

Leicestershire County Council
(Including in its role as the Local Highway Authority for Leicestershire)

Charnwood Local Plan Examination
Consultation response to new evidence documents – September 2023

1. The County Council took a paper to its Cabinet on 24 October 2023 which included an update on the current status of Charnwood Borough Council's Local Plan, the position of the County Council in respect of the latest period of consultation and the progress made on the Interim Transport Contributions Strategy (ITCS). For reference, a link to the report can be found here: <https://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7079&Ver=4>

Response to the consultation

The Sustainability Appraisal Addendum - December 2022 (Exam 57)

2. In its written statements in January 2023, the County Council made reference to the in-principal approach to accommodating the unmet need arising from Leicester City, as being a practical and relatively low-risk overall approach.
3. The County Council do not consider it necessary to comment further on this document.

Charnwood Additional Housing Supply Update - September 2023 (Exam 56a)

4. The County Council do not consider it necessary to comment on this document.

Updated housing trajectory September 2023 (Exam 58 B); Updated Housing Trajectory update notes September 2023 (Exam 58 C); An update to the five year supply on adoption of the Local Plan (Exam 58 D); Five Year Housing Land Supply List (Exam 58 E)

Leicestershire County Council do not consider it necessary to comment on these documents.

Draft Transport Strategy document (Exam 75)

5. This document was prepared by the County Council and submitted to Charnwood Borough Council in response to the Inspectors' letter to the Borough Council on 23 May 2023.
6. It provides the broad contents of and framework for the three area transport strategies (for Loughborough and Shepshed, the North of Leicester and the Soar Valley respectively) that were identified to be necessary within the Local Plan to underpin its delivery, once adopted, outlining in more detail:
 - their rationale and context
 - work undertaken to date to prepare them
 - work that is currently ongoing to inform the final strategy documents
 - the latest assumptions about their costs, potential funding sources and delivery
 - next steps
7. The County Council do not consider it necessary to comment further on this document.

Updated viability work - August 2023 (Exam 76)

8. The initial Charnwood Local Plan Viability study report was dated February 2021. Numerous addendum reports have been produced since to reflect changes in offsite transport costs, but also the effects of other significant changes to local and national policies and development costs.
9. The updated August 2023 report from Charnwood Borough Council's viability consultants seeks to update and consolidate the various viability assessments, to form a robust and sound evidence base for the Local Plan to be adopted. County Council officers have engaged with Charnwood Borough Council officers around updated school build costs and the indicative costs of Transport Strategies.
10. There is no single 'big ticket' item required to enable delivery of the Charnwood Local Plan, essentially because of the dispersed nature of the housing spatial strategy. Nevertheless, in terms of education, and highways and transport alone the currently estimated total cost is at least £320m, split as follows:
 - i. **Education circa £140m:** The figures in the updated viability work from a school build cost perspective have been reviewed by County Council officers and it is considered that these are accurate and follow an appropriate methodology. There had been some concern from the County Council that costs would be based on those in the County Council's current Planning Obligation Policy, but costs have been duly based on the County Council's most recent experiences of delivering new school places and so more accurately reflect the high inflationary costs being experienced. It is considered that the plan would provide sufficient contributions to deliver education requirements.
 - ii. **Highways and transportation circa £183m:** The figures used in the updated viability work reflect the best estimates available. In the case of the road scheme estimates, they have been subject to an independent peer review; the estimates for the walking and cycling elements have been derived from work undertaken to develop Local Cycling and Walking Infrastructure Plans; and the passenger transport cost estimate is based on costings for the current Rural Mobility Fund 'FoxConnect' pilot.
11. In comparison, the updated viability report states that the maximum developer funding that could potentially be secured from allocated housing sites within the draft Plan is circa £200m. It is important to note that:
 - i. It is understood that this calculation is based on all allocated sites contributing at the maximum level. It does not discount for those sites that have already secured approval (currently circa 1,500 dwellings to date out of circa 10,500 total).
 - ii. The viability report states that it is not recommended to set contributions right up to the margins of viability. This is because every site and scheme is unique and there needs to be sufficient additional contingency / buffer / optimum bias to ensure that the policies and the Plan are deliverable, and that property development is not stymied.
 - iii. This £200m is the maximum for all contributions, not just those for highways and/or education.
12. In previous reports to the County Council's Cabinet it has been stated that contributions to education would take priority over those for highways and transportation measures. On that basis, and reflecting the figures set out above there is an apparent minimum funding gap of at

least £120m in terms of funding for highways and transportation measures and infrastructure, calculated as follows:

- £200m (maximum level of developer contributions as set out in updated viability report) - £140m (current estimated education cost) = £60m (balance) -
- £180m (current estimated highways and transportation costs) means £120m gap at least.

13. This is a very significant gap but on balance it is proposed that the Local Plan is supported for the following reasons:

- i. The demand for new homes, jobs, school places, travel, etc. is a result of the area's growing population. That demand will arise whether or not there is a Local Plan in place.
- ii. Given the context set out in paragraph 9, that the Local Plan in and of itself is unable to meet the estimated costs of the infrastructure and measures required to enable growth in Charnwood in the future should be of no surprise. In reality, the lack of coordination between spatial planning and 'public' investment in infrastructure and services is a national issue; officers have taken and will continue to take appropriate opportunities, such as through Government consultations or Parliamentary calls for evidence, to raise this issue and call for action by Government to address the problem.
- iii. The failure to achieve an adopted Local Plan would do nothing but worsen the situation, with speculative, unplanned growth coming forward to fill the vacuum and without a cohesive basis on which to secure developer contributions, and thus with the potential to have far more significant impacts on local communities than if growth was delivered in a planned way.
- iv. Continuing on the course of developing the three area transport strategies (for Loughborough and Shepshed; North of Leicester; and the Soar Valley) underpinned by a contribution's mechanism remains the best way in the circumstances to:
 - a) Secure whatever level of developer contributions is available to fund highways and transport measures in the Borough, bearing in mind site viability considerations
 - b) Seek to secure whatever 'public' funding might be available. At this time, there is still much uncertainty about how the Prime Minister's recent announcement on "Network North" to cancel the remaining sections of HS2 and redistribute the funding across much of the country will work in practice. Nonetheless his announcement referred to two new funding sources that could be relevant: a Midlands Road Fund worth nearly £650m for new roads and £2.2bn fund to transform local transport, to be available in every part of the Midlands outside the mayoral combined authority areas and the new East Midlands (Derbyshire, Nottinghamshire, Derby and Nottingham) combined authority.

14. To conclude, overall, it remains in the best interests of communities in the Borough of Charnwood to have an up-to-date Local Plan in place and thus for the County Council to continue to work with Charnwood Borough Council to seek to achieve this, recognising the challenges faced as set out above.