



## CABINET – 16 DECEMBER 2025

### RESPONSE TO THE CHARNWOOD BOROUGH COUNCIL COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE CONSULTATION

#### REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

#### PART A

##### Purpose of the Report

1. The purpose of this report is to advise the Cabinet on the County Council's proposed response to the Charnwood Borough Council's (Charnwood BC) Community Infrastructure Levy (CIL) Draft Charging Schedule consultation and seek approval for comments to be sent to Charnwood BC as the views of the County Council.
2. A CIL is a charge which can be levied by Local Planning Authorities on new development in their areas in order to raise funds for infrastructure, facilities and services needed to support new development. Charnwood BC proposes to implement a CIL for strategic transport infrastructure as part of its emerging Local Plan.

##### Recommendations

3. It is recommended that the Cabinet:
  - a) Approves the proposed approach set out in paragraphs 25 to 35 of this report as the basis for the County Council's formal response to the Charnwood Borough Council's Community Infrastructure Levy Draft Charging Schedule consultation;
  - b) Authorises the Director of Environment and Transport, following consultation with the relevant Cabinet Lead Member, to submit the County Council's formal response to the Borough Council by 19 December 2025.

##### Reasons for Recommendations

4. The County Council's response will set out key comments for consideration by Charnwood BC in progressing its CIL Draft Charging Schedule. The expedient adoption of a CIL is considered the best way to mitigate the negative impacts of a lack of strategic transport investment needed to support growth in Charnwood.

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

5. The County Council's consultation response is required to be submitted to Charnwood BC by the close of consultation on 19 December 2025.

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

6. Previous Cabinet decisions in relation to the emerging Charnwood 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 (LTA) dealing with planning applications in Charnwood and seeking approval of Charnwood BC'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 LTA could seek transportation contributions.
  - e) December 2023: noting the position of the Local Plan, particularly, the identified financial pressures associated with the interim transport 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 County Council's 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 Authorities.
  - g) September 2024: approval of the County Council's National Planning Policy Framework (NPPF) consultation response, noting the amended NPPF.
7. At the meeting in October 2024, the Cabinet considered reports on the issues associated with the emerging Charnwood Local Plan, including the outcome of consultation on the Charnwood Transport Contributions Strategy and the implications for the LTA and consideration of planning applications by Charnwood BC's Plans Committee on 17 October 2024. The Cabinet noted a number of issues which were of significant concern and inter alia authorised Chief Officers to withdraw the proposed Contributions Strategy and act as necessary to mitigate the impacts arising from the interim period between the likely Local Plan adoption and the adoption of a CIL. The concerns would be brought to the attention of Charnwood BC and the County Council would continue to work with the Borough Council to put a sound Local Plan in place.

8. On 22 November 2024, the Cabinet considered a further report on the issues associated with the emerging Local Plan, including the response of the Inspectors to the late submission by Charnwood BC 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, inter alia, agreed that officers would work alongside, support, and co-operate with Charnwood BC to develop further evidence requested by the Inspectors, once Charnwood BC formally confirmed it was seeking to progress the inclusion of a CIL in the Local Plan. It was also agreed to participate appropriately in the development and implementation of a CIL Charging Schedule and influence the adoption of a CIL as soon as possible.
9. On 7 February 2025, the Cabinet noted the latest position regarding the emerging Local Plan and resolved 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.
10. On 15 July 2025, the Cabinet received a report on the latest position and proposed response to the consultation on further main modifications to the Charnwood Local Plan, and giving an update on the proposed CIL. The paper highlighted the County Council's position regarding the desirability of an up-to-date Local Plan underpinned by a CIL to support the delivery of infrastructure. In addition, it was noted that it was the LTA's responsibility to ensure that the potentially negative impacts associated with the continued delays to the adoption of the Local Plan and an evolving position of Charnwood BC with regard to CIL implementation were minimised, as far as possible. Therefore, the LTA would continue to take appropriate action to reflect this responsibility and set out its position that any further planning applications seeking to be determined by Charnwood BC in advance of the examining Inspector's report should be considered as premature and as such, should be deferred for the time being. The LTA would continue to review this position as the Local Plan's examination and CIL processes progress.

### **Resource Implications**

11. 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.
12. Despite increasing challenges, as set out in the report to the Cabinet in September 2024 on the proposed reforms to the NPPF and the planning system, the County Council continues to seek to provide support for Local Plans that will give as robust as possible policy platforms for securing the provision of infrastructure and services required to support their successful delivery.

13. In the case of the Charnwood Local Plan and proposed CIL, the County Council remains concerned that a considerable proportion of the allocated sites within the Local Plan have come forward ahead of the adoption of the Local Plan and the CIL. The implications of this have been set out in previous reports cited above and can be summarised as the cumulative transport impacts of development coming forward in Charnwood will not be mitigated in full due to a shortfall in funding. Charnwood BC estimates that a maximum of £45m may be secured through CIL, leaving an estimated gap of £100m.
14. The County Council is not in a position to fill this funding gap and so levels of traffic congestion and delays in the Borough are likely to increase as development is built out. However, the adoption of a CIL will provide the best opportunity to ensure the remaining development proportionately contributes to the necessary transport infrastructure to support growth in the Borough and that there is also a mechanism to secure strategic contributions for future growth. The County Council will prioritise funding received through the CIL to deliver transport measures that provide the greatest benefits in terms of minimising the congestion and delay arising from impacts of growth.
15. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

#### **Circulation under the Local Issues Alert Procedure**

16. This report will be circulated to Members representing divisions in the Charnwood area: Mr D. Grimley CC, Mrs D. Taylor CC, Mr J. Miah CC, Mr P. Morris CC, Mr A. Hamilton-Gray CC, Mrs B. Gray CC, Mr R. Bailey CC, Mr P. Rudkin CC, Mrs L. Danks CC, Mrs H. Butler CC, Mrs N. Bottomley CC, Mr J. Poland CC, Mr S. Bradshaw CC, Mrs B. Seaton CC.

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## **PART B**

### **Background**

17. Charnwood BC submitted its Local Plan to the Planning Inspectorate for Examination in Public (EiP) in December 2021 and there is a considerable history to the Local Plan and examination process, including Charnwood BC's decision to prepare a CIL. Further detail can be found in the previous reports to Cabinet referenced in paragraphs 6 to 10 above.
18. The emerging Charnwood Local Plan 2021-37 has been subject to examination and consultation has taken place on main modifications and further main modifications. Whilst Charnwood BC's intention was to adopt the new Local Plan in January 2026, it should be noted that the Inspector's report is still awaited.
19. Throughout the preparation stages of the Local Plan and the lengthy examination period, the County Council as the LTA 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 to fund the necessary interventions to mitigate these impacts. 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.
20. Charnwood BC is now progressing the introduction of a CIL. A CIL is a charge which can be levied by Local Planning Authorities on new development in their local authority 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 CIL being proposed by Charnwood BC will only be used to fund strategic transport infrastructure projects. Other forms of infrastructure, such as site-specific transport mitigation, school provision, open space and libraries, will continue to be funded through Section 106 planning obligations or delivered by planning conditions.
21. The powers to introduce a CIL are set out in the Planning Act 2008, as amended, whilst the Community Infrastructure Levy Regulations 2010, as amended (the CIL Regulations), set out the detailed requirements for the preparation and implementation of the CIL.
22. Charnwood BC must publish a Draft Charging Schedule for consultation, prior to it being submitted for independent examination. Charnwood BC commenced the consultation on 24 November 2025. This runs for four weeks to 19 December 2025, a period in line with the National Planning Policy Guidance. Charnwood BC's intention is to then submit the Draft Charging Schedule to the independent Examiner early in January 2026 and there is the potential for the Examination to take place in late February or early March 2026. Subject to the Examiner's report being received by the end of April 2026, it is anticipated that Charnwood BC could then approve the Charging Schedule in June 2026 and

bring it into effect soon after. It is recognised that the timetable set out means that the adoption of the Charging Schedule would likely come after the adoption of the Local Plan (likely in early 2026); however, it is not considered a basis to delay the adoption of the Local Plan.

### **General Context of Local Plan Development and Delivery**

23. A separate report on the agenda for this Cabinet meeting, “Strategic Spatial and Transport Planning”, sets out the ever increasing issues faced by the LTA in seeking to deal with the increasing travel demands generated by a growing population, and the consequential implications that this is having for the LTA’s ability to support Local Plans on which the LTA is being consulted.
24. The report also sets out proposals seeking to address these issues, including a proposal for the LTA to share an evidence base of transport trends and impacts of growth with the district councils that will support the development and adoption of a CIL in other districts across the County.

### **Overview of Content of Charnwood CIL Draft Charging Schedule and the County Council’s Proposed Response**

25. Charnwood BC is proposing to introduce a CIL and will act as the charging authority and the collecting authority. As indicated previously, it is intended that the CIL will fund strategic transport infrastructure projects only. The transport projects to be funded via the proposed CIL are set out in the [Appendix 3 Infrastructure Schedule to the Local Plan](#).
26. Whilst the County Council may seek to include wider infrastructure in future iterations of CILs in Charnwood or in other areas of Leicestershire, it is supportive of a transport focus for this CIL as it is representative of the discussions and feedback provided throughout the development of the Local Plan.
27. A CIL can only be charged on development in excess of 100 sqm, unless it would involve a new dwelling. The Draft Charging Schedule sets out the rates for residential development (excluding elderly persons housing and Purpose-Built Student Accommodation) in three mapped-out geographical zones, with the lowest rates in the Loughborough/Shepshed zone, higher rates in the Leicester Fringe, and the highest rates in the rest of the Borough. There are further differential rates according to whether the development is on greenfield or brownfield sites. Rates range between £6 and £225 per sqm, depending on the nature of the site and its location. Full details on how these rates have been calculated and justified can be found in the Charnwood BC’s CIL Viability Report (October 2025) produced by Aspinall Verdi, available on the Charnwood BC’s website.
28. The County Council, with support from external specialists, has reviewed the evidence underpinning this methodology and is supportive of the zonal approach and the associated rates recognising the importance of setting the CIL rates at a level that do not risk a development’s ability to contribute to other

essential infrastructure. In particular, the County Council has recognised the critical need to ensure development can fully fund the relevant education contributions. The County Council has provided evidence of these costs to Charnwood BC as part of the CIL development and has no objection to the proposed rates set out in the consultation.

29. The Draft Charging Schedule also highlights the proposed charging rates for other types of development. This includes older persons housing, purpose-built student accommodation, retail and industrial/logistics units. These rates start at £75 per sqm and go up to £250 per sqm. The County Council recognises the importance of reflecting the type of development in the CIL rates to ensure the CIL can be applied effectively in practice. The County has no in principle objection to these rates.
30. The Draft Charging Schedule sets out a list of exemptions from the CIL. These include development types not otherwise listed which are therefore nil rated and development involving less than 100 sqm of new build unless the development will comprise one or more dwellings. There are also exemptions or relief to residential annexes and extensions, self-build houses and flats, social housing and charitable development, where relevant criteria are met and processes followed as set out in the CIL Regulations. The County Council understands this to be in line with best practice and therefore has no in principle objection to this approach.
31. Finally, the Draft Charging Schedule includes a calculation of the CIL chargeable amount. The chargeable amount is calculated in accordance with Regulation 40 and Schedule 1 of the CIL Regulations and is chargeable development multiplied by chargeable rate multiplied by the appropriate inflation measure. This rate is what the developments are expected to contribute through the CIL.
32. The County Council has reviewed the chargeable amounts set out in the draft document, together with external independent experts, and considers them to be reasonable in the context of available evidence. This includes information on potential Section 106 requests for other key services and, in particular, the critical need to reduce the risk that education contributions are prejudiced as a result of viability issues arising from the CIL. However, the County Council notes that the overall expected contributions through the CIL from this round of Local Plan Growth and potential windfall sites is a maximum of £45m. This is compared to an estimated cost of the strategic transport infrastructure of £145m. However, a benefit of a CIL is the ability to be able to combine amounts received into a single pool and then deliver schemes on a priority basis.
33. The Draft Charging Schedule consultation documentation also includes transport schemes identified by the County Council and their associated estimated costs. The County Council provided this schedule to Charnwood BC in May 2025 and therefore is supportive of its contents; however, it is worth noting that the longer it takes to collect contributions to the level they can deliver a scheme in practice, the more likely it is that inflation will affect the cost estimates for those schemes.

34. Charnwood BC, as the charging authority, must keep its charging schedule under review and should ensure that levy charges remain appropriate over time. For example, charging schedules should take account of changes in market conditions, and remain relevant to the funding gap for the infrastructure needed to support the development of the area. However, any revisions must follow the same processes as the preparation, examination, approval and publication of a charging schedule.
35. There are aspects of CIL arrangements that are not covered in the consultation documentation. This includes the arrangements for administering the CIL (Charnwood BC is able to retain 5% of income to do this) and also the impact, if any, of the Parish precept on the potential income for strategic transport improvements. The County Council requests that further detail is provided on this ahead of the CIL examination.

#### **Implications Arising for the County Council**

36. The County Council has co-operated with both Charnwood BC and its specialist consultants, Aspinall Verdi, during the preparation of the Draft Charging Schedule and the Viability Study.
37. The County Council is concerned that Charnwood BC continues to determine a large number of planning applications in Charnwood Borough ahead of the introduction of a CIL thereby increasing the risk that the overall funding available for strategic transport infrastructure is likely to be less than the identified £45m.
38. The County Council will work to prioritise the available funding to mitigate the most severe of the impacts on the highways and transport network within available resources. However, it is likely that conditions on the highways and transport network will decline in Charnwood Borough over the life of the Local Plan despite the introduction of a CIL. Expedient progression of the adoption of a CIL will reduce the extent of this decline.
39. It remains the case that there is no credible alternative to adoption of a CIL. Therefore, the County Council will continue to engage positively and support the development and implementation of a CIL. This includes detailed arrangements for implementing, managing and monitoring the CIL that are currently being developed by Charnwood BC. It is likely this will include arrangements for allocation of funds to appropriate projects and sharing information for governance and reporting.
40. The uncertainty highlighted in paragraph 32 makes it difficult for the County Council to work effectively to plan for use of CIL income, particularly given that the LTA has limited resources and needs to work across the County as a whole to support Local Plans, as well as planning and delivering highways and transport schemes, including maintenance, public transport, safety and minor traffic schemes and major schemes such as the Melton Mowbray Distributor Road, Zouch Bridge and A511 Major Road Network. As full details of the CIL Schedule and implementation are developed through the examination process,

the County Council will have more certainty and will therefore be better able to plan effectively. This will include to develop the projects identified in the Local Plan Infrastructure Schedule into full schemes and to prioritise, as necessary, their delivery through future works programmes.

41. The County Council recognises its obligation, alongside Charnwood BC, to provide an annual Infrastructure Funding Statement which contains information on the amount of Section 106 and CIL funding requested, secured, and spent. Upon adoption of the CIL, the County Council will ensure the necessary resources and processes are in place to support this.

### **Conclusion**

42. Without prejudice to the LTA's stance on future Local Plan iterations, the County Council is in the main supportive of the content of the Draft Charging Schedule presented for consultation by Charnwood BC. The County Council looks forward to receiving more detailed information on the implementation of CIL as set out in this report.

### **Equality Implications**

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

### **Human Rights Implications**

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

### **Environmental Implications**

45. The County Council will continue to work closely with Charnwood BC and other partners to minimise the impact of the planned growth on the environmental assets of Leicester and Leicestershire.
46. Charnwood BC 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.

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

47. The County Council has worked collaboratively and with good faith with Charnwood BC to support the development of the Local Plan and implementation of a CIL.

### **Background Papers**

Report to the Cabinet on 25 November 2022: Managing the Risk Relating to the Delivery of Infrastructure to Support Growth

<https://bit.ly/4ogjinr>

Report to the Cabinet on 10 February 2023: Interim Approach to Planning Issues in Charnwood Borough

<https://bit.ly/480KVqa>

Report to the Cabinet on 9 February 2024: Provisional Medium Term Financial Strategy 2024/25 – 2027/28

<https://bit.ly/4oAxAM2>

Report to the Cabinet on 22 October 2024: Strategic Transport Planning Issues Associated with the Emerging Charnwood Local Plan

<https://bit.ly/4nU0qWJ>

Report to the Cabinet on 22 November 2024: Strategic Transport Planning Issues Associated with the Emerging Charnwood Local Plan

<https://bit.ly/47YMKoq>

Report to the Cabinet on 15 July 2025: Latest Position and Proposed Response to Consultation on Further Main Modifications to the Charnwood Local Plan 2021-2037

<https://bit.ly/3LVPY3u>