



*Meeting:* **Cabinet**

*Date/Time:* **Friday, 22 November 2019 at 2.00 pm**

*Location:* **Sparkenhoe Committee Room, County Hall, Glenfield**

*Contact:* **Anna Poole (Tel. 0116 305 2583)**

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### **Membership**

Mr. N. J. Rushton CC (Chairman)

Mr. R. Blunt CC	Mr. T. J. Pendleton CC
Mr. L. Breckon JP CC	Mr. J. B. Rhodes CC
Mr. I. D. Ould OBE CC	Mrs H. L. Richardson CC
Mr. B. L. Pain CC	Mr. R. J. Shepherd CC

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### **AGENDA**

**Appendices for the agenda items below have been circulated separately. These and the reports can be viewed on the County Council's website at <https://bit.ly/2Qf9vwU>  
Copies can also be obtained by contacting the committee officer.**

<b><u>Item</u></b>	<b><u>Report by</u></b>	
1. Minutes of the meeting held on 22 October 2019.		(Pages 3 - 12)
2. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.		
3. Declarations of interest in respect of items on the agenda.		
4. Outcome of Consultation on the County Council's Priorities.	Director of Corporate Resources	(Pages 13 - 20)



<u>Item</u>	<u>Report by</u>	
5. Special Education Needs and Disabilities - Proposed Transfer of Funding within Dedicated Schools Grant.	Director of Children and Family Services	(Pages 21 - 28)
6. Delivering Growth in Leicestershire: East of Lutterworth Strategic Development Area and Other Projects.	Director of Corporate Resources and Chief Executive	(Pages 29 - 50)
7. Barrow Road/Poole Farm, Quorn Development - Solar Farm and Light Industrial Units.	Director of Corporate Resources	(Pages 51 - 60)
8. Tree Management Strategy.	Director of Corporate Resources	(Pages 61 - 66)
9. Melton Mowbray Local Plan Delivery Partnership - Housing Infrastructure Fund Bid.	Director of Environment and Transport and Director of Corporate Resources	(Pages 67 - 76)
10. A511 Growth Corridor Proposals.	Director of Environment and Transport	(Pages 77 - 90)
11. Annual Delivery Report and Performance Compendium 2019.	Chief Executive	(Pages 91 - 100)
12. Delivering Wellbeing and Opportunity in Leicestershire: Adults and Communities Department Ambitions and Strategy 2020-24 - Permission to Consult.	Director of Adults and Communities	(Pages 101 - 108)
13. Annual Report of the Director of Public Health: Leicestershire's Health - Physical Activity - Moving to a Whole Systems Approach.	Director of Public Health	(Pages 109 - 114)
14. Leicestershire Substance Misuse Strategy 2020-2023.	Director of Public Health	(Pages 115 - 122)
15. Response to Consultation on Leicestershire Fire and Rescue Service Integrated Risk Management Plan 2020 - 2024.	Chief Executive	(Pages 123 - 128)
16. Items referred from Overview and Scrutiny.		
17. Any other items which the Chairman has decided to take as urgent.		

Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Friday, 22 November 2019.

PRESENT

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

Mr. R. Blunt CC  
Mr. L. Breckon JP CC  
Mr. I. D. Ould OBE 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

In attendance

Mrs. C. M. Radford CC, Mr. O. O'Shea CC, Mr. S. J. Galton CC, Mr. P. Bedford CC, Mrs. R. Page CC.

338. Minutes of the previous meeting.

The minutes of the meeting held on 22 October 2019 were taken as read, confirmed and signed.

339. Urgent items.

There were no urgent items for consideration.

340. 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.

Mr. Shepherd CC declared a personal interest with regard to item 7 on the agenda, 'Barrow Road/Poole Farm, Quorn Development – Solar Farm and Light Industrial Units' as a member of Charnwood Borough Council.

341. Outcome of Consultation on the County Council's Priorities.

The Cabinet considered a report of the Director of Corporate Resources concerning the outcome of the consultation on the Council's priorities. A copy of the report marked 'Agenda item 4' is filed with these minutes.

Mr. Rhodes CC thanked those who had taken part in the consultation. He said the responses had indicated that the Council had achieved the right balance in its service provision and that the Council's support for residents was appreciated.

**RESOLVED:**

That the results of the public consultation on the County Council's priorities, which will be used to inform the development of the Medium Term Financial Strategy for 2020/21 – 2023/24, be noted.

(KEY DECISION)

REASON FOR DECISION:

To ensure future decisions around service delivery in relation to the MTFS are, where possible, taken mindful of the views expressed by residents and other stakeholders.

342. Special Education Needs and Disabilities - Proposed Transfer of Funding within Dedicated Schools Grant.

The Cabinet considered a report of the Director of Children and Family Services concerning the outcome of the consultation with schools on the proposal to transfer up to 0.5% from the Schools Block to the High Needs Block. A copy of the report marked 'Agenda item 5' is filed with these minutes.

The Director said that an amended statement had been received from the Schools Forum as follows:

"The Schools Forum does not agree to the proposals to transfer £2m/0.5% from the schools block and asks Leicestershire County Council not to appeal to the Secretary of State but to appeal for improved funding for high needs SEN, either directly or through improved grant from government. The Forum welcomes the joint work to progress the high needs programme."

Mr. Ould CC said he had attended the Schools Forum meeting on 6 November and was aware of the strength of feeling on the matter.

RESOLVED:

- a) That the outcome of the consultation on the proposed transfer of 0.5% from the Schools Block of the dedicated Schools Grant to the High Needs Block and the position of Schools Forum be noted;
- b) That a transfer of funding from the Schools Block to the High Needs Block is not pursued further at present;
- c) That the Director of Children and Family Services be authorised to engage with Leicestershire schools to develop alternative measures to address the High Needs Block deficit;
- d) That it be noted that should the High Needs Block deficit continue to increase, it may be necessary to consider further measures, including a transfer of funding, in future years.

REASONS FOR DECISION:

Local authorities are able to transfer up to 0.5% of the gross Schools Block funding to High Needs following consultation with schools and with the approval of the Schools Forum. Should the Schools Forum not approve a transfer, approval can be sought from the Secretary of State.

It is considered that effecting the transfer in 2020/21 at this stage in the High Needs Development Plan may affect the achievability of the overall Plan. Alternative arrangements are being explored to address the funding gap.

343. Delivering Growth in Leicestershire: East of Lutterworth Strategic Development Area and Other Projects.

The Cabinet considered a joint report of the Director of Corporate Resources and the Chief Executive which detailed the outcome of the work undertaken to identify the Council's objectives for the East of Lutterworth Strategic Development Area Scheme and assessed the potential delivery options available. A copy of the report marked 'Agenda item 6' is filed with these minutes.

Mr. Rhodes CC welcomed the proposals adding that the project was a major step forward in the programme to bring about development in Leicestershire, which could bring considerable benefits, including financial returns, for the Council. He acknowledged that there were some risks and that these would need careful management.

RESOLVED:

- a) That the outcome of the options appraisal for the delivery of the East of Lutterworth Strategic Development Area (SDA) scheme be noted;
- b) That the comments of the Scrutiny Commission on the proposed preferred approach be noted;
- c) That the East of Lutterworth SDA scheme be delivered via a hybrid approach of Option 5 (Joint Venture – Enabling / Development / Operational Partner) and Option 2 (Self Development) as outlined in paragraphs 51 to 54 of the report;
- d) That the delivery of other growth schemes arising in the County and their possible inclusion within the Joint Venture arrangement at (c) above be considered on a project-by-project basis, and subject to further reports to the Scrutiny Commission and the Cabinet as appropriate;
- e) That the specific objectives for the delivery of the Lutterworth East SDA scheme as listed in paragraph 25 of the report be approved;
- f) That the proposed next steps for the Lutterworth East SDA project be noted and further reports be submitted to the Cabinet in March 2020 to seek approval for:
  - i. the planned procurement approach and scope;
  - ii. proposals for the establishment, structure and governance of the Joint Venture arrangement through a limited liability partnership;
- g) That the Director of Corporate Resources undertake further member and officer engagement as outlined in paragraph 102 of the report.

(KEY DECISION)

## REASONS FOR DECISION:

Establishing a joint venture with a strategic private sector partner on a 50/50 basis to fund, develop and manage the Lutterworth scheme most closely aligns to the Council's aspirations for ensuring control over site development whilst sharing risk and obtaining a financial return. Once established the partnership can also be used as a vehicle for the delivery of future sites if deemed appropriate by members. This approach was supported by the Scrutiny Commission on 6 November 2019.

The risks generated by self-development of the employment site to the south of Lutterworth East are clearer and more manageable and the financial rewards significant enough to offset these, therefore this area will be developed by the Council independently of the joint venture.

The specific objectives developed for delivery of the Lutterworth East SDA reflect the aspiration for a high-quality development in line with the Council's Strategic Plan outcomes whilst also recognising the need to generate financial returns relative to the risks taken during development.

## OTHER OPTIONS CONSIDERED

The following five options were considered:

### Option 1: Disposal with Planning Permission

The traditional approach, used as a baseline against which other options were compared.

### Option 2: Self Development

The Council carries out construction of the entire housing and commercial development.

### Option 3: Joint Venture - Enabling Partner

The Council plus one or more commercial partners. Each contributes resources (land, capital, staff and/or other equipment/assets) and a new Joint Venture business is created in which all collaborate, risks and benefits shared. The Council enters into a partnership with a development/investment partner, the site is enabled by the partnership and serviced plots sold to the market. All services to establish planning consents, removal of development issues, etc. is undertaken by the Joint Venture partnership and the Council receives a land receipt and share of the profit from enablement.

### Option 4: Joint Venture - Development Partner

The Council goes into partnership with a development/investment partner. The site is enabled, residential/commercial elements are developed by the Joint Venture, and the Council receives a land receipt and share of the development profit.

### Option 5: Joint Venture - Enabling / Development / Operational Partner

The Council enters into a 50/50 partnership with a strategic partner. The site is enabled by the Joint Venture, some developed by the partnership and other plots sold to developers. Operational elements are owned/operated by the partnership over the long-term. The Council receives a land receipt and share of the development/operational profit (e.g. private rental, commercial income).

344. Barrow Road/Poole Farm, Quorn Development - Solar Farm and Light Industrial Units.

The Cabinet considered a report of the Director of Corporate Resources which presented the outcome of the further analysis of the proposed Barrow Road/Poole Farm, Quorn Development and sought approval to submit a planning application for a solar farm and light industrial unit on Council-owned land. A copy of the report marked 'Agenda item 7' is filed with these minutes.

The Committee noted the comments of local member Mrs. H. Fryer CC, a copy of which is filed with these minutes. In response, the Director confirmed that both Quorn and Barrow upon Soar Parish Councils would be included in the consultation on the planning application.

Members were informed that the solar farm would in fact generate 8,790 megawatt hours of energy per annum (not 8.79 as indicated in the report).

Mr. Rhodes CC welcomed the scheme, from which the energy generated would offset either all the carbon emissions of Council properties or half the street lighting across the County.

RESOLVED:

- (a) That the Director of Corporate Resources be authorised to submit a planning application for the commercial development of a new solar farm and light industrial units at Quorn as detailed in the report;
- (b) That subject to planning consent being granted, construction of the first phase of the development - the solar farm and Barrow Road light industrial units - be approved subject to a maximum capital cost of £14 million;
- (c) That a further report be made to the Cabinet when it is considered that construction of phase two of the development - light industrial units at Poole Farm - is viable.

(KEY DECISION)

REASON FOR DECISION:

The development of the Council-owned land will provide the Authority with future revenue income and support environmental and economic objectives.

345. Tree Management Strategy.

The Cabinet considered a report of the Director of Corporate Resources which sought the Cabinet's support for the draft Tree Management Strategy which set out the approach for the management of the County Council's trees and woodlands and included a tree management and planting programme. A copy of the report marked 'Agenda item 8' is filed with these minutes.

Members noted the comments of Mr. G. A. Boulter CC, a copy of which is filed with these minutes.

Mr. Pain CC welcomed the report and said that funding had been allocated to explore how the carbon reduction would be addressed across Council services. The introduction of the Tree Management Strategy was one measure the Council was taking to address the climate change emergency.

It was noted that evergreen species, which held their leaves all year, had more capacity to absorb pollution, although native species were also planted to improve and protect eco systems.

**RESOLVED:**

- (a) That the draft Tree Management Strategy and Tree Management and Planting Plan be supported and referred to the Environment and Transport Overview and Scrutiny Committee for comment;
- (b) That a further report be submitted to the Cabinet in March 2020 presenting the final Tree Management Strategy and Tree Management and Planting Plan for approval.

**REASONS FOR DECISION:**

The County Council has a legal duty to manage and maintain all trees on County Council-owned land, in parks and open spaces and on the public highway.

The draft Tree Management Strategy and associated Plan set out standards for the management of the tree resource under the stewardship of the County Council which comply with nationally recognised codes of practice and will mitigate the risk (e.g. of insurance claims) as well as helping to protect trees and woodlands as a valuable natural asset to Leicestershire.

It is intended to carry out some consultation with partner agencies and specialist groups (such as the National Forest Company and Woodland Trust) to inform the final Strategy and to seek feedback from the Council's Environment and Transport Overview and Scrutiny Committee.

**346. Melton Mowbray Local Plan Delivery Partnership - Housing Infrastructure Fund Bid.**

The Cabinet considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources regarding the success of the Housing Infrastructure Fund bid for the southern section of the Melton Mowbray Distributor Road and the discussions with Melton Borough Council regarding a risk-sharing agreement for the remaining funding of the road and related infrastructure. A copy of the report marked 'Agenda item 9' is filed with these minutes.

The Chairman personally thanked the outgoing Member of Parliament the Rt. Hon. Sir Alan Duncan for his support with the HIF bid.

Mr. Rhodes CC welcomed the success of the HIF bid. He commented on the need for support from Melton Borough Council and that the County Council was taking on risk in funding the project whilst developer contributions were awaited.

Members supported the inclusion of an additional recommendation concerning air quality; an issue that had been raised during the consultation and highlighted the benefits to residents of other bypasses built in the county.



The Cabinet commended officers for their work on this project.

RESOLVED:

- (a) That the implications of the broad principles agreed with Melton Borough Council, set out in paragraph 37 of the report, that will feed into the risk-sharing agreement, be noted;
- (b) That the Director of Corporate Resources and the Director of Law and Governance, following consultation with the Cabinet Lead Member for Resources, be authorised to finalise and enter into the risk-sharing agreement with Melton Borough Council prior to signing of the agreement with Homes England for the Housing Infrastructure Fund (HIF) funding (expected to be in place by the end of the financial year);
- (c) That the HIF funding be accepted, for the reasons set out in paragraphs 22 to 31 of the report;
- (d) Melton Borough Council be asked to provide assurance that both now and in the future the Council will carry out its statutory obligations to monitor air quality in Melton Mowbray, in particular associated with pollution caused by traffic, and to produce appropriate plans to address issues identified;
- (d) That the Director of Environment and Transport, in consultation with the Director of Corporate Resources and the Director of Law and Governance and following consultation with the Cabinet Lead Members for Resources and Environment and Transport, be authorised to take the necessary actions to deliver the Melton Mowbray Distributor Road (MMDR) northern eastern and southern sections.

(KEY DECISION)

REASONS FOR DECISION:

Following the Cabinet decision of May 2019, officers have continued to work to develop a suitable risk-sharing agreement to support the funding of the MMDR and other infrastructure, required to support Melton Borough Council's Local Plan.

The financial risk faced by the County Council in delivering the infrastructure, principally the MMDR and schools, necessary to support growth in Melton is significant. The introduction of risk-sharing arrangements with Melton Borough Council and maximising developer contributions helps to manage better these risks and share these in a way that is proportionate and fair.

347. A511 Growth Corridor Proposals.

The Cabinet considered a report of the Director of Environment and Transport concerning the consultation on the A511 Growth Corridor proposals and seeking continued support for the prioritisation and delivery of the scheme. A copy of the report marked 'Agenda item 10' is filed with these minutes.

Mr. Pain CC welcomed the scheme which would be delivered jointly with North West Leicestershire District Council. Members noted that the Environment and Transport Overview and Scrutiny Committee welcomed the scheme.

Mr. Pendleton CC added that the scheme addressed concerns regarding air quality and commended officers for their work.

#### RESOLVED:

- (a) That the consultation feedback and comments of the Environment and Transport Overview and Scrutiny Committee be noted;
- (b) That the MRN A511 Growth Corridor scheme, comprising proposed improvements to eight junctions along the A511, including a Bardon Link Road extension to south-east Coalville, and dual carriageway between Thornborough Road and Whitwick Road as shown in the plan attached as Appendix A to the report, be supported;
- (c) That the existing funding allocation of £4m capital funding be used to:
  - i. Develop and submit a planning application for the extension to the Bardon Link Road,
  - ii. Undertake all necessary preparations to progress the scheme to Full Business Case (FBC) and, subject to Department for Transport (DfT) approval, delivery;
- (d) That the Director of Environment and Transport, in consultation with the Director of Corporate Resources and the Director of Law and Governance and following consultation with the Cabinet Lead Members for Environment and Transport and Resources be authorised to submit the FBC to the DfT for approval and to take the necessary actions to deliver the MRN A511 Growth Corridor scheme subject to (e) below;
- (e) A further report be submitted to the Cabinet prior to submission of a planning application for the Bardon Link Road Extension to include, amongst other things –
  - i. The detailed design and updated cost estimates for the scheme which will form the basis for the planning application;
  - ii. Requests for approval to make and implement any required Compulsory Purchase Orders and associated statutory orders;
  - iii. The updated cost-sharing agreement with North West Leicestershire District Council.

#### REASONS FOR DECISION:

Following the Cabinet decision of March 2019 to support development of a package of measures which meet the criteria for MRN finding, officers have continued to work on the proposals for the A511 corridor and are confident that they will provide value for money.

Whilst the Coalville Contribution Strategy provides a means of financing individual schemes, the delivery of the package of measures in the A511 scheme would be in a piecemeal fashion over a long period, as delivery of each of the individual proposals could only be carried out when developer funding became available or central government funding could be secured.

The MRN funding of up to £50m provides the best opportunity to ensure that all the mitigation identified through planning can be delivered whilst minimising the disruption to the public. To bid for this, it is necessary for the County Council to commit funding of £4m to prepare a business case.

Authorising the Director to proceed with actions to deliver the scheme up to the submission of a planning application will ensure that it is progressed at the earliest opportunity.

348. Annual Delivery Report and Performance Compendium 2019.

The Cabinet considered a report of the Chief Executive which presented the draft Annual Delivery Report and Performance Compendium for 2019. A copy of the report marked 'Agenda item 11' is filed with these minutes.

Mr. Rhodes CC welcomed the report and highlighted that IMPOWER had rated Leicestershire as the most productive Council for the third year running.

RESOLVED:

- (a) That the overall progress during 2018/19 in delivering on the Council's Strategic Priorities, securing transformation, and mitigating the impact of national funding reductions, as set out in the draft Annual Delivery Report, be noted;
- (b) That the current comparative funding and performance position, service pressures and risks set out in the Performance Compendium be noted;
- (c) That the comments of the Scrutiny Commission be noted;
- (d) That it be noted that whilst the provision of resources through the business rates retention pilot in 2019/20 and extra resources for 2020/21 is welcomed, the delay in implementing the national fair funding system has created significant uncertainties in the medium-term with risks to being able to address the many service challenges and priorities facing the County;
- (e) That the Council continues to press its case for a fairer funding settlement and pursue other major savings initiatives;
- (f) That the Chief Executive, following consultation with the Leader, be authorised to make any amendments to the draft Annual Delivery Report and Performance Compendium prior to its submission to the County Council on 4 December 2019 for approval.
- (g) That IMPOWER rating the County Council as the most productive council for the third year running, be welcomed.

REASONS FOR DECISION:

It is best practice in performance management, implicit in the LGA Sector-Led approach to local authority performance and part of the Council's Internal Governance Framework, to undertake a review of overall progress at the end of the year and to benchmark performance against comparable authorities. It is also good practice to produce an

annual performance report and ensure that it is scrutinised, transparent, and made publicly available.

The Council is poorly funded in comparison with other local authorities and this, until addressed, will continue to impact on delivery, performance and council tax levels.

The draft Report and Compendium may be modified to reflect comments made by the Cabinet as well as to include any final national comparative data which becomes available prior to its consideration by full Council.

349. Delivering Wellbeing and Opportunity in Leicestershire: Adults and Communities Department Ambitions and Strategy 2020-24 - Permission to Consult.

The Cabinet considered a report of the Director of Adults and Communities which sought approval to consult on the draft 'Delivering Wellbeing and Opportunity in Leicestershire: Adults and Communities Department Ambitions and Strategy for 2020-2024'. A copy of the report marked 'Agenda item 12' is filed with these minutes.

Members noted the comments of the Adults and Communities Overview and Scrutiny Committee, a copy of which is filed with these minutes.

RESOLVED:

- a) That the comments of the Adults and Communities Overview and Scrutiny Committee be noted;
- b) That the draft '*Delivering Wellbeing and Opportunity in Leicestershire: Adults and Communities Department Ambitions and Strategy for 2020–2024*' (attached as Appendix A to the report), and the associated consultation document (attached as Appendix B) be approved for consultation;
- c) A further report be submitted to the Cabinet in summer 2020 presenting the outcome of the consultation and the final Strategy for approval.

(KEY DECISION)

REASONS FOR DECISION:

The Director of Adults and Communities requires the Cabinet's permission to undertake a formal consultation exercise on the ambitions and Strategy for adult social care, library, museums and heritage, and adult learning service delivery in the coming four-year period.

The draft Strategy for 2020-24 has been developed to fulfil statutory duties and provide a basis for the Adults and Communities Department's vision, planning, commissioning and delivery of services up until 2024.

The views of service users and other stakeholders are necessary to inform the Department's future approach and to determine how this can be best achieved through the provision and commissioning of services.

350. Annual Report of the Director of Public Health: Leicestershire's Health - Physical Activity - Moving to a Whole System Approach.

The Cabinet considered the Director of Public Health's Annual Report for 2019. A copy of the report marked 'Agenda item 13' is filed with these minutes.

Members endorsed the comments of the Health Overview and Scrutiny Committee, a copy of which is filed with these minutes, and added that 'Choose How You Move' messages needed to be promoted to the public to improve the key performance indicators in Leicestershire's Physical Activity profile.

RESOLVED:

- (a) That the comments of the Health Overview and Scrutiny Committee be noted;
- (b) That the recommendations contained within the Director of Public Health Annual Report 2019 be supported;
- (c) That it be noted that the Annual Report will be submitted to the County Council on 4 December 2019.

REASONS FOR DECISION:

The Director of Public Health's Annual Report is a statutory independent report on the health of the population of Leicestershire.

To enable the County Council to consider the Report, which will help inform future commissioning decisions.

351. Leicestershire Substance Misuse Strategy 2020-2023.

The Cabinet considered a report of the Director of Public Health which sought approval for the Leicestershire Substance Misuse Strategy 2020-23. A copy of the report marked 'Agenda item 14' is filed with these minutes.

RESOLVED:

- (a) That the outcome of the consultation on the Leicestershire Substance Misuse Strategy including comments of the Health Overview and Scrutiny Committee be noted;
- (b) That the Leicestershire Substance Misuse Strategy 2020-23 be approved;
- (c) That it be noted that the Director of Public Health, following consultation with the Lead Member for Health, will produce an Implementation Plan to deliver upon the priorities set out in the Strategy.

REASONS FOR DECISION:

The Leicestershire Substance Misuse Strategy 2020-23 has been developed in recognition of the need to coordinate substance misuse related work across the Council

and has been informed by a public consultation exercise. The Strategy will set an agreed direction for substance misuse service provision across Leicestershire.

The development of an implementation plan, which will deliver upon the priorities set out in the Strategy, will be led by the Director of Public Health and the wider Public Health Team.

352. Response to Consultation on Leicestershire Fire and Rescue Service Integrated Risk Management Plan 2020 - 2024.

The Cabinet considered a report of the Chief Executive which sought approval of the draft response to the Leicestershire Fire and Rescue Service consultation on the Integrated Risk Management Plan. A copy of the report marked 'Agenda item 15' is filed with these minutes.

Members noted that the response to Proposal 1 (use of fire engines flexibly) would be amended to read:

"... However, the reason that the Fire and Rescue Service is unable at present to *always* meet the '10-minute goal' is due to assets being committed at other incidents, availability of crew and vehicle maintenance. It is not clear how the proposal of flexibly using operational assets would enable this goal to be achieved. The County Council would welcome greater clarity on how this proposal would work in practice. *However, it welcomes the intention to record response times from receipt of the 999 call*"; (additional text indicated in italics).

RESOLVED:

That subject to the amended wording above regarding Proposal 1 (use of fire engines flexibly), the response set out in Appendix B to the report be approved for submission to the Leicestershire Fire and Rescue Service as the views of the County Council.

REASON FOR DECISION:

To enable the views of the County Council to be submitted to the Leicestershire Fire and Rescue Service.

353. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny.

2.00 - 3.39 pm  
22 November 2019

CHAIRMAN

**CABINET – 22<sup>ND</sup> NOVEMBER 2019****MELTON MOWBRAY LOCAL PLAN DELIVERY PARTNERSHIP  
- HIF BID UPDATE****REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT  
AND THE DIRECTOR OF CORPORATE RESOURCES****PART A****Purpose of the Report**

1. The purpose of this report is to advise the Cabinet of the success of the Housing Infrastructure Fund (HIF) bid for the southern section of the Melton Mowbray Distributor Road (MMDR), and discussions with Melton Borough Council (MBC) in relation to a risk-sharing agreement regarding support for the County Council in the remaining funding of the road and related infrastructure.

**Recommendations**

2. It is recommended that:
  - (a) The implications of the broad principles agreed with Melton Borough Council (MBC), set out in paragraph 37 of the report that will feed into the risk-sharing agreement be noted;
  - (b) The Director of Corporate Resources and the Director of Law and Governance, following consultation with the Cabinet Lead Member for Resources, be authorised to finalise and enter into the risk-sharing agreement with MBC prior to signing of the agreement with Homes England for the HIF funding (expected to be in place by the end of the financial year);
  - (c) The HIF funding be accepted, for the reasons set out in paragraphs 22 to 31 of this report;
  - (d) The Director of Environment and Transport, in consultation with the Director of Corporate Resources and the Director of Law and Governance and following consultation with the Cabinet Lead Members for Resources and Environment and Transport, be authorised to take the necessary actions to deliver the MMDR northern eastern and southern sections.

### **Reason for Recommendations**

3. Following the Cabinet decision of May 2019 officers have continued to work to develop a suitable risk-sharing agreement to support the funding of the MMDR and other infrastructure, required to support MBC's Local Plan.
4. The financial risk faced by the County Council in delivering the infrastructure, principally the MMDR and schools, necessary to support growth in Melton is significant. The introduction of risk-sharing arrangements with MBC and maximising developer contributions helps to manage better these risks and share these in a way that is proportionate and fair.

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

5. Subject to approval of the recommendations above, officers will work with Homes England to finalise the funding agreement for the HIF award and progress delivery of the MMDR southern section at the earliest opportunity.

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

6. In September 2015 the Cabinet agreed that the Council should work jointly with MBC to identify a preferred corridor for [what was then referred to as] an outer relief road for Melton Mowbray.
7. In December 2018 the Cabinet considered a report of the Director of Environment and Transport, which set out the Council's intention to pursue two HIF bids, one of which related to the southern section of the MMDR. It was resolved that, should a bid be successful, a further report be submitted to the Cabinet, prior to acceptance of funding by the Council.
8. In May 2019 the Cabinet considered a joint report of the Director of Corporate Resources and the Chief Executive setting out the financial challenges faced by the County Council arising from the significant housing and business growth planned across Leicestershire and the infrastructure required to support this. To mitigate the cost impact, it supported the development of risk-sharing agreements with district councils to enable the County Council to forward fund the significant infrastructure costs through the use of additional tax revenues, in advance of developer funding becoming available.

### **Resource Implications**

9. The level of transport investment required to support growth across Melton is substantial. As an example, the County Council's commitment (and potential financial exposure) to deliver the scale of infrastructure required to support growth in Melton will require around £160m gross investment - roughly £100m for roads and £60m for schools. The local burden is reduced due to the funding awarded from the Local Authority Majors Fund (£49m for the northern and eastern sections) and the HIF bid (£15m for the southern section). It is then expected that most of the remaining costs will be recouped in later years



through developer contributions. Nonetheless, it will require significant forward funding from the County Council leading to significant risks to the Authority.

10. The requirement for significant match funding and at-risk business case development for highways infrastructure will be an increasing barrier to bringing schemes forward. Discussions with MBC have led to an outline agreement for a risk-sharing arrangement that would see an estimated £6m being contributed from MBC towards highway infrastructure over the period to 2035/36. This will offset some of the County Council's forward funding and developer shortfall risks in relation to infrastructure.
11. The requirement of acceptance of the HIF bid is that equivalent contributions received from developers under the planning process will be recycled into facilitating other housing schemes in Leicestershire.
12. As part of the contracting process with Homes England, the County Council will also need to put in place appropriate monitoring arrangements to ensure that the reinvestment can be quantified and achieves its shared objective of unlocking further housing aligned with the Strategic Growth Plan.
13. The £13m match funding to make up the full £28m required to deliver the Southern Section of the MMDR will be built into the updated Capital Programme/MTFS refresh. However, the process of initial facilitation work to meet the timescales to begin working on site in 2023 will need to commence this financial year. It is proposed that this is met from accelerating funding already provided in the capital programme for the Northern and Eastern sections.

### **Legal Implications**

14. The HIF Forward Funding Guidance published by Government sets out that bidding local authorities are responsible for ensuring that any funding they are awarded will be spent in accordance with all applicable legal requirements, including planning law. Any development decisions for specific proposals must go through the normal planning process.
15. Additionally, any funding awarded has to be spent in accordance with state aid provisions, public procurement law requirements and general public law issues such as the Public Sector Equality Duty.
16. The Government's expectation is that the content of HIF bids should remain confidential. However, this does not remove the need for the Council to comply with Freedom of Information legislation and Environmental Information Regulations (FOIA/EIR). In that regard any requests under FOIA/EIR in respect to the scheme referred to in this report would be considered against, as necessary, the public interest factors for and against disclosure and applicable exemptions. It is understood that Government will release high level project information with the announcement of successful bids (project name, funding amount, number of houses).

17. As it stands the agreement with MBC is only at a high level. It will need to be fully developed in the coming months and agreed with MBC. Work on this requires to be progressed.
18. The Director of Law and Governance has been consulted on the content of this report.

### **Circulation under Local Issues Alert Procedures**

19. This report has been circulated to all members of the County Council.

### **Officers to Contact**

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## PART B

### Background

20. Construction of a MMDR is a key element of a wider Melton Mowbray Transport Strategy (MMTS), which has been in development (paragraph 43 provides further details). The known infrastructure costs to build the whole of the MMDR (northern/eastern and southern sections) and provide appropriate schools are in the region of £160m. A Government grant of £49m has already been secured (subject to Full Business Case) towards the delivery costs of the northern and eastern sections, for which the County Council has already invested £4m, at risk.
21. The successful HIF bid towards delivery of the southern section of the MMDR has secured an additional £15m, but this still leaves an estimated balance of around £100m to be identified. Section 106 agreements already in place will contribute £7m of this.

### Housing Infrastructure Fund (HIF) Offer

22. The HIF offers funding to local authorities for infrastructure to support the delivery of new homes across the country. It is a capital grant programme, which, like almost all new Government sources of funding, is being awarded via a competitive bidding process. It also requires an element of match funding. The specific bid for the Southern Section of the MMDR included total costs estimated at £28m, of which £13m would need to be funded locally.
23. After an initial assessment and development of the proposal, the County Council submitted a bid for monies from the HIF in March 2019. The primary focus of this scheme is to facilitate/accelerate the full potential of the planned development and additional development potential on the south side of Melton Mowbray, comprising the Melton South Sustainable Urban Neighbourhood. This will bring forward the early delivery of the southern section of the MMDR. The County Council was notified on 1 November that this bid had been successful.

### The importance of the HIF bid and links to current Plans/Strategies

24. *Supporting delivery of the Strategic Growth Plan (SGP):* The County Council has a strong track record of securing funding for, and the delivery of, transport infrastructure to enable growth, delivering on its strategic outcomes to promote a strong economy and to ensure a supply of quality and affordable homes. Melton Mowbray is identified as a 'Key Centre for Regeneration and Growth' in the SGP.
25. The Melton South Sustainable Neighbourhood (SN) is a key development area identified in the Melton Local Plan. Following extensive consultation during 2016-2017, the Local Plan underwent Examination, and following the Inspector's Report was formally adopted in October 2018.
26. As part of the objectives of the local plan Policy SS2 identifies the need to build a minimum of 6,125 houses and provide 51 hectares of employment land within the borough of Melton to 2036, of which a minimum of 3,980 houses and 31

hectares of employment land are proposed within the town of Melton Mowbray itself. Melton Mowbray is therefore the key focus for growth.

27. For Melton Mowbray South, the Local Plan sets out the need for the MMDR South scheme, which represents a continuation of the eastern MMDR alignment to further unlock housing and employment development as part of the Melton South SN.
28. Policies SS4 and EC1 propose the development of a minimum of 2,000 homes, 20 hectares of employment land and associated community facilities, including a new local centre and primary school, on land to the south of Kirby Lane. The site extends to over 85 hectares of housing land.
29. The infrastructure that the HIF funding was requested for is confirmed as a requirement of Local Plan, its transport Evidence Base, and supporting information as part of Outline Planning Applications. The Local Plan Inspector's Report endorses the approach taken, identifying the scheme as critical and necessary infrastructure.
30. *Reflecting 'market' interest:* The bid was aligned to an area where there is already strong market interest in bringing forward development, namely a previous outline planning application for the development of 1,500 dwellings as part of the Melton South SN. The transport infrastructure that would be funded from successful HIF bids will help to support, enable or accelerate these growth proposals.
31. *Community benefits:* Concerns have been expressed by some residents in the south of Melton Mowbray that growth proposals for the town could result in additional traffic that would use unsuitable roads, with negative impacts on their areas. The transport improvements that the HIF bids would deliver would help to address these issues.
32. This is an important opportunity to secure significant investment in transport infrastructure to enable growth. Were this current opportunity to be missed, it would not remove the need to deliver new housing in Melton Mowbray; it would mean, however, that growth would take place at a slower pace and in a way much less likely to deliver the transport infrastructure required to support growth in a coordinated fashion.
33. Whilst the bid aligns with the Melton Local Plan and will help to support / enable development where there is already known to be market interest, it is important to stress that acceptance of the bid is not intended to prejudice the proper consideration of any specific development locations or proposals as they come forward through the planning process, including through the development of future Local Plans.

#### Risks and cost sharing

34. Likely conditions associated with the HIF funding include period payments (usually 6 months); delivery being on track (if not payments might be withheld);

funding being spent only on capital costs and there being an agreed delivery date for the scheme. This will be discussed with Homes England

35. The working assumption is that Government grants and s106 developer contributions will fill any funding gaps. However, as is normal with any development, s106 developer funding is not recouped until a development has been granted planning permission and reached certain stages of occupation. There is therefore a requirement for the County Council to forward fund the project (the estimated cost of which is £13.2m for the Southern section), which puts it at significant risk, given that securing and maximising the necessary level of s106 developer contributions is outside of its control, this being managed by MBC as local planning authority.
36. The proposed risk-sharing agreed with MBC relates to the remaining road infrastructure costs (not funded by grant) in relation to the northern/eastern and southern sections of the MMDR. It will need to be finalised prior to signing of the agreement with Homes England, which is expected to be in place by the end of this financial year.
37. The legal risk-sharing agreement will be based on the following already agreed broad principles:
  - Ensuring additional tax revenues from Council Tax and New Homes Bonus generated from the consequential housing in the area are utilised to support the forward funding of the scheme and cover any potential ongoing funding shortfall. This will also go towards mitigating the risk that developer contributions fall short of the overall scheme costs;
  - Any growth in business rate revenues will be retained to cover internal costs of scheme delivery;
  - No funds are diverted from what MBC requires to deliver its Medium Term Financial Strategy;
  - Actively seeking contributions from other sources such as the business rate pool, business rate pilot and other Government funding streams to fund the infrastructure;
  - Ensuring developer funding from the proposed developments are maximised and secured as early in the development as possible;
  - Uses existing governance mechanisms for the Melton Mowbray Transport Strategy;
  - The agreement would be subject to amendment where funding streams are amended or reviewed;
  - The agreement is time-limited to 2035/36;
  - Agreeing viability assessment methodology and transparency of outcome.

### **Consultation**

38. The HIF process does not provide for public consultations to be undertaken on bids; in many respects the confidential nature of matters including specific development sector information counters against being able to meaningfully conduct such consultations.

39. However, the Melton Local Plan, which provides the statutory planning policy for the Melton Southern SN and the MMDR, has been informed by extensive public involvement and has been subject to an examination in public (EIP). The EIP Inspector fully endorsed the growth proposals for Melton Mowbray and the proposals for the MMDR and the Local Plan have been duly adopted on that basis. Overall, there is general public support for the MMDR and the extensive consultation that took place as part of the planning application for the North and East sections MMDR resulted in very few objections.
40. Following successful award of HIF funding further consultation would be undertaken as planning permission for the MMDR southern section still needs to be progressed.
41. As and when specific proposals come forward through the planning process for any further growth in Melton, they will be subject to statutory consultation processes.

### **Next Steps**

42. Subject to the Cabinet's acceptance of HIF funding, the proposals will be fully developed, with a view to delivering the transport infrastructure in the required timeframe (Spring 2019 to 2023/24). Officers will work closely with the developers along the MMDR Southern section as they submit the necessary planning applications through 2020.
43. Work will continue to develop the complete MMTS. In essence, the MMTS will provide the basis for the future development and delivery of a wider range of transport measures that will complement the MMDR and further support the future growth of the town. Such measures, the delivery of which is likely to be through a mixture of public and private (developer) funding, are likely to include traffic management (e.g. road resigning and reclassifications); improvements for walking and cycling, and measures to support and promote use of passenger transport. The MMTS will be subject to further reports to the Cabinet as necessary.

### **Conclusion**

44. The County Council has a strong track record of securing funding to deliver transport infrastructure to enable growth, supporting the delivery of its strategic outcomes to promote a strong economy and to ensure a supply of quality and affordable homes. Despite this, there remain considerable challenges in seeking to meet the future housing (and job) needs of the area's changing and growing population.
45. The Housing Infrastructure Fund (HIF) award offers a significant opportunity for the County Council to support the delivery of the Melton Local Plan which sets out the need for the MMDR southern scheme, a continuation of the eastern MMDR alignment to further unlock housing and employment development as part of the Melton South SN.

46. It also provides opportunities to enable better integration and co-ordination of transport infrastructure with the new development. This should benefit local communities in areas close to proposed new development locations and help to address often expressed community concerns that when development happens the transport infrastructure required to mitigate its highway impacts is not provided in a sufficiently timely fashion.
47. The risk-sharing agreement with MBC will go some way to mitigate against the financial risk for the County Council in accepting the HIF funding and delivering the infrastructure.

### **Equality and Human Rights Implications**

48. The MMDR Southern section was identified in the Melton Local Plan as essential for the delivery of the planned growth in the district. The Plan itself was subject to an Equality and Human Rights Impact Assessment. Any future scheme will be subject to further assessment in line with the County Council's policy and procedures, more detailed assessments of specific proposals will be undertaken as they come forward through the planning process.

### **Environmental Implications**

49. An environmental impacts study was carried out as part of the HIF bid development process to inform the WebTAG assessment. In accordance with relevant regulatory requirements, more detailed assessments of the specific proposals will be undertaken as they come forward through the planning process.

### **Background Papers**

Report to the County Council – 20<sup>th</sup> February 2019 - The County Council's Medium Term Financial Strategy for 2019/20 to 2022/23  
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=5125&Ver=4>

Report to the Cabinet - 24<sup>th</sup> May 2019 - Supporting Growth in Leicestershire  
<http://politics.leics.gov.uk/documents/s145945/Supporting%20Growth%20in%20Leicestershire.pdf>

Report to the Cabinet - 18<sup>th</sup> December 2018 - Housing Infrastructure Fund  
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5793&Ver=4>

Report to the Cabinet – 23rd November 2018 – Leicester and Leicestershire Strategic Growth Plan 2018 - 2050  
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5185&Ver=4>