



SCRUTINY COMMISSION – 2nd SEPTEMBER 2020

GROWTH UNIT UPDATE

REPORT OF THE CHIEF EXECUTIVE

Purpose of the report

1. The purpose of this report is to update the Scrutiny Commission on the establishment of the County Council's Growth Unit, to set out current activity and focus, and to provide some examples of specific work being led by the Unit.

Policy Framework and Previous Decisions

2. In May 2019, the Cabinet agreed to establish a Growth Unit within the Chief Executive's Department to strengthen the County Council's internal co-ordination and management of growth projects together with the demands placed on available capacity within Environment and Transport and Children and Family Services departments to ensure timely response to growth matters.
3. It was also agreed that the new Growth Unit would cost approximately £500,000 per year, although some existing resource would be identified within the appropriate service areas to reduce this demand. As the Growth Unit was established during this financial year (2019/2020), a full year's worth of costs will not be incurred and as such £250,000 has been allocated from the 2019/20 underspend.

Background

4. The population of Leicestershire is projected to increase by 15.8% to 787,500 by 2041, an increase of 107,100 people from 2016. This expected increase is higher amongst all broad age bands than the East Midlands and England averages. The working age population is projected to increase by 5.3%, whilst the greatest cumulative change is projected to occur in the 65+ age group, accounting for roughly three quarters of growth. This brings associated impacts of an ageing population and the need for specialist housing to support this, as well as a requirement for more employment and general housing.
5. In 2016 the County Council and its partners (the City Council, the seven district councils and the Leicester and Leicestershire Enterprise Partnership

(LLEP)) commissioned the Housing and Economic Development Needs Assessment (HEDNA). This was completed in January 2017 and provided evidence, at that time, about projected housing and employment needs from 2011 to 2031 and 2011 to 2036. This confirmed that an additional 96,580 homes and 367-423ha of land for employment use would need to be delivered across Leicester and Leicestershire for the period 2011-2031 with 117,900 homes and 459-497ha of land for employment use for the period 2011-2036. Notional needs (figures extrapolated from HEDNA) are for a further 90,516 homes for the period 2031-2050.

6. The link between infrastructure and growth is well established. Infrastructure such as roads, schools, community facilities, digital connectivity and healthcare are all important not only in creating sustainable communities but also in unlocking development. This has been recognised at a national and local level through the establishment of new Government grants for growth infrastructure projects (for which the County Council has been successful in bidding, but which can require significant match funding referred to later), but also locally through the development of the Leicester and Leicestershire Strategic Growth Plan by the County Council and its partners.
7. Despite this recognition, issues are beginning to arise as explained in the following paragraphs at both a national and local level which mean that, in practice, delivering infrastructure is increasingly complex and gives rise to significant risks for the County Council. Funding for projects often comes from a variety of sources, including from developer contributions, but the timescales for receiving this money often does not align with when the money is needed. Contributions are also subject to negotiations with landowners and developers, who will have their own commercial interests to protect.

Growth Unit Vision and Focus

8. The agreed vision of the Growth Unit is:

“To oversee effective delivery of growth - managing financial risk to the County Council, achieving the Council’s strategic and departmental outcomes in a way that protects and enhances communities in Leicestershire.”
9. The Growth Unit will bring together in a single, multi-disciplinary team, the expertise both to drive the Council’s overall growth agenda, but also specific large-scale projects as follows:
 - Ensuring the County Council effectively delivers growth in support of the Council’s Strategic Plan and MTFs;
 - Coordinating the delivery of County Council-led development schemes;
 - Coordinating the County Council department’s input into SDAs and SUEs and other large developments in a way which maximise the delivery of outcomes and limits the financial risk to the County Council;
 - Working collaboratively across the County Council recognising the key dependencies with the Economic Growth Team, Strategic Property Services and service departments;

- Understanding and responding to the financial risks faced by the Council, arising from the growth ambitions of district Local Plans.

Current responsibilities and activity

10. The Growth Unit has a broad range of responsibilities as summarised in the list below.
 - Superfast Broadband Programme
 - Economic Growth Team and the liaison with the LLEP (Leicester and Leicestershire Enterprise Partnership)
 - Strategic Planning, including the Council's input to the Strategic Growth Plan and Local Plans
 - Leading the Council's economic recovery activity, as part of the LLEPs Economic Recovery Cell
 - Developing and leading the Council's Affordable and Quality Homes Strategy and Strong Economy Strategy
11. It also has a key role in managing and coordinating activities like those listed below and paragraph 12 sets out some specific examples which provide more detail on the breadth of work undertaken by the Unit, demonstrating its wider value both in terms of the delivery of growth, but also the management of growth and its impacts, particularly in terms of protecting the Council's interests and managing risk.
 - Managing a register of key sites/SUEs in the County, aligned to district Local Plan activity.
 - Implementation of a Business Partner approach to engagement with each council department to identify infrastructure requirements to support growth.
 - Establishment of positive relations with key stakeholders including districts, Loughborough University, developers, CCGs, Homes England, Midlands Engine, the LLEP etc.
 - Development of a forward plan of key growth related decisions at the County Council but also district councils.
 - Addressing S106 issues through engagement with the Council's new S106 structure, direct involvement in the major SUEs and development of positive relations with district council officers.
 - Early engagement with the Health Sector to develop an integrated view of delivering infrastructure to support growth.
 - Leading discussions with Environment colleagues on the impact the climate emergency will have on growth in the County and the associated infrastructure needs. To be reflected in a long term Infrastructure Strategy for the County in due course.
 - Exploring options to develop a County Council Design Code to incorporate emerging best practice in relation to place making and to ensure a consistent approach in design and delivery.
 - Direct engagement with Charnwood Borough Council officers on the three SUEs in the district.

- Supporting the Council's engagement with Melton Borough Council regarding HIF (Housing Infrastructure Fund) funding, and the need for a Masterplan.
- Detailed engagement with the City Council on SUE issues which impact on district local plans and county infrastructure, particularly related to school placement challenges.
- Ongoing engagement with Harborough District Council regarding Lutterworth East covering S106 issues, the Council's planning application, and delivery and funding options (including the potential establishment of a joint venture)
- Detailed engagement with Midlands Engine on the Development Corporation and Freeport proposals.
- Discussions with Blaby District Council regarding their two SUEs (Whetstone Pastures and Sapcote) and the proposal of a more collaborative approach to place shaping/infrastructure provision. An approach to be adopted with other districts.
- Direct engagement with North West Leicestershire District Council senior officers on a more collaborative approach to place shaping/infrastructure provision.
- The Superfast Broadband programme and the reappraisal of the County Council's role in the future following BDUK proposals.
- Development of CV19 recovery strategies for Economic Growth Team functions, particularly tourism, market towns, skills and employment.

Case Studies

12. The following paragraphs provide some additional information on a small number of specific areas and to demonstrate the ongoing work and progress being made by the Growth Unit since its establishment.

A: Integration with Health

- a) Over the last few months the Growth Unit has led conversations with health colleagues regarding closer integration in relation to growth. The impact on health resulting from the level of growth set out in the Strategic Growth Plan to 2050 (SGP) is considerable, so the need for a coordinated approach both within the health family, but also with local planning authority and the County Council, is essential.
- b) The Growth Unit's role will ensure, as a Council, we better understand the growth implications on the health sector. This will align with the work the Unit is doing with colleagues leading on the impact on Adult Social Care and Public Health.
- c) The Growth Unit will support health colleagues as they better understand the implications on their services arising from the SGP and provide information and data where helpful.
- d) The coordination of health partners' requests for S106 funding for specific projects is also key. With this in mind, the Growth Unit is facilitating the

inclusion of health colleagues in the work with Blaby District Council and North West Leicestershire District Council regarding their Local Plan developments as well as major proposals.

- e) The Growth Unit represents the council on the Leicestershire and Rutland Sport's Healthy and Active Planning Group which is currently developing a web-based resource to support planning professionals in best practice design for the built environment.
- f) The Growth Unit can also facilitate health colleagues input to promoting active design in masterplans, aligned to the principles promoted by Public Health, and supported by Leicestershire and Rutland Sport.
- g) The next steps are:
 - to continue to establish a working relationship with health colleagues;
 - to support health colleagues as they development of a methodology that sets out the wider health impacts resulting from developments to support the integration of health outcomes with district councils as they develop local plans and masterplans for major developments.

B: Development Corporation and Freeport

- h) The Development Corporation, led by Midlands Engine, is a nationally significant project that has the potential to create a range of growth benefits for Leicestershire in the longer term. Leicestershire County Council, Nottinghamshire County Council, Broxtowe Borough Council, Rushcliffe Borough Council and North West Leicestershire District Council will come together later in 2020 to establish an 'interim' Development Corporation, and a three-year programme of collaborative work.
- i) The Growth Unit's role is to represent the County Council in all related activities and to support the Chief Executive where required, to ensure the interests and objectives of the County are achieved, working with key regional partners from the public and private sectors. Additionally, the Growth Unit provides analysis and support to County Council senior leaders to ensure they are equipped with high-quality information.
- j) The Freeport proposal is centred around the creation of a special economic zone around East Midlands Airport, which would enable frictionless trade and other commerce. If the bid to government is successful, it will likely bring investment, jobs and other benefits to the County.
- k) The Growth Unit's role on the Freeport proposals is to represent the County Council in all relevant matters and support the creation of the imminent bid to central government.

C: Lutterworth East SDA

- a) The Growth Unit worked closely with Harborough District Council planners to ensure the Council's planning application was in line with Local Plan requirements and issues raised during the consultation process were resolved to the satisfaction of the District Council as the local planning authority. The Council's application was successful and permission for the scheme was granted in July 2020..
- b) To prepare the documentation necessary to conduct the procurement of a joint venture partner it was necessary to have a clear understanding of corporate objectives and to work with all parties involved to obtain clarity around which elements of delivery the partnership would manage. The Growth Unit project managed this process.
- c) The Growth Unit established a programme management and governance structure to co-ordinate and align cross departmental and wider consultant activity ensuring greater understanding of activities, timelines and interrelationships. This included the establishment of a 'Lutterworth East Steering Group' consisting of senior officers from all relevant departments to review and approve operational decisions.
- d) Through a workshop and structured meetings, the Growth Unit has been working closely across departments to identify how delivery of Lutterworth East can support the Council's Strategic Plan objectives.
- e) The Unit, in partnership with colleagues in Strategic Property Services, liaised extensively with Members, community representatives and other stakeholders to ensure that the development establishes clear objectives and applies best practice in relation to good design, environmental and economic sustainability and the wellbeing of residents.
- f) The Unit worked alongside the E&T department and with the procurement and commissioning team to investigate options for tendering delivery of the spine road following the Council's unsuccessful HIF bid. This included an assessment of the potential impact of delay to delivery and loss of continuity of service vs. potential cost savings.
- g) The next steps are:
 - to finalise cost reviews and stand-down report to achieve a full picture of the current position;
 - to investigate current options for government funding support with Homes England;
 - to ensure S106 terms are finalised and the planning consent process is completed;

- to, in conjunction with the Steering Group, revise delivery timelines taking into account the council's financial position and economic and market conditions.

D: Working with Charnwood Borough Council

- a) Charnwood Borough Council's (CBC) current Local Plan (2011 – 2028), includes the proposed development of two 'Sustainable Urban Extensions' (SUE), West of Loughborough (Garendon Park) and North East of Leicester (Thorpeberry). A third SUE has been identified as a key development in the emerging draft Local Plan (2019 – 2036), North of Birstall (Broadnook).
- b) In January 2020 the Growth Unit joined CBC's 'Growth Advisory Group' representing the County Council. The Group includes senior officers from CBC and other stakeholders, e.g. Homes England. At that first meeting issues concerning planned school requirements for Broadnook SUE were raised. The Growth Unit has subsequently worked closely with colleagues from Children and Family Services and Corporate Services to help identify and resolve significant differences of position between the local planning authority and ourselves regarding the Section 106 Agreement and education contributions.
- c) Following a meeting with CBC planning officers regarding their draft Local Plan, the Growth Unit has also been central to ongoing discussions concerning other developments in the Borough, including exploration of potential solutions to school site issues relating to the Soar Valley area (in particular Barrow and Quorn). Constructive dialogue has involved liaison with officers from Strategic Property, Education and Transport, as well as direct discussion with the Borough Council about progressing a suitable site proposal.

E: Working with Leicester City Council

- a) The City of Leicester draft Local Plan (2019 – 2036) is due for public consultation in the autumn. A number of the strategic sites proposed for allocation in the draft plan either border with or are adjacent to County boundaries and as such infrastructure planning will be of concern to the County Council and relevant local planning authorities, including Blaby and Charnwood.
- b) The Growth Unit has held meetings with planning and development colleagues from the City Council to discuss common concerns, including early years and school placements. This resulted in officers from both education authorities meeting with the Growth Unit and building on existing relationships to consider key issues in respect of pupil forecasting and planning place provision going forward, as the draft local plan and options progress.

F: Working with Blaby District Council SUEs

- a) The Growth Unit is pioneering a holistic approach to defining and delivering the infrastructure needs to support growth in the Blaby District.
- b) In collaboration with senior leaders, subject matter experts and relevant colleagues from both the District and County Council, the Growth Unit is leading the establishment of a programme incorporating previously discreet areas of work (health, transport, development) into a compelling proposition that will enable the County Council to achieve strategic growth objectives in the County that address and take into account the financial risks.
- c) The programme of works will be developed ahead of autumn 2020 and be considered by Members of the County Council and Blaby District Council in due course.

G: Business Partnering Role

- a) The Growth Unit provides a high-quality Business Partnering role to key departments/functions in order to support/lead growth-related activity. The Growth Unit's Business Partnering role:
 - Is working closely with the new S106 team being established within the Chief Executive's Department.
 - Raises awareness of the work of the Growth Unit and the services it provides and to support/communicate relevant internal and external opportunities that could support the Unit and the County Council in achieving its objectives.
 - Helps the Authority to identify, manage and mitigate risks relating to Growth issues within the remit of Growth Unit.
 - Acts as a 'first point of contact' and proactive relationship manager with internal divisions/teams relating to key projects and other activities.
 - Enables the Unit to network and communicate effectively and efficiently with key internal stakeholders, increasing visibility of its work and value to the County Council.

Background Papers *(excluding exempt items)*

Report to the Cabinet 24th May 2019 – Supporting Growth in Leicestershire

Circulation under the Local Issues Alert Procedure

None.

Equalities and Human Rights Implications

There are no Equality and Human Rights Implications arising from this report.

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Appendices

None

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