



**CABINET – 15 JULY 2025**

**LATEST POSITION AND PROPOSED RESPONSE TO  
CONSULTATION ON FURTHER MAIN MODIFICATIONS TO THE  
CHARNWOOD LOCAL PLAN 2021-2037**

**JOINT REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF  
ENVIRONMENT AND TRANSPORT**

**PART A**

**Purpose of the Report**

1. The purpose of this report is to provide an update on Charnwood Borough Council's emerging Local Plan ('the Local Plan'), to set out a proposed approach to the further Main Modifications consultation and to provide an update on the proposed implementation of a Community Infrastructure Levy ('CIL').

**Recommendations**

2. It is recommended the Cabinet:
  - a) Notes the latest position in respect of the Local Plan set out in paragraphs 27-30;
  - b) Approves the proposed approach to the County Council's response to the further Main Modifications consultation set out in paragraphs 31-34;
  - c) Notes the position, including the associated risks and concerns, with respect to the preparation and implementation of the proposed CIL and approves the further work and next steps set out in paragraphs 35-40;
  - d) Notes the continued implications for the Local Highway Authority in respect of the planning process and the continued position of the Local Highway Authority in its approach to planning consultations set out in paragraphs 43-45;
  - e) 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) 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;
- ii) 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 Recommendation**

- 3. The County Council seeks to influence the content of the Local Plan in the interests of local communities, including ensuring that the Local Plan provides a robust as possible policy platform for sustainable development by securing the provision of the infrastructure and services required to support its successful delivery.
- 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. The current proposed Main Modifications to the Local Plan reflect the proposed implementation of a CIL. Main modifications are material changes to a submitted local plan which are necessary to make it sound and legally compliant. As previously identified, the expedient adoption of a CIL is the best way to mitigate the potentially negative impacts of a lack of strategic transport investment needed to support growth in Charnwood.
- 6. The County Council is therefore supportive of these further Main Modifications in principle and will continue to seek to mitigate these impacts as far as practically possible. 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.

### **Timetable for Decisions (including Scrutiny)**

- 7. The County Council's consultation response is required to be submitted to the Borough Council ahead of the close of the consultation on 4 August 2025.

### **Policy Framework and Previous Decisions**

- 8. 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 Highway Authority ('LHA') 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 LHA 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.
9. 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 Local Highway Authority ('LHA') as statutory consultee.
10. 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 a CIL. They were also authorised to address the concerns set out in the supplementary report, including continuing to bring those concerns to the attention of the Borough Council.
11. 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 a 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.

12. 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.
13. On 7 February 2025, the Cabinet was presented with an update on the issues associated with the emerging Local Plan, including actions taken to comply with the Cabinet's resolutions of December 2024 and resolving to 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.

### **Resource Implications**

14. The delay in the Borough Council's decision to implement and prepare a CIL and the consequential update to the Local Development Scheme means that there could be a significant lag between the adoption of the Local Plan and the adoption of the CIL charging schedule. This could result in further growth coming forward without providing contributions to the necessary highways and transport infrastructure. Viability evidence commissioned to support the previous work suggests that as much as £15m could be 'lost' in contributions whilst the Local Plan and CIL processes are undertaken. As consistently stated, the County Council is unable to meet this funding shortfall and so it remains a significant risk that highways and transport infrastructure will be under funded in Charnwood over the life of the Local Plan.
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, in addition to the urgent need to prepare a CIL, represents a significant draw on the County Council's limited resources to support the development and local plans across the Housing Market Area (a geographical area relatively self-contained in terms of housing

demand, covering the administrative areas of the Leicester and Leicestershire local authorities). It is unlikely that the County Council will be able to provide the resources which every LPA may require in order to progress their local plans, and the LHA will continue to discuss prioritisation with the relevant LPAs.

17. The Director of Corporate Resources and the Director of Law and Governance have been consulted on 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. The Borough Council submitted its Local Plan to the Planning Inspectorate for Examination in Public (EiP) in December 2021. There is therefore a considerable history to the Local Plan and examination process. Further detail can be found in the previous reports referenced in paragraphs 8-13.
21. The first EiP hearing session took place in June 2022, at which point a change in the way that the Borough Council were proposing to deal with providing for its apportionment of the City of Leicester's unmet housing need caused the examining Inspectors to pause the EiP. The EiP recommenced in February 2023, with a subsequent further two hearing sessions held in February 2024 and in April 2025 (see paragraph 24 for further details). The April 2025 hearing was chaired by Inspector Mr Baugh-Jones only due to the retirement of Mrs Housden who had also been examining the Local Plan.
22. Throughout the preparation stages of the Local Plan and the lengthy examination period, the LHA has consistently raised concerns regarding the cumulative impact of planned growth on the strategic and local highways and transport networks and the need for an appropriate mechanism to ensure the proposed development funds the necessary interventions to mitigate these impacts.
23. Throughout the EiP, County Council officer attendance has primarily been in respect of transport matters. Aside from the natural concerns expressed by communities about the adverse transport impacts of proposed new housing and employment sites, the issues raised by the LHA were recognised as a key challenge to the Local Plan's delivery. The Inspectors, as well as representatives from the development industry, were particularly concerned with how the package of transport measures required to support the Local Plan's delivery and to mitigate its overall transport impacts will be paid for. Therefore, following advice sought from Counsel by both the County Council and the Borough Council independently, the Borough Council is progressing the introduction of a CIL to secure developer funding towards the package of transport measures.
24. It was this addition to the Local Plan that was the focus of the most recent EiP hearings and further detail on this is provided below. It is important to note that the EiP does not close until the Inspector's report is issued.

### **What is a CIL?**

25. CIL is a charge which can be levied by LPAs on new development in their area in order to raise funds to help fund the infrastructure, facilities and services - such as schools or transport improvements - needed to support new homes and businesses. The process of putting in place a CIL includes a public examination of the LPA's proposed charging rates. Once in place, a CIL is a mandatory charge payable on all developments to which it is applied, and thus

it has potential implications as to whether a site is financially viable. A site would be deemed to be viable if the value generated by the development exceeds the costs of developing it and provides sufficient incentive (profit) for the land to come forward. An unviable site is where the converse applies, i.e. the costs of developing it exceed the value generated by developing it.

26. The CIL proposed by the Borough Council will only cover highways and transport related infrastructure. Other services such as education will be funded through other existing mechanisms such as planning conditions or section 106 obligations, as these mechanisms continue to provide the most appropriate methods for securing funding for these services.

### **Update on the Local Plan and Examination Process**

27. Since the last report was considered by the Cabinet on 7 February 2025, the EiP has progressed. A consultation took place between 17 February 2025 and 17 March 2025 on an initial CIL viability assessment. The purpose of that initial assessment was to demonstrate (to conclude) that it is possible to introduce a CIL of a sufficient level whilst at the same time not rendering the Local Plan and its proposed allocation sites unviable; it identified possible CIL levels, but its purpose was not to propose actual CIL levels as this will be dealt with through a separate process of CIL development and examination.
28. Further to the closing of the consultation, an EiP hearing session took place on 8 April 2025. A primary purpose of that session was to test the evidence as presented in the initial CIL Viability Assessment and its conclusion. Developers and their representatives (including a barrister) made strong arguments against many of the technical aspects of the assessment; those were largely dealt with by the consultant commissioned by the Borough Council to undertake the work. However, there was also strong challenge as to the amount of money a CIL could potentially raise in comparison to the estimated total cost of the transport package. These matters were largely addressed by the Borough Council, including through the introduction on the day of a note entitled '[Local Plan housing supply potentially liable for CIL as of March 2025 V1](#)' (which was subsequently annotated as Exam 96). Exam 96 states that a CIL would generate a total income of circa £48m, equating to the estimated total costs of the highway improvement aspects of the transport package.
29. The County Council had no involvement with the preparation of Exam 96 nor did the Borough Council give the County Council any prior notification as to its introduction at the hearing session. On the day County Council officers attending the EiP were given a brief explanation by Borough Council officers as to the methodology by which the figure in Exam 96 had been arrived at, including that it was based on the possible CIL levels as identified in the initial assessment work. Under subsequent questioning by the Inspector and other parties, County Council officers were only able to confirm that they understood the methodology as explained and recognised that the figure arrived at would, if achieved in reality, be sufficient to cover the costs of the highways elements of the transport package as estimated.

30. On 21 May 2025, the Inspector issued his post Hearing letter. In it the Inspector stated that the initial viability work indicates that there is a reasonable prospect of CIL coming forward in an acceptable timeframe as a viable mechanism to assist with the delivery of necessary infrastructure. The Inspector also acknowledged that the Borough Council recognises that the initial viability work is not the final detailed work that will be undertaken on viability, i.e. that any actual proposed CIL levels have yet to be established.

### **Consultation on Further Main Modifications**

31. In his letter, the Inspector also invited the Borough Council to prepare some further Main Modifications to the Local Plan to reflect the proposals to take forward the implementation of a CIL. These relate only to Chapter 9 of the Local Plan on Infrastructure and Delivery and are now being consulted on, with the consultation period running from 23 June to 4 August 2025.
32. These further Main Modifications predominately involve adding in references to the proposed development of a CIL. As the County Council has concluded that a CIL is the most appropriate way to support the delivery of highways and transport measures needed to support growth, the County Council is supportive of these amendments. The County Council has expressed a wish to work with the Borough Council to ensure the implementation, administration and monitoring of the CIL is managed in the most effective way.
33. There are no other material differences to the Local Plan's content that officers have any concerns about.
34. It is therefore proposed that the County Council respond to the further Main Modifications' consultation reflecting the above.

### **Ongoing Work and Next Steps in relation to the Plan and CIL**

35. As set out in previous reports, in its role as LHA, the County Council recognises that the only way to secure developer contributions towards mitigating the cumulative highways and transport impacts of the growth in Charnwood is through the implementation of a CIL. The LHA also recognises that there is a need to implement a CIL as soon as possible, given the significant proportion of development identified in the Local Plan that is coming forward ahead of the Local Plan's adoption and the introduction of a CIL and therefore not making any contribution to strategic transport mitigation. More information on the consequences of this and the LHA's approach to planning consultations is set out in paragraphs 41 –45.
36. Therefore, following the resolution of Cabinet in February 2025, County Council officers have agreed a revised governance arrangement with the Borough Council to manage the LHA's contribution to the development of CIL proposals. Through this arrangement officers continue to engage with the Borough Council on elements of CIL development work that it has commissioned. This includes



more detailed viability assessment work and the development of a CIL charging schedule, which will set out in broad terms the transport measures that are to be funded by the CIL and their costs. The conclusions of that work will ultimately identify actual proposed CIL levels, likely including by development type, scale and geographical location. These will then be subject to a public examination by an independent Inspector. (Note that this is not the same as, and is separate from, the Local Plan's EiP).

37. Only as and when that CIL examination process has been successfully completed will the actual CIL levels be confirmed, and it will also only become apparent at this stage whether the assumptions underpinning the figure identified in Exam 96 will manifest in reality. However, even in the event that the amount of developer funding generated by a CIL proves to be less than Exam 96 identified, the County Council accepts there would be no other lawful way by which a greater level of monies could be secured from developers towards the package of transport measures required to enable delivery of the Local Plan.
38. In respect of the implementation of the CIL, Borough Council officers confirmed at the EiP that a CIL would be adopted by the end of the calendar year 2025 in line with the published Charnwood Local Plan Local Development Scheme. However, County Council officers understand that this programme is already behind schedule although no revised timetable for implementation has been formally confirmed. Whilst delays to the implementation of a CIL will only exacerbate the issues set out in paragraphs 41-45, after several years of development and substantial development in train, there are no credible alternatives available at this stage.
39. With regard to the Local Plan EiP, following on from the close of the further Main Modifications consultation, the normal next step would be for the Inspector to prepare and submit his final report to the Borough Council. A positive report, i.e. that the Inspector is satisfied with the Local Plan as modified, would mean that the Borough Council could then proceed to adopt it and it would become a key, primary document in guiding decisions on proposals for new development, including planning applications.
40. Further reports will be presented to the Cabinet on the Local Plan, including CIL, as necessary.

### **Implications for the County Council as LHA**

41. 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. The LHA estimates that up to £3.8m of contributions could have been secured towards strategic transport mitigation from relevant applications approved to date, if the applications had been determined with a

suitable mechanism in place. Furthermore, it estimates, based on available evidence, that a further £11.2m could be lost if a CIL is not adopted promptly.

42. 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 charging schedule.

### **Implications for the County Council as LHA in the Planning Process**

43. To date, the LHA has taken the view that for the LPA to determine further applications in advance of the examining Inspector's 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. This has been reflected in the formal responses made by the LHA to planning consultations received from the Borough Council in respect of sites that were tested as part of the Local Plan's evidence base.
44. Although the recent letter from the Inspector suggests the Local Plan examination process is able to continue, it is subject to further consultation. Similarly, whilst the Inspector has confirmed there is a reasonable prospect that a CIL could be implemented within an appropriate timeframe, this is still to be achieved by the Borough Council and is again subject to consultation, which it would be inappropriate to predetermine.
45. In light of the above, the LHA will maintain its position that for the Borough Council to determine further applications in advance of the examining Inspector's report is premature. The LHA will continue to review this position as the Local Plan's examination and CIL processes progress.

### **Conclusion**

46. Overall, it remains the County Council's position that it is in the best interests of Charnwood communities to have an up-to-date Local Plan in place underpinned by a CIL to support the delivery of infrastructure. The County Council will therefore continue to work with the Borough Council to seek to achieve this, recognising the inherent challenges associated with this approach.
47. However, it is also the responsibility of the LHA to ensure that the potentially negative impacts associated with the continued delays to the adoption of the Local Plan and an evolving position of the Borough Council with regard to CIL implementation are minimised, as far as possible. Therefore, the LHA will continue to take appropriate action to reflect this responsibility. The LHA considers that any further planning applications seeking to be determined in advance of the examining Inspector's report should be considered as premature and as such, should be deferred for the time being. The LHA will continue to review this position as the Local Plan's examination and CIL processes progress.

### **Equality Implications**

48. There are no equality implications arising from the recommendations in this report.

### **Human Rights Implications**

49. There are no human rights implications arising directly from the recommendations in this report.

### **Environmental Implications**

50. The Borough Council 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 should be noted that a shortage of funding for sustainable travel may have longer term negative impacts for the environment.

### **Partnership Working and Associated Issues**

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

### **Background Papers**

Exam 96 - Housing Supply Liable for CIL

[https://www.charnwood.gov.uk/files/documents/exam\\_96\\_housing\\_supply\\_liable\\_for\\_cil/EXAM%2096%20-%20Housing%20supply%20liable%20for%20CIL.pdf](https://www.charnwood.gov.uk/files/documents/exam_96_housing_supply_liable_for_cil/EXAM%2096%20-%20Housing%20supply%20liable%20for%20CIL.pdf)

Exam 97 – Inspector's Post Hearing Letter 21<sup>st</sup> May 2025

[https://www.charnwood.gov.uk/files/documents/exam\\_97\\_inspectors\\_post\\_hearing\\_letter\\_21\\_st\\_may\\_2025/EXAM%2097%20-%20Inspector%27s%20Post%20Hearing%20Letter%2021st%20May%202025.pdf](https://www.charnwood.gov.uk/files/documents/exam_97_inspectors_post_hearing_letter_21_st_may_2025/EXAM%2097%20-%20Inspector%27s%20Post%20Hearing%20Letter%2021st%20May%202025.pdf)

Exam 98 – Schedule of Further Main Modifications (CHP9 Infrastructure Delivery)

[https://www.charnwood.gov.uk/files/documents/exam\\_98\\_schedule\\_of\\_further\\_main\\_modifications\\_chp9\\_infrastructure\\_delivery\\_290525/EXAM%2098%20Schedule%20of%20Further%20Main%20Modifications%20%28Chp9%20Infrastructure%20%20Delivery%29%20-%20290525.pdf](https://www.charnwood.gov.uk/files/documents/exam_98_schedule_of_further_main_modifications_chp9_infrastructure_delivery_290525/EXAM%2098%20Schedule%20of%20Further%20Main%20Modifications%20%28Chp9%20Infrastructure%20%20Delivery%29%20-%20290525.pdf)

Charnwood Local Plan Local Development Scheme

[https://www.charnwood.gov.uk/files/documents/exam\\_90\\_local\\_development\\_scheme\\_dec\\_2024/EXAM%2090%20-%20Local%20Development%20Scheme%20Dec%202024.pdf](https://www.charnwood.gov.uk/files/documents/exam_90_local_development_scheme_dec_2024/EXAM%2090%20-%20Local%20Development%20Scheme%20Dec%202024.pdf)

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