



CABINET - 7 FEBRUARY 2025

STRATEGIC TRANSPORT PLANNING ISSUES ASSOCIATED WITH THE EMERGING CHARNWOOD LOCAL PLAN

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT, CHIEF EXECUTIVE AND DIRECTOR OF LAW AND GOVERNANCE

PART A

Purpose of the Report

1. The purpose of this report is to provide an update on the issues associated with the emerging Charnwood Local Plan (the Local Plan), including actions taken to comply with the Cabinet's resolutions of December 2024.

Recommendations

2. It is recommended that:
 - a) The latest position in respect of the Local Plan be noted, including:
 - i. The Borough Council shared a draft initial viability report with officers of the County Council on 20 December 2024. This report contains a high-level assessment of the Local Plan's ability to support the financial requirements of a Community Infrastructure Levy (CIL). County Council officers provided comments before the Borough Council submitted the final report to the Inspectors. County Council officers have not yet been provided with a final copy of the report, and it is not yet available on the examination website;
 - ii. On 24 January 2025, the Local Plan Inspectors responded to the Borough Council, after reviewing the initial viability report and the updated Local Development Scheme and have held that the Local Plan examination can continue. The Inspectors have outlined the next steps, which will include a period of consultation on the CIL viability report and its implications for the soundness of the Local Plan. The Inspectors will prepare a focused set of Matters, Issues and Questions, on which comments will be sought, and will hold a hearing session on the evidence and provide written responses to the questions. Depending on the outcome of the consultation and hearing session, consultation on Further Main Modifications will be required to complete the examination. The Borough Council has

been asked to respond if it wishes to proceed on this basis. No timescales have yet been provided by the Inspectors therefore there still remains considerable uncertainty over the timetable and eventual adoption of the Local Plan. Additional hearing sessions may add further delays to the overall timetable for adoption of the Local Plan. The position of the Local Highway Authority (LHA) in respect of relevant planning applications coming forward ahead of the Local Plan will now be reviewed, as set out in paragraphs 29 to 31;

- iii. The publication of the Borough Council's Full Council Questions and Responses in respect of the Local Development Scheme, Draft Local Plan and development of a CIL, and the County Council's concerns arising from the responses given, as summarised in paragraphs 34 to 38;
 - iv. The potential implications for the LHA in its role as statutory consultee arising from the Local Plan process, as set out in paragraphs 27 and 28;
 - v. The discussions to date with respect to establishing appropriate governance for joint working between the County and Borough Councils going forward in respect of highways and transport matters, noting also the Cabinet's previous resolution of 17 December 2024 that a more appropriate governance structure than the current Infrastructure Board is needed;
- b) That in line with previous recommendations and delegations, the Chief Executive, the Director of Environment and Transport, and the Director of Law and Governance, following consultation with the appropriate Cabinet Lead Members, be authorised to:
- i. Continue work to establish a more appropriate governance structure to allow the County Council to work alongside, support, and co-operate with the Borough Council as necessary;
 - ii. 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, recognising the potential for work to be undertaken at risk ahead of possible further Local Plan examination sessions;
 - iii. Seek to mitigate the impacts arising from the potential further delays to the adoption of the Local Plan as far as reasonably possible.

Reasons for Recommendations

3. Following previous correspondence from the Borough Council to the Inspectors setting out that it will be necessary to implement a CIL to deliver the needed infrastructure associated with the Local Plan, the Inspectors informed the Borough Council that it would first be necessary to establish if a CIL is a viable solution for the Local Plan (EXAM 88). The report, commissioned without input

from the County Council, was shared in draft form and is the first step in demonstrating this. At this stage, the report assesses the overall viability of the Local Plan and the potential funding for highways and transport at a whole plan level. This work is critical to the progression of the Local Plan.

4. The substantial number of sites allocated in the emerging Local Plan that have been (or could be in the near future) granted planning permission without contributing to the delivery of the identified highways and transport measures, due to the lack of an agreed mechanism to secure strategic contributions, have the potential to undermine the delivery of the necessary infrastructure over the life of the Local Plan.
5. As set out in paragraphs 34 to 38, the County Council remains concerned about the way in which the Borough Council has interpreted the current and previous issues associated with the Local Plan and highways and transport matters. As questions were raised about the situation at the Borough Council's Council meeting on 20 January 2025, it is important to state that the County Council has not disengaged from working with the Borough Council, with timely responses provided to questions and comments raised. Correspondence has not been received by the Chief Executive or Cabinet Members since 13 December 2024 when a copy of the Borough Council's Cabinet minutes of 12 December was sent.
6. The process of including CIL in the Local Plan at such a late stage has resulted in a further delay to the progression and adoption of the Local Plan. This has potentially significant impacts on the County Council as the LHA, including possible further delays in the adoption of the Local Plan. The risks associated with delays to adoption remain as previously set out.
7. In line with the resolutions of the Cabinet in December 2024, County Council officers have been seeking to agree an appropriate governance structure for future working with the Borough Council in respect of CIL and associated issues. However, as yet, agreement has not been reached on this issue, with discussions between officers ongoing.
8. The County Council recognises the potentially negative impacts of a lack of strategic transport investment to support growth on Charnwood residents and businesses and will therefore seek to mitigate these impacts as far as practically possible, with the primary means of mitigation considered to be the expedient adoption of a CIL. These impacts include those associated with any further delays to the adoption of the Local Plan and approval of allocated sites in advance of an agreed mechanism to secure contributions to (and subsequent delivery of) strategic highways and transport measures. The Chief Executive has reiterated this to the Borough Council. However, progress is now expected to be made following notification that the Local Plan Inspectors have agreed that the Local Plan examination can continue, following receipt of the initial viability evidence and updated Local Development Scheme submitted by the Borough Council.
9. Consequently, the County Council proposes to continue work to reach agreement on appropriate governance structures to enable efficient future

working. However, any agreement reached will need to take account of the significant demand on the County Council's limited resources to support the local plan development from other district councils. The level of resource must therefore be proportionate and the governance arrangements sufficiently robust to avoid any future confusion.

Timetable for Decisions (including Scrutiny)

10. It was anticipated that the Local Plan would be adopted by the Borough Council around the end of 2024, but the Borough Council's report to its Cabinet on 12 December 2024 set out it is now anticipating this will be delayed until September 2025, subject to confirmation from the Inspectors. Additional hearing sessions, as proposed by the Inspectors, may add further delays to the overall timetable for the Local Plan's adoption.

Policy Framework and Previous Decisions

11. Previous Cabinet decisions in relation to the emerging 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 dealing with planning applications in Charnwood and seeking approval of the Borough Council'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 Local Transport Authority could seek transportation contributions.
 - e) December 2023: noting the position of the Local Plan, in particular the identified financial pressures associated with the 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 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 Authority (LPA).
 - g) September 2024: approval of the County Council's National Planning Policy Framework (NPPF) consultation response, noting the amended NPPF.
12. On 22 October 2024, the Cabinet considered reports on the issues associated with the emerging Local Plan, including the outcome of consultation on the Charnwood Transport Contributions Strategy (CTCS) and the implications for the LHA and consideration of planning applications by the Borough Council's Plans Committee on 17 October 2024. The Cabinet noted a number of issues

which were of significant concern, including the Borough Council's late submission to the Local Plan Inspectors regarding preparation of a CIL, apparent misrepresentation of the County Council's position, and four decisions made by the Borough Council's Plans Committee despite recommendations of the LHA as statutory consultee. The Cabinet agreed that whilst the County Council would continue to work with the Borough Council to seek to have a sound Local Plan in place, Chief Officers were authorised, inter alia, to withdraw the proposed CTCS and take appropriate actions necessary to mitigate the impacts arising from the interim period between the likely Local Plan adoption and the adoption of CIL, and to address the concerns set out in the supplementary report, including continuing to bring those concerns to the attention of the Borough Council.

13. On 22 November 2024, the Cabinet considered a report on the issues associated with the emerging Local Plan, including the response of the Inspectors to the late submission by the Borough Council 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 agreed that whilst the County Council would continue to work with the Borough Council to seek to have a sound Local Plan in place, Chief Officers were authorised to take appropriate actions necessary to mitigate the impacts arising from the interim period between the likely Local Plan adoption and the adoption of CIL, and to address the concerns set out in the supplementary report. In addition, it was agreed that it was necessary for the Borough Council to provide a clear response to the issues raised in order for the County Council to assist in progressing the Local Plan.
14. On 17 December 2024, the Cabinet considered reports on the issues associated with the emerging Local Plan, including correspondence with the Local Plan Inspectors, work associated with implementing a CIL and implications for the County Council in its role as LHA. A number of actions were approved in respect of these matters and the ongoing concerns associated with the lack of strategic transport infrastructure arising from the Local Plan.

Resource Implications

15. 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.
16. The extended Local Plan examination process, together with ongoing input into various other emerging local plans, is a significant draw on resources across the County Council. Further extension of the Local Plan process in addition to other Regulation 19 consultations is putting considerable pressure on these already stretched resources, as will the need to develop and maintain CIL schedules. Officers will work together to develop an appropriate resource plan with reference to the County Council's statutory duties, risks associated with the Local Plan development and the financial position of the County Council. However, with additional pressures arising from the new NPPF requirements

and potential local government reorganisation, it is unlikely that the County Council will be able to provide the resources which every district council may seek, and the LHA is in discussion with relevant Local Planning Authorities (LPAs) regarding prioritisation.

17. The Director of Corporate Resources has been consulted on the content of this report.

Legal Implications

18. There are potential legal implications for the LHA in its role as statutory consultee. The Director of Environment and Transport is authorised to respond to planning applications in line with the responsibilities of this role. In consultation with the Director of Law and Governance, the Director of Environment and Transport will continue to review the approach and any associated risks.

Circulation under the Local Issues Alert Procedure

19. A copy of this report will be circulated to all Members.

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PART B

Background

20. Further to the last report considered by the Cabinet on 17 December 2024, there has been no further correspondence from the Borough Council to the Chief Executive or Cabinet Members since 13 December 2024, when a copy of the Borough Council's Cabinet minutes of 12 December was sent to the Chief Executive. As set out in the December report on relevant strategic transport planning issues, it was hoped the points raised would be addressed in full by the Borough Council when officers presented a report to its Cabinet on 12 December 2024, yet a number of points remain unresolved.

Update on the Local Plan

21. Officers received correspondence from the Borough Council regarding the viability assessment commissioned in order to provide the relevant information requested by the Inspectors set out in EXAM 88. The Borough Council shared a draft of the main report (excluding appendices) with County Council officers for comment.
22. County Council officers noted that the report is not an assessment of what funding will be available in practice for highways and transport mitigation but rather an assessment of the Local Plan's overall viability, including housing, that has already been delivered. It is recognised that this is a first step in the process of proposing, consulting on and adopting a CIL should the Inspectors agree to progress in this way.
23. Notwithstanding the issue of planning permissions granted in the interim period, in the context of the above, County Council officers considered the information in the report indicated the funding situation for highways and transport mitigation was similar to what was understood at the time of the initial examination hearings, therefore no objections were raised to the report.
24. However, the County Council did seek clarification on relevant aspects of CIL, including the impact of parish precept on available funding, the potential positive impact of inclusion of employment land in the CIL and the timeframes for development.
25. In summary, based on the available information at this stage, the County Council considers expedient implementation of a CIL still to be the primary means of mitigation for the risks associated with a lack of strategic transport investment for residents and businesses of Charnwood.
26. The County Council understands that the Borough Council considers the Local Plan will be adopted in September 2025 and the adoption of a CIL schedule in December 2025. It should be noted however that these dates are subject to decisions by the Local Plan Inspectors, who have now confirmed that the Local Plan examination can progress following submission of the initial viability report but have not yet issued an updated timetable.

Implications for the County Council as LHA

27. As previously set out, the delays to the adoption of the Local Plan and confirmation of the appropriate mechanism for securing strategic contributions means an increased risk that planning applications will be approved without contributing to the strategic transport requirements identified as part of the Local Plan development. The longer this goes on, the more applications will be processed through the planning system and the greater the funding gap for identified infrastructure.
28. In addition, it is likely that the County Council will be required to commit further resource to the examination process and the development of a CIL schedule.

Implications for the County Council as LHA in the Planning Process

29. In October 2024, the Cabinet received an update on the LHA's view that to determine further applications in advance of the examining Inspectors' report would be premature, in light of the identified severe cumulative impact of the proposed Local Plan growth and a lack of a mechanism to secure contributions to mitigate this impact.
30. The County Council considered that the Borough Council had failed to demonstrate it had given sufficient weight to the observations of the LHA as a statutory consultee, which could be supported by attaching weight to EXAM88, which the Borough Council has conceded is a material consideration, contrary to its initial view.
31. This view has been reflected in the LHA's representations to the Borough Council as LPA, stating that the planning applications under consideration are contrary to the adopted Local Plan, instead, relying on the emerging Local Plan, which the Inspectors are yet to confirm can be found sound. The LHA committed to keep this position under review and has continued to review the situation.
32. Following receipt of the Inspectors response on the initial viability evidence, it is now clear that the Local Plan examination process is able to continue, although no revised timetable has been issued so far to give an indication of when a new Local Plan might be adopted. In line with the previous report, the LHA will continue to review its responses following the latest letter from the Inspectors.

Update on Discussions Concerning Establishing an Appropriate Governance Structure

33. Officers of the County Council have engaged with Borough Council officers to establish an appropriate governance structure, in line with the previous Cabinet resolution. The County Council has explained the need for proportionate resource and a clear remit for any group established. In particular, given the priority for the County Council is the need to bring forward the implementation of CIL as quickly as possible, County Council officers have proposed an approach to the Borough Council which would establish a new, more focused,

group with a specific remit to develop and implement a CIL, following receipt of the Inspectors' initial views on the viability of a CIL in Charnwood. Issues regarding development management will continue to be dealt with through the existing established routes.

34. However, the initial governance proposal received from the Borough Council did not meet the criteria set out above, as the proposed governance included several tiers of meetings, with multiple officer attendance and a wide scope of responsibilities. County Council officers have provided feedback to the Borough Council and will share a more detailed proposal for alternative arrangements shortly. It is hoped these arrangements can be agreed ahead of any further correspondence from the Inspectors to ensure that the Local Plan and CIL are progressed as quickly as possible.

Concerns over Borough Council Communications on Strategic Transport Planning Issues

35. The County Council is aware that at its Council meeting on 20 January 2025, the Borough Council received and responded to questions relating to the progression of the Local Plan, the implementation of CIL and the relationship to strategic transport planning issues. The relevant questions (appended to this report) are 10.5 and 10.8 and are available in full together with the relevant responses.
36. The County Council has expended significant time and resource in seeking to achieve a common understanding of the issues, acknowledgement of risk and commitment to joint mitigation of those risks associated with strategic transport planning and the Local Plan. Despite the best endeavours of the County Council, the Borough Council is yet to address the full set of questions previously posed by the County Council and continues to provide contradictory information. The County Council cannot continue to commit the level of resource to addressing these comments and communications but would make the key points in response to these responses are summarised below.
37. The County Council has not disengaged on matters pertaining to the Local Plan and planning applications. Where issues have been raised or questions asked of the County Council, these have been addressed in a timely manner. Due to the significant financial risks and the potential consequences for the residents of Charnwood, responses have been dealt with at a more senior level, working across Council departments than prior to 13 September 2024. In addition, where appropriate, issues have been addressed through the Cabinet to ensure transparency in decision making.
38. The Borough Council withdrew its support for the CTCS before the formal completion of the consultation and did not submit any consultation response explaining its concerns. In addition, the Borough Council proposed a CIL to the Inspectors independently of discussions with the County Council.
39. The Borough Council states in this response 'the policy basis for securing strategic transport mitigation is in the draft local plan and that only limited weight can be given to the policies at the current time. This is because they

have been challenged by developers and the examination process remains unresolved.’ This is inconsistent with previous responses to the County Council that have insisted the County Council as the LHA is able to rely on the Local Plan policies, specifically INF1 and INF2, to secure contributions. The County Council has responded to this position being taken by the Borough Council in previous reports to the Cabinet. However, this inconsistency continues to be unhelpful to residents of Charnwood seeking to understand the current issues associated with securing contributions from relevant planning proposals.

Equality Implications

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

Human Rights Implications

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

Environmental Implications

42. The LPA 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. However, it is important that the necessary highways and transport measures are delivered as set out in the Local Plan, to ensure those assessments are reflective of the Local Plan strategy in practice.

Partnership Working and Associated Issues

43. The County Council has worked collaboratively and with good faith with the Borough Council to support the development of the Local Plan.

Background Papers

Report to the Cabinet on 24 June 2022: Charnwood Local Plan (2021 to 2037) – Highways and Transportation Matters and Supplementary Report
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6775&Ver=4>

Report to the Cabinet on 23 September 2022: Charnwood Local Plan (2021 – 2037) Latest Position
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6776&Ver=4>

Report to the Cabinet on 25 November 2022: Managing the Risk Relating to the Delivery of Infrastructure to Support Growth
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6751&Ver=4>

Report to the Cabinet on 10 February 2023: Interim Approach to Planning Issues in Charnwood Borough
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7073&Ver=4>

Report to the Cabinet on 9 February 2024: Provisional Medium Term Financial Strategy 2024/25-2027/28
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7503&Ver=4>

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&Ver=4>

Reports to the Cabinet on 22 October 2024: Strategic Transport Planning Issues Associated with the Emerging Charnwood Local Plan and minutes of that meeting

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&Mid=7510>

Report to Charnwood Borough Council's Cabinet on 12 December 2024: Local Development Scheme -

<https://charnwood.moderngov.co.uk/ieListDocuments.aspx?CId=137&Mid=980&Ver=4>

Reports to the Cabinet on 22 November 2024: Strategic Transport Planning Issues Associated with the Emerging Charnwood Local Plan and minutes of that meeting

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

Reports to the Cabinet on 17 December 2024: Strategic Transport Planning Issues Associated with the Emerging Charnwood Local Plan and minutes of that meeting

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&Mid=7512&Ver=4>

(item 6)

Appendix

Extract from Charnwood Borough Council agenda for its Council meeting on 20 January 2025

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