

Corporate Governance Committee

Supporting the Growth Agenda in Leicestershire

Friday 1 November 2019

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The Risk

The County Council is unable to meet the financial investment required to deliver infrastructure in support of housing development committed in districts Local Plans and that where this contribution can be recouped through s106 agreements secured by District Councils, the funding doesn't meet the full cost and is secured long after the commitment is made.

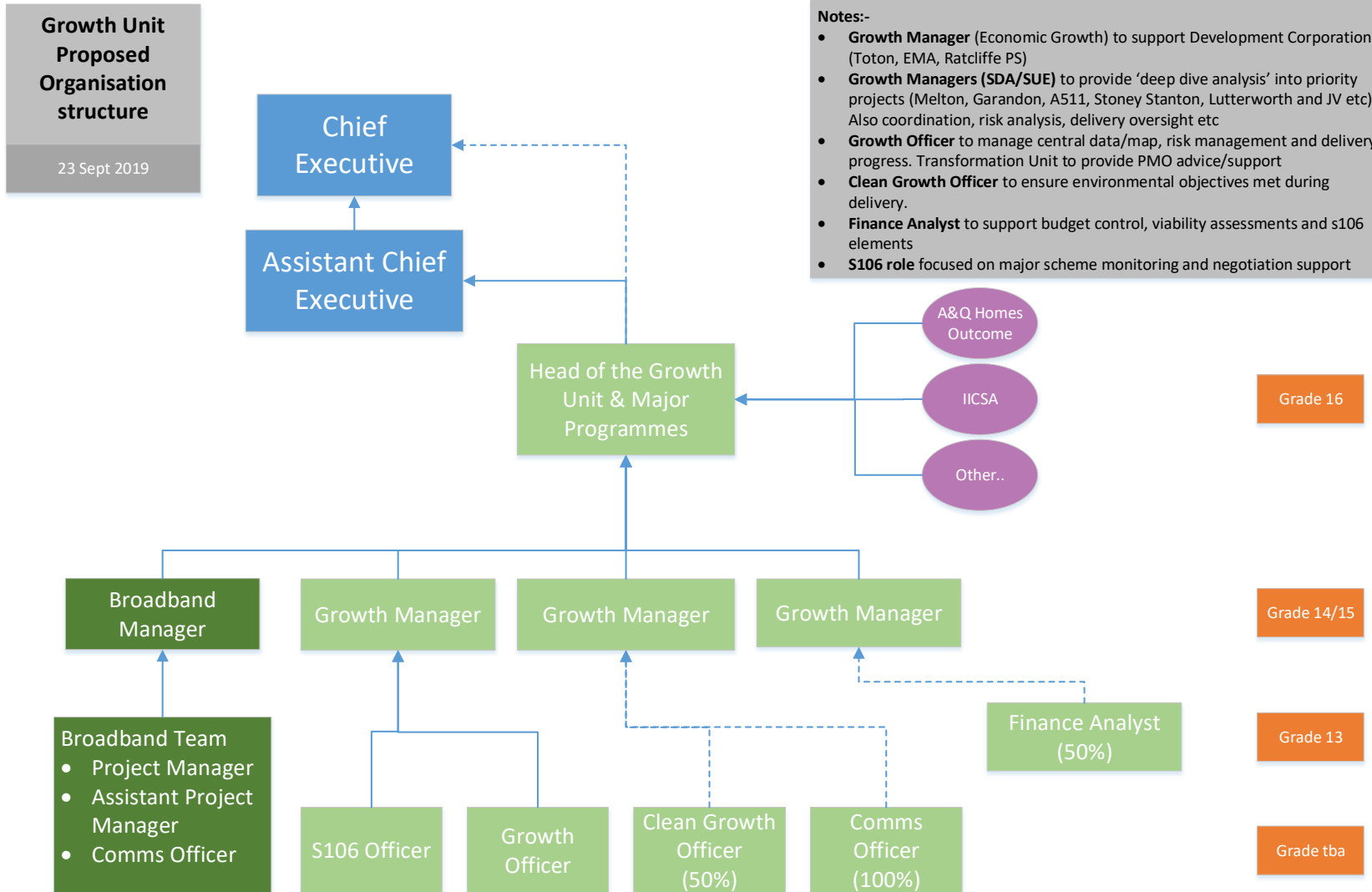
The Context

- The Council's Strategic Plan and the Affordable and Quality Homes Outcome
- The population of Leicestershire is projected to increase by 15.8% to 787,500 by 2041, an increase of 107,100 people from 2016
- The Strategic Growth Plan to 2050 and the identification of the need for 190,000 homes
- The infrastructure required to support the level of growth will be significant. The forecasted cost across the County is £600m over the next 25 years. (24 new schools required at a cost of around £200m and £400m investment in roads and transport measures).
- Whilst the Council continues to seek external funding opportunities, bids generally require the preparation of detailed business cases, match funding and often include demanding timescales and conditions.
- The working assumption is that Government grants and s106 developer contributions will fill the funding gap. However
 - s106 developer funding is not recouped until a development has been granted planning permission and reached certain stages of occupation.
 - The County Council has to forward fund the project and this puts the County Council at significant risk
 - Responsibility for securing and maximising the s106 developer contributions is the responsibility of the Planning Authority

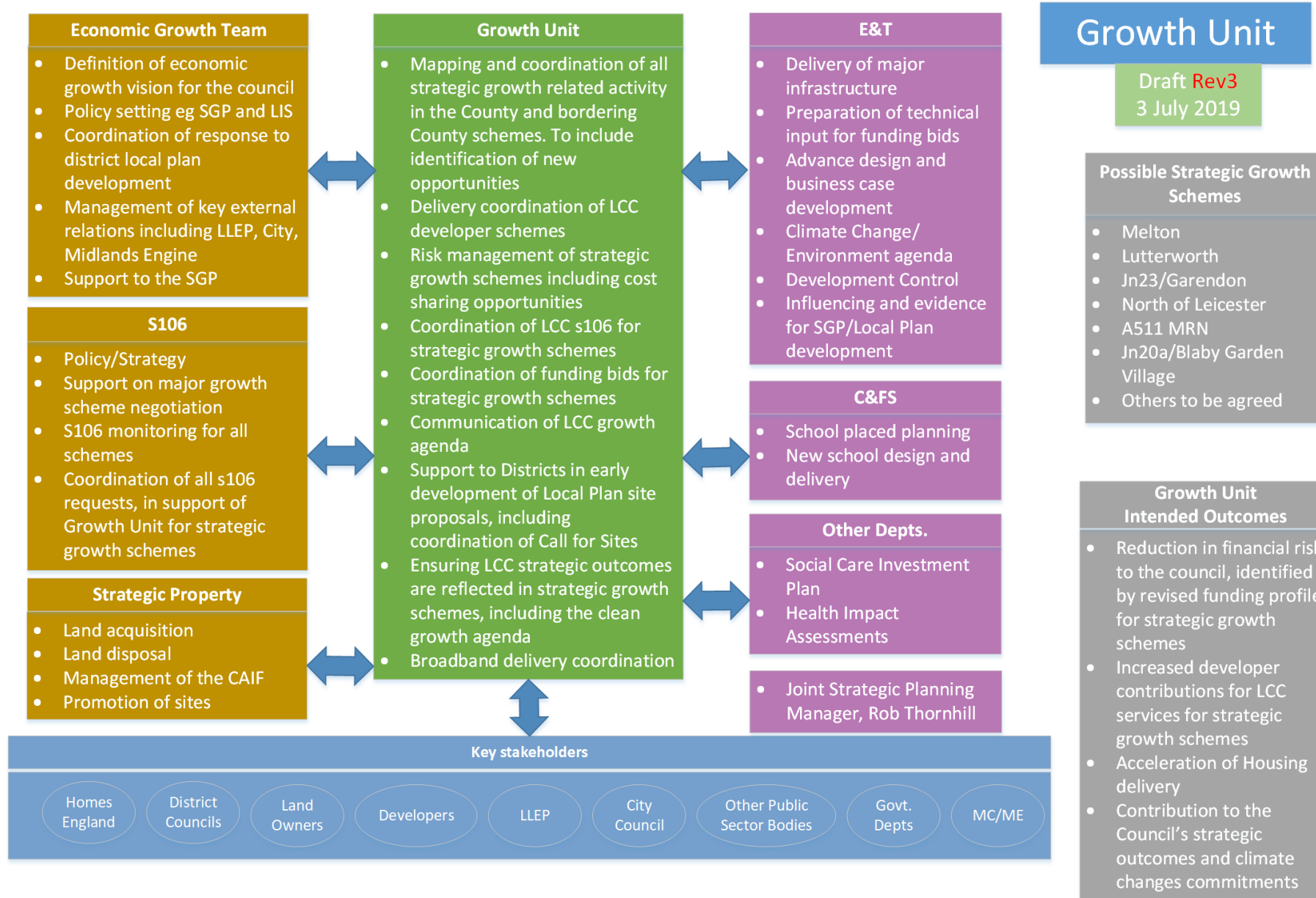
The Mitigation

- New Governance to oversee capital investment in growth projects (Growth Delivery Board, the Finance Capital Programme Board and s106 Board)
- Establishment of a permanent Growth Unit in Chief Executive's Department responsible for:-
 - Management and coordination of the council's contribution to major housing schemes in the county
 - Engagement with District councils and the establishment of cost sharing arrangements, if and where appropriate
 - Engagement with Homes England and the coordination of bids for external funding (eg HIF)
- Comprehensive review of s106 process, to support new Planning Obligations Policy

The Growth Unit Structure



The Growth Unit roles and responsibilities



Growth Governance

Officer governance arrangements to support the growth agenda

Note: Growth Updates to be provided to SCG on a fortnightly basis and to Lead Member for Property when required

Growth Delivery Board

Chair: John Sinnott
Membership: Senior Dept. representation
Focus: Member engagement, scheme priority, risk assessment, programme investment decisions
Support: Growth Unit
Reports to: CMT, SCG, Cabinet

Finance Capital Programme Board

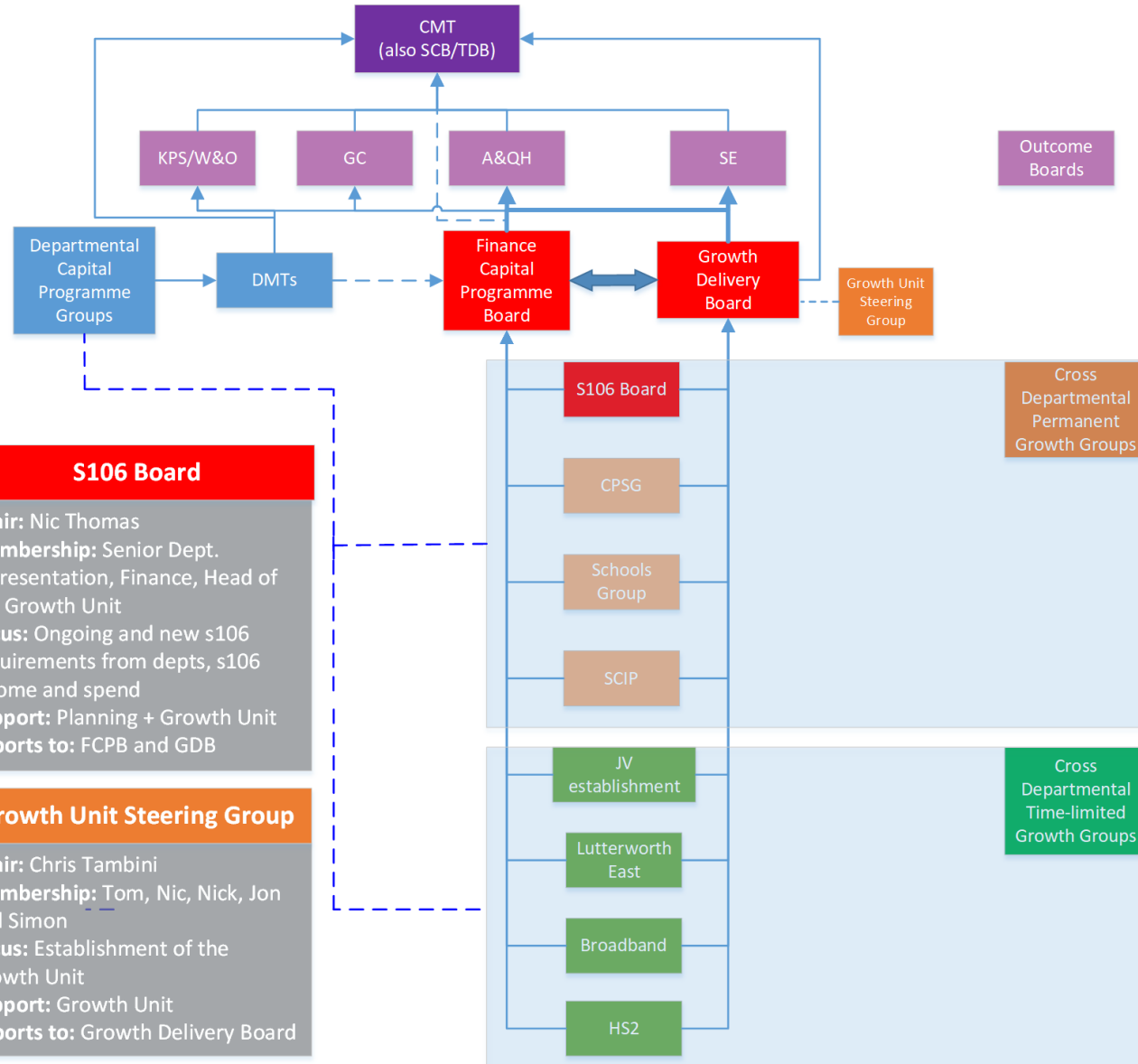
Chair: Chris Tambini
Membership: Senior Departmental representation (+FBPs)
Focus : Consolidated financial position, cross departmental understanding of projects interactions, monitoring of expenditure including profiling and over/underspend/additional resource requirement
Support: Growth Unit, Project Boards, Departmental Programme Groups, Finance Business Partners
Reports to: Growth Delivery Board, CMT, SCG, Cabinet

S106 Board

Chair: Nic Thomas
Membership: Senior Dept. representation, Finance, Head of the Growth Unit
Focus: Ongoing and new s106 requirements from depts, s106 income and spend
Support: Planning + Growth Unit
Reports to: FCPB and GDB

Growth Unit Steering Group

Chair: Chris Tambini
Membership: Tom, Nic, Nick, Jon and Simon
Focus: Establishment of the Growth Unit
Support: Growth Unit
Reports to: Growth Delivery Board



Questions

