Corporate Governance Committee

Supporting the Growth Agenda in Leicestershire

Friday 1 November 2019

Simon Lawrence
Head of the Growth Unit and Major Programmes
Chief Executive's Department
Leicestershire County Council

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.

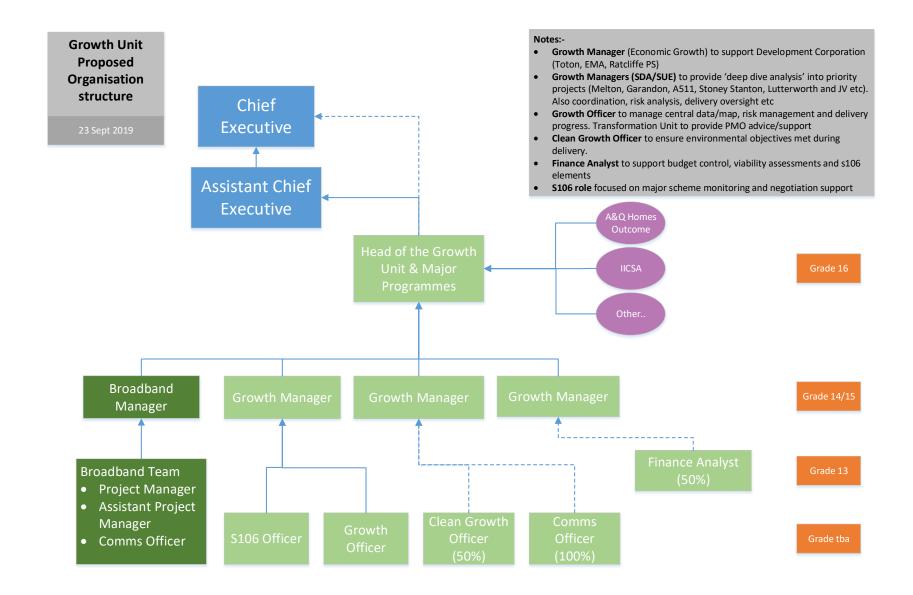
The Context

- 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

Economic Growth Team Growth Unit E&T Definition of economic Mapping and coordination of all Delivery of major growth vision for the council strategic growth related activity infrastructure Policy setting eg SGP and LIS in the County and bordering Preparation of technical Coordination of response to County schemes. To include input for funding bids district local plan Advance design and identification of new development opportunities business case Delivery coordination of LCC Management of key external relations including LLEP, City, developer schemes Climate Change/ Midlands Engine Risk management of strategic Environment agenda Support to the SGP **Development Control** growth schemes including cost sharing opportunities Influencing and evidence S106 Coordination of LCC s106 for for SGP/Local Plan strategic growth schemes Policy/Strategy Coordination of funding bids for Support on major growth C&FS strategic growth schemes scheme negotiation Communication of LCC growth S106 monitoring for all School placed planning agenda New school design and schemes Support to Districts in early Coordination of all s106 delivery development of Local Plan site requests, in support of proposals, including **Growth Unit for strategic** Other Depts. coordination of Call for Sites growth schemes Social Care Investment **Ensuring LCC strategic outcomes** are reflected in strategic growth Plan **Strategic Property** Health Impact schemes, including the clean Land acquisition growth agenda Assessments Land disposal Broadband delivery coordination Management of the CAIF Joint Strategic Planning Promotion of sites Manager, Rob Thornhill Key stakeholders Other Public Sector Bodies

Growth Unit

Draft Rev3
3 July 2019

Possible Strategic Growth Schemes

- Melton
- Lutterworth
- Jn23/Garendon
- North of Leicester
- A511 MRN
- Jn20a/Blaby Garden Village
- Others to be agreed

Growth Unit Intended Outcomes

- Reduction in financial risk to the council, identified by revised funding profile for strategic growth
- Increased developer contributions for LCC services for strategic growth schemes
- Acceleration of Housing delivery
- Contribution to the Council's strategic outcomes and climate changes commitments

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.

Focus: Member engagement, scheme priority, risk assessment, programme investment decisions

Support: Growth Unit

Reports to: CMT, SCG, Cabinet

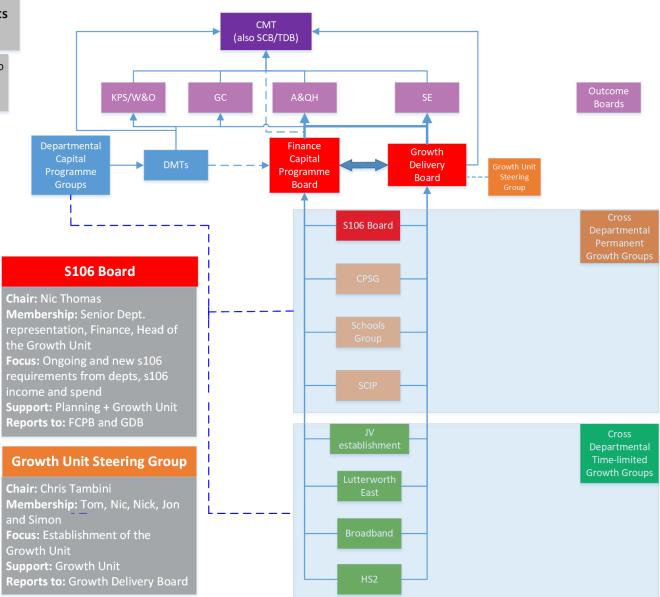
Finance Capital Programme Board

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



Questions

