



Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Tuesday, 15 December 2020.

PRESENT

Mr. N. J. Rushton CC (in the Chair)

Mr. R. Blunt CC
Mr. L. Breckon JP CC
Mr. B. L. Pain CC
Mr. T. J. Pendleton CC

Mr. J. B. Rhodes CC
Mrs H. L. Richardson CC
Mr. R. J. Shepherd CC
Mrs D. Taylor CC

In attendance

Mrs. C. M. Radford CC, Mr. O. O'Shea CC, Mrs. B. Seaton CC, Mrs R. Page CC, Mr. P. Bedford CC, Dr. T. Eynon CC, Mr. S. J. Galton CC.

468. Minutes of the previous meeting.

The minutes of the meeting held on 20 November 2020 were taken as read, confirmed and signed.

469. Urgent Items.

There were no urgent items for consideration.

470. 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. He declared a personal interest in item 9 (East Midlands Development Corporation Executive Summary Legal Advice and Risk Analysis) and 10 (East Midlands Development Corporation Interim Vehicle and Freeport Proposal) as a member of North West Leicestershire District Council.

Mr Blunt declared a personal interest in the same two items as the Leader of North West Leicestershire District Council.

471. Medium Term Financial Strategy 2021/22- 2024/25 - Proposals for Consultation.

The Cabinet considered a report of the Director of Corporate Resources setting out the proposed Medium Term Financial Strategy for 2021/22 to 2024/25. A copy of the report, marked 'Agenda Item 4', and a supplementary report with the detailed proposals, which was circulated separately, are filed with these minutes.

Mr Rhodes said that this would be the toughest MTFs the Council had produced in many years with an overall deficit of £92m over the next four years. He added that the consultation exercise would seek the public's views on the draft Strategy, including the option for the Council to increase the core council tax and include an Adult Social Care precept.

In response to questions concerning the precept, the Director of Corporate Resources said that the maximum 3% rise would provide the Council with additional income of circa £9.5m for 2021/22 which would need to be spent on adult social care, an area of the Council's services which had been particularly affected by the coronavirus pandemic.

The Leader said that a significant amount of the proposed Capital Programme related to Environment and Transport schemes and new schools which would need to be forward funded by the Council. It was therefore essential that planning authorities delivered upon Section 106 agreements in order for the developer contributions to be returned to the County Council which could then be re-allocated to support future projects. He welcomed the Authority's intention to develop a policy which would support this process.

RESOLVED:

- a) That the proposed Medium Term Financial Strategy, including the 2021/22 revenue budget and capital programme, be approved for consultation and referred to the Overview and Scrutiny Committees and the Scrutiny Commission for consideration;
- b) That the Director of Corporate Resources, following consultation with the Cabinet Lead Member for Resources, be authorised to –
 - I. agree a response to the draft Local Government Finance Settlement;
 - II. decide on the appropriate course of action for the Leicester and Leicestershire Business Rates Pool in 2021/22 and subject to agreement by all member authorities to implement this;
- c) That a further report be submitted to the Cabinet on 5 February 2021.

(KEY DECISION)

REASON FOR DECISION:

To enable the County Council to meet its statutory requirements with respect to setting a budget and Council Tax precept for 2021/22 and to provide a basis for the planning of services over the next four years.

To ensure that the County Council's views on the Local Government Finance Settlement are made known to the Government.

To enable the County Council (alongside the pooling partners) to respond to the Ministry of Housing, Communities and Local Government in respect of the Business Rates Pool within 28 days from the draft Local Government Finance Settlement.

472. Melton Mowbray Distributor Road (South) and Northern Sustainable Neighbourhood Masterplan.

The Cabinet considered a joint report of Chief Executive, Director of Corporate Resources, Director of Law and Governance and the Director of Environment and Transport which advised the Cabinet of the latest position concerning the Melton Mowbray Distributor Road South, Housing Infrastructure Fund (HIF) grant offer and

discussions with Melton Borough Council regarding its draft masterplan for the North Sustainable Neighbourhood area and the risk-sharing implications in respect of the HIF grant offer. A copy of the report, marked 'Agenda Item 5', and a supplementary report, which was circulated separately, are filed with these minutes.

Members noted a letter received from Councillor Joe Orson, Leader of Melton Borough Council, a copy of which is filed with these minutes. The Leader of the County Council had also received an email concerning the matter from Alicia Kearns MP.

The Chief Executive said that the County Council was grateful to Homes England for extending the deadline for acceptance of the HIF grant offer to the week commencing 14 December 2020 and the matter, which had taken a disproportionate amount of officer time, now needed to be resolved.

The County Council had worked with developers to produce a revised development plan for the Southern Sustainable Neighbourhood to generate the necessary developer contributions to make it a viable and deliverable scheme. Approval of the recommendations, and the agreement of Melton Borough Council to share the risk of the infrastructure forward funding, would enable the HIF grant to be accepted and the delivery of the scheme for the southern section of the Melton Mowbray Distributor Road to be progressed.

Mr Rhodes said that there was a responsibility of all planning authorities to prioritise infrastructure costs when considering planning applications to ensure requested County Council Section 106 contributions were agreed and received.

The Leader said it was essential planning authorities engaged with the County Council at the earliest opportunity as large infrastructure schemes were identified so the various parties could work together to ensure schemes were viable. The development of a policy would help with this process and ensure growth continued across the whole county.

RESOLVED:

That notwithstanding the letter from the Leader of Melton Borough Council of 15th December, it was resolved:

- a) That the outcome of work with Melton Borough Council and developers to progress the opportunity of the Housing Infrastructure Fund (HIF) grant, including the production of a revised development framework based on the illustrative development plan (as shown in Appendix A) with a view to that replacing the current masterplan for the Melton Southern Sustainable Neighbourhood (MSSN), be noted and supported;
- b) That subject to recommendations (c) – (d) below, the forward programme for delivery of the HIF scheme for the southern section of the Melton Mowbray Distributor Road (MMDR) be approved;
- c) That the Director of Corporate Resources be authorised, following consultation with the Directors of Law and Governance and Environment and Transport, and with the Cabinet Lead Members for Resources and Highways and Transportation, to:

- i. enter, subject to confirmation by Melton Borough Council of the acceptance of the principle of a finance agreement with Leicestershire County Council, into a Grant Determination Agreement with Homes England;
 - ii. finalise and enter into the necessary agreements to facilitate the securing of appropriate risk mitigation with Melton Borough Council, in line with the principles set out in paragraphs 57 – 59 of this report;
 - iii. finalise and enter into the necessary agreements to facilitate the delivery of the scheme and to secure appropriate risk mitigation with relevant land owners and developers, in line with the required approach to Homes England HIF delivery;
- d) That the Director of Environment and Transport be authorised, following consultation with the Director of Corporate Resources, the Director of Law and Governance and the Lead Members for Resources and Highways and Transportation, to enter into such contracts as are necessary to progress the HIF scheme delivery and make minor amendments to the delivery programme;
 - e) That the financial position of the County Council and the future pressures arising from growth outlined in paragraphs 19 – 23 of this report be noted, together with the emerging approach set out in paragraphs 60 – 65 of this report, which underpins the requirement for the risk-sharing agreement with Melton Borough Council to mitigate risk for the County Council, whilst supporting sustainable planned growth arising from the current requirements of the Melton Local Plan;
 - f) That it be noted that the risk-sharing agreement reflects and understands the need to allow a substantial amount of the County Council's risk to be transferred to Melton Borough Council;
 - g) That it be noted that, following consultation, the County Council at its meeting in February 2021 will be asked to consider a policy which enables the County Council to support large infrastructure schemes in line with the Local Plans of district councils whilst mitigating the significant financial risks to the County Council;
 - h) That the current position with regard to the Melton North Sustainable Neighbourhood Masterplan be noted and that officers continue to engage with Melton Borough Council to support its delivery of a robust masterplan;
 - i) That the Cabinet is disappointed by the tone of the letter from the Leader of Melton Borough Council which misunderstands the County Council's position in that the issue is not what is affordable to Melton Borough Council but a request to carry out their role as local planning authority in a way which mitigates the financial risk to the County Council and should be seen in the context of the MSSN now being a financially viable development;
 - j) That in the event of Melton Borough Council's Cabinet rejecting the County Council's request, the County Council would take no further action until the views of the developers were known, providing Homes England would allow a further extension of the grant acceptance deadline.

(KEY DECISION)

REASONS FOR DECISION:

1. Pre-contract conditions must be met in order to accept and access the HIF grant offer from Homes England in demonstrating that:
 - the scheme has a business case for investment
 - the scheme supports a viable development that will deliver housing
 - developers and land owners are supportive of the scheme.
2. Work undertaken by the County Council, in collaboration with Melton Borough Council and the development industry, has resulted in the County Council being in a position to meet these pre-contract conditions, including the need to replace the current masterplan for the MSSN.
3. In 2015 the County Council resolved to support the sustainable growth planned for Melton as part of the Local Plan process. The County Council recognised the need to support housing in sustainable locations and the potential challenges to achieving this, given the significant upfront infrastructure costs identified.
4. In submitting the initial bid to Homes England, the County Council recognised the need to support the delivery of the MSSN with grant funding to ensure deliverability and prevent unplanned growth from coming forward in Melton Borough. Work undertaken to meet the conditions of the offer demonstrates that the viability and deliverability of the MSSN will in large part be dependent on the HIF grant being accepted. Delivery without additional grant funding or public sector coordination will be extremely challenging.
5. The programme to deliver the MSSN is complex and will depend on the procurement of several specialist resources, including in the fields of law, planning, construction and design. The recommendations ensure that officers have the necessary authority to work with partners against an agreed framework for HIF delivery and meet the required delivery timetable set by Homes England.
6. The recommendations ensure that officers have the necessary authority to negotiate on behalf of the County Council to manage delivery and risk.
7. In addition, the recommendations recognise the need for the Council to develop a financially sustainable model to support the growth needs of Leicestershire.
8. Robust planning masterplans are one key way of ensuring successful delivery of strategic housing developments. This is particularly so in regard to the planned infrastructure as envisaged by the MSSN, to enable the County Council to recoup the forward funding in respect of the MMDR (required as a condition of Homes England grant funding through the planning process (S106 agreements)) plus other County Council requirements, e.g. education provision. The same principle applies to the Melton North Sustainable Neighbourhood (MNSN).

473. Network Management Plan Refresh.

The Cabinet considered a report of the Director of Environment and Transport which sought approval of the County Council's refreshed Network Management Plan (NMP). A copy of the report marked 'Agenda Item 6' is filed with these minutes.

RESOLVED:

That the refreshed Network Management Plan, consisting of a Policy and Strategy document (Appendix A to the report) and a Plan document (Appendix B), be approved.

REASONS FOR DECISION:

Government encourages local highway authorities to regularly review and refresh NMPs, to ensure that they continue to reflect national legislation and guidance, changes to local policies and new procedures and developments.

Refreshing the NMP will ensure that the Council's approach to managing its highway network remains fit for purpose both now and in the future. It will ensure that the approach takes account of current and future challenges, including growth pressures on the road network, customer expectations, decreased funding and climate change, as well as reflecting the County Council's current network management activities.

474. Disposal from the Leicestershire Museum Collection by Transfer.

The Cabinet considered a report of the Director of Adults and Communities concerning the proposed disposal of a Reid and Sigrist aircraft by transfer, from the County Council's Museum Collection to Newark Air Museum. A copy of the report marked 'Agenda Item 7' is filed with these minutes.

With the agreement of the Leader, Mr Bedford CC addressed the Cabinet as the local member for Desford.

Mr Bedford said that the Reid and Sigrist aircraft, known locally as the 'Desford Bomber', had a significant historical connection to the village of Desford where the aircraft was built in 1945. Since 2014 the Council had spent £13,500 restoring the aircraft in partnership with a specialist light aircraft restorer Windmill Aviation, which had also contributed significant time and money to ensure the plane could fly again. He added that local residents and the Parish Council had written to him expressing their disagreement with the proposed transfer and therefore he asked the Cabinet to consider pausing the transfer to enable the County Council to engage with the interested parties to consider the best course of action for the aircraft.

The Director of Adults and Communities thanked Windmill Aviation for its efforts and resources in restoring the aircraft which had now completed its test flights and was able to obtain an airworthiness certificate should the Council wish to do so. He added that the Council did not have the space to display the aircraft at its own venues and was unable to provide long term storage and maintenance. He added that the costs of maintaining the aircraft in its current location for a further short period of time were manageable should the Cabinet wish for the Council to further engage with stakeholders before a decision on its disposal was made.

Mr Blunt said that the Council needed to find a resolution which enabled the aircraft to be seen by people and not housed in storage.

The Leader said he had received a significant amount of correspondence concerning the proposed transfer, including a petition with over 1300 signatures. He added that whilst it was reasonable to pause the transfer whilst further discussions regarding its future took

place, the County Council, as the owner of the aircraft, would not be in a position to accept the liabilities arising from the aircraft being flown for public display.

RESOLVED:

- a) That in light of the interest shown in the transfer of the Reid and Sigrist aircraft to the Newark Air Museum, the transfer be paused;
- b) That having been informed that the aircraft has now completed sufficient flying hours so that an application can be made for a certificate of airworthiness, the aircraft for now be left with Windmill Aviation but they be advised that
 - I. the application for a certificate is a matter for the County Council as the owner of the aircraft, and
 - II. no further flying of the aircraft be undertaken without insurance conditions being agreed with the County Council;
- c) That arrangements be made for officers to meet with Desford Parish Council and other interested parties to explain the County Council's position, in particular that any transfer will be in line with the County Council's Collections Development Policy; its main objective is that the aircraft is maintained and made available for public access by an accredited museum with specialist expertise in aircraft; there is no such facility within Leicestershire; the benefits of displaying the aircraft as a static object should be recognised; and the County Council is not and would not be in a position as the owner of the aircraft to accept the liabilities arising from the aircraft being flown for public display;
- d) That delegated authority be given to the Director of Adults and Communities, in consultation with the Leader of the Council, to take a decision on disposal.

REASON FOR DECISION:

There has been an amount of interest in the transfer of the aircraft and it is understandable that having restored the aircraft to an air worthy condition, aeroplane enthusiasts would wish to see the aeroplane fly, and to continue to have it maintained such that it can be flown in public display.

However, the County Council museum service is not in a position to maintain a flying aircraft nor can it take on the costs and liabilities of doing so

It is therefore appropriate that a further period of reflection is undertaken to engage with interested parties and to consider the best course of action for the aircraft given it has now completed its trial flights.

475. 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 5 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 –

- East Midlands Development Corporation Executive Summary Legal Advice and Risk Analysis.

476. East Midlands Development Corporation Executive Summary Legal Advice and Risk Analysis.

The Cabinet considered a report of the Chief Executive and Director of Law and Governance which provided members with information concerning constitutional arrangements and potential risks associated with the establishment of an East Midlands Development Corporation Interim Vehicle. A copy of the report, marked 'Agenda Item 9', is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972.

RESOLVED:

That the report and accompanying appendices be noted.

(KEY DECISION)

REASON FOR DECISION:

In order for the content of Appendix A and B to be taken into account ahead of consideration of the recommendations presented in the East Midlands Development Corporation and Freeport Proposal report.

477. East Midlands Development Corporation Interim Vehicle (Devco) and Freeport Proposal.

The Cabinet considered a report of the Chief Executive and Director of Law and Governance seeking approval for the Council's participation with four other local authorities in the establishment of an Interim Vehicle (EM Devco CLG). The report also outlined the position with regard to the emerging East Midlands 'Freeport' proposal and sought a delegation to the Chief Executive in respect of approving the submission of the bid. A copy of the report marked 'Agenda Item 10' is filed with these notes.

RESOLVED:

- a) That the Council's participation in the Development Corporation Interim Vehicle, based on the outline business case submitted to the Government in March 2020, in the form of a company limited by guarantee, be approved;
- b) That the proposed governance arrangements for the Interim Vehicle, including the establishment of an Oversight Authority Board and Independent Skills Based Board as set out in the report be approved and that the Director of Law and Governance be authorised to finalise the Members' Agreement and Articles of Association documents;
- c) That the Council's contribution of £500,000 per annum for the next 3 years, be approved, subject to the appropriate level of contributions being made by the other four constituent councils;

- d) That the Director of Corporate Resources be authorised to agree the release of funding at c) above;
- e) That subject to consultation with the Director of Law and Governance, who may make alternative nominations as necessary (i.e. in the event of matters such as potential conflicts of interest),
 - I. the Chief Executive, following consultation with the Leader of the Council, be authorised to agree the appointment of the County Council's member representative to the Interim Vehicle's Oversight Authority Board;
 - II. the Chief Executive be the County Council's nominated representative on the Interim Vehicle's Independent Skills Board;
- f) That progress with the project, including the Company Business Plan and establishment of the statutory Development Corporation, be reported to the Cabinet and the Scrutiny Commission as appropriate;
- g) That the Chief Executive, following consultation with the Leader of the Council and the Cabinet Lead Member for Resources, be authorised to agree the Council's support or otherwise, for the submission of a Freeport bid.

(KEY DECISION)

REASONS FOR DECISION:

Approval to establish an Interim Vehicle will maintain momentum whilst the legislative processes to establish the statutory Development Corporation are navigated. The Interim Vehicle will lay the groundwork for attracting nationally and internationally significant investment and development into the East Midlands, something which Leicestershire County Council, other stakeholders or landowners could not attract on their own.

The Freeport proposal could form a core tenet of the Interim Vehicle's work and given its location in Leicestershire (North West Leicestershire) is central to the County Council's interests in the project. The Freeport bid also encompasses the Ratcliffe on Soar Power station site. Other sites may also be included in the February 2021 submission.

478. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny.

2.00 - 3.00 pm
15 December 2020

CHAIRMAN

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