was regrettable but was the right thing to do. It was felt that the option to lease cafés could generate some revenue and members also agreed that the engagement around the future of Beaumanor Hall had been well received.

RESOLVED:

- a) That the performance against targets in the Traded Services Strategy during 2024/25 be noted;
- b) That the future developments as outlined in the report and Outlook for 2025/26 be welcomed;
- c) That the current status of the programme to exit the school food service be noted;
- d) That the current status of the engagement process for the future of Beaumanor be noted.

#### REASONS FOR DECISION:

The Annual Report on the Traded Services Strategy outlines the progress that has been made by the County Council (via the Leicestershire Traded Services).

The changes to the school food service and engagement programme for Beaumanor were decisions taken by the Cabinet at its meeting in July 2025.

#### 68. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny Committees.

#### 69. Exclusion of the Press and Public.

#### RESOLVED:

That under Section 100A of the Local Government Act 1972, the public be excluded for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 and 10 of Part 1 of Schedule 12A of the Act and that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

- Expanding Locality Based Support for Early Years Children with Additional Needs

#### 70. Expanding Community Based Support for Early Years Children with Additional Needs.

The Cabinet considered an exempt report of the Director of Children and Family Services which sought approval to consult on the provision of increased levels of inclusion support and funding for Early Years children with additional needs to enable greater access to mainstream provisions across the county and to remove the reliance on specialist nurseries. The report also outlined the proposed changes to the way in which Early Years children with additional needs would be supported. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

#### RESOLVED:

That a consultation process on a new model for the provision of additional locality-based inclusion support and funding for Early Years children with additional needs, as set out in the report, be approved.

(KEY DECISION)



## REASONS FOR DECISION

The Council aims to enable more Early Years children with additional needs to access mainstream provision in their local communities, to reduce reliance on specialist nursery provision and ensure equity of provision across the County. This would also ensure the Council can deliver the Government's mainstream inclusion aspirations which are expected to be set out in the Schools White Paper.

Consultation with stakeholders on the proposed changes will help inform the proposals and the approach to implementation of the new delivery model.

2.00 - 2.43 pm  
18 November 2025

CHAIRMAN

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Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Tuesday, 25 November 2025.

PRESENT

Mr. D. Harrison CC (in the Chair)

Mr. C. Abbott CC  
Mr. K. Crook CC  
Mr. H. Fowler CC  
Mr. C. Pugsley CC

Mr. V. Richichi CC  
Mr. M. Squires CC  
Mr. A. Tilbury CC

In attendance

Mr. J. Boam CC, Mr. A. Innes CC and Mrs. D. Taylor CC

71. Urgent Items.

There were no urgent items for consideration.

72. Declarations of interest.

Mr. C. Abbott CC, Mr. K. Crook CC, Mr. H. Fowler CC, Mr. D. Harrison CC, Mr. C. Pugsley CC, Mr. V. Richichi CC, Mr. M. Squires CC and Mr. A. Tilbury CC declared a Disclosable Pecuniary Interest in Agenda Item 3 – Local Government Reorganisation: Business Case – as elected members of Leicestershire County Council.

73. Local Government Reorganisation: Business Case.

The Cabinet considered a joint report of the Chief Executive, the Director of Corporate Resources and the Director of Law and Governance which presented the County Council's business case for local government reorganisation (LGR) in Leicester, Leicestershire and Rutland for approval. Copies of the report and supplementary report, both marked 'Agenda Item 3', are filed with these minutes.

The draft business case had been considered by the Scrutiny Commission at its meeting on 10 November 2025 and by the County Council at its meeting on 12 November. A summary of the comments made by the Scrutiny Commission and the responses is attached to the report, filed with these minutes.

Mr. D. Harrison CC, as Leader of the Council, gave thanks to the officers who had worked to ensure the proposal was finalised for approval, and to the Scrutiny Commission, which had helped to shape the final proposals. Mr. Harrison CC stated that the business case represented a robust plan to streamline local government, eliminate duplication and deliver ongoing savings, which would help to maximise efficiency, strengthen financial sustainability and ensure that more resources were directed to frontline services. Mr. Harrison CC also stressed that the financial modelling had been independently verified and there had been a range of engagement with stakeholders and

he believed that the business case would deliver for the residents of Leicestershire and Rutland.

Mr. H. Fowler CC reiterated that the Council's proposal to the Government was the only one to have been independently verified. He stated that it was the only proposal which demonstrated long term sustainability and which did not require further borrowing and increases to service costs. Mr. Fowler CC indicated that creating a single unitary council for Leicestershire and Rutland was the right option for local communities and would ensure that the counties retained their identities. He also said that the proposal would save over £40m, reduce duplication, cut back office costs and streamline leadership. It would ensure that countywide services remained intact and strengthen financial stability.

Mr. C. Pugsley CC, as Lead Member for Children and Family Services, felt that the business case presented more effective support for children's services, along with a greater working relationship with Health.

Mr. C. Abbott CC stated that there would be more accessible, community based services for residents and integration across services. He felt that there would be clearer accountability and a reduction in duplication.

Mr. V. Richici CC highlighted the role played by the Trading Standards Service in communities in protecting vulnerable residents. He stated that the Leicestershire Trading Standards Service was high performing and it was important to acknowledge what could be lost if the service became fragmented. It was also problematic for smaller councils to recruit specialist staff. He felt that a single unitary council would enable trading standards, environmental health and licensing to collaborate better for the benefit of residents and businesses.

Members agreed that the proposal for a single unitary council for Leicestershire and Rutland was the only viable option; it respected the message from residents, reduced duplication and would help to strengthen financial stability. By simplifying structures, it would ensure that the new council was fit for the future.

#### RESOLVED:

- a) That the business case for submission to the Government by the deadline of 28 November 2025 be approved;
- b) That the Chief Executive, following consultation with the Leader, the Director of Corporate Resources and Director of Law and Governance, be authorised to make any necessary amendments to the business case before it is submitted to the Government provided that these do not change the underlying principles of the business case as presented in the report;
- c) That the response to the feedback from the Scrutiny Commission be noted.

#### (KEY DECISION)

#### REASON FOR DECISION:

The letter received from the Minister of State for Local Government and English Devolution on 5 February set out the formal invitation to all local authorities in remaining two-tier areas and neighbouring unitary authorities to develop a proposal for Local

Government Reorganisation and required final proposals to be submitted to the Government by 28 November 2025.

74. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny Committees.

2.00 - 2.22 pm  
25 November 2025

CHAIRMAN

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**CABINET – 16 DECEMBER 2025**

**MEDIUM TERM FINANCIAL STRATEGY 2026/27 TO 2029/30 -  
PROPOSALS FOR CONSULTATION**

**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

**Purpose of the Report**

1. The purpose of this report is to enable consideration to be given to the provisional Medium Term Financial Strategy for 2026/27 to 2029/30 (the MTFS) which incorporates the 2026/27 revenue budget and capital programme.
2. A supplementary report setting out the detailed proposals for the MTFS is currently being prepared and this will be circulated to members and published on the County Council's website as soon as it is available.

**Recommendation**

3. The Cabinet is asked to note this and the supplementary report and consider the Medium Term Financial Strategy for 2026/27 to 2029/30.

(KEY DECISION)

**Reason for Recommendation**

4. To enable the Medium Term Financial Strategy for 2026/27 to 2029/30 to be agreed for consultation and submission to the Scrutiny Commission and appropriate Overview and Scrutiny Committees.

**Timetable for Decisions (including Scrutiny)**

5. Subject to agreement by the Cabinet, the MTFS will be considered by the Scrutiny Commission and the Overview and Scrutiny Committees during January 2026, as follows -

Health - Wednesday 14 January

Adults and Communities - Monday 19 January

Children and Families - Tuesday 20 January

Highways, Transport and Waste - Thursday 22 January

Environment, Flooding and Climate Change - Monday 26 January

Scrutiny Commission - Wednesday 28 January

6. It is intended that the Cabinet will then consider comments of the Scrutiny bodies and responses from the wider consultation process at its meeting on 3 February 2026 and the final MTFs will be submitted to the County Council for approval on 18 February 2026.

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

7. The MTFs is a rolling financial plan that is updated annually. The current MTFs was approved by the County Council in February 2025. The County Council's Strategic Plan outlines its long-term vision and the MTFs, along with other plans and strategies such as the Transformation Programme, aligns with and underpins the Strategic Plan.
8. Consideration of the relevant corporate policies and plans will be given in the supplementary report.

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

9. None.

### **Equality Implications**

10. There are no equality implications arising from this report.

### **Human Rights Implications**

11. There are no human rights implications arising from this report.

### **Background Papers**

Report to the County Council on 19 February 2025: Medium Term Financial Strategy 2025/26-2028/29

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CIId=134&MIId=7391>

County Council Strategic Plan 2022-2026

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CIId=134&MIId=6482>

### **Officers to Contact**

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**CABINET - 16 DECEMBER 2025**

**INVESTING IN LEICESTERSHIRE PROGRAMME**  
**RURAL ESTATE STRATEGY 2025-2035**

**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

**PART A**

**Purpose of the Report**

1. The purpose of this report is to seek approval to commence consultation on the Council's draft Investing in Leicestershire Programme Rural Estate Strategy 2025 -2035 (draft Rural Estate Strategy). The report provides an outline of the draft Strategy and the planned approach to the proposed consultation with stakeholders. The draft Strategy is appended to this report.

**Recommendations**

2. It is recommended that the draft Rural Estate Strategy be approved for consultation.

(KEY DECISION)

**Reasons for Recommendations**

3. It is a legal requirement for public bodies such as local authorities to consult residents, service users, stakeholders and staff on key strategies which might affect them.
4. Consultation will strengthen the Rural Estate Strategy by enabling stakeholders to contribute to the emerging strategy and ensure that a diverse range of views and ideas are incorporated, thereby reinforcing support for its implementation.

**Timetable for Decisions (including Scrutiny)**

5. Subject to the Cabinet's approval it is intended that the consultation exercise will take place from 5 January to 13 February 2025.
6. The Scrutiny Commission will receive a report on the draft Strategy and consultation feedback at its meeting in March 2026.
7. The Investing in Leicestershire Programme Board (a Cabinet working party) will consider an updated draft version of the Strategy in March 2026.
8. The Cabinet will receive a further report at its meeting on 28 April 2026 regarding feedback from the consultation exercise and presenting the final Strategy for approval.

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

9. The Corporate Asset Management Plan 2022 – 26, approved by the Cabinet in September 2022, is aligned with the Council's Strategic Plan and promotes the management of the Council's property assets, including the rural estate, in a way that contributes to the achievement of the five strategic outcomes.
10. The Investing in Leicestershire Programme (liLP) Strategy 2025-29, which was approved by the Council in February 2025 as part of the Medium-Term Financial Strategy (MTFS)2025-29, made a commitment to reviewing the management strategy of the Rural Estate in 2025/26.
11. The Cabinet at its meeting on 18 March 2025 considered a report setting out the management of the County Council's rural estate and its benefits for residents of Leicestershire and agreed a response to Hinckley and Bosworth Borough Council regarding a Notice of Motion agreed by that Borough Council on the subject of County Farms.

### **Resource Implications**

12. The consultation exercise will be managed through existing resources.
13. As at the end of 2024/25, the Council's rural estate was valued at £95.9m.
14. Rental income growth has increased from £835,876 to £1,074,597 over the last 10 years. Growth has been achieved through rent reviews, structural improvements and new farm lettings.
15. With an estate this size there are considerable maintenance and repair requirements with a Planned Preventative Maintenance (PPM) programme over 15 years estimated to cost in the region of £20.7m. Spend of £432,000 has been identified as being urgent within the next 12 months. Compliancy costs at a similar level will also be required. Meanwhile, capital investment has been modest with £250,000 allocated for 2024/25 and £450,000 for 2025/26.
16. £25.9m of capital receipts has been generated over the past 10 years from the sale of development land and surplus farmsteads, plus uplifts in value from development potential.
17. The estate will need to continue generating receipts to fund improvements and maintain market level rents.
18. The draft Strategy sets out proposals for managing the rural estate, including supplementing staff resources with specialist legal and consultancy advice, supported by appropriate information and financial systems to ensure effective and efficient portfolio management. With increasing regulation and changes in Government farming support, maintaining the right balance between in-house and external expertise will be critical. The former will focus on aspects such as on landlord responsibilities, strengthening tenant relationships, promoting the estate and farming, setting strategic direction, monitoring delivery, and leading special projects such as the nursery farm concept.

19. The Director of Law and Governance has been consulted on this report.

**Circulation under the Local Issues Alert Procedure**

20. None.

**Officers to Contact**

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## **PART B**

### **Background**

21. The Council has owned and managed its rural estate for many years. It now forms part of the liLP direct property portfolio, contributing to the social, economic, and financial objectives of the Council, indirectly supporting service delivery, as well as promoting and supporting farming in Leicestershire.
22. The estate is held under the Agriculture Act 1970 and the approach to date has focused on the delivery of outcomes that addresses areas of economic and social market failure, such as the lack of opportunities for people to start farming on their own account.
23. The farms and other land holdings have been let in accordance with the legislation in place at the date of letting. Over time, the proportion of Agricultural Holdings Act lettings with Lifetime and Retirement tenancies attached has reduced and this trend will continue until all lettings on the Estate are Farm Business Tenancies on fully repairing and insuring terms.

### **Estate Overview**

24. The Council owns the freehold of the entire estate which extends to 7,359 acres and has a current asset value of £95.9m which represents 41%, by value, of the direct property assets within the liLP portfolio.
25. The estate comprises 6,996 acres of farmland made up of 65 main farms, including one bare land holding (i.e. without buildings), together with 45 partially equipped, secondary bare land holdings and areas of allotments, together with 275 acres of woodland or land of high ecological value.
26. The estate has a record of delivering financial returns above those achieved in the wider agricultural investment market. The overall returns for the estate over the past 1, 3 and 5 years have averaged 8.2%, 7.9% and 12.3% respectively which, based on market information published by leading national land agency practices, is well above the 1.8%, 5.3% and 3.7% achieved by the market.
27. The level of performance is reflected in the fact that the estate has produced £25.9m in capital receipts, with rental income growing by 28.6% to £1.07m per annum over the past 10 years.
28. In recognition of the ongoing contribution the estate makes to the capital programme and to maintain its optimal size, investments to the value of £3.335m have been made on land purchases, principally at Walton Holt Farm, Lutterworth.

### **The Draft Rural Estate Strategy 2025 - 2035**

29. The draft Rural Estate Strategy provides an overview of the estate and considers the future vision, key ambitions and its objectives for the next 10 years, set out below.

## Vision

30. The stated vision in the draft Strategy is “To create a Rural Estate that provides opportunities for people to establish thriving rural businesses, supports the rural economy and local communities and makes an increasing contribution to the attainment of the Council’s strategic objectives whilst delivering ongoing financial benefits”.
31. It is acknowledged that there will be both opportunities and challenges in realising this vision, summarised in the table below.

<b>Opportunities</b>	<b>Challenges</b>
Leverage landownership to drive strategic outcomes and build partnerships by restructuring estate clusters, including the unlocking of development potential.	Recognising estate value beyond financial returns, including strategic influence and be prepared to support tenants’ profitability during market volatility.
Upgrade buildings / equipment; boost rental growth and reletting potential.	Managing compliance and maintenance costs without reducing income.
Fund improvements by disposal of surplus assets.	Securing capital for improvements. Managing sensitivities around property disposals.
Generate income via biodiversity credits and environmental schemes.	Balancing environmental land management with income stability.
Modernise tenancy agreements for flexibility and alignment with objectives.	Overcoming constraints of long-term tenancies and liabilities.
Support diversification in farming through education and rural enterprises.	Maintaining strong landlord–tenant relationships and the Council’s reputation.
Encourage young entrants with incentives and performance measures whilst managing risk.	Encouraging tenant engagement with environmental and technological upgrades.  Navigating regulatory requirements and procurement limitations.
Acquire holdings during market downturns for future goals.	Addressing tenant reluctance to invest despite long-term benefits.
Build partnerships to access grants and external funding.	Balancing conflicting priorities, such as Local Plan development.

## Ambitions

32. The Council will seek
- To retain a core estate of farms that have an appropriate mix of sizes and are suitably equipped to support new entrants and existing tenants to run viable and sustainable rural businesses resilient to changing market conditions.

- To realise the estate's potential to deliver financial benefits that help support the provision of services for the people of Leicestershire.
- To increase the contribution the estate makes to the achievement of the objectives and outcomes of the Council's Strategic Plan thereby improving the economic, social and environmental wellbeing of Leicestershire.
- To strengthen existing partnerships and create new relationships with stakeholders to secure the delivery of strategic objectives and outcomes.

33. Through the adoption of these strategic ambitions and the associated objectives and action points, it is considered that the estate can contribute towards the delivery of multiple economic, environmental and social benefits.

### **Development of the Strategy**

34. In developing the draft Strategy, detailed consideration has been given to legislation and government regulation, existing Council strategies and initiatives and Planning Policy.

### **Proposals**

35. It is proposed that the Rural Estate should be retained and maintained at its current level of investment providing a range of nursery/starter and progression holdings enabling people to enter the farming industry and build a sustainable rural business.

36. It is considered that the Estate should be restructured to maximise its potential to achieve strategic ambitions. An evidence-based Management Plan should be prepared at Estate and Core Holding level and used to identify: -

- Those holdings which deliver a market return and can support a sustainable farm enterprise in the future should be retained.
- Those holdings which, subject to the availability of additional investment or land, have the potential to deliver a market return and could support a sustainable farm enterprise in the future, should be retained.
- Those holdings and areas of land which possess latent development or Biodiversity Net Gain potential should be retained with a view to realising the potential to support the capital programme and managed in a manner that maximises their income earning potential in the intervening period.
- Areas of land within the estate capable of supporting the Council's strategic objectives or future service delivery should be identified and retained and managed in a manner that maximises that potential. Projects that provide economic or social benefits to local communities should, subject to a positive business case be progressed and brought forward for implementation.
- Subject to no overriding estate management reason to the contrary, uneconomic and unviable holdings should be sold, retaining any land

that can improve the viability of an adjoining farm and amalgamating it with that holding.

37. The Council will ensure that the portfolio is self-financing and meets or exceeds the market rate of return in the medium term. A rolling 5-year Financial Strategy for the estate should be produced annually, to present to officers and the Scrutiny Commission.
  - A 5-year Disposals and Acquisition Programme.
  - A 5-year Capital Investment Programme detailing the on-farm investments necessary to maintain the performance of individual holdings and fund improvements required to ensure all properties meet regulatory compliance standards.
  - A Revenue Budget detailing income, expenditure and the anticipated annual income return.
38. The Financial Strategy should seek to deliver market returns from farm tenancies and continue to develop opportunities to secure capital receipts to ensure that the estate contributes to the Council's financial sustainability.
39. The management strategy for the Rural Estate should be supported by a suite of key performance indicators that continue to meet current CIPFA requirements, provide a detailed market comparison, and include local indicators to monitor progress in achieving environmental improvements and strategic outcomes; the results being reported annually.
40. The Rural Estate Strategy should be reviewed at 5-yearly intervals and refocused to reflect changes in the Council's wider policy agenda and deliver appropriate benefits.

### **Consultation**

41. It is proposed to engage and consult on the draft strategy with a combination of questionnaires, online and in person meeting options with the following groups of stakeholders:
  - Farm tenants.
  - Farming industry stakeholders including National Farmers' Union, Tenant Farmers' Association, Country Land and Business Association, National Federation of Young Farmers' Clubs, Midland Counties Agricultural Valuers' Association, ACES Rural, Environment Agency, Farming and Countryside Education Services.
  - Elected Members.
  - Other County Council service departments.
42. For farm tenants it is proposed that initially all tenants will be invited to complete an online questionnaire which would include the option of being invited to a later in-person meeting.

43. The stakeholder packs will be drafted shortly, and it is proposed that the engagement will focus on the following questions:

- Do you agree with the vision and ambitions set out in the draft Rural Estate Strategy?
- What size of estate should be retained?
- Is the estate seen as having a recognisable strategic purpose?
- Do you agree with the vision and ambitions set out in the draft Rural Strategy?
- What initiatives would you be in favour of the estate pursuing in the future and which should it avoid?
- What do you think the estate should prioritise in its continued management? For example, this could include financial returns, level of investment and support for farmers, ecological and/or environmental improvements.
- Are there any opportunities or challenges you feel the strategy should address?
- How can the Council best support tenants, rural businesses, and communities through its estate management?

### **Equality Implications**

44. Whilst no equality implications directly arising from this report have been identified, the necessary impact assessments together with a Health Impact Assessment have been drafted and will be finalised in advance of the Strategy being brought forward for adoption.

### **Human Rights Implications**

45. There are no human rights implications directly arising from this report.

### **Environmental Implications**

46. The Rural Estate Strategy seeks to encourage environmental improvement across the portfolio. Aligned with the wider IILP Strategy in relation to the acquisition, development and management of the Fund's property assets by incorporating measures that ensure that the estate makes a positive contribution to the achievement of the Strategic Plan's Clean and Green Strategic Outcome.

### **Background Papers**

Report to the Cabinet on 23 September 2022 "Corporate Asset Management Plan 2022-2026"

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6776>

Leicestershire County Council Strategic Plan

<https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>



Report to Council on 19 February 2025 “Medium-Term Financial Strategy 2025/26-2028/2029” (including Appendix H, Investing in Leicestershire Programme Strategy 2025-29)

<https://democracy.leics.gov.uk/mgAi.aspx?ID=84200#mgDocuments>

Report to the Cabinet on 18 March 2025 “Management of the County Council's Rural Estate”

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7874>

### **Appendix**

Draft Rural Estate Strategy 2025-2035

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# Investing in Leicestershire Programme

Rural Estate Strategy  
2025 – 2035

DRAFT



## Contents

1.	Foreword	3
2.	The Vision and Ambitions for Leicestershire's Rural Estate	3
2.1	Purpose of the Strategy	3
3.	Estate Overview	4
3.1	History	4
3.2	Structure of the Estate	5
3.3	Benefits of the Estate	7
3.3.2	Financial Performance	8
3.4	Management of the Estate	9
3.4.2	Management	10
4.	Future Vision	10
4.1	Strategic Ambitions and Objectives	10
4.2	Opportunities and Challenges	15
5	Strategic Context	16
5.	Stakeholder Engagement	21
6.	Delivery and Implementation	22
	Glossary	24

## 1. Foreword

To be drafted in final version and include introduction from the Lead Member

## 2. The Vision and Ambitions for Leicestershire's Rural Estate

This Strategy details our overarching vision, ambitions, intentions and focus for the management of the Rural Estate over the next 10 years.

### Vision

To create a Rural Estate that provides opportunities for people to establish thriving rural businesses, supports the rural economy and local communities and makes an increasing contribution to the attainment of the Council's strategic objectives whilst delivering ongoing benefits.

### Ambitions

To retain a core estate of farms that have an appropriate mix of sizes and are suitably equipped to support new entrants and existing tenants to run viable and sustainable rural businesses resilient to changing market conditions.

To realise the estate's potential to deliver financial benefits that help support the provision of services for the people of Leicestershire.

To increase the contribution the estate makes to the achievement of the objectives and outcomes of the Council's Strategic Plan thereby improving the economic, social and environmental wellbeing of Leicestershire.

To strengthen existing partnerships and create new relationships with stakeholders to secure the delivery of strategic objectives and outcomes

(Visual in final version)

### 2.1 Purpose of the Strategy

The purpose of the Rural Estate Strategy is to inform decision making on the future management of the portfolio, providing an overarching vision and strategic objectives and a plan to guide the estate's future day to day management.

The strategy includes a comprehensive overview of the current Rural Estate and establishes how it can be better aligned to support the Council's corporate aims and objectives.

Further, by examining the current performance of the estate the strategy will outline how it can be more effectively and efficiently managed and developed over the next 10 years. Maximising opportunities for enhancing the delivery of increased financial, environmental and social benefits in line with the IILP Strategy.

The vision, ambitions and objectives have been developed to ensure best consideration is achieved in terms of use, financial and social return.

This review of the Rural Strategy has been commissioned in accordance with the overarching IILP Portfolio Management Strategy 2024-28. In view of the prevailing economic and business climate and the need for the County Council to maximise the potential of all its property assets, it is appropriate to ensure that the vision, objectives and management strategy remain relevant and are aligned with the wider strategic aims of the County Council.

The aim is for the estate to support the rural economy and local communities, provide a gateway into the farming industry and continue to deliver financial benefits to support service delivery.

### 3. Estate Overview

#### 3.1 History

County Councils have had a statutory duty to provide smallholdings (later referred to more generally as County Farms) since the Small Holdings and Allotments Act 1908. Various Acts and reports expanded upon this duty leading up to the Agriculture Act 1970 which set the objective that County Farms authorities needed to offer opportunities to new entrants and to work to sustain existing tenants in their farming career – this could be in conjunction with other providers including the private sector. Once established, the 1970 Act placed a responsibility on Authorities to maintain the estate and review management regularly.

It is against this background that Leicestershire County Council has owned farm properties for over 100 years. The bulk of the Rural Estate was purchased during the period 1920 – 1930 followed by some smaller opportunity purchasing in the 1960's. Latterly, since its incorporation within the Investing in Leicestershire Programme a small number of additional investments have been made.

Held under the provisions of the Agriculture Act 1970, for the period from 1980 to 2014 the estate was managed on a trading account basis separate from other corporate property requiring it to be self-funding. Since 2014, the estate has been managed as part of the Council's wider investment portfolio and is currently held within the Investing in Leicestershire Programme portfolio. Throughout the period from 1980 the estate has been regularly reviewed with major reviews undertaken in 1987, 1993, 1998 and 2010; the last interim review being undertaken in 2013.

In 2008 the Sustainable Farming and Food Delivery Group produced a guidance report titled '*The Importance of the County Farms Service to The Rural Economy*'. The report was produced in collaboration with the Tenant Farmers Association, the Country Land and Business Association, the Royal Institution of Chartered Surveyors and the National Farmers' Union. More recent reports from the CPRE, the Countryside Charity and its partners – <sup>1</sup>(2019) and <sup>2</sup>(2022) concluded that farms owned and managed by Local Authorities are an important, strategic national asset and assist authorities in meeting

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<sup>1</sup> [https://aces.org.uk/wp-content/uploads/2020/06/CPRE-Report\\_Reviving-county-farms\\_Dec2019.pdf](https://aces.org.uk/wp-content/uploads/2020/06/CPRE-Report_Reviving-county-farms_Dec2019.pdf)

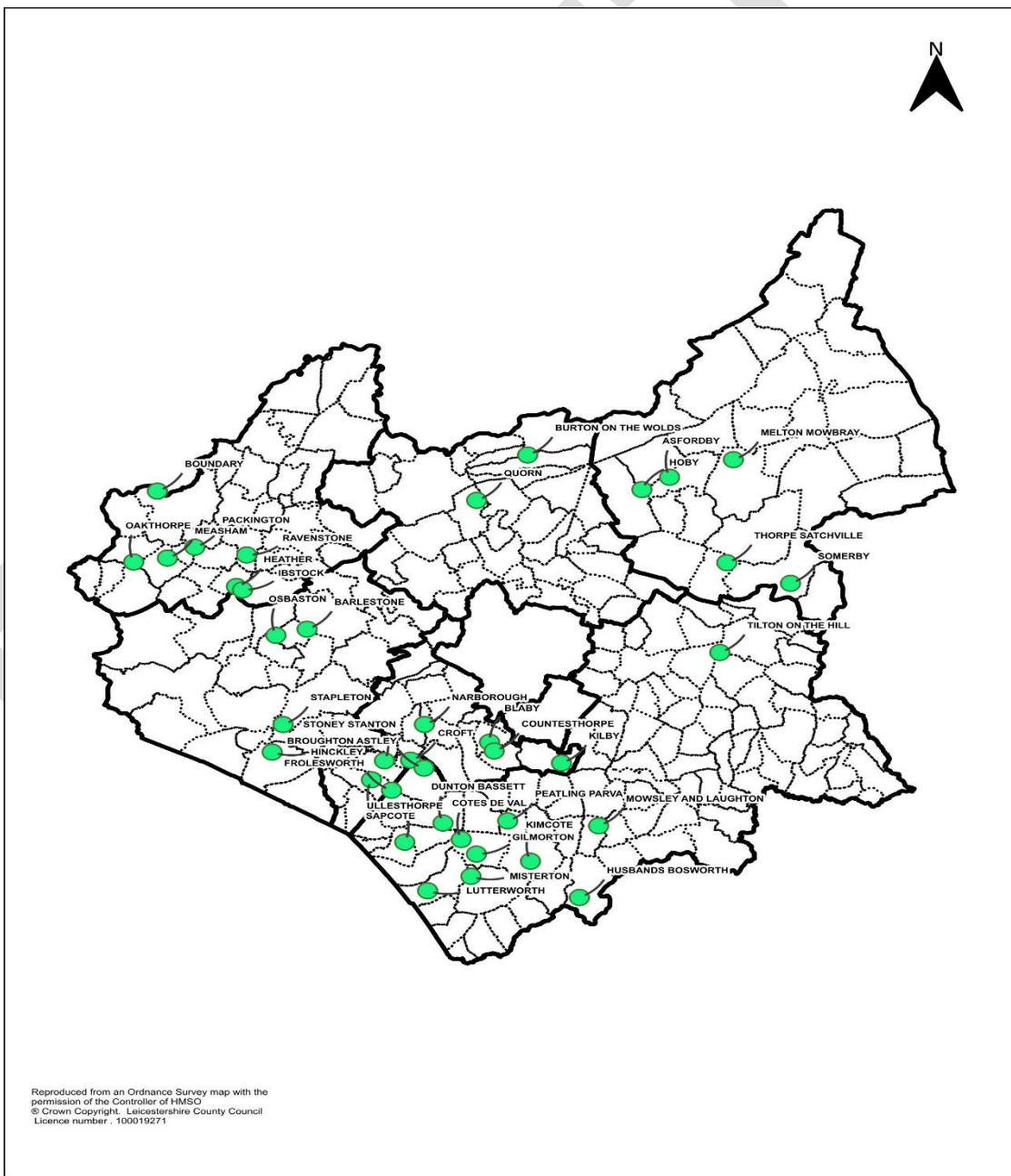
<sup>2</sup> <https://www.cpre.org.uk/wp-content/uploads/2022/03/reimagining-council-farms-full-report.pdf>

wider regional economic, countryside and environmental objectives. The reports also recognised that County Farms provide an essential route into farming for new entrants.

These reports coupled with the wider strategic objectives of the Council have formed the basis of the Council’s policy over the last 12 years.

**3.2 Structure of the Estate**

The Rural Estate is spread geographically across the county, as detailed on the plan below, and comprises individual blocks of land ranging in size from a single small area of bare land to estates containing multiple fully equipped farms (i.e. farmhouse, buildings and land – a fully functioning “farm” holding). As can be seen from the plan there is a significant concentration (80%) of main farms situated in the southwest of the county in the Harborough, Blaby and Hinckley areas.



The Council owns the freehold of the entire estate which extends to 7,359 acres and has a current asset value of £95.9m. This represents 41%, by value, of the direct property assets within the Investing in Leicestershire Programme portfolio; an independent review of the IILP portfolio by Hyman Robertson in 2024 recommended maintaining the rural estate at its current level.

The estate comprises 6,996 acres of farmland made up of 65 main farms, including one bare land holding, together with 45 partially equipped, secondary, bare land holdings and areas of allotments. In addition, there is one cottage let on a residential tenancy, 11 business tenancies in respect of 2 minerals leases, sports fields and utilities infrastructure together with 275 acres of woodland or land of high ecological value including the Misterton Marshes SSSI. The table below shows the current make-up of the farmed land within the estate and compares it to the position at the time of the last review.

	2015		2025	
	Number of Holdings	Area (acres)	Number of Holdings	Area (acres)
Starter dairy farm	25	1,888	9	776
Promotion Dairy farm	16	2,034	14	1,754
Mixed Dairy farm	2	213	0	0
Non-dairy livestock farm	21	1,688	33	2,922
Small "retirement" holdings	8	73	8	193
Bare Land	8	587	1	25
Sub-Total	80	6,483	65	5,670
Land let on short term tenancies of up to 5 years		614		1,326
Cottages and Business Lettings		68		88
Woodland and ecological sites		238		275
Total		7,403		7,359

The changes in the composition of the estate over the last 10 years reflects that it has been responsive to the changing economic conditions within the farming industry, resulting in a move away from small intensive dairy farms to larger mixed livestock units.

In addition, recognising the need for tenants to maintain a thriving business the Council has supported, by the granting of the necessary Landlord's consent, those tenants wishing to support or expand their businesses by taking additional land, diversifying the farming business by the generation of income from a secondary enterprise or taking the opportunity to add value to their farm produce.

In addition to recognising the existing use and farming potential of the holdings within the overall estate some farms have been identified as having potential to deliver enhanced value through the promotion of development opportunities in respect of parts of the land or buildings. 37 areas of land have been identified with future development potential and 15 areas capable of delivering significant biodiversity



net gains or supporting woodland expansion. These areas of land will form a pipeline of development sites to be promoted over the next 20 years. The realisation of this potential will form an integral part of estate strategy in future years providing a stream of capital receipts vital to the delivery of the capital programme. Critically this will allow for reinvestment in maintaining the optimal size of the estate by the purchase of additional farms thereby providing further letting and relocation opportunities, and the potential to create larger promotion units to support the business development for farm tenants.

### 3.2.1 Occupation

The farms and other land holdings are predominantly let, with some 'in hand' or vacant properties; with lettings being made in accordance with the legislation in place at the date of letting. The table below details the different forms of letting arrangements of the main farm holdings. It illustrates the changes in the statutory provisions and estate strategy over the years; the latter seeing "model" repairing and insuring obligations replaced by the introduction of full repairing and insuring terms.

Statutory Provision	Tenancy Type	Repairing Obligations	Number	%
Agricultural Holdings Act 1986	Lifetime	Model Clauses	6	9
Agricultural Holdings Act 1986	Retirement	Model Clauses	12	18
Agricultural Tenancies Act 1995	Farm Business Tenancy	Model Clauses	7	11
Agricultural Tenancies Act 1995	Farm Business Tenancy	Full Repairing and Insuring	40	62
		Total	65	100

Over time the proportion of Agricultural Holdings Act lettings has reduced; the statutory rights to succession not applying to County Farms having been specifically excluded from the Act. This trend will continue until all lettings on the estate are Farm Business Tenancies.

### 3.2.3 Heritage, Conservation and the Environment

The rural estate currently includes 2 listed farmhouses, one Site of Special Scientific Interest, 2 scheduled ancient monuments and a number of properties lying within conservation areas or areas of environmental protection. More generally the rural estate, being largely devoted to livestock farming, is rich in hedgerows, supports areas of ancient ridge and furrow and has areas of natural habitat interspersed with natural and managed woodland all of which it seeks to protect and enhance.

Mindful of the Council's responsibility to conserve heritage assets and protect and enhance the environment, all tenancy agreements afford such assets the appropriate level of statutory protection. This is further reinforced by requirements on tenants to manage farms in a manner that prevents pollution, maintains permanent pasture, protects trees and makes a positive contribution towards nature conservation including the implementation of the recommendations of a conservation assessment undertaken at the start of the tenancy. Tenants are also encouraged to participate in environmental stewardship schemes with the result that prior to the passing of the Agriculture Act 2020, 2,025 acres of the estate were within Countryside Stewardship Schemes.

## 3.3 Benefits of the Estate

In considering the performance of the Estate, account is taken of financial and non-financial performance and the ability of each asset to deliver benefits in the future. Currently potential initiatives are identified and progressed on an opportunity basis in circumstances where their achievement does not conflict with other objectives.

### 3.3.1 Non-Financial Performance

The following has been achieved in recent years:

- Planning consent achieved for 3,242 homes and 1,095,000 sq. ft. of employment space together with the supporting community infrastructure including 4 primary schools and community buildings.
- Establishment of a privately run farm SEND school at Broughton Astley.
- Delivery of a traveller's site at Gilmorton.
- Delivery of allotments site at Lutterworth with extension to existing sites at Broughton Astley and Ibstock.
- Creation of 35 acres of woodland at Ravenstone and establishment of the Ernie White Memorial Woodland at Croft.
- Creation of more than 50 job opportunities in connection with the alpaca farm and children's nursery at Scamhazel Farm, Boundary.
- Provision of land for Baptist Church car park at Sutton in the Elms.
- Environmental enhancements including the improved stewardship of Misterton Marshes SSSI, a pond creation project at Mowsley and the provision of hedging plants and trees across the estate.

In the development of the management plan detailed in Part 2, this approach has been expanded to consider what strategic benefits the portfolio can deliver through the adoption of an individual plan for each estate and core holding.

### 3.3.2 Financial Performance

The Rural Estate has a track record of consistently outperforming the wider agricultural investment market. The overall returns for the estate over the past 1, 3 and 5 year periods averaging 8.2%, 7.9% and 12.3% respectively, well above that of the market as shown in the table below.

	2024-25	3 year	5 year
Net Income Return	0.4%	-2.3%	-0.3%
Capital Growth	7.7%	10.4%	12.8%
Total Return	8.2%	7.9%	12.3%
Market Income Return	1.3%	1.2%	1.2%
Market Capital Growth	0.5%	4.1%	2.5%
Market - Total Return	1.8%	5.3%	3.7%

These figures reflect the fact that revenue returns achieved from the day-to-day management of the estate have been constrained at below market levels over the period between 2020 and 2023, having been considerably impacted by the need to fund the decontamination of Firs Farm, Husbands Bosworth following the illegal dumping of waste.

However, it is the returns from capital account surpluses achieved through the sale of development land and surplus farmsteads amounting to £25.9m (including the value of contracted sales) over the past 10 years together with the uplift in values resulting from the generation of “hope value” that have allowed significant capital growth to be achieved year on year.

Rental income has grown from £835,876 to £1,074,597 over the past 10 years and now averages £146 per acre; the increase being achieved through the review of rents, targeted investment in structural improvements, and rental uplifts achieved at reletting as farms transfer from Agricultural Holdings Act tenancies to Farm Business Tenancies. These increases coupled with efficiencies achieved in the management of the Estate have helped to offset the increased cost of Landlord’s maintenance and repairs, including areas of statutory compliance, which have run at above inflation levels for several years. Further, throughout the period income has been maximised by drawing in available support payments and grant funding from environmental stewardship schemes.

Only modest levels of capital investment, £250,000 in 2024/25 financial year, and £450,000 in 2025/26 have been allocated for farm improvements in the MTFs capital programme, and with no grant funding currently available to the Council this has restricted the ability of the estate to maintain the viability of some core holdings and meet regulatory standards.

A future challenge for the estate is ensure that the estate continues to deliver a stream of capital receipts that enables funds to be provided to deliver the improvements necessary for farms to meet all regulatory standards, provide viable and resilient farming opportunities and the income returns necessary to support that investment by maintain rent at full market levels. In recognition of the ongoing contribution the estate makes to the capital programme and to maintain its optimal size, investments to the value of £3.335m have been made on land purchases, principally at Walton Holt Farm.

### **3.4 Management of the Estate**

#### **3.4.1 Maintenance, Repair and Insurance**

Repairing obligations vary across the estate according to tenancy type and the date of entry (as detailed in the previous table). The responsibility in all Agricultural Holdings Act tenancies and those Farm Business Tenancies where the original tenancy was granted before 1998 is based on “Model Clauses” where the obligations are shared between Landlord and Tenant as currently set out in the Parts I and II of the Schedule 1 to the Agriculture (Model Clauses for Fixed Equipment) (England) Regulations 2015. Those Farm Business Tenancies granted in respect of new lettings since 1998 are on full repairing and insuring terms.

Currently 62% of the main farm holdings are let on full repairing terms. Whilst in theory this reduces the level of day-to-day expenditure on maintenance and repair for the Council, it remains responsible for ensuring the farms meet regulatory compliance standards. In addition, at the termination of the tenancy it is often necessary for the Council to invest in improvements to fixed equipment and buildings necessary to provide a resilient farming enterprise.

Over the past 3 years an average of £361,700 has been spent annually on maintenance and repair across the estate. Based on 2015 figures, the overall Planned Preventative Maintenance (PPM) Programme for the estate over a 15-year period amounts to £20.7m. £432,000 has been identified as urgent and

requiring attention within 12 months. Savings on some of the PPM have or will be achieved by the disposal of uneconomic holdings. The need remains to maintain an appropriately funded programme to meet the estate's ongoing maintenance requirements, and the detail will be clarified as detailed condition surveys take place.

The Council insures all the buildings on the estate, recharging those tenants with full repairing and insuring terms the premium relevant to the holding they occupy, thereby reducing the risk of potential under insurance and financial loss.

### 3.4.2 Management

In recent years the estate has been managed by an in-house team of land agents and support staff employed within Strategic Property Services supplemented by external expertise.

The in-house team are responsible for undertaking the day-to-day management of the estate including the letting of farms and tenancy management including rent reviews and lease renewals, the management of repairs, maintenance and farm improvements, monitoring statutory compliance, farm inspections and tenant liaison together with the management of all associated budgets and debt. In addition, the team makes a significant contribution to the development and of implementation management plans, the disposals and acquisitions programme and the monitoring and reporting of performance. External support has been utilised to benefit from wider market knowledge, for example to support new tenant selections and rent reviews, or specialist knowledge, such as regulatory requirements and maintenance surveys.

To ensure the management of the estate meets best practice standards it is expected to continue to supplement staff resources with specialist legal and consultancy advice, together with the information and financial systems required to underpin delivery, were appropriate and contributing to the continued effective and efficient management of the portfolio in the future.

With continued increases in regulation and changes in Government support to farming it will be essential to ensure that the balance between in-house and external support is right. It is expected that the in-house expertise will increasingly focus on overseeing the Council's landlord responsibilities, enhancing the relationship with our tenants and promoting the estate and farming. As well as, setting the strategic direction for the estate, monitoring the delivery of the strategy and leading on special project activity, e.g. nursery farm concept.

## 4. Future Vision

### 4.1 Strategic Ambitions and Objectives

To support the delivery of the overall vision the 'Ambitions and Objectives' summarised below have been formulated.

**Ambition - To retain a core estate of farms that have an appropriate mix of sizes and are suitably equipped to support new entrants and existing tenants to run viable and sustainable rural businesses resilient to changing market conditions.**

Currently, the estate comprises 65 main holdings. A number of these farms have been occupied by the same tenant for a significant length of time and devoted to a system of farming that has not required the parties to invest in significant modernisation in line with the changing economic or technological landscape. Consequently, many of these farms will require substantial investment to support and develop a new farm business beyond the current tenant.

In many cases these holdings are smaller scale, thereby requiring either an intensified farming enterprise or particular niche operation to be considered sustainable in the long term. The intention is that the strategy demonstrates the council's on-going commitment to retaining the rural estate, whilst rationalising, enhancing and diversifying it to generate capital receipts, improve opportunities for sustainable farming and meet the wider obligations and objectives of the Council over the medium to long term.

By restructuring the estate and where appropriate, amalgamating two or more holdings and focusing investment on the best located or equipped of the existing units, a core estate would be maintained at approximately its current size of 7,359 acres but comprise a reduced number of farm units; the remaining farmsteads being sold off or repurposed for an alternative use.

As part of the evaluation of the existing farms, location, condition, compliance, and compensation liability would be key considerations in determining suitability for retention. Accordingly, the release of those farms with the highest liability for future expenditure would enhance revenue returns, reduce landlord's exposure to risk and facilitate the more effective use of resources enabling funding to be focused on maintaining the sustainability of core holdings and the businesses they support

External investment consultants Hymans Robertson undertook a review of the whole IILP portfolio in January 2024 and recommended that the rural estate be maintained at its current level of investment relative to other sectors within direct property portfolio in terms of value as a proportion of the whole portfolio. However, since that review the subsequent revaluation of the estate has resulted in a substantial uplift in its value thereby significantly increasing its proportion of the overall portfolio.

Furthermore, the review also recommended that properties that were consistently underperforming or unlikely to perform at target levels in future years (for reasons other than the tenant's personal performance) should be disposed of and the monies realised reinvested in property that was attractive to the market and secured long term income and capital growth. The maintenance of the critical size of the estate being supported by a 5-year disposals and acquisition programme.

Objectives	1 – 5 years	6 – 10 years	Ongoing
To complete a comprehensive review of the Estate and prepare and implement, over the lifetime of the strategy, an estate wide restructuring plan.	✓		
As part of the review select a suitable holding and establish a pilot starter/ nursery unit.	✓		
To invest in farm improvements in order that each core holding has sufficient buildings and fixed equipment to support a viable rural business.	✓	✓	✓

To produce and implement a 5-year programme to manage the maintenance requirements and level of outstanding improvements related to statutory compliance.	✓		
To invest in additional rural assets that have the ability to make a positive contribution to the delivery of the estate's strategic ambitions.	✓	✓	✓
To establish an accurate estate wide capital and revenue budget spend forecast.	✓		

**Ambition - To realise the estate's potential to deliver financial benefits that help support the provision of services for the people of Leicestershire.**

In addition to supporting the delivery of the Council's Strategic Plan, the principle aims of the Investing in Leicestershire Programme Strategy are:

- Support growth in the county and its economic area of influence and ensure: there is a more diverse range of properties and land assets available to meet the aims of economic development.
- to maximise returns from Council owned property assets
- to support the delivery of front-line services through increased income generation from existing investments, or through capital investments that will reduce operating costs
- to enhance the value and marketability of property assets enabling capital receipts to be used to support improved service delivery

to maximise the potential to address economic and social market failure It is necessary to ensure that returns from the estate are demonstrably at least equal to that which is being achieved on the open market for equivalent assets (with the exclusion of any holdings subject to any temporary new entrant incentive scheme).

To generate sustainable positive income returns it is necessary to provide farms which are attractive to the market, thereby attracting higher performing tenants, and furnish them with the opportunity of making an equitable return on their investment which consequently attains the market level of rental income. This can only be achieved by having well equipped and maintained holdings supported by an agreed programme of future investments.

A key component of long-term rural estate management is sustained, positive, capital growth; this is achieved through a combination of obtaining the right rental levels and the realisation of development potential through a systematic approach to management of the development pipeline.

A long-term management view will also support tenants to plan their own investments and increase the potential for suitable alternative sites to be found where re-location is required.

Reviewing the estate's assets, an appreciation of their development potential and the timescale for its realisation, are essential to ensure that the pipeline of potential developments is proactively promoted and

brought forward for delivery or disposal. This continuing flow of capital receipts supports the Council's wider capital programme including the future investment in farm improvements and property.

Objectives	1 – 5 years	6 – 10 years	ongoing
To match or exceed the financial returns achieved by the wider agricultural investment market.	✓	✓	✓
Through investment in farm improvements increase rental income and reduce outgoings to increase annual revenue balances returns over the medium term.	✓	✓	
To maintain and promote a pipeline of potential development sites to provide an ongoing stream of capital receipts ensuring that engagement with tenants is maintained throughout the process and opportunities explored for the relocation of the tenant and continuation of the farming business to minimise disruption.	✓	✓	✓

**Ambition - To increase the contribution the estate makes to the achievement of the objectives and outcomes of the Council's Strategic Plan thereby improving the economic, social and environmental wellbeing of Leicestershire.**

The rural estate already makes a significant contribution to the economic, social and environmental wellbeing of the County. The challenge is to ensure that this contribution continues to increase year on year.

The normal farming activities of the tenants supports the local economy through employing essential labour and engaging with the supply chain and local services such as feed merchants, machinery suppliers, veterinary surgeons and agricultural contractors, alongside the Council contributing through the procurement of building works contracts etc. In addition, farm diversification and the achievement of added value has the potential to make a further substantial input to these areas.

Allied to the economic benefits, the provision of community facilities through the practice of identifying and addressing existing under provision, forms part of the current process in the promotion of potential development opportunities. Ensuring that where practical land is set aside to accommodate local needs for such things as new schools, cemeteries, playing fields or additional public open space.

Furthermore, in its role of corporate landlord, sites are similarly identified within the estate with a view to their future use to support essential services including, for example, the provision of depot sites and sites for travellers and travelling show people.

However, there is a need to develop a structured approach to the identification of local needs through developing closer working relationships with local communities in order to better identify where it is possible to make a positive contribution in the future.

In addition, bringing forward land for housing and employment uses, supports economic growth across the wider economy leading to further job creation, training opportunities and greater prosperity.

Aware of the benefits of providing improved access to the countryside to improve wellbeing and its potential conflicts with normal farming operations, it is possible, particularly in respect of urban fringe farms, to design and manage schemes that provide safe walking routes which benefit the farm by segregating livestock from the general public. Where appropriate such schemes could be progressed on an estate-wide scale as has previously happened at Misterton, and through engagement with the local access forum.

The potential exists for enhancing the measurable impact of the estate towards the environmental goals of the Council, through the implementation of biodiversity improvements and the planting of trees to further support flood management work and contribute towards climate adaptation actions.

Acknowledging strong market interest, work is ongoing to identify such opportunities and identify the most appropriate delivery model for such projects ensuring that in all cases target rates of return are achieved from any investment.

In the restructuring of the estate, appropriate areas of land could be identified and set aside to support these initiatives in a way that minimises the impact on farm viability (or compliments the existing farm management system) by utilising land of lesser economic value to provide enhanced income streams.

Biodiversity net gain baseline assessments of 12 potential sites have been undertaken suggesting that in excess of 400 credits could be generated across the estate. Further business case testing will determine whether a realistic return can be achieved by progressing the schemes.

At present, with Landlord's support and approval tenants farming approximately 19% of the land within the estate participate in the Countryside Stewardship Scheme. However, with the scheme transitioning to new support mechanisms it is anticipated that more will be able to enter the new Environmental Land Management Schemes. It is proposed that all appropriate applications will be supported and form part of the shared future management proposed for each farm.

Objectives	1-5 years	6-10 years	ongoing
Support tenants wishing to diversify their business by establishing a secondary enterprise or by adding value to farm produce.	✓	✓	✓
Identify opportunities to make a positive contribution by providing improved community facilities and work with partners to secure their delivery.	✓	✓	✓
Encourage tenants to work with local communities to increase educational opportunities.	✓	✓	✓
Provide opportunities for improved public access across the estate.	✓	✓	✓
To deliver biodiversity improvements across the estate to support the delivery of Council developments and infrastructure or achieve financial benefits through the sale of credits.	✓	✓	✓



Contribute to the achievement of the Council's environmental targets by planting additional trees and areas of woodland, linking with flood management and climate adaptation objectives where appropriate.	✓	✓	✓
Establish policies for consenting to and enabling tenants to implement the delivery of Environmental Schemes.	✓	✓	✓

**Ambition - To strengthen existing partnerships and create new relationships with stakeholders to secure the delivery of strategic objectives and outcomes**

Strong partnerships and the building of new relationships are a key element of any successful venture; central to the success of the rural estate is the landlord/tenant relationship with both parties, whilst protecting their own interests, acting on the basis of mutual trust, collaboration and partnership.

Whilst dependent on sufficient resources being available to ensure that good communications and regular contact is maintained with tenants, this approach delivers long term benefits to both parties through the exchange of information vital to the making of sound management decisions.

With the focus of the estate's strategy shifting it is important to build similar good working relationships with other services across the authority able to contribute specialist knowledge and expertise to the delivery of shared objectives. An example of which will be to ensure that biodiversity schemes make a positive contribution to the Local Nature Recovery Strategy through collaboration with the Council's Environment Team in locating schemes, drawing down funding and targeting interventions. By building and enhancing good inter-service relationships the potential exists to increase links to a wider pool of external stakeholders resulting in the ability to develop further partnerships and access additional funding.

Objectives	1 – 5 years	6 – 10 years	ongoing
Improve communications, engagement and collaboration with tenants by the adoption of best practice management policies including the provision of advice and support in meeting changes to the regulation or external funding of farming.	✓	✓	✓
Work collaboratively with other Council services to ensure a co-ordinated approach to the achievement of shared objectives. For example, supporting the regenerative farming project at Broombriggs Farm and assisting in meeting Local Nature Recovery Strategy outcomes.	✓	✓	✓
Foster new working relationships with other public bodies and private sector partners including agricultural colleges to lever in investment, external funding and expertise essential to the delivery of strategic outcomes	✓	✓	✓

## 4.2 Opportunities and Challenges

In defining the strategic ambitions and objectives necessary to deliver the vision, it is essential to have an understanding of the challenges the estate faces both now and in the years ahead.

The following table illustrates the broad range of factors that have been considered in shaping the rural estate's future strategy.

### Opportunities

- Leverage the Council's position as landowner to influence strategic outcomes and partnerships.
- Restructure estate clusters to create more sustainable, viable farm units.
- Improve buildings and fixed equipment to boost rental growth and reletting potential.
- Fund farm improvements through disposal of surplus assets.
- Realise development potential of land near population centres.
- Generate income from biodiversity credits and other environmental schemes.
- Modernise tenancy agreements to enable strategic objectives and flexibility.
- Support diversification, niche farming, and educational or rural enterprise uses.
- Promote young entrants through incentives and clear performance measures.
- Apply risk evaluation techniques for new ventures to ensure viability.
- Acquire additional holdings during market downturns to meet future aspirations.
- Build partnerships to access grants and external funding.

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### Challenges

- Embedding recognition that estate value includes strategic influence, not just financial returns.
- Helping tenants maintain profitable, resilient businesses amid market volatility.
- Managing high compliance and maintenance costs without eroding income.
- Securing capital for ongoing improvements.
- Balancing environmental land management changes with income stability.
- Overcoming constraints of long-term tenancies and associated liabilities.
- Maintaining strong landlord-tenant relationships and Council reputation.
- Encouraging tenant engagement with environmental and technological improvements.
- Navigating increasing regulatory requirements and procurement limitations.
- Addressing potential reluctance of tenants to invest in holdings despite long-term benefits.
- Managing sensitivities around property disposals.
- Balance conflicting priorities e.g. development of Local Plans

## 5 Strategic Context

In shaping the future vision for the estate and setting a realistic and deliverable set of key ambitions and objectives, it is necessary to gain an appreciation of the external factors that will influence the emerging strategy. These fall into three main categories:

- Legislation and Government Regulation
- Existing Council Strategies and Initiatives
- Planning Policy

### 5.1 Legislation and Government Regulation

The management of the rural estate is subject to a number of key areas of legislation and regulation. Each, to a greater or lesser extent, have a bearing on estate strategy going forward. Whilst a number regulate the way tenancies and day-to-day management is conducted, the Agriculture Act 2020 and the Environment Act 2021 will be central to driving forward the achievement of improvements across the estate.

The table below provides an outline of the impact the relevant Acts do or potentially could have on and the management of the estate.

The Agriculture Act 1970	Provides the powers to hold and manage the County Farms that make up the Rural Estate.
Agricultural Holdings Act 1986	Provide the framework for the grant, management and termination of agricultural tenancies
Agricultural Tenancies Act 1995	
Climate Change Act 2008	Under the provisions of Section 2 the Climate Change Act 2008 (2050 Target Amendment) Order 2019 set the current national Net Zero target and requires the UK to bring all greenhouse gas emissions to net zero by 2050. It also introduced provisions relating to carbon budgeting and established carbon trading schemes for the purpose of limiting greenhouse gas emissions or encouraging activities that reduce such emissions or remove greenhouse gas from the atmosphere
Health and Safety at Work etc Act 1974	<p>The Health and Safety at Work Act is a comprehensive piece of legislation which influence the activities of both landlord and tenant in the management of farms. Its key points broadly relate to the following six areas:</p> <ul style="list-style-type: none"> <li>• Provide a safe place of work.</li> <li>• Provide safe equipment.</li> <li>• Ensure staff are properly trained.</li> <li>• Carry out risk assessments.</li> <li>• Provide proper facilities.</li> <li>• Appoint a competent person to oversee health and safety</li> </ul>
Agriculture Act 2020	<p>The Agriculture Act 2020 represents the first major reform of agricultural policy since the Agriculture Act 1947 which introduced guaranteed prices and assured markets.</p> <p>The 2020 Act provided for the phasing out of direct payment subsidies under the Basic Payment Scheme whereby farmers received an annual area-based payment over a seven year transition period commencing from 2021; the loss of which will have a detrimental impact on the profitability of many rural businesses. However, it provides for a system of more environmentally focussed support through the Environmental Land Management Scheme comprising the Sustainable Farming Incentive and the Farming Investment Fund detail of which are set out at <a href="https://www.gov.uk/guidance/funding-for-farmers">https://www.gov.uk/guidance/funding-for-farmers</a>. Further, the Act sets out provisions to improve transparency and fairness in the agri-food</p>

	<p>supply chain, makes changes to agricultural tenancies and places a duty on the Secretary of State to report to Parliament on food security every three years. It should be noted that the gradual reduction in area payments outlined in the original transition period was significantly changed in 2024 with payments being “de-linked” from land and the level of payments reduced by 76% to a cap of £7,200 per farm in order to realign the overall transitional budget towards environmental schemes.</p>
Environment Act 2021	<p>The Environment Act 2021 is the key piece of environmental legislation. The Act comprises two thematic halves. The first provides a legal framework for environmental governance whereby the Government must prepare a 15 year environmental improvement plan with the impartial Office of Environmental Protection to monitor progress towards achieving targets and ensure accountability. Further, the Secretary of State must set environmental targets in relation to air quality, water, biodiversity, resource efficiency and waste reduction and species abundance.</p> <p>The second makes provision for specific improvement of the environment, including measures on waste and resource efficiency, air quality and environmental recall, water, nature and biodiversity, and conservation covenants.</p> <p>In relation to biodiversity the Act strengthens the duty on public bodies to protect and enhance biodiversity, introduces the mandatory requirement for development to deliver 10% biodiversity net gain and the preparation and publication of Local Nature Recovery Strategies as well as introducing the concept of Conservation Covenants.</p>
Agriculture (Model Clauses for Fixed Equipment) (England) Regulations 2015	<p>Sets down the liabilities of the parties in respect of repairs and maintenance of the fixed equipment and land that make up the holding. This is the statutory default in respect of all tenancies which do not include an express provision for full repairing obligations.</p>
Agricultural Landlord-Tenant Code of Practice for England 2024	<p>Provides guidance on achieving best practice in the management of the landlord/tenant relationship and supports the preparation of a joint management plan to support decision making over the period of the tenancy.</p>

Whilst, the above represent the key pieces of legislation and guidance relevant to the development of this report it is noted that farming and rural land management is one of the most heavily regulated sectors within the UK economy being subject to a raft of regulations covering every area of potential activity including the keeping of livestock, the application of manure and fertilizers, the use of pest control products and the management of trees and woodland plus may more. A full list can be found at <https://www.gov.uk/guidance/rules-for-farmers-and-land-managers#protect-the-environment-if-you-keep-livestock>. There is therefore a need, in the future management of the estate, to be mindful of those regulations that have a direct bearing on the farming activities of each individual tenant and the holding they farm.

## 5.2 Council Strategies and Initiatives

Central to developing the vision and key ambitions that flow from it is the need for the estate to align with and maximise its potential contribution to the wider corporate aims and objectives of the Council. The figure below illustrates the major areas of Council policy where it is seen that the rural estate can have an impact on the achievement of positive outcomes.

Strategic Plan 2022-26 (Due to be updated)	The Strategic Plan is the main driver to the achievement of the Council's key aims and objectives.
Medium Term Financial Strategy 2025-29	Sets out the budget for the Council over the next four years and determines the level of resources available to support each service including the further development of IILP direct property portfolio including the rural estate.
Corporate Asset Management Plan 2022-26	Aligned with the Strategic Plan the CAMP provides the framework for the management of the Council's property assets, including those within the IILP portfolio - regularly reviewing the future management strategy of each in addition to setting and monitoring performance targets.
Investing in Leicestershire Programme Strategy 2025-29	In addition to contributing to the achievement of the Council's strategic outcomes the strategy supports the channelling of new investment into schemes that: <ul style="list-style-type: none"> <li>• Maximise the potential to address economic and social market failure</li> <li>• Improve property assets for a direct strategic/policy purpose</li> <li>• Enhance the value and marketability of property assets enabling capital receipts to be used to support improved service delivery</li> </ul>
Environment Strategy 2018-30	Sets out the Council's vision, aims, objectives and targets for how it will meet its legal and statutory obligations and responsibilities in relation to the environment, how it will minimise its impact on the environment and the impact of the environment on the council, as well as how it will fulfil its leadership role to minimise the environmental impacts, improve the health and wellbeing of people and contribute to the sustainable economic development of the county
Tree Management Strategy 2020-25	Provides a framework to establish a healthy, balanced and sustainable tree population, resilient to climate change, reduce risk from hazardous trees, set standards of tree management and raise public awareness of the value of trees in the environment. Allied to the strategy and the wider Environment Strategy is the commitment to plant 700,000 trees over the ten-year period from 2022.
Leicestershire, Leicester and Rutland Local Nature Recovery Strategy	The Local Nature Recovery Strategy has been developed with the aim of protecting nature and allowing it to recover by preserving and improving habitats and biodiversity. The strategy sets out practical actions to boost the area's wildlife and natural spaces.  The main points of the strategy include examining how habitat loss, shrinking species populations and the effects of climate change can be tackled, the priority habitats and species that need urgent attention, the action needed to build a healthier, more connected natural environment and the creation of space for nature to flourish whilst supporting local people and their livelihoods.

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### 5.3 Planning

Given its location at the heart of England's strategic transport network, Leicestershire is recognised as an area of economic growth attractive to major employers. With this comes a demand for quality and affordable housing to support a growing population. In considering a future strategy for the rural estate it is vital that development potential is protected in order to maximise the potential financial benefits of retaining the estate. At the same time through compliance with planning policy at both a local and national level other wider environmental and community benefits will be achieved. As part of any restructuring process an analysis of the planning opportunities and constraints would need to be undertaken on the basis of the following areas of planning policy.

#### 5.3.1 National Planning Policy

At a national level the Town and Country Planning Act 1990 and the National Planning Policy Framework 2024 (and associated Planning Practice Guidance Notes) are the two most influential areas of regulation and guidance.

The Town and Country Planning Act 1990 provides the basic structure for the planning system as we know it today.

The National Planning Policy Framework 2024 provides the planning guidance necessary for local planning authorities to make sound local plans and informed planning decisions.

#### 5.3.2 District and Borough Local Plans

As Leicestershire has a two-tier local government structure, planning is largely devolved to the seven District and Borough Councils which make up the county; the County Council only being responsible for planning in respect of minerals and waste.

The seven councils work collaboratively with the City and County Councils on strategically important initiatives such as the Strategic Growth Plan and the Housing and Employment Needs Assessment. Whilst these are used to inform planning policy across the county each Local Planning Authority has its own Local Plan tailored to the needs of its district or borough.

With the need to comply with the requirements of the National Planning Policy Framework typically all existing and emerging local plans contain the following elements:

- **Development Strategy** including the assessment of overall housing and employment land needs and the proposed allocation of sites necessary to meet that requirement.
- **Spatial Strategy** which determines the settlement hierarchy to inform the distribution of future housing and employment needs across the local authority area. Where strategic development areas are proposed individual site-specific policies may also be included.
- **Housing outlining policies** relating to housing mix, design, self-build housing, affordable housing including rural exception sites, and housing that meet the needs of older people, people with disabilities and gypsies, travellers and travelling show people.
- **Employment with policies** relating to current economic need, protection of existing employment areas, tourism and importantly rural economic development.

- **Town Centres and Retail.**
- **Climate Change** including flood risk management, sustainable drainage, renewable and low carbon energy installations, sustainable transport and EV charging points.
- **Environment** with policies relating to landscape including areas of significance such as Charnwood Forest, green wedges and areas of separation, biodiversity and geodiversity, tree planting, heritage, sports and recreation, public access and air quality.
- **Transport** considering both the strategic and local networks.
- **Infrastructure and Community Facilities** relating to education, health and other public services together with the Section 106 Contributions Policy to support delivery.

All these relevant factors are considered in assessing the planning potential of each individual site.

#### 5.3.4 Leicestershire Minerals and Waste Local Plan

The County Council is the relevant planning authority for minerals and waste, with responsibility for the preparation of the Minerals and Waste Local Plan and the determination of allied planning applications. In common with all local plans, it considers the needs of the market to ensure an adequate supply of minerals over the plan period, allocating appropriate additional sites required to fulfil that need and safeguarding known deposits for the future; the plan being a relevant consideration in the determination of applications by the District and Borough authorities for other forms of development.

#### 5.3.4 Neighbourhood Plans

Introduced by the Localism Act 2011, Neighbourhood Planning gives local communities the ability, within the overarching Local Plan strategy, to determine the detailed planning strategy and Neighbourhood Plan for the area. Including such matters as the allocation of future development, and the designation of protected areas of open space.

Once adopted the Neighbourhood Plan forms an integral part of the planning policy, to which applications have to conform. Accordingly, Neighbourhood Plans have a significant influence in the consideration of a site's development potential. Currently, there are 14 neighbourhood plans within Leicestershire that cover land within the rural estate.

## 5. Stakeholder Engagement

The long history of providing Council farms at both a national and local level has created a significant legacy of financial and social benefits, which is recognised at all levels of government and across a wide range of public groups (both directly linked to agriculture and the wider national interest). Consequently, there are a number of groups who have a direct interest in the future direction of the Council's estates.

Consultees on the Council's Farms Strategy include:

- Current and Prospective Council Farm Tenants
- Rural communities in Leicestershire where farms on the Council's Farms Estate are located
- Leicestershire County Council Members
- Officers of Leicestershire County Council
- Organisations within or allied to the agricultural industry

## 6. Delivery and Implementation

The Rural Estate will be retained and maintained at its current size with the estate providing a range of nursery/starter and progression holdings enabling people to enter the farming industry and build a sustainable and resilient rural business.

The estate will be restructured to maximise its potential to deliver the strategic ambitions. An evidence based '**Management Plan**' will be prepared at Estate and Core Holding level and used to identify the following:

- Those holdings which deliver a market return and can support a sustainable farm enterprise in the future, should be retained.
- Those holdings which, subject to the availability of additional investment or land, have the potential to deliver a market return and could support a sustainable farm enterprise in the future, should be retained.
- Those holdings and areas of land which possess latent development or BNG potential should be retained with a view to realising the potential to support the capital programme and managed in a manner that maximises their income earning potential in the intervening period.
- Areas of land within the estate capable of supporting the Council's strategic objectives or future service delivery should be identified and retained and managed in a manner that maximises that potential. In particular, projects that provide economic or social benefits to local communities should, subject to a positive business case be progressed and brought forward for implementation.
- Subject to no overriding estate management reason to the contrary, uneconomic and unviable holdings should be sold, retaining any land that is capable of improving the viability of an adjoining farm and amalgamating it with that holding.

To ensure the portfolio is self-financing and meets or exceeds the market rate of return in the medium term, a rolling 5-year **Financial Strategy** for the estate will be produced annually in consultation with Finance colleagues, to present:

- A 5-year disposals and acquisition programme which will be key to maintaining the critical size of the estate with acquisitions focused on only purchasing properties capable of supporting a sustainable farming business or improving the viability of an existing core holding, securing long term income and capital growth whilst delivering ongoing community benefits
- a 5-year Capital Investment Programme detailing the on-farm investments necessary to maintain the performance of individual holdings.
- a Revenue Budget detailing income, expenditure and the anticipated annual income return.

The Financial Strategy should take advantage of the opportunities available from varying market sector conditions, in order to maintain and maximise the overall financial performance of the estate

The Management Strategy will be supported by a suite of key performance indicators that meet both current CIPFA requirements, provide a detailed market comparison and include local indicators to monitor progress in achieving strategic outcomes; the results being reported annually.



The estate will be proactively managed to high professional standards both at a strategic and operational level by a well-resourced in-house team and out-sourced support, supported by appropriate legal, financial and consultancy advice.

A risk register should be maintained at both portfolio and core holdings level and reviewed annually.

The Rural Estate strategy will be reviewed at no greater than 5-yearly intervals and refocused to reflect changes in the Council's wider policy agenda and deliver appropriate benefits.

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## Glossary

Agricultural Holdings Act 1986	Tenancies prior to 1st September 1995 are governed by the Agricultural Holdings Act 1986 (often referred to as AHA tenancies or '86 Act tenancies). More prescriptive than the '95 Act, AHA tenancies have a statutory default position for length and security of tenure, rent review process, treatment of improvements, repairs and arbitration for disputes.
Agricultural Tenancies Act 1995	This act sets out the statutory basis for the Farm Business Tenancy. The '95 Act is much less rigid in setting out the parameters of the FBT, allowing a significant flexibility for the parties to determine the contents of the tenancy contract between them and only providing a statutory backstop for security of tenure, dispute resolution and initiation of the agreement.
Bare land	This is a land holding of any scale without buildings provided by the landlord. This can be pasture or arable land.
Estate	There are 37 estates located across the county which comprise several farms or other lettable units and may also include vacant or in-hand land. The estate may not comprise contiguous land holdings but are usually defined by the parish they are situated within.
Farm Business Tenancy	Governed by the Agricultural Tenancies Act 1995, all tenancies (in the context of County Farms) established since 1st September 1995 are Farm Business Tenancies. There is relative freedom of contract, enabling adaptation of terms to suit the circumstances.
Fixed Equipment	Fixed equipment includes such items as milking parlours, feeding systems, slurry storage and containment, rather than plant and machinery (such as tractors).
Farmstead	This is the area of farm buildings, associated yards, etc. which may or may not include any farmhouses or cottages connected with the farm.
In hand	Refers to land holdings which are held by the County Council and not available to rent, for example woodland areas, access roads, non-farmable areas, etc. rather than Vacant property (see below).
Main Holding	These are the farms which are considered to be core property of the relevant land holding on which they are situated, mostly fully equipped with house, buildings and sufficient land to operate an independent farming business from.
Non-dairy livestock farm	Farm holdings which do not have a milking parlour and/or sufficient slurry storage to operate a compliant dairy enterprise and therefore are used for a mixture of arable, beef, sheep, poultry, etc.
Small "retirement" holdings/Other equipped farm	The Council has a small number of farms with house and/or buildings and small areas of land which do not fall into the above categories, which have limited capacity for establishment of an independent farming business but are retained for estate management purposes, offering a base for a part time farming business or other rural enterprise.
Promotion dairy farm	Usually, a larger farm with capacity for a larger milking herd, including larger (or more efficient) milking parlour, larger slurry storage capacity, forage storage, etc.

	In the past, these farms have not generally been offered to tenants from outside the Council estate to facilitate a degree of progression through the estate.
SMART objectives	These are specific, measurable, achievable, relevant, and time-bound goals.
Starter dairy farm	Generally smaller farms with limited fixed equipment in the form of milking parlour capacity and/or slurry storage. The intention is that a new farming business can establish a dairy enterprise with a smaller amount of initial investment before growing their business to a scale to be able to move to a promotion dairy farm.
Resilience and Sustainability	This is the ability of a farm holding to support the establishment of a farming business which can meet all its financial and regulatory obligations, by generating sufficient surplus income after costs to enable structured investment in equipment, livestock and compliance for the duration of the tenancy agreement. A resilient and sustainable holding should therefore be adaptable to alternative uses, require reduced levels of maintenance and capital investment and be prepared for future stresses in the agricultural economy. A farming business will be adaptable to changes, able to withstand future challenges and financially robust over time without continuous need for expansion, debt financing, etc.
Vacant	Refers to land holdings which are unoccupied but ordinarily would be available to rent; this may be a vacant farmstead or vacant land for which no rent (or other fees) is being received.
Viable	Similar to “sustainable”, however viable is considered to be the ability of a farming business to meet all its financial obligations, including a level of reinvestment. Often viability is defined as a factor of scale, with larger farming businesses better able to spread their costs over a larger base; it does not usually consider how different farmers may be able to utilise the assets available to better ends, or how the business may adapt to future challenges, adding value or enhancing margins. A viable business is not necessarily adaptable and may be reliant on debt financing (providing it is able to meet its obligations).

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## **CABINET – 16 DECEMBER 2025**

### **PROCUREMENT OF COMMUNITY LIFE CHOICES (DAY SERVICES AND PERSONAL ASSISTANTS)**

#### **REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES**

#### **PART A**

##### **Purpose of the Report**

- 1 The purpose of the report is to seek the Cabinet's approval to progress with the procurement of a new Community Life Choices (CLC) framework. This includes both day centres/services and individual personal assistants (PAs) provided by organisations.
- 2 CLC is a commissioning framework operated by the Council for the provision of day services and PAs. People have a choice from a selection of pre-approved providers. The main purpose of CLC is to enable people to remain in their own homes, living as independently as possible. 1,274 people currently receive CLC services via the framework and/or a Direct Payment (where the person receives a personal budget and engages support directly from the person/organisation they want to use).

##### **Recommendations**

- 3 It is recommended that:
  - a) The procurement of a new Community Life Choices (CLC) framework for the provision of day centres/services and individual personal assistants (PAs) provided by organisations be approved;
  - b) The Director of Adults and Communities, in consultation with the Director of Law and Governance, be authorised to enter into any contractual arrangements necessary to bring into effect the new CLC framework with effect from 31 August 2026.

##### **Reasons for Recommendation**

- 4 The current CLC framework ends on 30 August 2026. It is proposed that the new CLC framework will be for the period 2026-2029, with the option to extend for a further two years if required.

- 5 The proposals for the future recommissioning of the CLC framework aim to promote sustainability, deliver care and support outcomes in line with the Care Act 2014 and the Council's Fair Outcomes Policy, strengthen carer support, enable progression, and ensure cost-effective care.

### **Timetable for Decisions (including Scrutiny)**

- 6 Subject to the Cabinet's approval, the tender will be published in February 2026 for commencement on 31 August 2026. The key stages for the procurement are set out as follows:
- Advert Published: February 2026;
  - Advert closed: March 2026;
  - Contract award letters issued: May 2026;
  - Provider Mobilisation: June to August 2026;
  - Contract Commencement Date: 31 August 2026.
- 7 On 3 November 2025, the Adults and Communities Overview and Scrutiny Committee considered details on the proposals for the recommissioning of the CLC contract and its comments are set out in paragraph 84 of this report.

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

- 8 Services highlighted in this report contribute to the County Council's Strategic Plan 2022-2026, in particular the strategic outcome Safe and Well. The proposals are also integral to the delivery of the ambitions for Adult Social Care which are detailed in the Adults and Communities Strategy 2025-2029, 'Delivering Wellbeing and Opportunity in Leicestershire'.
- 9 On 22 June 2021, the Cabinet received a report inter alia outlining the procurement and recommissioning for CLC services. The arrangements were agreed by the Cabinet on 14 December 2021.

### **Resource Implications**

- 10 Expenditure on CLC services purchased directly by the Council in the financial year 2024/25 was £8.6 million with forecast expenditure for 2025/26 expected to be circa £9.8 million (due to increased costs from annual inflation uplifts and forecast demand).
- 11 The estimated contract spend for this procurement is circa £60 million over five years (2025/26 price points) with annual inflation potentially taking this spend above this figure.
- 12 The introduction of pricing differentials within the procurement for CLC may result in a saving to the Council in the region of £750,000 over five years depending on the bids received and the ability to place people in services at the most cost-effective rates.

- 13 There are also potential savings linked to the introduction of the new service level (1:5 ratio) but this is difficult to quantify.
- 14 Due to the introduction of price competition, additional resources will be required to manage the brokerage of CLC services. The costs for this will be considered once the call-off process has been determined.

#### Procurement implications

- 15 The previous CLC tender attracted 37 bids. It is anticipated that there will be a higher number of bids for the upcoming tender due to market engagement work that has been undertaken to resolve areas with unmet needs.
- 16 Bidder sessions will be held with interested parties. The bidder sessions will enable prospective providers to ask questions about the opportunity, and these questions and the Council's answers will be added to a clarification log which will be accessible to those who have expressed an interest in the opportunity.
- 17 Work is underway to co-produce questions by people who receive CLC services and carers to ask in the method statements (documents explaining how specific tasks will be carried out).
- 18 Where current providers do not bid or their bids are unsuccessful, they will be able to retain their current packages until the person's care package is reviewed. At this point, the person can consider moving to a Direct Payment arrangement to continue with the incumbent provider or have their care moved to a contracted provider.

#### Legal Implications

- 19 The agreement will be drafted by the Council's Legal Services under the new provision of the Procurement Act 2023 and advice is being provided on an ongoing basis by the Legal Services team.
- 20 The Director of Corporate Resources and Director of Law and Governance have been consulted on the contents of this report.

#### Circulation under the Local Issues Alert Procedure

- 21 This report will be circulated to all Members of the County Council.

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## PART B

### Background

- 22 The current CLC framework began on 29 November 2021 and has been extended three times. It will expire on 30 August 2026.
- 23 The primary purpose of the CLC service is to enable people to develop and maintain physical, intellectual, emotional and social skills through provision of meaningful activity, maintaining their independence, and to support and maintain the health and wellbeing of carers and thus reduce the likelihood of further intervention such as admission to residential services.
- 24 The CLC service includes two types of support: Day Services and provider employed Personal Assistants (PAs).
- 25 Day Services are community-based and provide meaningful activities, social engagement, and opportunities to develop independent living skills. This includes cooking and household skills, support to access employment and banking and budgeting skills.
- 26 Provider-employed PAs are employed by an agency (rather than being self-employed or directly employed by the individual) and support people to build independence, gain independent skills, and access their community. This includes shopping, using public transport and accessing community assets such as leisure centres, swimming pools and gyms.
- 27 Approximately 670 people receive CLC support via the Council's procured framework, i.e. where the Council directly commissions support from a provider. The table below includes a breakdown of the number of people receiving support at each banding, as of October 2025. The bandings reflect different levels of need (more details are given at paragraph 41 below). Some people receive support across multiple bandings.

<b>Band</b>	<b>October 2025</b>
<b>Band A</b> (Remote support, including activity packs)	1
<b>Band B</b> (Moderate level of support)	43
<b>Band C</b> (Medium level of support)	326
<b>Band D</b> (Continuous 1:1 support)	168
<b>Band E</b> Additional Hourly 1:1 support (to be used in addition to B and C or Band D only)	138
<b>Band F</b> Community 1:1 support (Including Personal Assistant)	192

- 28 There are a total of 26 people receiving support as an exception, when a package is commissioned outside of the Council's framework. Some of the exceptions are at the Council's banded rates and some are at alternative rates.

- 29 Exceptions are only commissioned rarely, such as when a person needs a specialist service that cannot be met on the framework. For example, when someone has a sensory impairment and requires a service with British Sign Language trained staff, or when someone has a particular need and requires a service with staff trained to support with more specialised services.
- 30 The CLC framework currently has 25 providers who offer a total of 58 different day services and nine PA services.

### **The Future Arrangements of CLC**

- 31 A key consideration for future commissioning will be how the Council can ensure a cost effective and financially sustainable service whilst continuing to offer choice to people in the support that they receive.
- 32 The Council engaged independent advice to review the CLC offer with a key focus on the operation of the current framework, the cost model in place for providers and where opportunities and changes could improve the effectiveness of the service.
- 33 The main structure of the existing arrangements is proposed to continue; however, some key changes will be introduced for the new arrangements and are highlighted below.

### **Length and Type of Contract**

- 34 It is intended that the CLC contract will be commissioned as an open framework under the light touch regime of the Procurement Act 2023. The framework will be commissioned for three years, with the option to extend for a further two years if required.
- 35 The Council will reopen the opportunity to join the framework as required and at intervals which will be publicised.
- 36 Services will be commissioned in accordance with the Procurement Act 2023 and the Council's Contract Procedure Rules. It is intended to award multiple providers who are capable of performing the services; individual contracts will then be entered into for packages as need arises.
- 37 There will be no legal obligation upon the Council to award packages under this framework. Providers will be assessed on financial stability, insurance, policies, safeguarding practices, approach to quality and price. Bidders must pass all these elements.

### **Annual Uplifts**

- 38 Providers' rates are usually reviewed annually, before the start of the new financial year, to ensure the rates provided are sustainable. Currently, uplifts are calculated using the Average Weekly Earnings (AWE) index and the Consumer Prices Index (CPI).

- 39 The calculation for review of annual uplifts will change from AWE to National Living Wage (NLW) and the CPI. This will bring CLC in line with the Council's other commissioning areas, including home care, residential care and supported living.
- 40 However, the Council reserves the right to review uplifts within the financial context of its funding and any future market conditions/wider pressures.

### Rates and Bandings

- 41 Currently, there are six different payment band rates, which reflect different levels of need. The table below includes a summary of each band and the building/community-based rates for the 2025/26 financial year:

	<b>Half Day 3 hours a day</b>	<b>Full Day 6 hours a day</b>
<b>Band A</b> (Remote support, including activity packs)	£16.18	£32.36
<b>Band B</b> (Moderate level of support)	£26.22	£52.44
<b>Band C</b> (Medium level of support)	£39.21	£78.42
<b>Band D</b> (Continuous 1:1 support)	£78.70	£157.40
<b>Band E</b> Additional Hourly 1:1 support (to be used in addition to B and C or Band D only)	£17.14 per hour	
<b>Band F</b> Community 1:1 support (Including Personal Assistant)	£21.47 per hour	

- 42 Under the new CLC contract, there will no longer be fixed rates. Instead, providers will be given floor and ceiling rates for each individual band at the point of tendering and will be required to submit a price within the range outlined.
- 43 The indicative new bandings (subject to rounding), as well as the approximate level of staff support for each band, are listed below. A more detailed description of each banding will be included in the service specification.

<b>Bandings</b>	<b>Staff Ratio</b>	<b>Ceiling Rate - Session</b>	<b>Floor Rate – Session</b>
<b>Band 1</b>	1:8 staff ratio	£49.42	£48.12
<b>Band 2</b>	1:5 staff ratio	£57.91	£56.56
<b>Band 3</b>	1:3 staff ratio	£73.88	£71.15
<b>Band 4</b>	1:1 staff ratio	£148.23	£144.01
<b>Bandings</b>	<b>Staff Ratio</b>	<b>Ceiling Rate - Hourly</b>	<b>Floor Rate – Hourly</b>
<b>Band 5</b>	Additional 1:1 hours (to be used with bands 3 and 4 only)	£17.14	£16.66
<b>Band 6</b>	1:1 community support	£20.37	£18.93
<b>PA Band</b>	1:1 community support	£20.37	£18.93

- 44 Any bids submitted outside the specified floor and ceiling rates will be disqualified. The remaining providers will be evaluated based on their responses to quality questions, as well as key documents and supporting evidence.
- 45 The new contract will allow services to be commissioned hourly, in addition to full-day (six-hour) sessions. Currently, day services can only be commissioned in three-hour blocks. This approach will ensure that people's support is representative of their assessed needs and the actual support delivered. Hourly rates will be pro-rata of the day rate.
- 46 Under the new model, for example, someone attending a full-day service at Band C who temporarily needs 1:1 support for travel training could have four hours of day service and two hours of targeted 1:1 support. This approach supports progressive outcomes and helps avoid over-commissioning or disempowering individuals through unnecessary levels of 1:1 support.

### Changes to Service Bands

- 47 Within the current framework, Band B is commissioned based on a 1:8 staff to person ratio and Band C is commissioned based on a 1:3 staff to person ratio.
- 48 Analysis of the utilisation of the arrangements suggests the wide variation between Bands B and C in the current framework bands can lead to the over commissioning of care. It is therefore proposed to introduce a 1:5 ratio level to ensure that services commissioned are representative of the assessed needs of individuals.
- 49 It is not proposed to move existing users to new bandings immediately but as part of the annual review process, peoples' needs and outcomes will be re-assessed and any changes will be made against the new service levels.

### Lots

- 50 CLC services support people with a variety of needs, which are currently categorised into lots:

- Learning Disabilities and/or Autism;
- Profound and Multiple Learning Disability (PMLD);
- Physical and Sensory Disabilities;
- Mental Health;
- Older Adults;
- Dementia;

Additionally, there is a separate lot for PAs.

- 51 When the current framework was commissioned, providers were required to submit tenders for each lot they wished to deliver, with quality questions evaluated separately for each lot. This approach has presented several challenges; for example, when providers have opened new services but had

not previously been evaluated for the relevant lot, or where individuals have complex needs that span multiple lots.

- 52 Under the new contract, there will be only two service lots: Day Services and PAs. Providers will outline the support needs their services are able to meet. As part of the assessment process, the allocated worker will determine whether the service is appropriate and able to meet the individual's identified needs.
- 53 Providers will be evaluated based on their ability to deliver within the lot they tender for, without further assessment of specialisms. The procurement process will assess the bids against various elements, including finance, insurance policies, safeguarding, and their approach to quality, alongside ensuring their submitted prices are within the floor and ceiling rates. Providers must pass all of these components.

### Progression

- 54 The Council is committed to supporting people to progress, thereby promoting independence, and enabling people to achieve greater autonomy in their daily lives.
- 55 The CLC service specification and contract will provide a mechanism for the Council to encourage providers to deliver progressive, person-centred outcomes in the form of new service levels during the duration of the contracts. Providers and people who draw on support will be engaged in the development of any progression services.
- 56 There are also opportunities for the Council to consider expanding its Leicestershire Adult Learning Service to provide short term intensive courses to promote independence and progression as part of the wider CLC offer.
- 57 CLC providers will continue to make use of community assets such as libraries, cafés, and swimming pools, which will continue to be encouraged.

### Call-off Process

- 58 Under the new framework, a call-off process will be developed (this is the mechanism through which new care arrangements are commissioned). In line with the Home Care call-off processes additional resources will be required to manage the brokerage of CLC services.
- 59 Packages will be commissioned competitively, based on the rates providers submitted at the time of joining the framework, subject only to any annual inflationary uplifts at the Council's discretion, alongside the provider's ability to meet the person's needs and outcomes, and the distance from the person's home to the service.
- 60 As part of the person's assessment process, their needs, outcomes and wishes are clearly established and recorded. The CLC brokerage service will utilise this, triangulating this information along with the person's location and transport

needs, to establish the most cost-effective service that can meet the person's needs and outcomes.

- 61 There is a fine balance to be achieved between meeting people's individual assessed support requirements and their need for personalised services against managing the cost of provision to the Council. While CLC services are subject to the floor and ceiling rates process, the Council cannot place a cap on the overall cost of care to meet an individual's assessed unmet needs due to its duties under the Care Act 2014. All services will be commissioned in line with the County Council's Fair Outcomes Policy.

### Day Services

- 62 Successful day services will share the following information with the Council:

- The names of their services;
- The locations of their services;
- The primary support needs each service can provide;
- The needs each service is able to meet.

- 63 Where a person requires transport to access CLC services, this is commissioned separately to CLC provision and is co-ordinated by the Council's supported transport service. Each individual transport requirement is run using a competitive process. Transport will only be commissioned to services which meet the person's needs and are cost-effective to the Council, considering the rates and location of the service.

- 64 The new contract will consider location and transport needs as part of the call-off process to ensure the most cost-effective solution is in place which meets individual needs.

### Personal Assistants

- 65 Under the new contract, PA providers will be required to specify the types of support they offer, the primary support areas they can cover and the districts they operate in.

### Absences

- 66 Absences are allowances made within the cost model for occasions where a person does not attend a planned commissioned service for any reason. Under the current framework, absence costs are built into the rate as a percentage, and providers cannot charge for absences.

- 67 However, absence arrangements have remained a consistent challenge as many providers feel the current arrangement does not adequately compensate them.

- 68 Under the new contract, the absence component will be removed from the standard rate. Instead, providers will be compensated for individual absences, subject to the absence payment criteria.
- 69 Under the new absence payment criteria, providers may charge for short term absences, for example where services are cancelled within 24 hours of the scheduled start time and only for that period. This is consistent with the Council's Home Care procurement arrangements.
- 70 Providers delivering services on weekdays only may charge where services are cancelled within one working day of the scheduled start time.
- 71 Under the new contracts, those providers operating on the Council's contract will be prohibited from charging above their framework rates for Direct Payments. Providers will also be obligated to follow the absence payment criteria for Direct Payment arrangements.

### Market Sufficiency

- 72 There are recognised shortages of PAs within certain areas of Leicestershire, including Market Harborough and Melton Mowbray.
- 73 Due to these shortages, the majority of non-framework PA packages are commissioned externally via Direct Payments through non-framework PA agencies, and their rates are higher than the framework rates. For example, many providers charge in excess of £25 an hour.
- 74 Strategic commissioners have engaged with the market and are actively working to increase availability, particularly in areas with limited-service coverage.
- 75 Particular focus will be given on developing new/expanding PA provision for some older people (for example, people with advanced dementia) and adults with mental health needs living in rural communities.

### Aligning Rates across Provision (Council-commissioned and Direct Payments)

- 76 When the new contract begins, all existing Direct Payment packages will continue by default, as the contract is between the individual and the provider. At the individual's next annual review, workers will seek to source services at Council rates.
- 77 This approach ensures consistency with rates paid and best value for the Council when paying for provision whether this is through the CLC contract or via a Direct Payment.

## Engagement

- 78 Engagement is actively maintained and continuously pursued as part of the Council's ongoing commitment to improvement and incorporating a diverse range of stakeholder groups.
- 79 The CLC Provider Forum is a group comprising current framework providers and those not presently operating within these arrangements. The Forum conducts in-depth discussions on specific areas of change, ensuring providers can express their perspectives on proposed developments.
- 80 Providers have been engaged on changes to the service model and have been given the opportunity to feed into proposals (in particular concerning the absence arrangements and progression).
- 81 Continuous engagement has taken place with people who draw on CLC services over the past two years to seek their views on services, changes that they would want to see, and those parts of the service that they value in particular. This feedback is attached as an Appendix to this report.
- 82 With the support of the Adults and Communities Engagement Panel, work is underway to co-produce questions by people who receive CLC services and carers to ask in the method statements (which set out how specific tasks will be carried out). The Engagement Panel acts as a critical friend to officers of the Council to discuss and challenge proposed engagement plans, service design and policy and strategy development. Panel members are all volunteers and are recognised as experts by experience as carers, or someone who has previously had a service provided by social care. They are available to support with co-production projects, offering a wide range of experience and knowledge. The Engagement Panel will also provide an explanation of what a good response will look like.
- 83 The Department uses continuous satisfaction monitoring to engage with individuals receiving services and the data is used to inform service development. This process includes:
- Mandatory Service Reviews – Regular assessments of care and support provided to people who use CLC services , to ensure quality and effectiveness.
  - Enhanced Review Forms on the Council's adult social care case management system.

## **Comments of the Adults and Communities Overview and Scrutiny Committee**

- 84 The Adults and Communities Overview and Scrutiny Committee considered the proposals for the recommissioning of the CLC contract at its meeting on the 3 November 2025. Arising from discussion the following points were made:
- Community Assets - consideration around the use of community assets and how these are utilised across CLC services;



- Rural service availability - ensuring there are sufficient PAs in rural parts of Leicestershire;
- High-cost packages – considering the plans to encourage more providers to join the framework as part of reducing the high costs of non-framework PAs, which can be in excess of £25 an hour.

85 The Adults and Communities Overview and Scrutiny Committee will be updated with the result of the procurement exercise following the award of the contracts in the summer of 2026.

### **Equality Implications**

86 There are no equality implications arising from this report; although the provision of services described in the report meet one of the strands of the Council's general equality obligations set out in the Public Sector Equality Duty to advance equality of opportunity between people who share and people who do not share a relevant protected characteristic.

87 An action plan has been developed as part of the Equality Impact Assessment (EIA), with a view to minimising any negative impacts on people where possible. The EIA has been shared with and approved by the Adults and Communities Departmental Equalities Group (DEG).

### **Human Rights Implications**

88 There are no human rights implications arising from this report as people with eligible social care needs will remain eligible for CLC services.

### **Health Implications**

89 A 'Health in All Policies' form has been produced to ensure health inequalities are tackled wherever possible through this commissioning process.

90 Where a person has Continuing Health Care (CHC) needs, the Integrated Care Board will fund those individuals through the CLC contract.

### **Environmental Implications**

91 The delivery of CLC PAs requires workers to travel from a base to the persons home and onto local community settings. Where possible people will be supported to use public transport, in particular as part of a travel training programme.

92 The transport provision for CLC Day Services is provided by the Council's In-house service. The service aims to maximise route optimisation and reduce individuals' travel time.

## **Background Papers**

- Fair Outcomes Policy for Adult Social Care  
<https://resources.leicestershire.gov.uk/sites/resource/files/field/pdf/2020/2/18/Fair-Outcomes-Policy-for-Adult-Social-Care.pdf>
- Report to the Adults and Communities Overview and Scrutiny Committee: 3 November 2025 – Procurement of Community Life Choices (Day Service and Personal Assistants)  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=7855&Ver=4>
- Leicestershire County Council Strategic Plan 2022-26 -  
<https://www.leicestershire.gov.uk/sites/default/files/field/pdf/faq/2022/4/12/Appendix-B-LCC-Strategic-Plan-2022-26.pdf>
- Delivering Wellbeing and opportunity in Leicestershire – Adults and Communities Strategy 2025-29 - <https://resources.leicestershire.gov.uk/adult-social-care-and-health/our-approach/policies-and-strategies>
- <https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=6464&Ver=4>
- Report to the Cabinet: 14 December 2021 – Provision of Community Life Choices Services (Day Services)  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6449&Ver=4>
- Report to the Adults and Communities Overview and Scrutiny Committee: 7 November 2022 - Update on the Provision of Community Life Choices Services (Day Services)  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=6842&Ver=4>
- Contract Procedure Rules  
<https://democracy.leics.gov.uk/documents/s189333/Part4G%20Contract%20Procedure%20Rules%20-%20procurement%20pre%2024%20February%202025.pdf>
- Report to the Cabinet: 12 September 2025 – Home Care for Leicestershire Procurement  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7879&Ver=4>

## **Appendix**

Summary of engagement undertaken for the recommissioning of CLC services

## **SUMMARY OF ENGAGEMENT UNDERTAKEN FOR THE RECOMMISSIONING OF CLC SERVICES**

### **KEY MESSAGES**

#### **What is important about CLC services (building based and PA):**

- Social inclusion and friendships.
- Contributing and doing something that is valued, with the opportunity to take responsibility.
- Doing something people enjoy and having a routine.
- Having a choice about the services people access and the outcomes they want to achieve in the future.
- Enhancing overall wellbeing and having someone to talk to outside the home.
- Maintaining and increasing skills.
- Respite for carers and the person supported, helping the carer continue in paid employment.
- Opportunity to be part of the wider local community.
- Access to specialist support.
- Staff can spot wider potential of people they support.

#### **Areas that could be improved:**

- Access to activities (in CLC and Supported Living).
- Services reinstated that were delivered pre-Covid (some have stopped).
- Support outside of core hours.
- Information on what is available in CLC and in the wider community.
- Retaining skills when moving on from education.
- Links between CLC and education.
- Greater emphasis on progression, including developing and maintaining the skills to live as independently as possible, with flexibility and a personalised approach
- Providers need the skills to cater for the groups they support.
- Shortage of provision for: Autistic people without a Learning Disability, People with complex needs/behaviours, dementia, younger adults and specific cultural needs.

#### **Engagement methodology:**

- Visits to CLC services to ask people about their service, including attending a café used by people with their PAs.
- Visits to services to chat to carers and staff.
- Visits to the Learning Disability Partnership Board and Locality Groups.
- Discussions with Care Pathway Teams.
- Three surveys for: People who use CLC services, their carers and providers.

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## **CABINET – 16 DECEMBER 2025**

### **STRATEGIC SPATIAL AND TRANSPORT PLANNING**

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

#### **PART A**

##### **Purpose of the Report**

1. The purpose of this report is to advise the Cabinet of the proposals for strategic spatial and transport planning work in the light of matters arising from the emerging Local Plans and concerns that have been expressed by local communities, Members, and Members of Parliament, about the traffic impacts of new development (growth) in Leicestershire. This report sets out proposals for the preparation of a Spatial Development Strategy, and seeks approval for the Council to share initial evidence work it has developed as the Local Transport Authority (LTA) with the district councils and developers and to undertake initial scheme feasibility and development work.
2. The report also advises the Cabinet as to how the proposed initial work and the scheme feasibility/development work will be used by the LTA to input into strategic planning, including to assist the evolution of the Local Plans to submission stage and in bringing forward strategic sites that are allocated in those Plans.

##### **Recommendations**

3. It is recommended that:
  - a) The Cabinet notes:
    - i. The current strategic spatial planning and strategic transport planning issues and the concerns raised by local communities about the traffic impacts of new development;
    - ii. That the Local Transport Authority (LTA) supports the principle of a Plan-led approach to development and that should the LTA consider it cannot support a Local Plan:

- There will nonetheless continue to be a demand for new homes and jobs to meet the needs of Leicester and Leicestershire's growing population; and
  - In the absence of an up-to-date Local Plan there will be a risk of greater levels of unplanned, speculative growth that will present even more challenges for the provision of infrastructure and services;
- iii. That it is considered to be in the best overall interests of communities for the County Council to move towards a longer-term approach to strategic spatial and transport planning;
  - iv. That the success of the proposals set out in this report rests on successful collaborative working with the district councils and commitments to that way of working being demonstrated by the districts through Local Plan policies and narratives as appropriate;
- b) That, accordingly, the following actions be undertaken as detailed in the report:
- i. The preparation of a Spatial Development Strategy;
  - ii. Identification and development of schemes to alleviate the transport impacts of growth, based on initial evidence work undertaken to date;
  - iii. The sharing with the relevant authorities and developers of initial evidence work that has been undertaken by the LTA and, as it emerges, the outcomes of the further scheme identification and development work in paragraph 3.b.ii above;
- c) That, the Director of Environment and Transport be requested to explore any opportunities to streamline and align the strategic spatial and transport planning work in order to mitigate the traffic impacts of new development including new ways of working where appropriate.

### **Reasons for recommendation**

4. To respond to increasing concerns expressed by local communities, Members, and Members of Parliament about the traffic impacts of new developments that are faced across the Leicester and Leicestershire Housing Market Area.
5. A number of new Local Plans are being prepared by district councils in Leicestershire, and the LTA is finding it increasingly difficult to support them. Concerns raised by the County Council about emerging Local Plans in terms of service and infrastructure provision are often not properly addressed, due to pressure on the local planning authorities from the Government to expedite production of their Local Plans and deliver new housing.

6. Sharing initial evidence work and of the outcomes as they emerge of the proposed scheme identification and development work with district councils will give the LTA the best opportunity to have a constructive influence on the content of Local Plans and establish a sound basis for seeking developer contributions towards the delivery of transport schemes.
7. The LTA is engaged in confidential pre-application discussions relating to strategic-scale sites proposed to be allocated in the Local Plans and, by sharing evidence with developers, has the opportunity to have a positive/constructive influence on those developments.
8. A broader, holistic consideration of strategic spatial planning and transport planning issues on a wider geographical basis is needed in order for the County Council, with limited resources, to address the necessary support for and mitigation of future growth.

### **Timetable for Decisions (including Scrutiny)**

9. The County Council's officers best understanding as to the district councils' current timetables for the Local Plans' development is shown in Table 1 below, noting that the EiP timings are subject to the availability of Planning Inspectorate resources.

Table 1: Understanding of the Current Timetable for the Local Plans

Local Plan	Best Understood Current Timings	
	Submission	Examination in Public
Blaby	Summer 2026	Autumn/Winter 2026
Charnwood	December 2021	Currently ongoing
Harborough	Spring 2026	Autumn 2026
Hinckley and Bosworth	Spring 2026	Winter 2026
Melton	Autumn 2025	Summer 2026
North West Leicestershire	Spring/Summer 2026	Autumn/Winter 2026
Oadby and Wigston	Spring/Summer 2026	Autumn/Winter 2026

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

10. In 2018, the County Council, Leicester City Council, the seven district councils, and the Leicester and Leicestershire Enterprise Partnership (LLEP) approved the Leicester and Leicestershire Strategic Growth Plan (SGP), which provides the long-term vision for planned growth for the Highway Management Authority (HMA) up to 2050.
11. In 2021, the County Council and its partners (Leicester City Council, the seven district councils and the LLEP), commissioned the Leicester and Leicestershire Housing and Economic Needs Assessment (HENA). The HENA, published in June 2022, provides evidence that across Leicester and Leicestershire, the

projected housing need from 2020 to 2036 is 91,400 dwellings, and that the employment land need from 2021 to 2036 is 344 hectares.

12. In October 2024, the Cabinet received a paper on the strategic planning issues associated with the emerging Charnwood Local Plan. This included principles for the future engagement of the LTA in other Local Plan processes in light of the County Council's experience of the Charnwood Local Plan.
13. The Local Transport Plan 2025-2040 (LTP4) Core Document was approved by the Cabinet on 22 November 2024 and subsequently by the County Council on 2 July 2025.
14. The Cabinet has approved responses to Local Plan consultations. Those most relevant to this report are listed in Table 2 below:

Table 2: Recent Local Plan Response

<b>Local Plan</b>	<b>Date of Cabinet Meeting</b>
Oadby and Wigston 2020-2041 Regulation 19 Pre-Submission Consultation Draft	7 February 2025
Harborough Local Plan 2020-2041 Regulation 19 Pre-Submission Consultation Draft	18 March 2025
Hinckley and Bosworth Regulation 18 (2025 version)	18 November 2025

15. In October 2025, the Cabinet received a paper on the next steps for delivering the LTP4. The Cabinet resolved, inter alia, that the draft key 'policy positions' that are intended to form the basis of the Enabling Travel Choice Strategy be approved for the purpose of consultation.

### **Resource Implications**

#### Funding of development of Spatial Development Strategy

16. It is understood that funding from the Government for progressing the development of a SDS will be made available to the authorities across a devolved area. The amount of funding, the timescales for receipt, and the recipients currently remain uncertain.

#### Funding of Initial Scheme Feasibility Work

17. It is proposed to make use of £500,000 of funding from the Department's Advanced Design Budget that already had provision for work to support local plan development. This can be accommodated within the Medium-Term Financial Strategy 2025/26 to 2028/29 as approved by the Council in February 2025, subject to the outcomes of this year's annual refresh. This initial work will provide the basis for business cases that could, potentially and over time, help to secure multi-million pounds worth of investment in Leicestershire's transport system.



### Funding of Infrastructure

18. As set out in Part B of this report, securing the delivery of infrastructure, transport or otherwise (such as education, waste and health), to support the needs of Leicester and Leicestershire's growing population is becoming ever more challenging.
19. This is particularly the case where strategic transport infrastructure is required to seek to mitigate the cumulative impacts of development sites across a relatively wide area of the County.
20. The Cabinet, at its meeting in October 2024, considered a report on strategic transport planning issues associated with the emerging Charnwood Local Plan and, inter alia, agreed principles that would guide the Local Highway Authority/LTA in its engagement on future local plans:
 

*'Where evidence demonstrates significant cumulative impacts arising from planned growth, the appropriate delivery mechanism for infrastructure which is critical to the successful delivery of the Plan growth is a Community Infrastructure Levy (CIL), which should be developed concurrently with a Local Plan if it is to receive the support of the County Council.'*
21. The Response to the Charnwood Borough Council Community Infrastructure Levy Draft Charging Schedule Consultation is the subject of a separate report for consideration by the Cabinet at this meeting.
22. The Director of Corporate Resources has been consulted on the content of this report.

### Legal Implications

23. National planning policy requires public bodies to work together constructively, actively, and on an ongoing basis when preparing Plans for strategic matters like housing, infrastructure, and environmental protection.
24. The Director of Law and Governance has been consulted on the content of this report.

### Circulation under the Local Issues Alert Procedure

25. This report will be circulated to all Members.

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## **PART B**

### **Background**

#### **Strategic Spatial Planning Issues**

26. The population of Leicestershire is projected to increase by 23% to 830,618 between 2018 and 2043. This is higher amongst all age bands in comparison to the East Midlands and England averages.
27. To seek to meet the needs of growing population, a (Local) Plan-led approach represents, in principle, the best current way to seek to coordinate the delivery of new homes and places of work with the provision of the necessary infrastructure and services required to enable and support growth. The County Council supports a Plan led approach in principle and, in its role as the LTA, it continues to commit considerable resources in seeking to support the district councils in the development of their Local Plans and underpinning transport evidence bases.
28. The SGP, whilst a non-statutory document, nevertheless sets out a future spatial vision that sees growth more focused in major strategic locations with less pressure for development in villages and rural areas. Those strategic locations include around the east and south of the City of Leicester, around East Midlands Airport and along the A5 corridor.
29. Within the context of the SGP's spatial vision, the district councils and Leicester City Council are currently preparing the next round of Local Plans. However, preparation of the Local Plans in recent years has been complicated and disrupted by numerous, significant changes to national planning policy, made by the previous and the current Governments.
30. Most recently, in December 2024, revisions were made to the National Planning Policy Framework (NPPF) and to the way in which the Government calculates housing requirements for areas across the Country (known as the 'Standard Method' (SM)). Even prior to these changes, there were challenges to the HMA's ability to meet its original housing requirement of around 88,000 dwellings between 2020 and 2036, as the City of Leicester fell short of being able to meet its identified need by around 19,000 dwellings (unmet housing need).
31. By virtue of a Statement of Common Ground (June 2022) agreed by all of the Leicestershire local authorities, the County Council, the district councils and Leicester City Council agreed to an apportionment of the City's unmet housing need. However, the changes to the SM in December 2024 resulted in marked changes to housing requirements, as shown in Table 3 below.

**Table 3: Comparison of Previous and Revised Housing Requirements**

Area	Housing Requirement in dwelling per annum		% Change
	Previous SM	Revised SM	
Blaby	341	539	+58%
Charnwood	1111	992	-11%
Harborough	534	735	+37%
Hinckley and Bosworth	472	663	+40%
City of Leicester	2464 (The Previous SM included a 35% uplift in housing requirements for the 20 largest urban areas in the Country, which included the City of Leicester)	1588	-36%*
Melton	231	369	+60%
North West Leicestershire	372	617	+66%
Oadby and Wigston	188	389	+107%

32. Where there has been a marked increase in housing requirements, it is unclear as to whether the affected districts will be able to meet that increase or, as per the City of Leicester, will need to declare an unmet housing need. The requirement for Oadby and Wigston Borough Council, for instance, which has an area of 9.5 square miles (24 square kilometres), has increased by over 100%.
33. The Government has brought in transitional arrangements to provide for Local Plans that had reached their Regulation 19 Stage by 12 March 2025 (the stage at which the Local Plan-making body considers that the Plan is ready for submission for EiP), thereby enabling such Plans to proceed without the need to take account of the changes to the NPPF and SM. However, these Plans will need to be subject to an immediate review after successfully completing their EiP and after being adopted.
34. The implications for the making of Local Plans across the HMA is a sub-optimal situation whereby:
- a) In the absence of a national planning framework that truly recognises and fosters the cross-boundary development of Plans, the confines of district boundaries are increasingly becoming a limiting factor on the scope for considering differing spatial options for the scales of growth requirements. In practice, given the present circumstances, there are, at the least from a strategic transport perspective, likely to be no better alternative spatial strategies to those that are set out in the current round of emerging Local Plans.
  - b) Plans are being brought forward in four different tranches (see the appendix for more details), causing an ever more isolated and piecemeal

approach to their development and to underpinning evidence. This fragmentation does nothing to aid attempts to prioritise and coordinate investment in the infrastructure required to enable growth.

- c) Some areas, such as Oadby and Wigston Borough Council, are now assessing whether they can meet their revised SM housing requirement, whilst others are proceeding based on previous SM requirements (see also appendix).
  - d) Should an area be unable to meet its revised SM housing requirement (for whatever reason(s) as suitably evidenced), there is a risk that this will have a ripple effect across the HMA, requiring any unmet need to be met elsewhere across the HMA. This again does not aid efficient and effective strategic planning.
35. This uncoordinated situation is a far from an ideal basis on which service providers, such as the County Council, can plan for, seeking to meet the needs of the HMA's growing population, including from transport, education and waste perspectives.
36. However, in seeking to achieve its mission of seeing 1.5 million new homes delivered over the lifetime of this Parliament (by 2029), the Government is placing significant pressure on the Local Plan-making bodies to bring forward their development expeditiously. It is also important to stress that the absence of a Local Plan for an area does not mean that there will be no new development; rather, it brings the risk of unplanned, speculative development that is even harder for service providers to mitigate.

## Strategic Transport Planning Issues

### General Context

37. As the population of Leicester and Leicestershire increases, so will demands for travel (by individuals and, for example, through increased travel by businesses in order to meet the goods and services needs of a growing population).
38. Evidence work, including that referenced in the next section of this report, points to one fundamental conclusion: the County Council cannot 'prevent' growth. Therefore, unless significant changes occur in societal behaviours and expectations, the extent to which the impacts of growth on the County's transport system can be mitigated in the future are very limited.
39. Leicester and Leicestershire will not be unique in this regard, given that levels of transport congestion are already more acute in other parts of the country, especially in the southeast.

### Transport Evidence

40. The December 2024 changes to the NPPF embedded into national planning policy a ‘vision led’ approach to transport planning. However, there has since been little or no guidance as to what that means in practice and transport evidence work to date has been predicated on a continuation of the current societal behaviours and expectations (one of the key reasons why the LTA is preparing its Enabling Travel Choice Strategy is to set out its expectations as to how a ‘vision led’ approach should be applied in Leicestershire).
41. The key pieces of transport evidence are summarised below:
- a) *Leicester and Leicestershire Strategic Transport Assessment Stage 1:* This piece of evidence was undertaken in support of the SGP. It looked at four options for potential spatial strategies for the HMA, one of which equated to the SGP’s spatial vision. An overall conclusion was that in terms of strategic transport impacts, there is no ‘magic bullet’ to meeting the needs of the area’s growing population, such as a strategy that avoids the need for significant investment in strategic transport infrastructure. It also concluded that there was no evidence to suggest why the SGP’s spatial vision should not continue to be pursued. Of the four options that were tested, none performed markedly better or appeared to be more readily deliverable in strategic transport terms.
  - b) *Local Plan transport evidence:* The evidence generated to date is, in principle, demonstrating similar significant issues. That is:
    - i. Cumulative impacts across areas or along particular corridors. By way of examples, the evidence prepared for the new Charnwood Local Plan demonstrates that the Plan’s relatively ‘dispersed’ housing spatial strategy results in cumulative impacts at multiple locations across the district. Conversely the evidence in respect of the emerging new Harborough Local Plan shows that its relatively more focused spatial strategy has more focused impacts, most particularly on the A6 corridor and on the A5.
    - ii. There are no longer any straightforward or inexpensive ways to mitigate the strategic transport impacts of growth.
    - iii. The scale of strategic transport investment (for all modes) required to address the impacts of growth is becoming increasingly beyond that which a CIL, combined with likely future levels of public funding, can afford. This situation is compounded where development (planned or speculative) is coming forward and gaining planning permission in advance of a CIL being in place; this represents a loss of potential CIL income.

### Section Concluding Comments

42. The previous round of Local Plans in Leicestershire (their preparation stemming from around 10 to 15 years ago) represents the last that were, in relative terms,

straightforward to address from a strategic transport planning perspective. In most cases, sites were able to come forward with relatively localised impacts that were capable of being addressed by their developers either by them delivering directly a transport improvement or indirectly by helping to deliver a scheme via a Section 106 contribution. Where the delivery of growth required coordinated public investment to help to enable it, the then Local Enterprise Partnership had Growth Deal monies to award; schemes delivered at M1 Junction 22 and A42 Junction 13 are two examples of such publicly funded schemes that helped to enable growth.

43. However, the scale of investment in the Country's transport system (at the least) has failed to keep pace with the increased travel demands generated by a growing population. As further growth is coming forward, there is no longer appropriate and suitable transport capacity to support it. Thus, in the absence of strategic infrastructure improvements traffic conditions on existing routes will continue to deteriorate and/or traffic will be displaced on to far less suitable routes, with potential asset management, safety and environmental consequences.
44. This situation would be challenging enough to deal with even if national planning policy was stable; Local Plans were proceeding at a geographic scale appropriate to the scale of growth that they were being required to provide for, and they were coming forward in a coordinated way; and where not every Local Plan is, effectively, a priority for investment (because the Government is putting pressure on every LPA to achieve the delivery of their Local Plans). The strategic spatial planning backdrop is very far from ideal, compounding the challenges faced by the LTA.
45. It is unsurprising that local communities, Members, and Members of Parliament are increasingly vocal in their concerns about the impacts of new developments (growth) on their areas, especially with regards to traffic impacts. Most recently, 'Villages Together', a coalition of currently 20 Parish Councils, has raised concerns about the cumulative impacts of traffic from new development on roads in their areas, whilst other parties have a particular focus on concerns about the A6 south corridor and the Kibworth villages, and in respect of significant housing growth proposals in and around the A5, A444 and Norton Juxta Twycross.
46. Whilst supporting a Plan-led approach in principle, it is becoming more common for the LTA to conclude that growth is not deliverable without severe traffic impacts on the County's road network (severe is a term used in the NPPF). By extension, it is hard for the LTA to agree that it is in the best overall interests of local communities to support the Local Plans on which it is being consulted. This is exemplified by the concerns that it has expressed with regard to the Harborough Local Plan (as set out in a report to the Cabinet in March 2025) and most recently the Hinckley and Bosworth Local Plan (as set out in a report to the Cabinet on 18 November 2025).

47. However, if the population continues to grow there will continue to be the need for more new homes and jobs regardless of the strategic issues and local concerns; it is better to try and plan for meeting those needs rather than to leave it to speculative market forces. The LTA 'objecting' to the Local Plans will not stop the pressures of growth.
48. Even in perfect circumstances – where the optimum planning policy framework existed to provide for the coordinated delivery of growth with infrastructure and where it was also possible to make a sufficient quantum of funding available – the nature and scale of the transport infrastructure that is required to enable the HMA's future growth is not deliverable in the shorter-term.
49. As a result, it is difficult to see how, in the shorter term, it will be possible to avoid continued further traffic impacts on local communities. However, in response to local concerns and the planning reforms paragraphs 52 to 67 set out proposals for work that are intended to tackle the strategic spatial and transport planning issues to provide more positive prospects in the medium to longer-term (such as looking forward over the next decades).

### **Initial Actions to Date in Raising Strategic Issues**

50. The County Council has been proactive in taking opportunities to raise strategic spatial and transport planning issues in responses to the Government's consultations (such as its response to a consultation on reforms to the NPPF). That consultation included the Government's plan to introduce SDSs across the country.
51. The County Council's officers have also been in discussions with National Highways and Homes England to explore joint opportunities to plan for the HMA's growing population and these discussions have helped to inform the further work proposals, outlined below.

### **Proposed Strategic Planning and Transport Planning Work**

#### **Preparation of a Spatial Development Strategy**

52. The December 2024 revisions to the national planning policy set out the Government's intention to introduce a more strategic approach to planning, that more effectively provides for the amount of development that the Country needs, notably housing, and supports the delivery of the associated infrastructure.
53. The Government proposes to introduce SDSs. Subject to its enactment, the Planning and Infrastructure Bill (which it is understood is now cleared for Royal Assent), will place a duty on upper tier county councils, amongst other bodies, to prepare an SDS for their areas.
54. The Government's stated main purposes for the introduction of SDSs include that:



- a) The current planning system does not provide effective mechanisms for strategic planning across local authority boundaries (except for London). This means that planning in England is undertaken on a scale that is too local, and identifying effective sustainable development locations, along with the appropriate supporting infrastructure, is not happening.
  - b) The housing need in England cannot be met without planning for growth on a larger than local scale, and that reform is needed to introduce effective new mechanisms for cross-boundary strategic planning. A nationally consistent system is needed to address the problem and set a planning framework that provides for the amount of development the Country needs, notably housing, and supports the delivery of infrastructure required to support that development.
55. SDSs will be produced across England and will set the strategic patterns and scales of development across an area. They will be part of the overall Development Plan for an area. This means that the Local Plans will have to be in general conformity with the relevant SDS, and that SDSs will be used to guide the determination of planning applications. More particularly, SDSs will:
- a) Provide a spatial strategy that guides local plans and enables growth;
  - b) Identify key infrastructure requirements to enable the spatial strategy to be implemented;
  - c) Identify strategic locations for development and an indication of the scale of development required;
  - d) Identify areas where protection or restoration of the natural environment is required; and
  - e) Apportion and distribute housing need to the most appropriate locations.
56. The County Council's officers' best understanding is that an SDS could potentially cover the administrative areas of Leicestershire, the City of Leicester and of Rutland (LLR).
57. Preparation of an SDS for LLR will provide opportunities:
- a) To coordinate better the use of a wide range of evidence, including in respect of transport, education, health, waste, environment and energy supply, to identify where best to locate growth across the area from a service provision perspective, both public (such as transport, education, waste and health) and private, (such as utilities such as power and water).
  - b) To explore how services and facilities can be brought to places, thereby avoiding/reducing the need to travel by car (a key principle of the proposed Enabling Travel Choice Strategy).
  - c) To consider how best to phase and prioritise the delivery of growth and infrastructure investment across the area by place/location and over time.
  - d) To establish the basis for a possible area-wide CIL.
  - e) To provide a foundation for the future development of strategic business cases to secure investment in infrastructure (which would be reflective of

the Government's intention to move towards 'place based' business cases).

58. The County Council's officers are engaging with the Planning Advisory Service and the MHCLG, jointly with the City Council and Rutland Council, to seek advice on the preparation of an SDS, including the requirements of the supporting evidence. It is understood that a toolkit for Local Authorities at various stages of devolution will be made available early in 2026 so that the preparations can begin in earnest. The County Council's preparations will include staff recruitment to support the development of the SDS.
59. The preparation of an SDS is a medium-term action, and the effects of its delivery 'on the ground' will only be seen in the longer term. The next section of this report sets out proposed work for the immediate future, that is over the next few years.

### Scheme Identification and Development Work

#### Initial Evidence Work

60. In the light of the concerns it has raised about the Local Plans, over the past 10 months, the LTA has been undertaking some initial evidence work, which has been funded from within existing budgets.
61. This initial work has included starting a proactive approach to:
- a) *Planning for potential new future transport networks across south Leicestershire.* This work has begun to consider how future transport networks, including passenger transport, might be better planned around an understanding of how people need to move around as part of their daily lives. This early thinking has been used to inform the development of the Enabling Travel Choice Strategy.
  - b) *Exploring the potential benefits of improving strategic transport orbital connectivity around the east and south of the Leicester Urban Area.* This work has focused on understanding how this might help to provide traffic relief to M1 Junction 21 and the connecting Local Road Network; remove longer-distance strategic journeys from lower order roads in the districts of Oadby and Wigston, Harborough and Blaby; and how this might help to open land for future development in the SGP 'Priority Growth Corridor'.
  - c) *Understanding more about the make-up of journeys made along the A6 south corridor, including through the Kibworth villages.* The particular focus has been on developing an understanding of the lengths of and the origins and destinations of journeys. This in turn has helped to develop an understanding as to the quantum of journeys that have the potential to transfer to other means (modes) of travel other than by car as a potential way to reduce traffic levels.

62. Whilst this initial work has not reached any definitive conclusions, it has provided a positive basis for identifying and taking forward the further work that is set out below.
63. In seeking to continue to influence positively the content of emerging Local Plans in the interests of local communities, it is considered that it would now be beneficial to share the details about this initial work with the district councils (as the LPAs) and the developers of sites that are likely to have allocations included in those Plans.

#### Further work

64. Building on the initial evidence work and in response to local concerns an initial set of scheme identification and development work has been identified. Whilst listed separately, there are overlaps between the pieces of work:
- a) *To develop a multi-modal, mapped strategic vision for the HMA's future transport system.* This will build on the initial thinking to understand how transport needs to facilitate peoples' movements across the HMA (including, for example, to access health care, jobs, education, and social and leisure activities). This will be used to identify patterns of travel demand and movements, segregated to help ascertain those with the greatest propensity to transfer to active (cycling and walking) and sustainable (such as passenger transport) modes, and which are more likely to remain as vehicular trips by virtue of their distance and/or distribution and/or nature (for example larger goods vehicles). This will provide the basis for an HMA mapped strategic 'Transport Vision'. Ultimately, this work will provide an evidence-based approach to identifying the strategic transport investment that will be required to enable the HMA's future growth. In turn, this would provide a platform for the future development of business cases to seek to secure public investment. It will also provide useful evidence to inform the future development of CIL (district or County-wide).
  - b) *To examine options for improving strategic transport orbital connectivity around the east and south of the Leicester Urban Area.* It is intended that this work will consider options (such as in terms of route and design standards) for a new multi-modal route running from the A47 East to at least a new junction on the M1 (J20a) somewhere to the south of Junction 21. It will expand on the initial work to consider in more detail the potential benefits of such a route in terms of providing traffic relief in and around M1 Junction 21 and existing roads across south Leicestershire. This work also has the potential to support the development of a strategic business case for the creation of a J20a, which is essential to enabling the delivery of the scale of housing and employment growth envisaged in the SGP 'Priority Growth Corridor', especially in the district of Blaby.
  - c) *To examine options for the A6 corridor to the south of the City of Leicester, including the Kibworths villages.* The initial work points towards

the conclusion that providing a new road around the villages is the only solution to address the current traffic problems and suitably mitigate future growth, in particular as proposed to come forward in the districts of Harborough and Oadby and Wigston. This work will consider options (such as in terms of route and design standard) for a road around the villages and develop an initial understanding of its potential benefits and costs. This in turn will give an indication of its value for money, which will affect the strength of any business case for securing public investment.

- d) *To explore options for the use of the Eastern District Distributor Road (EDDR) reservation in Oadby.* Land has been reserved for the EDDR for many years; had the scheme been completed as was originally intended in the 1990s, it would have formed part of the missing section of the A563 Outer District Distributor Road between the A47 East and A6 South. This work will explore how a scheme in the corridor might help support the delivery of the significant scale of growth proposed to come forward on the boundary of the districts of Oadby and Wigston and Harborough. It will also consider what role a route along the corridor could play in addressing problems on the A6 corridor through Oadby; how it might be used to reduce the existing use by traffic of less suitable routes in the area; how it might provide for new active travel (walking, wheeling, cycling) opportunities; and provide opportunities for new passenger transport connections.

65. As indicated in Part A of this report, it is intended that this work will be funded by the use of £500,000 from within the Department's Advanced Design Budget.
66. In the light of resources available and the levels of funding likely to be available in future year budgets, consideration will be given to developing proposals for further pieces of work for inclusion in future Highways and Transport Capital and Works Programmes.
67. Again, it is considered that it would now be beneficial to share details of this work with the district councils and site developers.

### **Next Steps**

68. The further work outlined above will be beneficial to the development of the SDS.
69. The sharing of the details of the initial evidence work and the outcomes of the scheme identification and development works as they emerge will be beneficial to the LTA's future input into other areas of strategic planning, for example:
- a) *To work with the LPAs to:*
- i. Explore how this can help to inform the Local Plans' further development, including in respect of policies.
  - ii. Seek to ensure that at the least Local Plans do not fetter the delivery of long-term strategic transport solutions.

- iii. Establish and put in place lawful mechanisms to seek to secure developer contributions towards known and emerging strategic transport infrastructure, including to provide evidence to support the development and implementation of a CIL.

*b) To work with developers to:*

- i. Be proactive in seeking to influence how growth comes forward; a current example of this is the A5 Concept Link.
- ii. Seek to secure direct delivery by developers of transport infrastructure as part of new development or to secure developer contributions towards such delivery.

70. Discussions will also be sought with the district councils which are bringing forward the Local Plans in Tranche 3 (as set out in the appendix), to explore the opportunities to streamline and align the strategic spatial and transport planning work and identify solutions across a wider geographical scale.

## **Conclusion**

71. As the population of the HMA continues to grow so will demand for new homes and jobs, which in turn will need new infrastructure to be provided by the County Council, in particular, transport, education and waste infrastructure.
72. As explained in this report, the current approach to strategic spatial and transport planning to meet that demand faces many challenges, including successive and significant changes to national planning policy, marked changes as to the way that housing requirements are calculated, and investment in the Country's transport system failing to keep pace with the travel demands generated by a growing population.
73. New homes and jobs will continue to be delivered but, from a transport perspective, there is no inexpensive or straightforward means to support and mitigate this growth that will have no resultant impacts on traffic conditions in local communities.
74. In the absence of a short-term remedy for local concerns the proposals set out in this report will help to tackle the strategic spatial and strategic transport planning issues across the HMA in the longer term.
75. The proposals seek to achieve, at an LLR geography, a more coordinated approach to locations for growth and prioritisation of its delivery relative to the prioritisation of investment in the infrastructure and services necessary to support it.
76. The work proposed will provide a sound evidence base to enable the LTA to make more positive and constructive input into spatial planning. In particular, this evidence will help to identify, agree and implement mechanisms to secure funding to enable the future delivery of infrastructure, including via the implementation of CIL.

77. The success of the proposals set out in this report rests on successful collaborative working with the district councils. It will be important that commitment to the approach is demonstrated through Local Plan policies and narrative as appropriate. The current round of emerging Local Plans will not be able to address every strategic issue, but it is vitally important that they go as far as is possible (within the confines imposed by national planning policy and regulation) in laying the foundations for a better future of strategic spatial and transport planning. They should not do anything to fetter the achievement of that better future, including the delivery of strategic transport infrastructure required to enable Leicester and Leicestershire's long-term growth.
78. The proposals will also form a coherent basis for ongoing discussions with National Highways and Homes England, and they seek to establish better ways to coordinate efforts and investments to provide for the needs of the HMA's growing population.

### **Equality Implications**

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

### **Human Rights Implications**

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

### **Background Papers**

Report to the Cabinet on 23 November 2018: Leicester and Leicestershire Strategic Growth Plan – Consideration of Revised Plan for Approval

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5185&Ver=4>

Report to the Cabinet on 16 September 2022: Leicester and Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Needs

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MID=6776#AI72573>

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MID=6776>

Report to the Cabinet on 22 October 2024: Strategic Transport Issues Associated with the Emerging Charnwood Local Plan

<https://democracy.leics.gov.uk/documents/s185920/Charnwood%20Local%20Plan%20Cabinet%20221024.pdf>

Report to the Cabinet on 13 September 2024: Proposed Response to Consultation on the National Planning Policy Framework

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MID=7509#AI79926>

Report to the Cabinet on 22 November 2024: Local Transport Plan (LTP4): Outcome of Consultation and Approval of Core Document

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7511&Ver=4>

Report to the Cabinet 7 February 2025: Response to the Oadby and Wigston Local Plan (2020-2041) Pre-Submission Consultation Draft

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7873&Ver=4>

Report to the Cabinet 18 March 2025: Proposed Submission Draft (Regulation 19) Harborough Local Plan 2020-2041

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7874&Ver=4>

Report to the County Council on 2 July 2025: Local Transport Plan 4

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7859&Ver=4>

Report to the Cabinet 28 October 2025: Delivering the Local Transport Plan (LTP4) 2025-2040 – Next Steps

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7880&Ver=4>

Report to the Cabinet 18 November 2025: Response to the Hinckley and Bosworth Borough Council Regulation 18 Local Plan Consultation 2025

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7881&Ver=4>

Leicester and Leicestershire Strategic Transport Assessment Stage 1

<https://www.l1strategicgrowthplan.org.uk/latest-updates/publication-of-strategic-growth-options-and-strategic-transport-assessment-stage-1/>

## **Appendix**

Local Plan Preparation Status

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Local Plan Preparation Status

Tranche	Council	Current Plan Stage	Relevant NPPF/Plan system
<b>Tranche 1: Already Submitted for Examination in Public</b>	Charnwood Borough Council	Hearings completed Main Modifications consulted on Inspector's Report awaited	Dec 2023 NPPF
	Leicester City Council	Hearings completed Main Modifications consulted on Inspector's Report awaited	
<b>Tranche 2: Submission anticipated in 2025</b>  <b>Submission anticipated in 2026</b>	Melton Borough Council (MBC)	Partial Review Regulation 19 consultation concluded MBC resolution to submit Local Plan, November 2025	Dec 2023 NPPF (Transition Period Under para 234 of 2024 NPPF)
	Harborough District Council (HDC)	Regulation 19 consultations concluded HDC resolution to approve new Local Development Scheme	
<b>Tranche 3: Submission anticipated in 2026</b>	Blaby District Council	Regulation 19 plan being prepared	December 2024 NPPF (post Transition Period)
	Hinckley and Bosworth Borough Council	Regulation 19 consultations concluded	

<b>Tranche</b>	<b>Council</b>	<b>Current Plan Stage</b>	<b>Relevant NPPF/Plan system</b>
<b>Tranche 3 (contd...): Submission anticipated in 2026</b>	North West Leicestershire District Council	Regulation 19 plan being prepared	December 2024 NPPF (post Transition Period)
	Oadby and Wigston Borough Council	Regulation 19 consultations concluded  Progress paused due to increase in housing number requirements	
<b>Tranche 4: Future Plans Timetable TBC</b>	Leicester City Council	Leicester City Council will be carrying out a Local Plan Review immediately following the adoption of the Leicester City Local Plan 2020 to 2036.	TBC



## **CABINET – 16 DECEMBER 2025**

### **RESPONSE TO THE CHARNWOOD BOROUGH COUNCIL COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE CONSULTATION**

#### **REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT**

#### **PART A**

##### **Purpose of the Report**

1. The purpose of this report is to advise the Cabinet on the County Council's proposed response to the Charnwood Borough Council's (Charnwood BC) Community Infrastructure Levy (CIL) Draft Charging Schedule consultation and seek approval for comments to be sent to Charnwood BC as the views of the County Council.
2. A CIL is a charge which can be levied by Local Planning Authorities on new development in their areas in order to raise funds for infrastructure, facilities and services needed to support new development. Charnwood BC proposes to implement a CIL for strategic transport infrastructure as part of its emerging Local Plan.

##### **Recommendations**

3. It is recommended that the Cabinet:
  - a) Approves the proposed approach set out in paragraphs 25 to 35 of this report as the basis for the County Council's formal response to the Charnwood Borough Council's Community Infrastructure Levy Draft Charging Schedule consultation;
  - b) Authorises the Director of Environment and Transport, following consultation with the relevant Cabinet Lead Member, to submit the County Council's formal response to the Borough Council by 19 December 2025.

##### **Reasons for Recommendations**

4. The County Council's response will set out key comments for consideration by Charnwood BC in progressing its CIL Draft Charging Schedule. The expedient adoption of a CIL is considered the best way to mitigate the negative impacts of a lack of strategic transport investment needed to support growth in Charnwood.

### **Timetable for Decisions (including Scrutiny)**

5. The County Council's consultation response is required to be submitted to Charnwood BC by the close of consultation on 19 December 2025.

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

6. Previous Cabinet decisions in relation to the emerging Charnwood Local Plan were set out in a report to the Cabinet on 22 October 2024 which included:
  - a) June 2022: approval of an area Transport Strategy based approach to deliver the Borough-wide transport mitigation package, through three area strategies.
  - b) September 2022: agreement that works towards an interim approach, prior to the Local Plan's adoption, would be taken by the Local Transport Authority (LTA) dealing with planning applications in Charnwood and seeking approval of Charnwood BC's support for implementation of this interim approach.
  - c) November 2022: approval of the approach and principles that the County Council would adopt to manage risks of delivering sustainable and inclusive growth.
  - d) February 2023: approval of an interim approach to planning issues in Charnwood, which aimed to provide an initial basis for how the LTA could seek transportation contributions.
  - e) December 2023: noting the position of the Local Plan, particularly, the identified financial pressures associated with the interim transport strategy, including a major shortfall in funding of £120m.
  - f) February 2024: noting the overall approach to developing the Capital Programme set out in the County Council's Medium Term Financial Strategy 2024/25 and that a key determinant in generating sufficient developer contributions was the approach taken by district councils in their capacity as Local Planning Authorities.
  - g) September 2024: approval of the County Council's National Planning Policy Framework (NPPF) consultation response, noting the amended NPPF.
  
7. At the meeting in October 2024, the Cabinet considered reports on the issues associated with the emerging Charnwood Local Plan, including the outcome of consultation on the Charnwood Transport Contributions Strategy and the implications for the LTA and consideration of planning applications by Charnwood BC's Plans Committee on 17 October 2024. The Cabinet noted a number of issues which were of significant concern and inter alia authorised Chief Officers to withdraw the proposed Contributions Strategy and act as necessary to mitigate the impacts arising from the interim period between the likely Local Plan adoption and the adoption of a CIL. The concerns would be brought to the attention of Charnwood BC and the County Council would continue to work with the Borough Council to put a sound Local Plan in place.

8. On 22 November 2024, the Cabinet considered a further report on the issues associated with the emerging Local Plan, including the response of the Inspectors to the late submission by Charnwood BC of a proposal to implement a CIL to support the delivery of the Local Plan, the approach to reporting the issues associated with the Local Plan and dealing with planning applications prior to a clear route to adoption of the Local Plan being established. The Cabinet, inter alia, agreed that officers would work alongside, support, and co-operate with Charnwood BC to develop further evidence requested by the Inspectors, once Charnwood BC formally confirmed it was seeking to progress the inclusion of a CIL in the Local Plan. It was also agreed to participate appropriately in the development and implementation of a CIL Charging Schedule and influence the adoption of a CIL as soon as possible.
9. On 7 February 2025, the Cabinet noted the latest position regarding the emerging Local Plan and resolved to participate appropriately in the development and implementation of a CIL Charging Schedule in line with national guidance and to seek to influence the adoption of a CIL as soon as possible.
10. On 15 July 2025, the Cabinet received a report on the latest position and proposed response to the consultation on further main modifications to the Charnwood Local Plan, and giving an update on the proposed CIL. The paper highlighted the County Council's position regarding the desirability of an up-to-date Local Plan underpinned by a CIL to support the delivery of infrastructure. In addition, it was noted that it was the LTA's responsibility to ensure that the potentially negative impacts associated with the continued delays to the adoption of the Local Plan and an evolving position of Charnwood BC with regard to CIL implementation were minimised, as far as possible. Therefore, the LTA would continue to take appropriate action to reflect this responsibility and set out its position that any further planning applications seeking to be determined by Charnwood BC in advance of the examining Inspector's report should be considered as premature and as such, should be deferred for the time being. The LTA would continue to review this position as the Local Plan's examination and CIL processes progress.

### **Resource Implications**

11. The County Council has committed significant resources to engaging in, and supporting, a collaborative approach to strategic planning in order to facilitate the delivery of growth within the County and to mitigate the negative impacts of development, to the extent that it is reasonably possible to do.
12. Despite increasing challenges, as set out in the report to the Cabinet in September 2024 on the proposed reforms to the NPPF and the planning system, the County Council continues to seek to provide support for Local Plans that will give as robust as possible policy platforms for securing the provision of infrastructure and services required to support their successful delivery.

13. In the case of the Charnwood Local Plan and proposed CIL, the County Council remains concerned that a considerable proportion of the allocated sites within the Local Plan have come forward ahead of the adoption of the Local Plan and the CIL. The implications of this have been set out in previous reports cited above and can be summarised as the cumulative transport impacts of development coming forward in Charnwood will not be mitigated in full due to a shortfall in funding. Charnwood BC estimates that a maximum of £45m may be secured through CIL, leaving an estimated gap of £100m.
14. The County Council is not in a position to fill this funding gap and so levels of traffic congestion and delays in the Borough are likely to increase as development is built out. However, the adoption of a CIL will provide the best opportunity to ensure the remaining development proportionately contributes to the necessary transport infrastructure to support growth in the Borough and that there is also a mechanism to secure strategic contributions for future growth. The County Council will prioritise funding received through the CIL to deliver transport measures that provide the greatest benefits in terms of minimising the congestion and delay arising from impacts of growth.
15. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

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

16. This report will be circulated to Members representing divisions in the Charnwood area: Mr D. Grimley CC, Mrs D. Taylor CC, Mr J. Miah CC, Mr P. Morris CC, Mr A. Hamilton-Gray CC, Mrs B. Gray CC, Mr R. Bailey CC, Mr P. Rudkin CC, Mrs L. Danks CC, Mrs H. Butler CC, Mrs N. Bottomley CC, Mr J. Poland CC, Mr S. Bradshaw CC, Mrs B. Seaton CC.

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## **PART B**

### **Background**

17. Charnwood BC submitted its Local Plan to the Planning Inspectorate for Examination in Public (EiP) in December 2021 and there is a considerable history to the Local Plan and examination process, including Charnwood BC's decision to prepare a CIL. Further detail can be found in the previous reports to Cabinet referenced in paragraphs 6 to 10 above.
18. The emerging Charnwood Local Plan 2021-37 has been subject to examination and consultation has taken place on main modifications and further main modifications. Whilst Charnwood BC's intention was to adopt the new Local Plan in January 2026, it should be noted that the Inspector's report is still awaited.
19. Throughout the preparation stages of the Local Plan and the lengthy examination period, the County Council as the LTA has consistently raised concerns regarding the cumulative impact of planned growth on the strategic and local highways and transport networks and the need for an appropriate mechanism to ensure the proposed development to fund the necessary interventions to mitigate these impacts. The Inspectors, as well as representatives from the development industry, were particularly concerned with how the package of transport measures required to support the Local Plan's delivery and to mitigate its overall transport impacts will be paid for.
20. Charnwood BC is now progressing the introduction of a CIL. A CIL is a charge which can be levied by Local Planning Authorities on new development in their local authority area in order to raise funds to help fund the infrastructure, facilities and services, such as schools or transport improvements needed to support new homes and businesses. The CIL being proposed by Charnwood BC will only be used to fund strategic transport infrastructure projects. Other forms of infrastructure, such as site-specific transport mitigation, school provision, open space and libraries, will continue to be funded through Section 106 planning obligations or delivered by planning conditions.
21. The powers to introduce a CIL are set out in the Planning Act 2008, as amended, whilst the Community Infrastructure Levy Regulations 2010, as amended (the CIL Regulations), set out the detailed requirements for the preparation and implementation of the CIL.
22. Charnwood BC must publish a Draft Charging Schedule for consultation, prior to it being submitted for independent examination. Charnwood BC commenced the consultation on 24 November 2025. This runs for four weeks to 19 December 2025, a period in line with the National Planning Policy Guidance. Charnwood BC's intention is to then submit the Draft Charging Schedule to the independent Examiner early in January 2026 and there is the potential for the Examination to take place in late February or early March 2026. Subject to the Examiner's report being received by the end of April 2026, it is anticipated that Charnwood BC could then approve the Charging Schedule in June 2026 and

bring it into effect soon after. It is recognised that the timetable set out means that the adoption of the Charging Schedule would likely come after the adoption of the Local Plan (likely in early 2026); however, it is not considered a basis to delay the adoption of the Local Plan.

### **General Context of Local Plan Development and Delivery**

23. A separate report on the agenda for this Cabinet meeting, “Strategic Spatial and Transport Planning”, sets out the ever increasing issues faced by the LTA in seeking to deal with the increasing travel demands generated by a growing population, and the consequential implications that this is having for the LTA’s ability to support Local Plans on which the LTA is being consulted.
24. The report also sets out proposals seeking to address these issues, including a proposal for the LTA to share an evidence base of transport trends and impacts of growth with the district councils that will support the development and adoption of a CIL in other districts across the County.

### **Overview of Content of Charnwood CIL Draft Charging Schedule and the County Council’s Proposed Response**

25. Charnwood BC is proposing to introduce a CIL and will act as the charging authority and the collecting authority. As indicated previously, it is intended that the CIL will fund strategic transport infrastructure projects only. The transport projects to be funded via the proposed CIL are set out in the [Appendix 3 Infrastructure Schedule to the Local Plan](#).
26. Whilst the County Council may seek to include wider infrastructure in future iterations of CILs in Charnwood or in other areas of Leicestershire, it is supportive of a transport focus for this CIL as it is representative of the discussions and feedback provided throughout the development of the Local Plan.
27. A CIL can only be charged on development in excess of 100 sqm, unless it would involve a new dwelling. The Draft Charging Schedule sets out the rates for residential development (excluding elderly persons housing and Purpose-Built Student Accommodation) in three mapped-out geographical zones, with the lowest rates in the Loughborough/Shepshed zone, higher rates in the Leicester Fringe, and the highest rates in the rest of the Borough. There are further differential rates according to whether the development is on greenfield or brownfield sites. Rates range between £6 and £225 per sqm, depending on the nature of the site and its location. Full details on how these rates have been calculated and justified can be found in the Charnwood BC’s CIL Viability Report (October 2025) produced by Aspinall Verdi, available on the Charnwood BC’s website.
28. The County Council, with support from external specialists, has reviewed the evidence underpinning this methodology and is supportive of the zonal approach and the associated rates recognising the importance of setting the CIL rates at a level that do not risk a development’s ability to contribute to other



essential infrastructure. In particular, the County Council has recognised the critical need to ensure development can fully fund the relevant education contributions. The County Council has provided evidence of these costs to Charnwood BC as part of the CIL development and has no objection to the proposed rates set out in the consultation.

29. The Draft Charging Schedule also highlights the proposed charging rates for other types of development. This includes older persons housing, purpose-built student accommodation, retail and industrial/logistics units. These rates start at £75 per sqm and go up to £250 per sqm. The County Council recognises the importance of reflecting the type of development in the CIL rates to ensure the CIL can be applied effectively in practice. The County has no in principle objection to these rates.
30. The Draft Charging Schedule sets out a list of exemptions from the CIL. These include development types not otherwise listed which are therefore nil rated and development involving less than 100 sqm of new build unless the development will comprise one or more dwellings. There are also exemptions or relief to residential annexes and extensions, self-build houses and flats, social housing and charitable development, where relevant criteria are met and processes followed as set out in the CIL Regulations. The County Council understands this to be in line with best practice and therefore has no in principle objection to this approach.
31. Finally, the Draft Charging Schedule includes a calculation of the CIL chargeable amount. The chargeable amount is calculated in accordance with Regulation 40 and Schedule 1 of the CIL Regulations and is chargeable development multiplied by chargeable rate multiplied by the appropriate inflation measure. This rate is what the developments are expected to contribute through the CIL.
32. The County Council has reviewed the chargeable amounts set out in the draft document, together with external independent experts, and considers them to be reasonable in the context of available evidence. This includes information on potential Section 106 requests for other key services and, in particular, the critical need to reduce the risk that education contributions are prejudiced as a result of viability issues arising from the CIL. However, the County Council notes that the overall expected contributions through the CIL from this round of Local Plan Growth and potential windfall sites is a maximum of £45m. This is compared to an estimated cost of the strategic transport infrastructure of £145m. However, a benefit of a CIL is the ability to be able to combine amounts received into a single pool and then deliver schemes on a priority basis.
33. The Draft Charging Schedule consultation documentation also includes transport schemes identified by the County Council and their associated estimated costs. The County Council provided this schedule to Charnwood BC in May 2025 and therefore is supportive of its contents; however, it is worth noting that the longer it takes to collect contributions to the level they can deliver a scheme in practice, the more likely it is that inflation will affect the cost estimates for those schemes.

34. Charnwood BC, as the charging authority, must keep its charging schedule under review and should ensure that levy charges remain appropriate over time. For example, charging schedules should take account of changes in market conditions, and remain relevant to the funding gap for the infrastructure needed to support the development of the area. However, any revisions must follow the same processes as the preparation, examination, approval and publication of a charging schedule.
35. There are aspects of CIL arrangements that are not covered in the consultation documentation. This includes the arrangements for administering the CIL (Charnwood BC is able to retain 5% of income to do this) and also the impact, if any, of the Parish precept on the potential income for strategic transport improvements. The County Council requests that further detail is provided on this ahead of the CIL examination.

### **Implications Arising for the County Council**

36. The County Council has co-operated with both Charnwood BC and its specialist consultants, Aspinall Verdi, during the preparation of the Draft Charging Schedule and the Viability Study.
37. The County Council is concerned that Charnwood BC continues to determine a large number of planning applications in Charnwood Borough ahead of the introduction of a CIL thereby increasing the risk that the overall funding available for strategic transport infrastructure is likely to be less than the identified £45m.
38. The County Council will work to prioritise the available funding to mitigate the most severe of the impacts on the highways and transport network within available resources. However, it is likely that conditions on the highways and transport network will decline in Charnwood Borough over the life of the Local Plan despite the introduction of a CIL. Expedient progression of the adoption of a CIL will reduce the extent of this decline.
39. It remains the case that there is no credible alternative to adoption of a CIL. Therefore, the County Council will continue to engage positively and support the development and implementation of a CIL. This includes detailed arrangements for implementing, managing and monitoring the CIL that are currently being developed by Charnwood BC. It is likely this will include arrangements for allocation of funds to appropriate projects and sharing information for governance and reporting.
40. The uncertainty highlighted in paragraph 32 makes it difficult for the County Council to work effectively to plan for use of CIL income, particularly given that the LTA has limited resources and needs to work across the County as a whole to support Local Plans, as well as planning and delivering highways and transport schemes, including maintenance, public transport, safety and minor traffic schemes and major schemes such as the Melton Mowbray Distributor Road, Zouch Bridge and A511 Major Road Network. As full details of the CIL Schedule and implementation are developed through the examination process,

the County Council will have more certainty and will therefore be better able to plan effectively. This will include to develop the projects identified in the Local Plan Infrastructure Schedule into full schemes and to prioritise, as necessary, their delivery through future works programmes.

41. The County Council recognises its obligation, alongside Charnwood BC, to provide an annual Infrastructure Funding Statement which contains information on the amount of Section 106 and CIL funding requested, secured, and spent. Upon adoption of the CIL, the County Council will ensure the necessary resources and processes are in place to support this.

### **Conclusion**

42. Without prejudice to the LTA's stance on future Local Plan iterations, the County Council is in the main supportive of the content of the Draft Charging Schedule presented for consultation by Charnwood BC. The County Council looks forward to receiving more detailed information on the implementation of CIL as set out in this report.

### **Equality Implications**

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

### **Human Rights Implications**

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

### **Environmental Implications**

45. The County Council will continue to work closely with Charnwood BC and other partners to minimise the impact of the planned growth on the environmental assets of Leicester and Leicestershire.
46. Charnwood BC has produced several documents assessing the environmental impacts of the Local Plan and these have been considered as part of the Local Plan's examination process.

### **Partnership Working and Associated Issues**

47. The County Council has worked collaboratively and with good faith with Charnwood BC to support the development of the Local Plan and implementation of a CIL.

### **Background Papers**

Report to the Cabinet on 25 November 2022: Managing the Risk Relating to the Delivery of Infrastructure to Support Growth

<https://bit.ly/4ogjjnr>

Report to the Cabinet on 10 February 2023: Interim Approach to Planning Issues in Charnwood Borough  
<https://bit.ly/480KVqa>

Report to the Cabinet on 9 February 2024: Provisional Medium Term Financial Strategy 2024/25 – 2027/28  
<https://bit.ly/4oAxAM2>

Report to the Cabinet on 22 October 2024: Strategic Transport Planning Issues Associated with the Emerging Charnwood Local Plan  
<https://bit.ly/4nU0qWJ>

Report to the Cabinet on 22 November 2024: Strategic Transport Planning Issues Associated with the Emerging Charnwood Local Plan  
<https://bit.ly/47YMKoq>

Report to the Cabinet on 15 July 2025: Latest Position and Proposed Response to Consultation on Further Main Modifications to the Charnwood Local Plan 2021-2037  
<https://bit.ly/3LVPY3u>