



Cabinet

To the Cabinet on Friday, 17 November 2023

Date of meeting: Monday, 27 November 2023

Time: 18:30 Please note start time.

Venue: The Council Chamber

The Symington Building, Adam and Eve Street, LE16 7AG

Members of the public can access a live broadcast of the meeting from the [Council website](#), and the meeting webpage. The meeting will also be open to the public.

- Information Exchange from Portfolio Holder
- Topical Issues
 - Questions
 - Petitions
 - Notices of Motion

Agenda

- 1 Apologies for Absence**
- 2 Declarations of Members' Interests**
- 3 Draft Cabinet Minutes - 23rd October 2023 (to follow)**

Consider the following reports:

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11	To consider any urgent items (to be decided by the Chairman)		

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Harborough District Council



Report to Cabinet Meeting of 27 November 2023

Title:	New Local Plan – Issues and Options Consultation
Status:	Public
Key Decision:	Yes
Report Author:	Tess Nelson, Head of Strategic and Local Planning
Portfolio Holder:	Planning Portfolio, Cllr Simon Galton
Appendices:	A. Issues and Options Consultation document

Summary

- i. The report seeks a recommendation from Cabinet to Council for approval for the Issues and Options document (Appendix A) to be published for public consultation.
- ii. Approval is also sought for delegation to be given to the Director of Planning in consultation with the Portfolio Holder for Planning for factual updates, minor changes and the insertion of additional diagrams and other visual aids to enable the finalisation of the document and its publications for consultation purposes.
- iii. The planning system is plan-led. This means that planning applications must be considered and determined in accordance with the development plan unless material considerations indicate otherwise. This means the development plan must be kept up to date.
- iv. The current Harborough Local Plan was adopted in 2019, and although it remains up to date, a new local plan is being prepared to ensure the development plan remains up to date, in line with Government guidance.
- v. Issues and Options is the first public consultation in the preparation of the new local plan. Its purpose is to start a public conversation about the future of the district and about what the new local plan should contain.
- vi. The consultation document focuses on a number of key planning issues, including homes, jobs, heritage, town centres, climate change, biodiversity and protection of important open spaces. Each issue is introduced, explained, and feedback sought via a number of consultation questions.
- vii. It is intended for the consultation to run during January 2024 – February 2024. A dedicated webpage will be set up to host the consultation document and enable comment through a consultation portal. Responses received will be used to inform the next stage of preparing the new local plan.

Recommendations

It is recommended that:

- 1. A recommendation is made to Council to approve the New Local Plan Issues and Options Consultation document (Appendix A) for public consultation.**
- 2. Authority to make any factual corrections and minor changes to finalise the consultation document and facilitate the requirements of setting up consultation material as well as to make any changes agreed at Cabinet and Council be delegated to the Director of Planning, in consultation with the Portfolio Holder with responsibility for Planning.**

Reasons for Recommendations

- i. A new local plan is beneficial to provide long term certainty, allocate development in sustainable locations and protect important natural spaces and built heritage. Whilst the current local plan is up to date, it is important for work on the new plan to progress in line with the local plan timetable (set out in the Local Development Scheme, elsewhere on this agenda) in order to guide the development of the district in accordance with the Council's policy and priorities.
- ii. The Levelling-up and Regeneration Act 2023 introduced a revised statutory framework for the 'making of local plans. The legislation provides for a period of transition and the transition period is currently expected to end by 30 June 2025. Plans must be submitted by this date or await the introduction of the new planning system, which is expected to place a considerable delay on progress being made on the new local plan for the Harborough District. As such it is important that progress is made on the new local plan, to support achieving the deadline of submission by 30 June 2025.
- iii. The Issues and Options consultation is an important first public stage in preparing the new local plan. It seeks feedback on significant issues, which will inform future stages of preparation of the local plan. Approval from Council is required in order to begin the public consultation. As such, a recommendation from Cabinet for publication of the Issues and Options document for public consultation is sought.
- iv. Approval is also sought for factual and other minor incidental changes to be made to the Issues and Options document prior to consultation. This includes the additional of graphical and other visual material to aid understanding and encourage engagement. This delegated authority will enable such changes to be made and the document to be published with any necessary corrections / updates.

1. Purpose of Report

- 1.1. This report seeks a recommendation to Council for approval for public consultation to be undertaken on the new Local Plan "Issues and Options" document. The proposed document for consultation is appended to this report (Appendix A).

- 1.2. This report seeks approval for delegation to be given for factual corrections and minor changes to be made to finalise the consultation document, where those changes do not alter the intent of the consultation document, by the Director of Planning in consultation with the Portfolio Holder with responsibility for Planning.

2. Background

- 2.1 In England there is a 'plan-led' approach to the regulation of land and development which places local plans at the heart of the town and country planning system. A local plan forms part of the statutory 'development plan' for an area and is the starting point for the determination of all planning applications in the area unless material considerations indicate otherwise.
- 2.2 The Planning and Compulsory Purchase Act 2004 places a duty on local authorities to carry out plan-making with the "objective of contributing to the achievement of sustainable development" while the Planning Act 2008 puts an additional obligation on plan-making authorities to ensure their development plan documents (taken as a whole) include policies that are "...designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change."
- 2.3 Chapter 3 of the National Planning Policy Framework ('NPPF') sets out the requirements that planning authorities are expected to comply with when preparing a local plan, stating at paragraph 16 specifically that plans should:
 - a. be prepared with the objective of contributing to the achievement of sustainable development;
 - b. be prepared positively, in a way that is aspirational but deliverable;
 - c. be shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees;
 - d. contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals;
 - e. be accessible through the use of digital tools to assist public involvement and policy presentation; and
 - f. serve a clear purpose, avoiding unnecessary duplication of policies that apply to a particular area (including policies in this Framework, where relevant).
- 2.4 The Harborough Local Plan was prepared and subsequently adopted in April 2019. It replaced the previous Harborough District Core Strategy adopted in 2011. The adopted plan provides at Policy IMR1 that:

"2. A full or partial update of the Local Plan will be commenced (defined as the publication of an invitation to make representations in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012) within 6 months of the following:

- a. the adoption by the Council of a Memorandum of Understanding (MOU) or Statement of Common Ground (SoCG) which proposes a quantity of housing or employment development to 2031 that is significantly greater than the housing requirement or employment need identified in this Local Plan; or
- b. in the absence of an adopted MOU or SoCG, 12 months from the date of publication of a Local Plan for Leicester City (defined as publication of an invitation to make representations in accordance with Regulation 19 of the Town and Country (Local Planning) (England) Regulations 2012) ('a Regulation 19') that includes satisfactory evidence of an unmet local housing need; or
- c. conclusion of a review in response to specific trigger points as set out in the monitoring framework, including identification of significant and persistent shortfalls in the delivery or supply of housing against the housing requirement.

3. Any full or partial update of the Local Plan triggered by 2. above will be submitted for examination within 30 months from the date it commenced."

- 2.5 Whilst the current local plan remains up to date, the trigger set out at paragraph 2.4, 2.b. above has been activated as a consequence of Leicester City Council publishing a Regulation 19 on 16 January 2023. This means that the Council must commence a full or partial update of its local plan in accordance with the Regulation 18 provisions. This accords with a decision by Cabinet in July 2021 to begin the preparation of a new local plan. A new local plan is beneficial to provide long term certainty, allocate development in sustainable locations and protect important natural spaces and built heritage.

3. Details

- 3.1 The Issues and Options consultation is the first formal public consultation on the new local plan. Its purpose is to begin a public conversation about what the local plan should contain and the kind of place we want Harborough to be in the future. The consultation will be aimed at residents of Harborough, as well as visitors, people who work and do business in the district, as well as wider stakeholders including Parish Councils, resident groups, interest groups, infrastructure and utility providers, developers and those with an interest in the district and neighbouring authorities and other public bodies.
- 3.2 With a wide audience, it is important that the consultation document is accessible and as easy to engage with as possible. At the same time, the consultation needs to provide enough context and detail to enable responses to inform future, more technical stages of the Local Plan.
- 3.3 The consultation document is being designed to be as visually engaging as possible, with diagrams and flowcharts to explain key processes and information. Further diagrams will be added to aid understanding prior to publication. The document will be available online through a dedicated consultation portal and a summary leaflet of its content will be available to act as a guide and to sign post to further sources of help, should that be necessary to enable access.
- 3.4 The Issues and Options consultation document seeks views on a number of planning issues and proposed options for the future development of the district. Each key planning issue is introduced with relevant background information and policy explained before a

proposed approach or set of proposed options outlined. Comments and feedback is sought through a number of detailed questions relating to each key issue. The issues for inclusion have been identified through engagement with the Local Plan Member Advisory Panel, through a review of national planning policy and also address the key objectives of the Council and include:

- Homes (including affordable homes and specialist homes and accommodation types);
- Jobs;
- Protection of green spaces;
- Good design;
- Climate change;
- Flood risk;
- Water supply and waste management;
- Biodiversity and geodiversity;
- Heritage;
- Healthy communities;
- Natural spaces;
- Open spaces, sport and recreation;
- Town centres
- Tourism.

3.5 This is an important stage in preparing the new local plan and the consultation document seeks feedback on the broad policy areas outlined above, as well as more technical aspects of plan preparation, including:

- The overarching vision for the district, based on the Council's Corporate Plan;
- Objectives for the new local plan;
- Strategic matters;
- The scale and location of housing growth;
- The plan period;
- The settlement hierarchy
- The scale and location of employment growth; and
- The proposed methodology for assessing potential sites for allocation for specific uses (such as for housing or employment use).

3.6 The new local Plan is proposed to cover the period from 2020 to 2041. This is to ensure the local plan meets the requirement of national planning policy to cover a period of at least 15 years from the time the plan is adopted (currently scheduled for 2026) to the end of the plan period. Comments and feedback are welcomed as part of the consultation.

3.7 Accompanying the consultation will be an invitation to submit sites for consideration for allocation for housing, employment and other uses through the local plan. A similar exercise was undertaken in 2021 and generated c250 sites. A further invitation (known as a 'Call for Sites' will be issued alongside the consultation. This serves to ensure that all potential sites are fully considered through the local plan preparation process.

3.8 A number of additional documents will be published alongside the consultation document. These include: a summary and glossary to aid understanding and engagement and to signpost readers to sources of further information and support; evidence documents; an emerging Duty to Cooperate Statement; an emerging Sustainability Appraisal, and an emerging Equality Impact Assessment.

- 3.9 Consultation responses will inform the next version of the local plan, which will include more detail, including draft policies and proposals relating to specific areas of land. The draft local plan will be the subject of further public consultation before being submitted to the Secretary of State for public examination by the Planning Inspectorate. The examination stage will test whether the plan has been prepared in accordance with the relevant legislation and whether it meets the Tests of Soundness. One of the legal tests it must pass, is that the plan has been prepared in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012), which require public consultation; the first of which is the current consultation, in accordance with Regulation 18.

4. Implications of Decisions

Corporate Priorities

- 4.1. Publication and consultation on the Issues and Options consultation document is an important stage in preparation of the new local plan. This will aid delivery of the following corporate priorities:
- CO1: There will be an adequate supply of housing to meet local needs across all tenures and price ranges, and reducing the potential for homelessness
 - CO2: Our local plan will ensure growth in the area is balanced with employment opportunities and transport and infrastructure needs are met
 - CO3: The rural nature of the district will be recognised, and our heritage and cultural assets are preserved
 - CO4: Our local communities, the voluntary and charitable sector are more engaged and actively managing their own localities and shaping their own places
 - CO5: The district will be shaped through good design, that addresses local needs and promotes healthier life choices.

Consultation

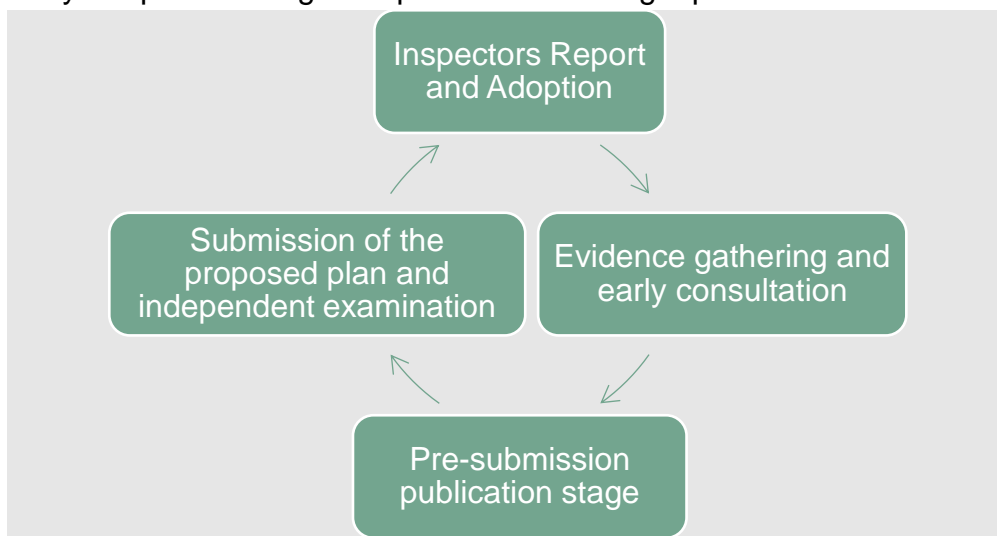
- 4.2. Consultation is expected to be undertaken during January 2024 to February 2024. A dedicated web page will be established to host the consultation document and to encourage and enable feedback via a specialist planning consultation portal.
- 4.3. Consultation will be undertaken in accordance with the relevant regulations and in accordance with the consultation principles established through the Statement of Community Involvement (SCI).
- 4.4. Stakeholders will be notified of the start of the consultation and provided with details of where the consultation document can be accessed, how responses can be made and where further support and advice is available, should it be required, in order to engage with the consultation and provide their feedback.
- 4.5. Parish Councils will be provided an additional 4 weeks' notice of the start of the consultation, to enable further time for consideration of the consultation material and the establishment of further meetings, as required.
- 4.6. A dedicated telephone number and email address will be provided to enable support and advice to be provided to anyone who requires support to engage with the consultation.

Financial

- 4.7. No additional resources are required to enable the publication of the Issues and Options document for consultation. Elsewhere on the agenda Cabinet will receive a report which sets out the details of additional resources needed in order to progress preparation of the local plan and submission by 30 June 2025.

Legal

- 4.8. Consultation will take place in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012.
- 4.9 The Planning and Compulsory Purchase Act 2004 places a duty on local authorities to carry out plan-making. The process of making a plan involves four main stages:



- 4.10 The Issues and Options consultation forms an important part of the 'Evidence gathering and early consultation' stage of preparing a local plan.

Environmental Implications

- 4.11 Publication of the Issues and Options document for consultation will support delivery of the Local Plan. The new Local Plan will have implications in relation to the spatial planning of the district. The wider environmental implications of the scale and distribution of development and associated supporting infrastructure will be assessed through the Sustainability Appraisal of the Local Plan, which incorporates the requirements of the SEA Directive.

Risk Management

- 4.12 Publication of the Issues and Options document for consultation will support delivery of the Local Plan in accordance with the timetable set out in the draft Local Development Scheme (elsewhere on this agenda). In so doing, this serves to ensure the local plan remains up to date and manage risks associated with not having an up-to-date local plan.
- 4.13 Failure to approve the Issues and Options document for public consultation risks a delay to the start of the consultation period. This is an important and statutory part of plan making. Any delay would have a knock-on effect on the work programme for preparation of the local plan and would make achieving the 30 June 2025 deadline impossible. Due to the incredibly tight deadline imposed by Government, there is no room for delay. Any delay to this or subsequent stages will prevent the deadline being achieved.
- 4.14 Not meeting the Government deadline to submit the new local plan by 30 June 2025 would mean that preparation of the new local plan would suffer a hiatus whilst the Government

introduces the new planning system. This would impose a significant delay on plan making. It is anticipated that under the new planning system, work on the new local plan would be delayed until a start in 2027, resulting in a very significant delay in adoption until 2030. This would result in the district not having an up-to-date local plan for a number of years and place the district at considerable risk of speculative, unplanned development.

- 4.15 The Government is proposing transitional arrangements to enable up to date plans which become more than five years old during the first 30 months of the new system to be protected from speculative development. This will not protect the Council's current local plan which was adopted on 30 April 2019 and will become five years old before new arrangements are expected to be in place. The current local plan will therefore remain out of date until replaced by a new local plan. If the 30 June 2025 deadline is not met, this could potentially be as late as 2029 or 2030. That would place the District at considerable risk of speculative development over a period of several years and is not recommended.

Equalities Impact

- 4.16 An Equalities Impact Assessment (EIA) for the Local Plan will be prepared and regularly reviewed as part of the Local Plan making process. In addition, an EIA will be prepared for each public consultation stage.

Data Protection

- 4.17 Any consultation on the Local Plan will be carried out in compliance with the provisions of the UK GDPR and the Data Protection Act 2018.

5. Alternative Options Considered

- 5.1 Option 1: Cabinet agree to recommend to Council publication of the Issues and Options document for consultation. This is recommended.
- 5.2 Option 2: Cabinet does not agree to recommend to Council publication of the Issues and options document for consultation. This is not recommended since it will delay the start of the Issues and Options consultation and will significantly increase the risk of the Council being unable to achieve submission of the new local plan by the Government-imposed deadline of 30 June 2025. The consequence of missing this deadline is needing to await the establishment of the new planning system and the likely delays that will incur. Due to the proposed way in which the new planning system is being introduced, local plan preparation is likely to be significantly delayed, with the start of plan preparation expected in 2027, meaning adoption not until, at least, 2030.

6. Recommendation

- 6.1 It is recommended that:
1. A recommendation is made to Council to approve the New Local Plan Issues and Options Consultation document (Appendix A) for public consultation.
 2. Authority to make any factual corrections and minor changes to finalise the consultation document and facilitate the requirements of setting up consultation material as well as to make any changes agreed at Cabinet and Council be delegated to the Director of Planning, in consultation with the Portfolio Holder with responsibility for Planning.

7. Background papers

[Statement of Community Involvement \(SCI\)](#)

Cabinet decision to prepare a new Local Plan June 2021 available at the following link:

[Meetings and Events \(harborough.gov.uk\)](https://www.harborough.gov.uk/Meetings-and-Events)

APPENDIX A



Harborough District Council New Local Plan

Issues and Options Consultation January 2024

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Introduction

1. Overview

- 1.1. Harborough District Council is preparing a new Local Plan and is holding a six-week public consultation on what it should contain. Consultation runs from January to February 2024.
- 1.2. This is the first stage of public consultation on the preparation of the new Harborough Local Plan. It seeks views on a range of planning issues and potential options for the future development of the District. Details on how to respond are available on the Harborough District Council website [link to be inserted].
- 1.3. Your consultation responses and further work will inform the next version of the Local Plan, which will contain more detail. The next version will also be subject to further public consultation.
- 1.4. Alongside this consultation the Council is carrying out a 'Call for Sites' [link to be inserted] which is an opportunity for landowners and site promoters to put forward potential development sites for consideration during preparation of the new Local Plan.
- 1.5. We have also published a Sustainability Appraisal of this Issues and Options consultation document. This is the first stage of the sustainability appraisal of our new plan and will be updated at each stage as the Local Plan progresses to ensure the potential social, environmental and economic effects of the plan are appropriately considered and inform the Local Plan. It is not a decision-making document.

What is a Local Plan?

- 1.6. Local planning authorities are required to prepare a local plan to deliver sustainable development in their area. The Local Plan will set out the strategy for the amount, location and design of new built development (such as homes, schools, employment, retail etc.) whilst helping to protect the countryside, important green spaces and our built and natural heritage from inappropriate development.
- 1.7. Preparation of the new Local Plan provides an opportunity for local people and other interested parties to help shape what the District will look like over at least the next 15 years.
- 1.8. Once adopted the new Local Plan will be used to make development decisions and determine planning applications.

Why are we doing a new Local Plan?

- 1.9. The Council needs to ensure its Local Plan remains up to date so it can positively manage built development and protect areas from inappropriate

development. The current [Local Plan](#) was adopted in April 2019. Although it is considered to be up to date, it takes a number of years to prepare and adopt a new Local Plan so the Council is preparing a new one to ensure it remains up to date in future.

- 1.10. The Local Plan 2019 also contains policies requiring it to be updated in certain circumstances. One of these is linked to the publication of the [Leicester City Local Plan](#) which was published in January 2023. This means we must update the Local Plan to set timescales. A new local plan is beneficial to provide long term certainty, allocate development in sustainable locations and protect important natural spaces and built heritage.

What is the timetable for preparing the Local Plan?

- 1.11. The Council's timetable for Local Plan preparation is set out in its [Local Development Scheme](#). The timetable is as set out below. For clarity, this current consultation is the 'Issues and Options Consultation (Regulation 18)' the timetable and is the first public consultation on the preparation of the new Local Plan.

Local Development Scheme (November 2023): New Local Plan preparation timetable

	2023				2024												2025												2026													
Stage	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D		
Issues and Options consultation (Regulation 18)																																										
Proposed Submission Consultation (Regulation 19)																																										
Submission for Examination																																										
Local Plan Adoption*																																										

- 1.12. The timetable may be updated and published on the Council's website as Local Plan preparation is progressed to reflect the latest position.

2. Background

- 2.1. Local plans are not prepared in isolation, they need to take into account a range of national, regional and local policies and strategies.

National Planning Policy and Guidance

- 2.2. The Local Plan must take into account the [National Planning Policy Framework](#) (NPPF) and [Planning Practice Guidance](#) (PPG). This requires local plans to set out an overall strategy for the pattern, scale and quality of

development, and make sufficient provision for: Housing (including affordable housing), employment, retail, leisure and other commercial development; Infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal management, and the provision of materials and energy (including heat); Community facilities (such as health, education and cultural infrastructure); and Conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.

- 2.3. Government has made clear its intention to reform the planning system through the Levelling Up and Regeneration Act which sets out parameters for the process and content of new-style local plans. To this end Government has set a deadline for local plans produced under the current system to be submitted for examination by June 2025.
- 2.4. Plans submitted after this deadline will need to follow the new system. Under the new system plans take 30 months to prepare from start to finish and Government intends to have in place regulations, policy and guidance by autumn 2024 to enable the preparation of the first new-style local plans to start.
- 2.5. To ensure a smooth transition to the new system, Government has sought views on options for a phased roll out. The Harborough Local Plan was adopted in 2019 so we are unlikely to be in an early phase which means it will take several years to get a new plan in place under the new system (taking into account potential start dates for the new system and the 30-month timescale for plan preparation).
- 2.6. This Issues and Options consultation has been prepared in the context of the current legislation, policy and guidance which provides the legal basis for plan making. In progressing the preparation of the Local Plan, the Council will carefully follow national developments and ensure any new national requirements are incorporated into the Plan making process as appropriate. All the proposed options in this document must therefore be accompanied by a clear caveat that they are proposed in the context of the current situation and may need to be amended as the new Local Plan progresses.

Strategic Growth Plan

- 2.7. The [Leicester & Leicestershire Strategic Growth Plan](#) was prepared by the 9 local authorities in Leicester & Leicestershire and published in 2018. It is a non-statutory strategic plan that provides a framework to help guide individual local plans. It focuses on four key matters: delivering new housing, supporting the economy, identifying essential infrastructure, and protecting the environment and built heritage.

- 2.8. The Strategic Growth Plan recognises that significant new development cannot be accommodated within Leicester and Leicestershire without significant investment in infrastructure and services.
- 2.9. It proposes:
- Focusing growth in areas close to existing employment clusters and opportunities and new infrastructure proposals
 - Focusing growth in major strategic locations and reducing the amount that takes place in existing towns, villages and rural areas
 - Five key growth areas are identified. Those relevant to Harborough District are Leicester Our Central City, the A46 Priority Growth Corridor and the A5 Improvement Corridor
 - Delivery of the strategic growth areas will be as 21st century garden towns, villages and suburbs. New housing and employment will be planned together with new and improved roads, public transport, schools, health services, local shops and open space.

Neighbourhood Plans

- 2.10. Neighbourhood planning gives communities direct power to develop a shared vision for their neighbourhood and shape the development and growth of their local area. It provides tools for local people to plan for the types of development to meet their community's needs.
- 2.11. All Neighbourhood Plans need to be produced in broad conformity with the strategic policies set out within the District Council's Local Plan.
- 2.12. There are currently 29 made Neighbourhood Plans in the District and a significant number being prepared or updated.
- 2.13. Neighbourhood plans should be kept up to date if circumstances change and some may need updating to align with strategic policies in the new Local Plan. This is because Government policy requires neighbourhood plans to support the delivery of strategic policies in local plans.
- 2.14. We are required to set out a housing requirement for neighbourhood areas which reflects the overall strategy for the pattern and scale of development in the new Local Plan. The current Local Plan (2019) does this for the plan period to 2031 and the new Local Plan is likely to do it for the period up to 2041 (to meet Government requirements for plans to cover a 15-year period from the date of adoption).
- 2.15. Some neighbourhood areas currently working on new plans or updating existing plans have been given indicative requirements to 2036 as required by Government policy to enable them to progress. These figures may need to be updated as the new Local Plan progresses.

3. Vision & Objectives

3.1. A key element of the new Local Plan will be a clear Vision and Objectives for achieving that vision. Together they set a framework for the policies and proposals of the plan. The Vision and Objectives will be developed alongside consideration of key issues and options for the new Local Plan, other relevant plans and strategies, and the views of the local community.

3.2. The [Harborough Corporate Plan 2022-2031](#) is the Council's overarching strategic document which prioritises a clear set of commitments and actions, including the preparation of the new Local Plan. It sets out a clear vision for the District:

"Working with our communities, we will build a future for the people of Harborough district that gives them the best life chances and opportunities through:

- *Community leadership to create a sense of pride in our place*
- *Promoting health and wellbeing and encouraging healthy life choices*
- *Creating a sustainable environment to protect future generations*
- *Supporting businesses and residents to deliver a prosperous local economy".*

3.3. The new Local Plan will be an important element (along with other policies and strategies) to help achieve the Corporate Plan. It will set out a spatial strategy helping to achieve the spatial elements of the Corporate Plan. We would therefore welcome your views on what the Vision for the new Local Plan should say.

[Local Plan Vision](#)

[Question 1: Should the Corporate plan be used as a basis for preparing a Vision for the new Local Plan?](#)

[Question 2: What should the Local Plan Vision say?](#)

Emerging Objectives

3.4. The following set of objectives have been drafted for the new Local Plan for public consultation:

Objective 1: Delivering the right amount and type of housing to meet need

- Establishing need and ensuring housing choice (size, tenure, type) and location to meet the needs of the population. This includes:
 - Affordable housing across all tenures
 - Accessible and adaptable housing to support people throughout all the stages of life
 - Sheltered accommodation for people with additional needs
 - Care homes
 - Self-build and custom build plots
 - Gypsy and Traveller needs
 - Travelling Show-people
 - First Homes.
- Making an appropriate contribution to meeting the justified unmet housing needs of other authorities within the Leicester and Leicestershire housing market area.

Objective 2: Protecting and delivering enough business and employment land to meet need and support economic aspirations for growth

- Resisting the loss of existing employment land and supporting the delivery of new employment land to encourage inward investment, increased employment diversity and the growth of existing businesses.
- Supporting the continued use and re-use as well as intensification, where appropriate, of our existing employment land.
- Ensuring support of existing industries within the District while also supporting emerging sectors.
- Acknowledging the high level of rural business within the District, their different needs and supporting rural diversification.
- Supporting our tourism and hospitality offers both within our centres and in more rural locations across the District. Specialising in local and sustainable tourism focused on the attractive countryside and settlements across the District. Developing new and expanded markets for this type of tourism.

Objective 3: Ensuring a spatial strategy which supports sustainable development

- Maintaining and enhancing the quality of life offered in Harborough District which attracts people to live, work and play here.
- Ensuring new employment and housing are located in sustainable locations.

Objective 4: Protecting and enhancing our villages and towns as centres of the communities they serve

- Maintaining and improving the resilience, vitality and viability of our centres, acknowledging the ever evolving and changing role of town and other urban, sub-urban and rural centres.

- Supporting all our different scales of centres by protecting sustainable local services as well as encouraging the provision of additional sustainable local services and facilities where possible and appropriate.

Objective 5: Securing sustainable, high-quality places through design-led development

- Ensuring a strong emphasis on quality urban design, physical place-making and shaping across all scales of development to positively respond to the new Office for Place and the Government's 'Building Beautiful' initiative.
- Ensuring that all new development is high quality, sustainable and enhances the character of the District.
- Using design to ensure new development is integrated and connected to the wider place.
- Securing excellent design at all scales of development from initial concept and master planning to detailed design of individual schemes.
- Ensuring increased emphasis on context and place-making/shaping when planning new developments through the Local Plan and policies that support and enable their delivery. Place increased emphasis on local Design Coding and site-specific development briefs and master plans to ensure local effect is given to District wide design coding.
- Supporting the development of new spaces that are safe, social and inclusive for all ages, life stages and accessibility levels.
- Using design to support health, well-being and active lifestyles as well as to prevent anti-social behaviour.

Objective 6: Supporting the Council's climate emergency agenda

- Supporting an improvement in air quality across the District through encouraging and making provision for sustainable travel choices to reduce reliance on the private car.
- Requiring new development to minimise carbon emissions through building design and fabric as well as renewable technologies.
- Encouraging waste minimisation and waste prevention through the reuse (and recycling) of building materials.
- Supporting the delivery of charging points for electric modes of transport and emerging/alternative technologies.
- Supporting and encouraging retrofitting of existing buildings with renewable technologies and other appropriate interventions to help support the zero-carbon target.
- Supporting the provision of renewable energy in appropriate locations.
- Addressing the risk of flooding from all sources to both new development and established communities through the location of new development and ensuring green infrastructure includes sustainable drainage systems (SuDS) that are appropriate to the scale and location of each development.

Objective 7: The continued protection and enhancement of our heritage assets

- Ensuring the protection and enhancement of the District's conservation areas, listed buildings, parks and gardens and locally listed heritage assets.
- Ensuring new development within our conservation areas are of a high standard to reflect their distinct character as well as preserving and enhancing the wider heritage assets.
- Supporting the continued use and re-use of our heritage assets to ensure their protection for this and future generations.

Objective 8: Improving open space and biodiversity

- Maximising and enhancing our open space to help tackle climate change, create flood risk resilience, reverse biodiversity decline and provide health and wellbeing for the immediate and wider community.
- Incorporating amenity greenspace, natural and semi-natural greenspace and parks and gardens into all scales of new development as appropriate.
- Ensuring all new green space is multi-functional with a range of habitats, rewilding some open spaces where appropriate and linkages to established habitats for tackling the biodiversity deficit in the District.
- Incorporating play space for all ages and abilities of children into all scales of new development as appropriate.

Objective 9: Developing options for sustainable infrastructure within the District

- Improving walking and cycling accessibility across the District where possible through provision of all-weather cycle and pedestrian links as part of new development and town centre improvements making places accessible and easy to move around places.
- Mitigating the highways and transportation impact of new development.
- Supporting the County Council in delivering sustainable public transport options to support new development.

Objective 10: Monitoring delivery and review of the Local Plan

- Ensuring that delivery of the Local Plan is effectively monitored and used to inform any future review of the Local Plan.

3.5. The objectives will form the framework for the plan, and the policies and proposals of the Local Plan should all contribute to achieving them in a balanced way. This consultation seeks views on the potential objectives above.

Local Plan Strategic Objectives

Question 3: Do you agree with the proposed objectives for the new Local Plan?

Question 4: Are there any additional suggestions that should be included in the proposed objectives?

Strategic Policies: Spatial Strategy

4. Strategic Context

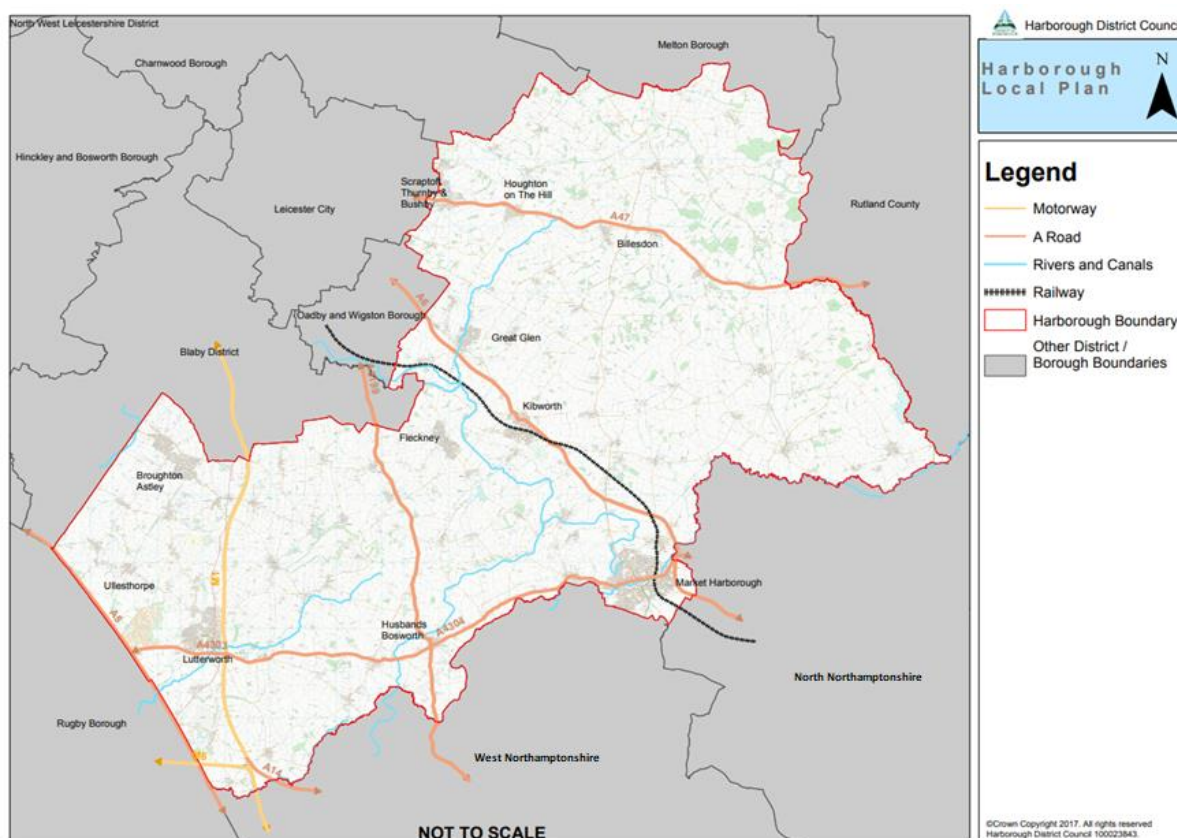
The Duty to Cooperate and Cross-Boundary Matters

4.1. The Duty to Cooperate was established through the Localism Act 2011. It places a legal duty on local planning authorities, county councils and other public bodies to engage constructively, actively and on an ongoing basis to ensure matters that affect more than one local authority area are addressed adequately within plans. Alongside the statutory Duty, Government policy also sets certain requirements on joint working which we need to follow, including:

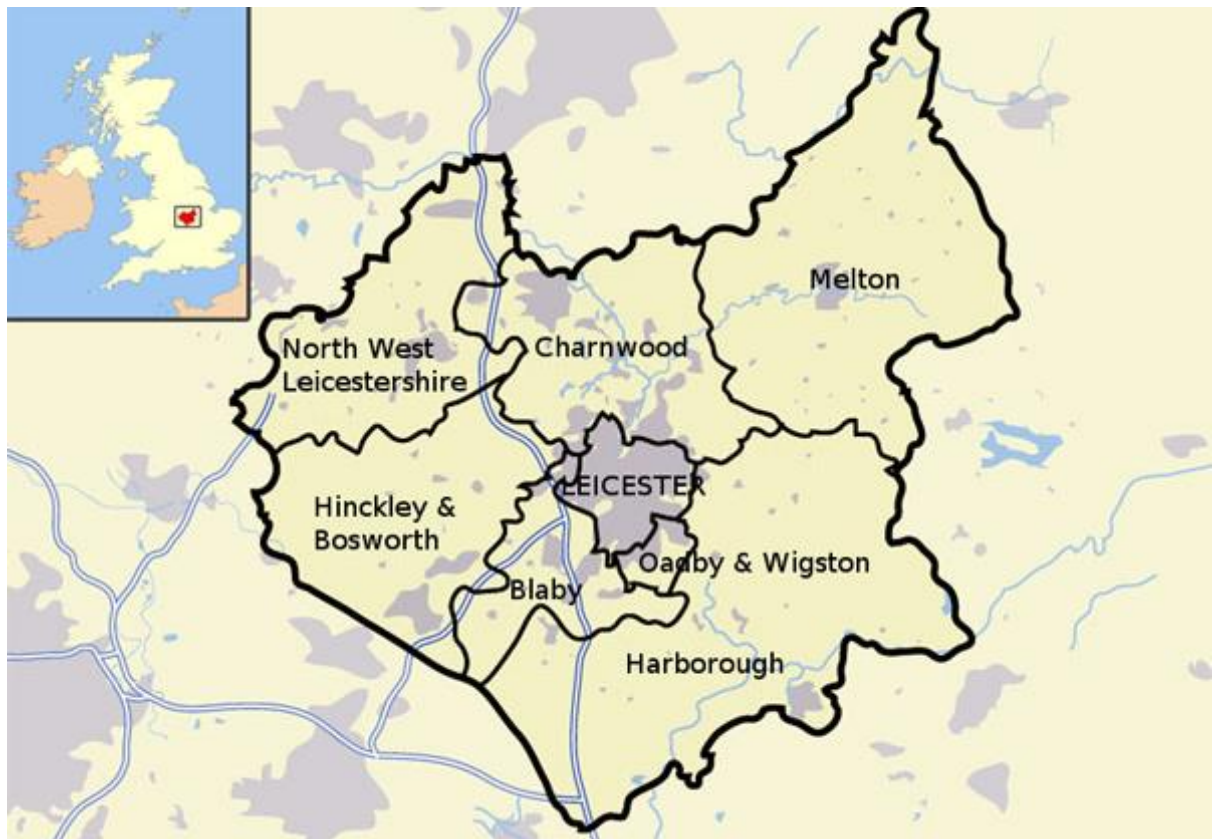
- Joint working between local authorities and relevant bodies is integral to the production of local plans
- We should collaborate to identify the relevant strategic matters which we need to address through the new Local Plan and engage with local communities and relevant bodies
- Joint working should help determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a neighbouring authority's area could be met elsewhere
- Authorities are required to prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address them. These should be produced using the approach set out in national planning guidance.

How does Harborough District relate to neighbouring places?

4.2. Given Government's requirement for joint working and the geography of the area, Harborough District cannot be viewed in isolation from neighbouring areas. The map below shows the local authorities which neighbour Harborough District. Harborough has a particularly strong relationship with Leicester and the rest of Leicestershire. It is dependent on the Leicester urban area not only for the significant amount of employment located there, but also for higher order health, retail and cultural facilities and services. Therefore, the regeneration and economic well-being of the Leicester urban area is an important consideration in any future strategy for the District.



- 4.3. The District lies within the Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Market Area (FEMA), which both cover the whole of Leicester and Leicestershire. These have been defined in recognition of the central economic role of Leicester and the fact that people generally travel to work and move house across local authority boundaries within this area. The Leicester and Leicestershire HMA and FEMA are shown in the map below:



4.4. Taking into account the above statutory and Government policy requirements for joint working as well as how the District relates to neighbouring places, the Council has published a Summary of Duty to Cooperate Engagement [link to be inserted] setting out collaboration carried out so far, ongoing joint work and potential future areas for joint working. Strategic Planning Matters identified to date which require cooperation with partners include the following:

- Housing requirements and distribution (including unmet need issues)
- Affordable housing, housing mix, homes for older persons and others with specialist needs
- Gypsies, Travellers and Travelling Showpeople
- Economy and employment requirements and distribution including strategic warehousing (strategic B8)
- Retail, leisure and other commercial development
- Highways and transport
- Water issues (supply, wastewater, water quality, flood risk);
- Other infrastructure including telecommunications, security, waste management, minerals and energy
- Community facilities (health, education, cultural infrastructure)
- Conservation of the natural environment including biodiversity net gain/local nature recovery strategy/landscape/green and blue infrastructure
- Conservation of the built and historic environment, including quality and character

- Climate change mitigation and adaptation including renewable energy
 - Green wedges
 - Cross boundary sites/impact of potential strategic sites.
- 4.5. As the new Local Plan is at a relatively early stage, cooperation on strategic matters has primarily involved the Leicester and Leicestershire authorities. The authorities have a long history of joint working and evidence gathering. As work progresses on the new Local Plan, further cooperation and dialogue with neighbouring authorities and other prescribed bodies will be needed.

Duty to Cooperate and Effective Joint Working

Question 5: Do you agree with the strategic matters identified by the Council and are there any changes or additions you consider should be made at this stage?

5. Amount and Location of Housing Growth

- 5.1. Government policy requires plans to be an appropriate strategy taking into account 'reasonable alternatives' and based on proportionate evidence. Regulations also require us to assess 'reasonable alternatives' when producing spatial strategies such as the new Local Plan.
- 5.2. This consultation therefore contains alternatives/options for the scale and location of growth across the District over the proposed new Local Plan period 2020 to 2041.
- 5.3. This stage of the process is about the overall strategy, not specific development sites. The outcomes of this consultation and further evidence will then inform the Council's Preferred Strategy. It is possible that alternative or additional options could emerge, and the Preferred Strategy may be a hybrid containing elements from different options.

Housing Requirement

- 5.4. The starting point for determining the amount of housing we should plan for is to calculate our Local Housing Need using the Government's standard method, unless exceptional circumstances justify an alternative approach. Analysis undertaken in the [Housing and Economic Needs Assessment](#) (2022) does not point to any exceptional circumstances to depart from the standard method starting point for Harborough District.
- 5.5. Government policy says that, in addition to the local housing need figure, any needs that cannot be met within neighbouring areas (referred to as unmet need) should also be taken into account in establishing the amount of housing to be planned for.

- 5.6. Neighbouring Leicester City Council has an unmet housing need because it doesn't have sufficient land available in its area to meet its own housing need in full. In September 2020 the City published a Draft Local Plan for public consultation which indicated a potential unmet housing need of about 8,000 homes. Immediately after the consultation closed, Government increased the number of homes by 35% for the 20 biggest cities (including Leicester) to meet its national target to build 300,000 homes per year by the mid-2020s and help regenerate cities. This added a further 10,000 homes to Leicester's housing need between 2020 and 2036.
- 5.7. Providing for this number of additional homes in the City would have required more than a doubling of the housing allocations set out in their Draft Local Plan consultation. The City's evidence shows it will not be possible to meet their housing need and other Government policy obligations of a sound and deliverable plan. The latest version of the [City's Local Plan](#) indicates an unmet need of 18,700 homes to 2036. In this context, it is necessary to seek to agree a Statement of Common Ground to deal with this matter.
- 5.8. Government policy requires Harborough District to work with neighbouring authorities. To get a new Local Plan in place we have to demonstrate that our plan is, amongst other things:
- Informed by agreements, so unmet need is accommodated where practical to do so and consistent with achieving sustainable development;
 - Based on effective joint working on cross-boundary matters (like the City's unmet need) that have been dealt with rather than deferred, as evidenced by a statement of common ground.
- 5.9. To meet Government requirements, the Leicester and Leicestershire authorities jointly commissioned independent consultants to prepare a [Housing Distribution Paper](#) setting out an evidence-led approach to apportioning Leicester's unmet housing need to neighbouring authorities including Harborough. This evidence informed a [Leicester & Leicestershire Statement of Common Ground](#) (SoCG) apportioning Leicester's unmet housing and employment needs to the surrounding Districts/Boroughs from 2020 to 2036.
- 5.10. The starting point for this work was each authority's Local Housing Need figure which for Harbough was 534 homes per year. Taking into account various factors, including the District's functional relationship with Leicester (migration and commuting) and the alignment of the number of jobs and homes, this evidence suggests Harborough's housing requirement should be increased by 123 homes per year to 657 homes per year to help meet Leicester's housing need.

5.11. Taking the above into account, three alternative options for the scale of housing requirement have been considered at this stage:

Option	Scale of Growth	Potential Housing Requirement (Homes Per Year)	Justification
A	Low	534	Local Housing Need - Calculated using Governments Standard Method.
B	Medium	657	Local Housing Need plus a contribution of 123 homes per year towards meeting Leicester's unmet need
C	High	780	Local Housing Need plus 246 homes per year

Note: The Local Housing Need (LHN) for the District in the Housing Distribution Paper and Statement of Common Ground is 534 homes per year based on Governments standard method for calculating housing need and data published in 2022. Although more recent 2023 data has been published this does not significantly impact LHN for the District. The LHN figures used in the Housing Distribution Paper and Statement of Common Ground have therefore been used for consistency.

Housing Supply

5.12. To ensure the housing requirement is met the new Local Plan will need to identify a supply of housing land to achieve this target. This means identifying a supply of homes greater than the requirement (known as a supply buffer or contingency) to ensure the housing requirement in the Plan is met in the event something unexpected slows build rates over the next 15 years or so, such as economic factors or site-specific issues.

5.13. A decision on the scale of any supply contingency will depend on a number of factors and will be informed by the outcome of this consultation and further evidence. We are therefore interested in people's views on this. Examples nationally range significantly, but housing supply contingencies generally range between 5% and 25% above the housing requirement. At the time of its adoption in 2019, the current Local Plan contained a housing supply contingency of about 16%.

Scale of Housing Growth

Question 6: What should the housing requirement be in the new Local Plan?

Question 7: What level of housing supply contingency should we plan for?

Plan Period

5.14. A base date of 2020 for the plan period has been chosen for this consultation because it aligns with the Housing and Economic Needs Assessment (2022) and associated Housing and Employment Distribution Papers. An end date of 2041 is chosen because Government policy requires us to plan at least 15 years ahead from the date we adopt the new Local Plan which is currently scheduled for 2026 as per the timetable above.

Plan Period

Question 8: Do you agree the start of the plan period should be 2020 and an end date of 2041?

Amount of Homes Remaining to be Planned

5.15. The amount of homes that need to be identified or planned for through the new Local Plan will largely be determined by the scale of annual housing requirement, the length of the plan period and the size of any housing supply contingency.

5.16. However, we already have a supply of homes that we can count towards meeting the amount we need to plan for in the new Local Plan. Our monitoring data shows we have a pipeline of 10,427 homes that have been built since 2020 or are already committed with planning permission/allocated in a plan.

5.17. To give some context of the scale of housing growth we may need to plan for, if we take the medium housing requirement of 657 per year (2020 – 2041) and include a supply contingency of 20% we would need to identify a total supply of 16,556 homes between 2020 and 2041. Assuming the pipeline of 10,427 homes are built before 2041 (including the two Strategic Development Areas at Scraftoft North and Lutterworth East allocated in the current Local Plan 2019) we would need to plan for a further 6,129 homes – i.e. 6,129 homes on top of the 10,427 home pipeline.

Options for the Location of Housing Growth

Settlement Hierarchy

- 5.18. The Council has published a new Settlement Hierarchy Assessment [link to be inserted] to understand which settlements are the most sustainable in the District. The settlement hierarchy does not set the level or distribution of development. Appropriate levels of development for settlements will be informed by the outcome of this consultation and further evidence which will feed into the next version of the Local Plan.
- 5.19. Government policy requires local plans to promote a sustainable pattern of development and play an active role in guiding development towards sustainable solutions, while taking local circumstances into account to reflect the character, needs and opportunities of each area.
- 5.20. As a large rural district, Harborough has approximately 100 settlements ranging from those adjoining the urban area of Leicester, market towns to very small villages and hamlets. The classification of towns, villages and rural settlements is therefore important.
- 5.21. Settlements in higher tiers of the hierarchy will often be more sustainable locations for new development due to residents being able to access a wider range of services and facilities more easily. Settlements work by providing a range of services for their residents and for a wider area. Typically, larger settlements have more services and serve a wider area.
- 5.22. The settlement hierarchy is being updated to form part of the evidence base for the new Local Plan. The current settlement hierarchy is set out in the Local Plan 2011-2031 (2019). The new assessment has allowed for a new approach to be taken in terms of the range of services and facilities audited and the categorisation of settlements so that they can continue to benefit and serve residents in both urban and rural areas.
- 5.23. The proposed Settlement Hierarchy is set out below:

Settlement Hierarchy Tier	Settlement
Adjoining Leicester Urban Area	Scraptoft/Thurnby/Bushby
Market Towns	Lutterworth Market Harborough
Large Villages	Broughton Astley Fleckney Great Glen The Kibworths

Settlement Hierarchy Tier	Settlement
Medium Villages	Billesdon Great Bowden Houghton on the Hill Husbands Bosworth Ullesthorpe
Small Villages	Arnesby Bitteswell Church Langton Claybrooke Magna Dunton Bassett Foxton Gilmorton Great Easton Hallaton Leire Lubenham Medbourne North Kilworth South Kilworth Swinford Tilton on the Hill Tugby Walcote
Other village/hamlet	Other settlements

Settlement Hierarchy

Question 9: Do you agree the proposed settlement hierarchy is appropriate. If not, how should it be changed?

Spatial Options for the Location of Housing

5.24. Taking into account the Settlement Hierarchy, six broad spatial options for delivering the three different scales of growth (Low, Medium, High) between 2020 and 2041 have been identified:

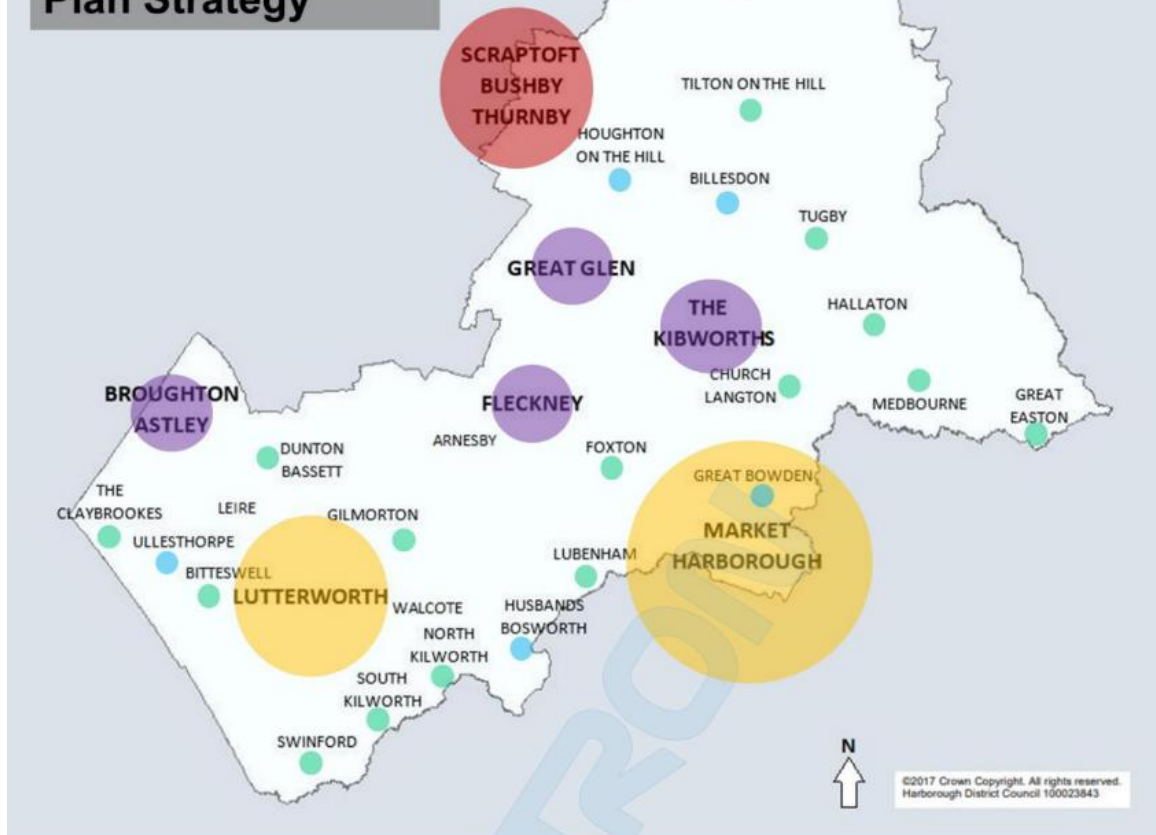
- Option A: Local Plan Strategy
- Option B: Proportional Growth
- Option C: Urban Area Focus
- Option D: Strategic Sites Focus
- Option E: Market Town Focus
- Option F: Large Village Focus

- 5.25. These options have been assessed through the Sustainability Appraisal [link to be inserted].
- 5.26. For each option an indicative map has been produced below, to give a broad visual illustration of where new housing will be focussed under each spatial option between 2020 and 2041 – large circles indicate more housing growth and small circles indicate less. The size of the circle reflects the relevant housing requirement over the entire plan period. (Note: due to the scale of growth in medium and small villages the size of circle used for these settlements is the same).
- 5.27. To give an indication of the potential amount of housing that each option generates for each tier of the settlement hierarchy, a table shows the potential housing requirement 2020-2041 for each tier based on the medium scale of growth above (657 homes per year) with a 20% housing supply contingency added. Alongside this the current pipeline of housing completions and commitments for each tier and the remaining amount of housing to be planned is also included.
- 5.28. The colour of each circle on the map reflects the colour of each tier of the settlement hierarchy in the table.

Option A: Local Plan Strategy

- 5.29. This option is based on a continuation of the strategy in the currently adopted Local Plan 2019. It focuses significant growth towards the Market Towns in line with the current Local Plan strategy. Settlements adjoining the Leicester Urban Area and Large Villages accommodate a broadly similar level of housing growth overall, but due to the relatively low number of commitments in the Large Villages, the amount of additional homes to be planned/allocated in the new Local Plan would be higher than in the settlements adjoining Leicester.

Option A - Local Plan Strategy



Settlement Hierarchy Tier	Housing Requirement 2020-2041 (Option A)	Current Housing Completions/ Commitments	Housing Remaining to be Planned
Adjoining Leicester Urban Area	2,627	1,668	959
Market Towns	8,124	6,176	1,948
Large Villages	3,241	1,320	1,921
Medium Villages	865	355	510
Small Villages	1,110	703	407
Other	590	205	385
Total	16,556	10,427	6,129

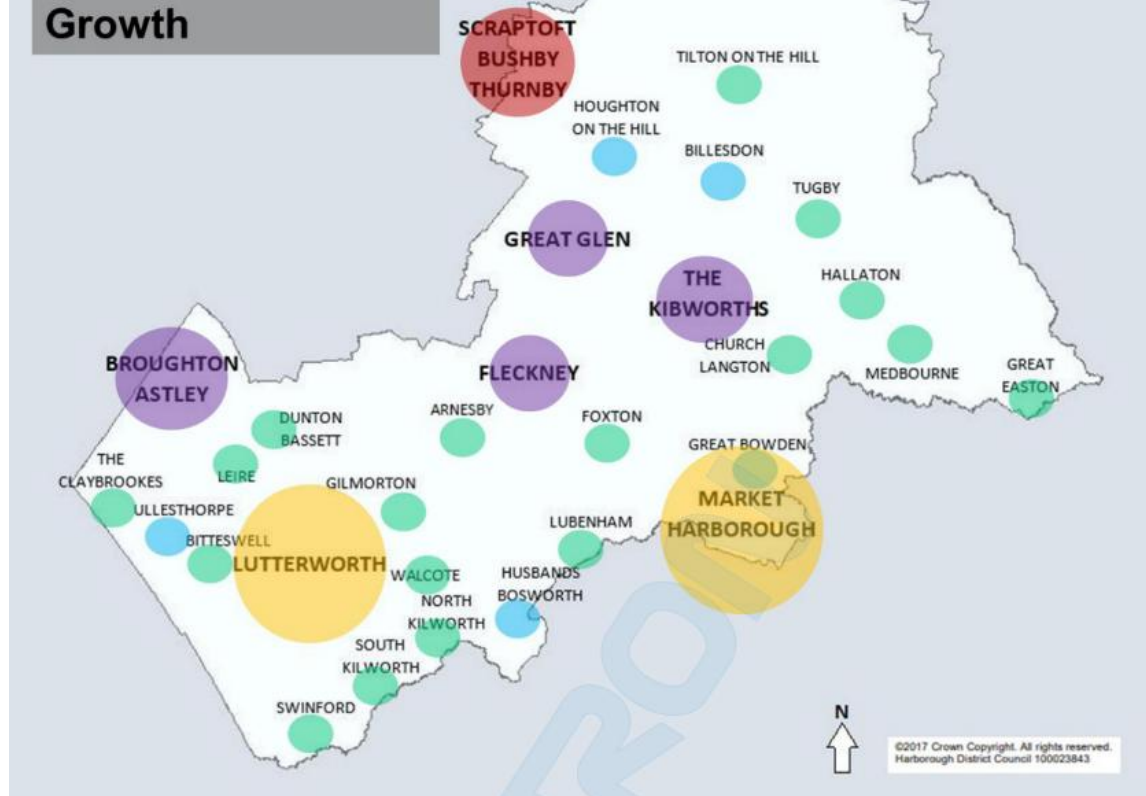
Strengths	<ul style="list-style-type: none"> • Overall development would be directed to sustainable locations. • It is less likely to be dependent on delivery of new strategic infrastructure (which could delay delivery) compared to some other potential options. • The approach may present opportunities to improve existing infrastructure capacity. • Services, facilities and businesses in existing sustainable settlements, including town and village centres, would be supported.
Weaknesses	<ul style="list-style-type: none"> • Sticking with the existing strategy may not respond to development capacity in all larger settlements or opportunities presented by strategic sites. • This strategy may not make the best use of available land as it focuses on where growth has already been planned, meaning that the most appropriate sites may already be delivering, have planning permission or be allocated. • The amount of new development close to Leicester is lower than the District's contribution to Leicester's unmet housing need. • It may constrain the ability to respect or orientate growth to existing settlement form, delivering growth further and further away from town and village centres with potentially a strong reliance on car usage. • The strategy may impact on existing Green Wedge and Area of Separation designations. • The approach is based on whole plan figures which included a large amount of speculative development. Where certain settlements experienced high levels of speculative development prior to the Local Plan's adoption, this would be perpetuated.

Option B: Proportional growth (Census 2021 household numbers)

5.30. This option is based on proportional growth. It spreads development according to the number of households in each settlement.

5.31. This option reduces the amount of growth in settlements at the top end of the hierarchy and increases growth at the lower end, particularly in the Medium Villages, Small Villages and Other settlements which see their highest levels of growth under this option compared to the other options. The key differences compared to Option A: Local Plan Strategy is a significantly reduced role for settlements adjoining the Leicester Urban Area; a reduced role of Market Towns; and greater amounts of growth for the Large, Medium, Small and Other Villages/Settlements.

Option B – Proportional Growth



Settlement Hierarchy Tier	Housing Requirement 2020-2041 (Option B)	Current Housing Completions/ Commitments	Housing Remaining to be Planned
Adjoining Leicester Urban Area	1,668	1,668	0
Market Towns	7,026	6,176	850
Large Villages	3,862	1,320	2,542
Medium Villages	1,026	355	671
Small Villages	1,619	703	916
Other	1,356	205	1,151
Total	16,556	10,427	6,129

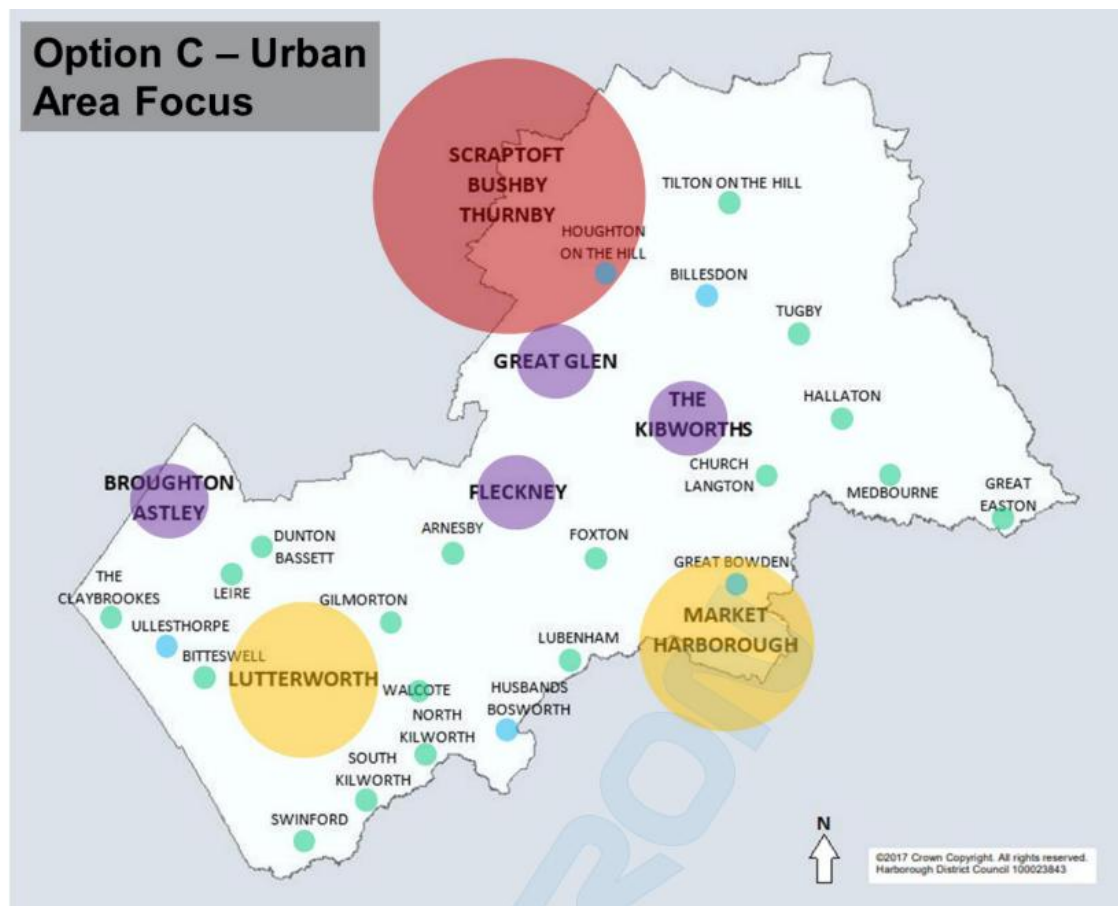
Strengths	<ul style="list-style-type: none"> • Under this option, the level of housing growth generally reflects the size of the settlements. • The impact of growth is spread more evenly across the District. • With development spread more across all settlements, the option could help sustain rural services and businesses. • Development under this option could be perceived as a 'fair' distribution of housing growth. • Given the spread of development, it would be well suited to fulfil NPPF requirement for 10% growth on small sites of 1ha or less. • This option is more likely to sustain a steady rate of housing delivery than very large-scale growth focussed in one or two locations.
Weaknesses	<ul style="list-style-type: none"> • The option sees a high proportion of development in less sustainable tiers of the settlement hierarchy. • With a relatively low proportion of growth adjoining the Leicester Urban Area, the opportunity to locate development in the most sustainable part of the District may be missed. • Similarly, housing growth does not make the most of proximity to employment opportunities within the Leicester Urban Area. • Given the spread of development under this option, it creates the greatest reliance on car and lowest opportunity to access sustainable transport. • It may be challenging to support increased service capacity (e.g. school places, medical centres) due to dispersed nature of growth. • Similarly, the option may not be most effective in delivering affordable housing in appropriate locations. • This option has the most potential to affect the character of smaller settlements. • It has the potential to exacerbate rural isolation unless public transport improvements become viable. In addition, growth is likely to be too dispersed to generate active travel opportunities.

Option C: Urban Area Focus

5.32. This option focuses development towards the District's most sustainable locations: the settlements adjoining the urban area of Leicester (Scraptoft/Thurnby/Bushby). Sites capable of accommodating more than 1,500 homes in [Strategic Housing and Economic Land Availability Assessment \(SHELAA\)](#) are not included in this option. They are considered through Option D: Strategic Sites (see below).

5.33. This option seeks to focus as much growth as possible towards settlements adjoining the urban area of Leicester with lower levels of growth in the rest of the District.

Option C – Urban Area Focus



Settlement Hierarchy Tier	Housing Requirement 2020-2041 (Option C)	Current Housing Completions/ Commitments	Housing Remaining to be Planned
Adjoining Leicester Urban Area	5,935	1,668	4,267
Market Towns	6,973	6,176	797
Large Villages	2,117	1,320	797
Medium Villages	593	355	238
Small Villages	734	703	31
Other	205	205	0
Total	16,556	10,427	6,129

Strengths	<ul style="list-style-type: none"> • This option focuses growth on the most sustainable settlements (i.e. adjoining the Leicester Urban Area). • This option would lead to shorter journeys to access jobs and services in the City and provide potential opportunities for sustainable transport improvements into Leicester. • It maximises development opportunities in locations closest to the Leicester Urban Area and its wide range of higher order services, facilities and employment opportunities. • Development close to Leicester responds to the District's contribution to Leicester City's unmet housing need. • Growth in these settlements may improve the range and capacity of local services/facilities.
Weaknesses	<ul style="list-style-type: none"> • Settlements adjoining the Urban Area would have their highest levels of growth under this option which could impact on current Green Wedges and Area of Separation designations. • In terms of employment, there is no existing economic centre in these settlements so there would be a reliance on new employment areas and/or improved transport links to the City. • There may be a need for more small sites to come forward to fulfil requirement for 10% of allocations to be on sites of 1ha or less. • By concentrating growth, the development potential within other sustainable locations may not be realised. • Further development could exacerbate transport issues in the local area and into the City unless sustainable transport/active travel solutions are provided.

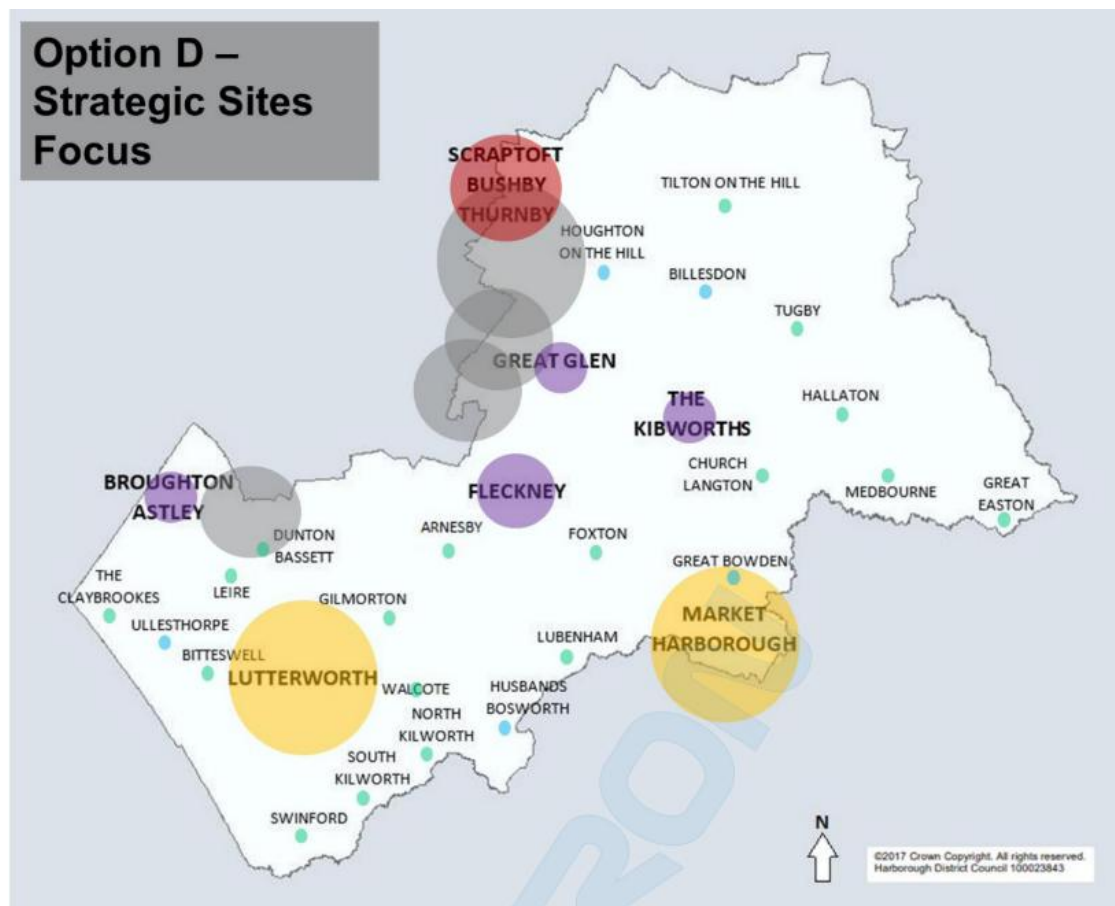
Option D: Strategic Sites Focus

5.34. This option focuses development towards large strategic sites capable of accommodating more than 1,500 homes in total from the Strategic Housing and Economic Land Availability Assessment. These large strategic sites are generally located around the South and East of the Leicester Urban Area and may require strategic infrastructure to be delivered. The sites are:

- Farmcare Estate, Stoughton (SHELAA site reference: 21/8229)
- Land at Stretton Hall Farm, Chestnut Drive, Great Glen (SHELAA reference: 21/8093)
- Land at Newton Harcourt (Newton Croft) (SHELAA site reference: 21/8178)
- Whetstone Pastures Garden Village, Willoughby Waterleys (SHELAA site reference 21/8217)
- Land east of Broughton Astley and North of Dunton Bassett and Ashby Magna (SHELAA site reference: 21/8192)

5.35. This option seeks to focus as much growth as possible into large Strategic Sites, with less growth in the rest of the District.

Option D – Strategic Sites Focus



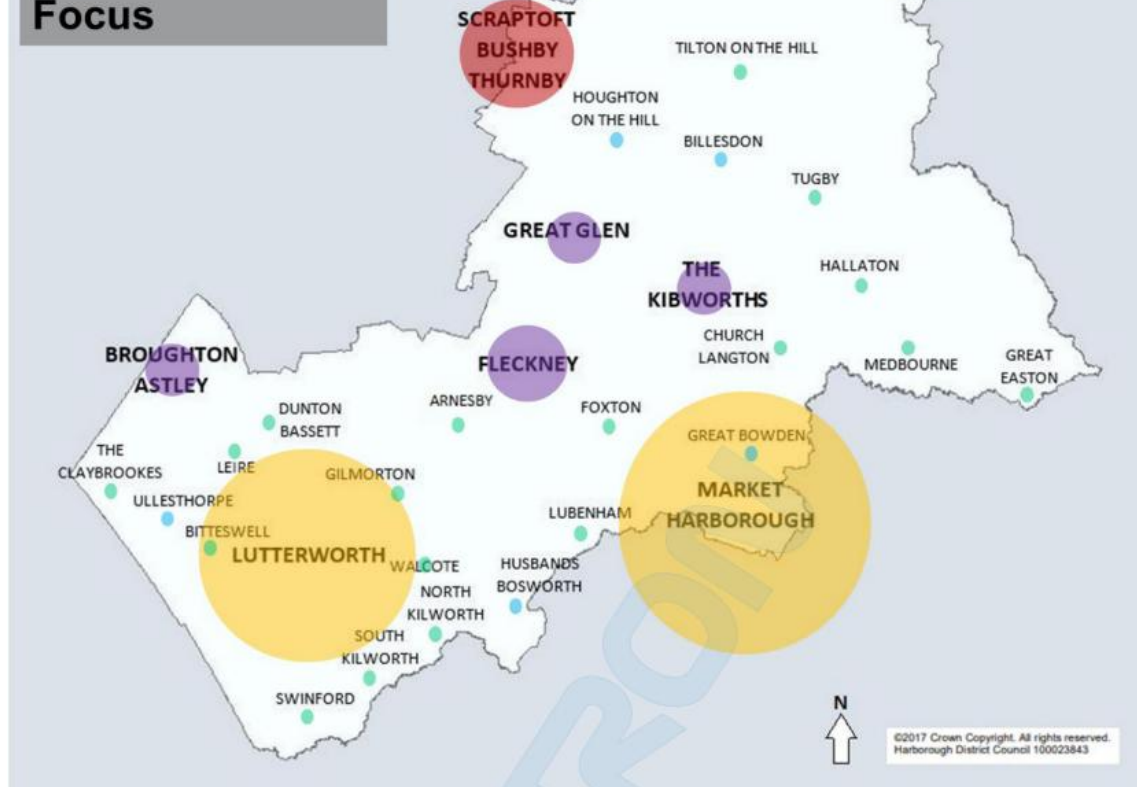
Settlement Hierarchy Tier	Housing Requirement 2020-2041 (Option D)	Current Housing Completions/ Commitments	Housing Remaining to be Planned
Strategic Sites	6,129	0	6,129
Adjoining Leicester Urban Area	1,668	1,668	0
Market Towns	6,176	6,176	0
Large Villages	1,320	1,320	0
Medium Villages	355	355	0
Small Villages	703	703	0
Other	205	205	0
Total	16,556	10,427	6,129

Strengths	<ul style="list-style-type: none"> • In bringing forward strategic sites, this option would establish a strategy for subsequent plan periods to carry forward. • It has the potential to deliver social benefits insofar as it would deliver Leicester's unmet housing need close to where it is needed. • Strategic sites have a critical mass which could enable the delivery of strategic and local infrastructure (e.g. schools, healthcare, open space, sustainable travel) which helps internalise some of the more direct impacts development can have on existing areas and infrastructure. • A focus on strategic sites presents the opportunity to plan comprehensively (placemaking) to create well designed places, with a focus on sustainability and active travel. • There is an opportunity to ensure employment land is incorporated into these strategic sites resulting in the co-location of jobs and homes which could complement employment opportunities within the Leicester Urban Area and potentially reduce the need to travel. • Further economic growth opportunities as a result potential new strategic infrastructure could emerge. • The pressure for growth in other less sustainable settlements would be relieved particularly in the long term. • This option is the most aligned with the Strategic Growth Plan.
Weaknesses	<ul style="list-style-type: none"> • There is uncertainty around timescales relating to strategic sites and how much development is deliverable within the plan period to 2041. • Delivery of strategic sites can be vulnerable to delay, particularly in relation to provision of strategic infrastructure, including strategic transport infrastructure. • With a focus on strategic sites, which typically have long lead-in times to deliver homes, it may be challenging to maintain supply of homes in the short/medium term across the District. • No new development in other tiers of the settlement hierarchy beyond those already committed could impact on meeting local needs in the longer term.

Option E: Market Town Focus

5.36. This option focuses growth towards the Market Towns (Lutterworth and Market Harborough) with less growth in the rest of the District.

Option E – Market Town Focus



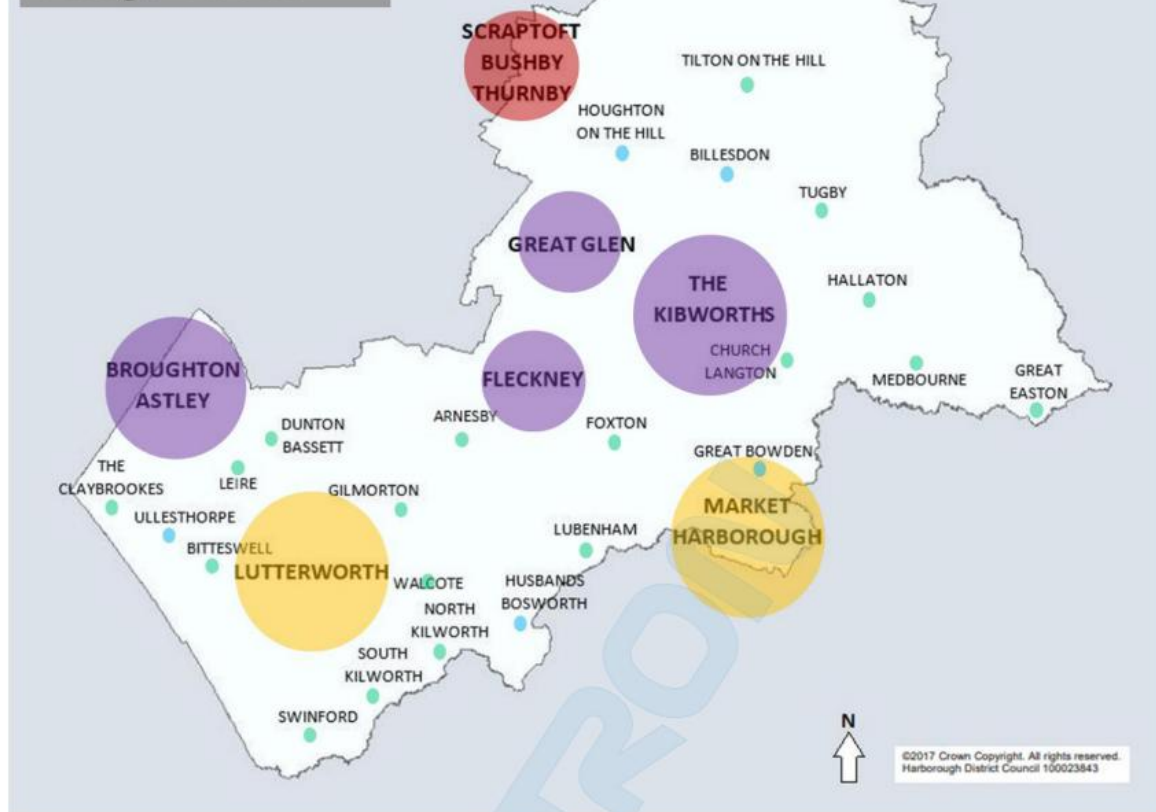
Settlement Hierarchy Tier	Housing Requirement 2020-2041 (Option E)	Current Housing Completions/ Commitments	Housing Remaining to be Planned
Adjoining Leicester Urban Area	1,668	1,668	0
Market Towns	12,305	6,176	6,129
Large Villages	1,320	1,320	0
Medium Villages	355	355	0
Small Villages	703	703	0
Other	205	205	0
Total	16,556	10,427	6,129

Strengths	<ul style="list-style-type: none"> • This option has the potential to promote and deliver active travel alongside development. • Development could support the long-term economic health and vitality of the District's two town centres. • There may be an opportunity to alleviate pressure on Market Harborough town centre by providing more local services and facilities to north of Market Harborough (where most potential development sites are located).
Weaknesses	<ul style="list-style-type: none"> • Under this option there would be no additional planned growth adjoining the Leicester Urban Area which is the most sustainable part of the District. • Potential allocations are increasingly distant from town centre, particularly in Market Harborough, and may not relate well to existing settlement form. • Delivering the high and medium scales of growth to 2041 on appropriate sites in the two market towns would be challenging. • Delivering this scale of growth in Market Harborough and Lutterworth would potentially impact on character of, and separation with, nearby villages. • Achieving sustainable transport options and/or active travel solutions between new sites and existing town centre services may be difficult. • With the focus on Market Towns, other villages may not be able to meet their local need for housing in the longer term and secure growth to support or improve local services/facilities.

Option F: Large Village Focus

5.37. This option focuses growth towards the Large Villages (Broughton Astley, Great Glen, Fleckney, The Kibworths) with less growth in the rest of the District.

Option F – Large Village Focus



Settlement Hierarchy Tier	Housing Requirement 2020-2041 (Option F)	Current Housing Completions/ Commitments	Housing Remaining to be Planned
Adjoining Leicester Urban Area	1,668	1,668	0
Market Towns	6,176	6,176	0
Large Villages	7,449	1,320	6,129
Medium Villages	355	355	0
Small Villages	703	703	0
Other	205	205	0
Total	16,556	10,427	6,129

Strengths	<ul style="list-style-type: none"> • The considerable housing capacity of potential sites within the Large Villages is maximised. • The option would support existing and, potentially, the delivery of new infrastructure, services and facilities in Large Villages which act as services centres for lower order settlements.
Weaknesses	<ul style="list-style-type: none"> • Under this option there would be no additional growth beyond existing housing completions and commitments in more sustainable settlements. • The potential for housing growth within more sustainable locations would not be realised. • By locating growth in Large Villages, access to most higher order services would involve travelling to Market Towns and Leicester Urban Area and encourage use of the private car. • By spreading growth over the four Large Villages, the benefits of large scale or strategic growth may not be realised.

Housing Spatial Options

Question 10: Do you agree with the options considered for the location of housing development? Should any of the options be changed or additional options included?

Question 11: Which option or options for the location of homes do you consider to be the most appropriate? This could be one of the options or a mix of several.

6. Amount and Location of Employment Growth

- 6.1. Government policy sets out an economic role for the planning system to help build a strong, responsive, and competitive economy by ensuring sufficient land of the right type is available in the right places and at the right time to support growth and innovation.
- 6.2. Harborough District is part of the Leicester and Leicestershire Functional Economic Market Area (FEMA) and has a close interrelationship with Leicester, other authorities within Leicestershire and adjoining authorities beyond. In terms of employment, Market Harborough and Lutterworth are our main economic centres. The District, particularly the west as home to Magna Park, benefits from its central location at the heart of England with good motorway connections proving popular with companies in the logistics sector.
- 6.3. Delivery of employment land has averaged 0.3 Hectares per year for Offices including Research & Development and 1 Hectare per year for

Industrial & Distribution (excluding strategic warehousing) since 2011, and the density of businesses per 1,000 population remains high which in recent years has supported developments such as the Harborough Innovation Centre and Grown On Centre. The rural and wider economy continues to adapt and diversify, responding to structural economic change including the impact of BREXIT and the COVID19 pandemic.

- 6.4. Government policy requires plans to help create the conditions in which businesses can invest, expand, and adapt taking into account local business needs, wider opportunities for development and the specific locational requirements of different sectors. As with housing, this requires an appropriate strategy considering reasonable alternatives based on proportionate evidence and taking into account any needs that cannot be met in neighbouring areas (unmet need).
- 6.5. This consultation therefore sets out options for the scale and location of employment growth across the District over the proposed plan period 2020 to 2041.

Scale of Economic Growth

- 6.6. The starting point for determining the amount of economic growth, or employment land and jobs, we should plan for is an economic needs assessment. [The Leicester and Leicestershire Housing and Economic Needs Assessment](#) (HENA) was published in June 2022. This identifies what we need to provide for the period to 2041. Figures are provided in Hectares with an equivalent floorspace in square meters.

Total Employment Needs 2021 - 2041		
Harborough District	Square metres	Hectares
Offices including Research and Development	29,200	8.3
Industrial and Distribution (excluding strategic warehousing)	194,100	48.5
Total	223,300	56.9

- 6.7. The need for strategic warehousing (B8 in units >9,000sqm) has been identified in another separate evidence study (see section below).
- 6.8. The figures above do not take into account development built or lost since 2020, nor do they take account of sites in the pipeline that we expect to come forward in the period to 2031 (e.g. sites allocated for employment in the adopted Local Plan, made Neighbourhood Plans, and planning permissions) including:
 - Airfield Business Park, Market Harborough (Policy MH5 undeveloped part)

- Compass Point Business Park, Market Harborough (Policy MH6 undeveloped part)
- Wellington Business Park, Market Harborough (Policy MH4 allocation)
- East of Lutterworth SDA, Lutterworth (Policy L1e/f allocation)
- Land south of Lutterworth Road/Coventry Road, Lutterworth (Policy L2 allocation)
- Land off Marlborough Drive, Fleckney (Policy F2 allocation)
- Beauchamp Business Park, The Kibworths (Policy K1 allocation)
- Elm Business Park, Broughton Astley (Broughton Astley Neighbourhood Plan Policy EMP1 allocation)

6.9. All existing commitments will contribute towards meeting the need.

How much new employment land is required to be identified to 2041?

	Offices including Research and Development		Industrial and Distribution (excluding strategic warehousing)		Total
	Hectares	Sqm	Hectares	Sqm	
Need to 2041	8.3	29,200	48.5	194,100	56.9 hectares (223,300sqm)
<u>Minus</u> Total (Net) Completions 2020/21 – 2022/23	-0.5	-301	4.1	12,629	3.6 hectares (12,328sqm)
<u>Minus</u> (Net) Commitments at 31/3/23	17.2	70,900	45.3	157,656	62.5 hectares (228,556sqm)
Residual requirement to 2041	-8.4	-41,399	-0.9	+23,815	-9.2 hectares (-17,584sqm)

Shading denotes an over-supply

6.10. Taking account of supply shows that the amount of new land needed to 2041 (the residual requirement) is negative which means we already have enough land identified for both offices and industrial uses. However, looking longer term to 2051 and taking into account the current oversupply the HENA indicates that we will need to plan for an additional 10.2 hectares. This is driven by a need for more industrial land.

6.11. Neighbouring Leicester City has an unmet industrial need to 2036. To meet Government requirements, the Leicester and Leicestershire authorities commissioned consultants to prepare an [Employment Distribution Paper](#) apportioning the unmet industrial need to neighbouring districts. This evidence, which informed the Statement of Common Ground, suggests there should be no increase to Harborough's employment requirement. The situation regarding any unmet employment needs in the FEMA beyond 2036 is unknown.

6.12. Taking the above into account three alternative options for the scale of employment growth have been identified:

	Scale of Growth	Justification
Option A	Make no additional allocations of employment land in Harborough District.	<ul style="list-style-type: none"> On the basis that there is evidence of an over-supply
Option B	Adopt a longer-term approach and allocate additional land for employment to maintain a flexible supply and support sustainable development	<ul style="list-style-type: none"> Harborough's employment need is forecast to increase beyond the plan period to 2051. Unmet need may arise in the FEMA beyond 2036. To counteract strong pressure for housing land, and the comparatively marginal viability and historically long delivery periods for employment development. To ensure employment land is an integral part of any planned growth of sustainable settlements
Option C	Plan for greater growth to meet any enhanced economic aspirations or regeneration priorities for the District	<ul style="list-style-type: none"> To attract new employers (inward investment) to the District to enhance the prosperity and resilience of the local economy. To have regard to Harborough's Economic Development Strategy (2018-23) which is currently under review.

6.13. Any growth above the HENA level, for example under Option C, may require further evidence and could increase the District's housing requirement.

Scale of Employment Growth

Question 12: Is the HENA an appropriate evidence base on which to formulate our employment land policies? If not, why not?

Question 13: Which option do you consider most appropriate to include in Harborough's new Local Plan?

Question 14: If Option B or C, are there any other evidence base studies which are required? If so, why?

Question 15: Are there any other options that we could consider?

Options for the Location of Employment Growth

6.14. If additional employment land is to be planned for, we need to consider where growth will go and how it will be delivered. Government policy requires local plans to promote a sustainable pattern of development.

6.15. The current focus for employment development is within and adjoining Market Harborough and Lutterworth, and to a lesser extent some of the District's larger villages. Going forward any distribution of employment growth will need to address local business needs and be informed by the outcome of this consultation and further work.

6.16. Depending on the scale of growth, three broad locational options have been identified:

Option A: Intensifying the density of employment uses in existing employment areas in appropriate and sustainable locations. This option focuses on making more efficient use of land and recognises the marginal viability of employment development in Harborough District

Option B: Continue with the current approach of focussing new employment land in the District's main economic centres (Market Harborough, Lutterworth) and larger sustainable settlements. This would concentrate growth in our most sustainable settlements which accommodate or are most accessible to the resident workforce.

Option C: Align new employment land provision with areas of significant housing growth. This would achieve a balance of jobs and homes in areas of significant growth, be that settlements or strategic sites.

6.17. These options have been assessed through the Sustainability Appraisal [link to be inserted]. Each of the above options would integrate with the preferred spatial strategy to deliver employment growth that also addresses the other emerging objectives of the Plan.

6.18. Once we have identified a Preferred Strategy for distributing growth, we will need to consider which sites are the most appropriate. A long list of sites has been identified through the SHELAA, this includes relatively few sites proposed for a single economic use (except strategic distribution) and a greater number for a mix of economic uses either with or without housing development. Amongst the long list of sites, the capacity for employment is greatest in larger villages with relatively few opportunities in or adjoining Market Harborough and Lutterworth or which were assessed as deliverable in the short term (i.e. 0-5 years).

- 6.19. Alongside the allocation of any new employment sites, policies that protect existing employment areas will be retained. Further evidence may be required in this regard.
- 6.20. Currently we also have specific policies for Bruntingthorpe Proving Ground and Leicester Airport. These recognise the importance and specialist nature of these sites and control development to manage its impact on their rural locations. A continuation of this approach is envisaged going forward.

Location of Employment Growth

Question 16: Which option do you consider most appropriate to include in Harborough's new Local Plan?

Question 17: Are there any other options that we could consider?

Question 18: Is the approach to Bruntingthorpe Proving Ground and Leicester Airport appropriate? If not, why not.

Strategic Storage and Distribution uses

- 6.21. Harborough, specifically areas to west of the District along the M1 corridor, is a very attractive location for strategic storage and distribution uses (strategic B8 in units >9,000sqm) or large warehouses. It falls within what is known as the 'golden triangle' for the sector due to its central location and excellent access to the M1, M6, A5 and A14 (the Strategic Road Network). The sector is dynamic, globally driven and its' functional requirements change to respond to business and society's demands.
- 6.22. Interest in warehousing in the district has been high since the early 1990's when Magna Park at Lutterworth was first established, and in recent years with its significant extensions known as Magna Park North and Magna Park South which are well under construction.
- 6.23. Strategic warehousing and logistics is an acknowledged strategic cross boundary issue for local authorities in Leicester and Leicestershire who, together with the Leicester & Leicestershire Enterprise Partnership, have collectively commissioned evidence on the sector.

Scale of Strategic Warehousing Growth

- 6.24. The [Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change \(April 2021\)](#) study forecasts future need for strategic warehousing (B8 in units >9,000sqm) to 2041 and 2051.

- 6.25. The study recommends that Leicester & Leicestershire need to provide for circa 2,570,000sqm of additional floorspace between 2020 and 2041. Based on 43% of future need at rail-served sites, 1,106,000sqm is needed at rail-served sites and 1,466,000sqm at non-rail served sites.
- 6.26. The study has a base date of 1st April 2020. Taking into account the supply at that time (land with planning permission, allocations, and vacant units) there was a remaining balance of 768,000sqm (or approximately 307Ha) at rail served sites and 392,000 sqm (or approximately 112Ha) at non-rail served sites which should be planned for to 2041. Joint monitoring by the authorities has since updated the supply position on 1st April 2021 which reduces the amount to planned for rail served sites to 718,875sqm and 301,293sqm at non-rail served sites.
- 6.27. Rather than split the requirement by District the study identifies general broad areas across Leicestershire, termed Areas of Opportunity, where strategic warehousing could be located. Area of Opportunity 6 (M1 corridor south of Leicester) impacts on Harborough District and is identified for non-rail served provision only. The amount of growth to be apportioned to Areas of Opportunity has not yet been agreed with other local authority partners in Leicester and Leicestershire.

Options for the Location of Strategic Warehousing

- 6.28. Harborough and local authority partners have entered into a [Statement of Common Ground relating to Strategic Warehousing and Logistics](#) (Sept 2021). The SoCG sets out 'next steps' for planning for the future needs of the sector to 2041.
- 6.29. A joint evidence study to consider the apportionment of the rail and non-rail served shortfall within the sub-region is currently underway. This will inform an approach to meeting the Leicester & Leicestershire need.
- 6.30. Harborough's current approach (set out in the adopted Local Plan) focuses all strategic warehousing growth at Magna Park in the form of the two extensions which are currently under construction. However, Area of Opportunity 6 encompasses a wider geographical area. In addition, current policy safeguards Magna Park for strategic warehousing including ancillary uses in units greater than 9,000sqm.

Approach to Strategic Warehousing

Question 19: Is the Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change (April 2021) study an appropriate evidence base on which to formulate policy for strategic warehousing? If not, why not?

Question 20: Is the approach to focus strategic warehousing at Magna Park still appropriate? If not, why not?

Question 21: Should uses other than strategic warehousing or other flexibility be allowed at Magna Park to ensure it can adapt to the market needs of the sector? If so, what, and why?

7. Small and Medium Housing Sites Requirement

- 7.1. National Policy requires us to identify sufficient land to accommodate at least 10% of the Local Plan housing requirement on sites no larger than one hectare unless it can be shown there are strong reasons why this cannot be achieved.
- 7.2. As of 1 April 2023, there were 275 homes already committed or allocated in Neighbourhood Plans on sites of one hectare or less. There are 53 sites in the SHELAA of one hectare or less with the potential to provide about 700 dwellings. However, not all of these sites may be appropriate for development.
- 7.3. We may need to consider opportunities to find smaller sites to provide housing but they must be in sustainable locations. One potential option is to sub-divide larger sites to allow for small and medium-sized housebuilders to provide diversity in the housing market.

Small and Medium Housing Sites Requirement

Question 22: How should we diversify the housing market in the District to meet the requirement to provide more housing on smaller sites (one hectare or less in size)?

Question 23: If you have promoted a site for development, would you consider sub-dividing the site to allow small and medium housebuilders or self-builders to enter the housing market?

8. Call for Sites

- 8.1. Alongside this consultation the Council is running a Call for Sites. The Call for Sites is an opportunity for landowners, developers, agents, and site promoters to submit sites within or partially within Harborough District which they consider have potential for development.
- 8.2. National policy requires the Council to have a clear and up-to-date understanding of potential development land in the District. The Council carried out a Call for Sites between March and June 2021. An initial

assessment of these sites has been carried out in accordance with Government Guidance through the [Strategic Housing and Economic Land Availability Assessment \(SHELAA\)](#) and Sustainability Appraisal [link to be inserted]. We are aware of the sites submitted for consideration in 2021 and they should not be resubmitted again through this Call for Sites process.

- 8.3. The Council would welcome the submission of potential new sites for a wide range of land uses such as:
- Housing including:
 - General housing
 - Specialist housing for older people
 - Affordable housing only (e.g. rural exception sites)
 - Build to rent
 - Self-build and custom housebuilding
 - Gypsy and Traveller and travelling showpeople accommodation
 - Employment including:
 - Office
 - Industrial
 - Non-strategic warehousing
 - Large warehousing (i.e. strategic distribution)
 - Retail
 - Leisure, recreation and community facilities
- 8.4. After this consultation closes, the Council will update the SHELAA and relevant evidence to take account of any new sites submitted as appropriate.
- 8.5. More details and how to submit a site for consideration through the Call for Sites process is available on the Council's website [link to be inserted].
- 8.6. It is important to understand that no decisions have been made on which sites should come forward for development through the new Local Plan at this stage. The SHELAA and Sustainability Appraisal are not decision-making documents and do not allocate sites for development. They form part of the Local Plan evidence base that will be used to help inform the site selection process carried out later in the Local Plan process along with other considerations (see site selection methodology below).

9. Site Selection Methodology

- 9.1. The Council has published a Site Selection Methodology [link to be inserted]. This sets out the methodology we intend to follow to assess and compare the suitability of potential development sites. It draws on a range of evidence to help to identify sites that have the greatest potential to deliver environmental, economic and social benefits for the local community.

9.2. There are number of stages to the methodology including:

Stage 1 – Identification of sites

- 9.3. The site selection process will consider sites that are deliverable and developable as assessed through the [Strategic Housing and Economic Land Availability Assessment](#) (SHELAA).
- 9.4. The current SHELAA includes sites submitted for consideration through the Local Plan process so far. This will be updated to include additional sites submitted through the current Call for Sites process.

Stage 2 – Sustainability Appraisal

- 9.5. For each developable site, the sustainability appraisal considers a range of social, environmental and economic factors. The approach taken, list of factors considered and site assessments undertaken so far are available in the Sustainability Appraisal report [link to be inserted] published alongside this consultation.

Stage 3 – Assessment of sites against the preferred spatial strategy

- 9.6. The Council is consulting on a range of potential options for the scale and distribution of development (see section 5). The outcomes of this consultation and further work will then inform the Council's Preferred Spatial Strategy which may be one of the options above or a hybrid containing elements from different options.
- 9.7. Sites will be assessed to determine whether they could contribute to meeting the preferred spatial strategy. Sites that fall outside of the preferred spatial strategy will not be taken further forward in the site selection process.

Stage 4 – Technical Assessment and Deliverability of Sites

- 9.8. At this stage numerous technical details will be examined and an assessment of the delivery of the sites carried out. Factors that will be considered include constraints, infrastructure, deliverability and viability, and place-making.

Stage 5 - Emerging new Local Plan policies and Neighbourhood Plan policies

- 9.9. Consideration will be given to emerging new Local Plan policies and Neighbourhood Plans.

Stage 6 – Site Appraisal Conclusions and Recommendations

- 9.10. The final stage of the process is to draw conclusions and to make recommendations about the suitability of the site for inclusion in the new Local Plan, informed by the previous stages above.

Site Selection Methodology

Question 24: Do you agree with the stages in the site selection methodology?

Question 25: Are there any other factors you think should be considered when selecting sites for development?

10. Strategic Green Designations

- 10.1. The locational strategy of the Local Plan is not just about where new development should be located. It is also about identifying locations that should be protected from development.
- 10.2. The current Local Plan includes Green Wedge, Areas of Separation and Countryside designations. Green Wedges have long been used in Leicester and Leicestershire as a tool to influence and direct development. They are important strategic areas designated to prevent the merging of settlements, guide development form, provide access from urban areas to green spaces/open countryside and provide recreational opportunities. There are two Green Wedges in the current Local Plan.
- 10.3. Areas of Separation perform the important function at the localised level of protecting the identity and distinctiveness of settlements by preventing them from merging. Countryside is generally those areas of the District outside the built-up area of larger settlements which are not subject to other designations such as Green Wedge or Area of Separation.
- 10.4. We recognise that these are longstanding designations. However, they may need to be reviewed to ensure they remain fit for purpose and are not acting as an inappropriate constraint to sustainable development. Any review will consider areas designated through Neighbourhood Plans.

Strategic Green Designations

Question 26: Do you agree the existing approach of using Green Wedges, Areas of Separation and Countryside designations to manage development?

Question 27: Should the detailed boundaries of Green Wedge and Areas of separation be reviewed to take account of any new Local Plan allocations where appropriate to do so?

11. Design Quality

- 11.1. Government policy is clear that the creation of high quality, beautiful and sustainable buildings and places is fundamental to what the planning and the development process should achieve. Good design is a key aspect of sustainable development and creates better places in which to live and work.
- 11.2. Since our current Local Plan was adopted in 2019, government has placed greater emphasis in national policy on the design quality of new development and has published the [National Design Guide](#) and [National Model Design Code](#).
- 11.3. The Levelling-up and Regeneration Act goes further by requiring every local authority have a design code in place covering their entire area (once enacted by secondary legislation). These area-wide codes are expected to act as a framework for subsequent detailed design codes to come forward, prepared for specific areas or sites and led either by local planning authorities, neighbourhood plan groups or by developers. Through our approach to the new plan, we need to respond locally to the National Design Guide and National Model Design Code and the potential requirement for an area-wide design code for Harborough District.
- 11.4. Currently our adopted Local Plan 2019 contains a design policy setting out the expectation that all development should achieve a high standard of design quality to ensure it is both sustainable and attractive. It aims to safeguard and improve the character of the District and achieve well designed places that relate well to their environment, are attractive and safe, and offer an improved quality of life for those that live and work in the District. The district also has a [Development Management SPD](#) which includes guidance on design principles, and advice on different types of development e.g. residential, commercial and development in different circumstances.
- 11.5. The Local Plan also encourages neighbourhood plans to develop appropriate design guides, as they can take into account the special qualities of each area. Site specific Master Plans are also required for specific strategic developments allocated through the plan. These should meet the master planning requirements set out in the Local Plan and be informed by key design principles, an independent design review and community consultation.

- 11.6. Design guides and codes can be produced as part of a plan (e.g. local plan or neighbourhood plan) or as Supplementary Planning Documents (SPD).
- 11.7. A design code is an illustrated set of design requirements that provide specific, detailed parameters (or rules) for the physical development of a site or area that should build upon a design vision such as a masterplan or other design / development framework for an area or site. A design guide is less prescriptive or strict, providing guidance on how development can be carried out in accordance with good design practice.

Design Quality

Question 28: Is preparing a district-wide design code, related to an updated design policy in the Local Plan, an appropriate approach?

Question 29: Do you consider further design codes to be necessary, if so, what should they cover?

For example:

- Large development sites.*
- Locations / settlements identified for significant development.*
- Particular character areas such as town centres, village centres, suburbs.*
- Specific topics such as climate change and sustainable development.*

Environment and Sustainability Policies

12. Mitigating and Adapting to Climate Change

- 12.1. Climate change is a cross-cutting theme which impacts on all aspects of new Local Plan policy. Presenting growing risks, globally and locally, it is widely accepted that human activity is the main reason for increased concentration of greenhouse gases and rising global temperatures. Unless steps are taken it will impact not just this but also future generations.
- 12.2. Locally, the more visible impacts of rising temperatures include more extreme weather events including flooding and changes in air and soil quality. The response to the challenge posed by climate change affects many aspects of life and society, several of which can be influenced positively by the new Local Plan. The Council declared a Climate Emergency in July 2019 and in 2021 published its Climate Emergency Action Plan for the period 2022 – 2030 which is in the process of being updated. The implications of the Council's [Climate Emergency Action Plan](#) will need to be incorporated into the Local Plan, its spatial strategy and individual policies.
- 12.3. National planning policy is clear that the planning system should support the transition to a low carbon future in a changing climate by helping to shape places in ways that contribute to “radical reductions” in greenhouse gas emissions, minimise vulnerability and improve resilience. As part of that, it is tasked with supporting renewable and low carbon energy and associated infrastructure.
- 12.4. Whilst the Local Plan cannot do everything (it has very limited influence over existing buildings, for example), it should ensure that significant new development is directed to locations that are sustainable or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes. Local plans should take a proactive approach to mitigating and adapting to climate change alongside policies supporting appropriate measures to build future resilience of communities and infrastructure to climate change impacts.
- 12.5. As with many aspects of planning policy, it is important to establish an evidence base so that an appropriate policy response can be formulated. Recognising that Climate Change is a strategic, cross-boundary challenge, the Leicester and Leicester local authorities are currently in discussion about the scope of a potential joint climate change/zero carbon study which would look at the scope of what can be done through local plans to address climate change.

12.6. In the meantime, it is expected that the new Local Plan policy will contribute to climate change mitigation and adaptation through:

- Locating development in the most sustainable locations where walking, cycling and public transport options are, or can be made, available to access local shops and services
- Supporting the generation of energy through renewable and low carbon technologies in appropriate locations (including within developments where possible)
- Improving the energy performance of buildings (without duplicating standards required by Building Regulations or expected future changes to Building Regulations)
- Encouraging the use of sustainable materials and construction methods in new development which encourage waste minimisation and prevention through the reuse and recycling of building materials
- Encouraging passive design measures that reduce the need for artificial lighting, heating, cooling and ventilation systems, through siting, design, materials, layout and building orientation
- Locating and designing new development to take into account flood risk from all sources, so that it does not place itself or other communities at increased risk of flooding
- Supporting to the use of sustainable drainage systems which contribute to green and blue Infrastructure network where possible
- Minimising water consumption in new development
- Ensuring the incorporation of multifunctional green and blue infrastructure into developments which delivers environmental as well as health and well-being benefits by encouraging active lifestyles
- Promoting sustainable modes of transport/active, giving priority first to pedestrian and cycle movements, both within the scheme and with neighbouring areas
- Ensuring the District contributes to a comprehensive network of electric vehicle charging points to support electric modes of transport and emerging technologies
- Supporting an improvement in air quality across the District, particularly in respect of the Air Quality Management Areas (AQMA) at The Kibworths and Lutterworth, by providing sustainable travel choices to reduce the reliance on the private car.

12.7. In essence, most policies in the new Local Plan will have a role in addressing climate change and delivering sustainable development. It is likely that national planning policy and guidance in respect of climate change and zero carbon ambitions will keep evolving as the Local Plan is progressed. Such changes will be taken into account alongside relevant evidence in formulating a suite of policies on climate change. It will also be important to understand how any requirements relating to climate change will impact on the viability of development when considered alongside other

policy requirements (e.g. affordable housing, open space provision, biodiversity net gain).

Mitigating and Adapting to Climate Change

Question 30: Are there any other policy approaches to climate change issues that the Local Plan should consider?

13. Flood Risk

- 13.1. While flood risk is a longstanding issue, climate change will increase the likelihood of extreme flood events occurring more frequently in the future, with the potential to affect residents, businesses, heritage and other assets across parts of the District. Planning has a key role to play in managing and reducing flood risk.
- 13.2. National planning policy is clear that inappropriate development in areas at risk of flooding should be avoided by directing development away from areas at highest risk. Where development is necessary in such areas, it needs to be made safe for its lifetime and not increase flood risk elsewhere.
- 13.3. An up-to-date Strategic Flood Risk Assessment (SFRA) plays a key role in ensuring that the risk of flooding is taken into account in the preparation of strategic policies, including the location of development and the allocation of sites for development. Given that current SFRA dates from 2017, a new assessment will be undertaken to map and identify sources of flooding across the District. With early engagement of the Environment Agency (EA) and the County Council as the Lead Local Flood Authority (LLFA), this new assessment will take account of:
 - significant changes to planning policy over the intervening period, particularly relating to calculating the risk of flooding due to climate change
 - requirements set out in Planning Practice Guidance and the Environment Agency SFRA guidance, including Climate Change Allowances
 - latest EA models for the District, including for the Welland catchment (published in 2018).
- 13.4. On completion, the SFRA will be a key piece of evidence in site selection work, allowing the application of a sequential, risk-based approach to the location of development so as to avoid, where possible, flood risk to people and property. The aim of the sequential test is to steer new development to areas with the lowest risk of flooding from any source.

- 13.5. Alongside the site selection work, a policy relating to managing flood risk in the District will be developed which takes account of up-to-date national policy and local evidence. In addition, the current commitment to the use of sustainable drainage systems (SuDS) will be retained as part of the new Local Plan. Their potential for providing an effective way of both managing surface water while contributing to biodiversity net gain, through the creation of diverse habitats for wildlife, will be highlighted.

Flood risk

Question 31: Do you agree with the Council's intention to undertake an updated Strategic Flood Risk Assessment to feed into Local Plan preparation?

14. Water Supply and Wastewater Management

- 14.1. National planning policy makes it clear that strategic policies, as well as setting out an overall strategy for the pattern, scale and design quality of places, should make sufficient provision for infrastructure including water supply and wastewater.
- 14.2. Harborough District lies within the Severn Trent Water and Anglian Water areas, both classified as areas of serious water stress, meaning that more water is taken from the environment than the environment can sustain in the long term. Alongside this, new development will have an impact on the wastewater facilities which needs to be considered. To understand more fully the issues around water resources/supply and wastewater network/treatment, a Joint Water Cycle Study Scoping Report is being prepared with Blaby District Council, Oadby & Wigston Borough Council and Hinckley & Bosworth Council. Engaging with key partners such as the EA, LLFA and the water companies (Severn Trent, Anglian Water), the study will look at:
- whether there is enough water resource available to serve the total amount of growth
 - whether the water can get to where it is needed
 - sewage treatment works likely to be impacted by development and their capacity to accommodate growth
 - water quality and environmental impact.
- 14.3. The findings will feed into the selection of an appropriate spatial strategy and the site selection process. It will be the start of a dialogue with the water infrastructure providers and inform policy preparation relating to water supply and wastewater infrastructure to support new development.
- 14.4. Other aspects of the water environment to be covered in policy include:

- the quality of water courses
- the protection of ground water quality (Source Protection Zones)
- the removal of any contamination on development sites that could have an impact on the water environment
- prevention of adverse impact on water environment and its enhancement wherever possible.

Water Supply and Wastewater Management

Question 32: Do you agree that understanding the water supply and wastewater capacity is important in preparing the Local Plan?

15. Biodiversity and Geodiversity

- 15.1. The natural environment continues to be impacted by climate change, industry and agriculture, leisure and the need for development. As the current Local Plan acknowledges, Harborough District is relatively poor in biodiversity terms due to the predominance of agriculture. The [Environment Act 2021](#) introduces a mandatory approach to biodiversity net gain (BNG), offering the opportunity to secure improvements to Harborough's biodiversity.
- 15.2. In essence, mandatory BNG means that development will be required to leave biodiversity in a measurably better state than it was beforehand. It means that most planning permissions granted will have to deliver at least 10% biodiversity net gain from January 2024 (April 2024 for small sites). BNG can be delivered both on-site and off-site, on local authority owned or privately owned land and via green-blue infrastructure features. BNG will have to be secured, managed and maintained for at least 30 years.
- 15.3. While current Local Plan policy specifies that development should contribute towards improving protecting biodiversity, the approach to securing mandatory BNG of at least 10% will be embedded in new Local Plan policy to ensure it is delivered locally and appropriately. Local planning authorities can include higher BNG than the statutory minimum (10%) but this would need a local viability assessment to support it.
- 15.4. To help support the recovery of nature and the delivery of BNG, the Environment Act 2021 also introduced a new system of spatial strategies for nature called [Local Nature Recovery Strategies](#) (LNRS). Across England, there are 48 responsible authorities which will lead on preparing a LNRS for their area. Leicestershire County Council is the responsible authority for preparing the LNRS for Leicestershire, Leicester and Rutland. As well as working closely with Natural England and with the local planning authorities, including Harborough District Council, the County Council will

involve a wide range of groups to ensure the LNRS reflects local priorities and benefits from local knowledge.

- 15.5. The LNRS will set out priorities for nature's recovery, map the most valuable existing areas for nature and map specific proposals for creating or improving habitat for nature and wider environmental goals. The LNRS is expected to be finalised in spring/summer 2025 and will be a valuable source of evidence in understanding locations for conserving and enhancing biodiversity.
- 15.6. Separate Government guidance will be published on how local authorities will be expected to comply with their duty to take account of the LNRS when preparing local plans. In the meantime, the emerging LNRS will be an important source of evidence in setting out local habitat priorities and in the approach to BNG delivery in the new Local Plan.

Biodiversity and Geodiversity

Question 33: Do you think agree with the proposed policy approach to biodiversity and geodiversity? Is there anything else we should be considering to enhance biodiversity?

16. Heritage Assets and the Historic Environment

- 16.1. National planning policy defines the historic environment as all aspects of the environment resulting from the interaction between people and places through time, including all surviving physical remains of past human activity, whether visible, buried or submerged, and landscaped and planted or managed flora. The District has a rich and varied historic environment which helps us to understand the past. It is evident in the buildings and spaces and through the stories of the people who lived and worked in them. The historic environment has wider environmental, social cultural and economic benefits. It helps define an area, create a sense of place and serves as a focal point for civic pride, tourism and inward investment. Careful management of the historic environment is necessary to ensure that its importance is recognised and that it can continue to contribute to the on-going evolution of the District.
- 16.2. Heritage assets are part of the environment that are valued for their architectural, historic archaeological and artistic interest. They range from sites and buildings of local historic value to those of the highest significance. Within the District there is a significant number of heritage assets, both designated and non-designated which are a key part of its character. These include 65 scheduled monuments, 6 registered parks and gardens, 1284 listed buildings, 62 designated conservation areas and the

Grand Union Canal in the area has also been separately designated as a Conservation Area. In addition, there are non-designated heritage assets identified through the neighbourhood planning process and through the District-wide Local List of non-designated heritage assets and there are entries on the Historic Environment Record. All these assets are an irreplaceable resource and should be conserved in a manner appropriate to their significance, so that they can be enjoyed for their contribution to the quality of life of existing and future generations.

16.3. Conserving the historic environment is the process of maintaining and managing change to a heritage asset in a way that sustains and, where appropriate, enhances its significance. The Local Plan will achieve this through policies which:

- Protect and enhance nationally and locally listed buildings and other identified heritage assets, including the protection and enhancement of key views.
- In addition to the national and local planning policies, where the Council identifies a particular risk to a heritage asset it can consider applying an Article 4 direction. (Article 4 directions are a tool available to the Council which can be used to withdraw permitted development rights from a heritage asset where it is considered necessary in order to safeguard its special architectural or historic interest).
- Achieve creative re-use of heritage assets, so that they continue to contribute to the unique character of their location.
- Encourage all development to contribute to the unique character of the area by protecting and enhancing existing heritage assets. All development should celebrate local distinctiveness of its location and create memorable places that are visually attractive and offer a unique experience to its users.

Heritage Assets and the Historic Environment

Question 34: Do you agree with the proposed approach to heritage assets and the historic environment?

Health and Well-being Policies

17. Healthy communities

17.1. In accordance with the NPPF local planning authorities are expected to prepare planning policies aimed at achieving healthy, inclusive and safe places which enable and support healthy lifestyles.

17.2. The NPPF states that access to a network of high-quality open spaces and opportunities for sport and physical activity is important for the health and well-being of communities. The COVID-19 pandemic has also elevated the importance of the health and wellbeing of our communities when planning for the future.

17.3. The adopted Local Plan currently incorporates health into a range of different topics such as green infrastructure, open space and design.

17.4. In order to consider how to promote healthy lifestyle and improve the well-being of communities we firstly need to consider the social and demographic profile of the District. The Census 2021 contains a lot of information about the District including data about the health of its residents which is summarised as follows:

17.5. Harborough's population profile:

Age

- Aged 15 years and under 17.6 %
- Aged 16 to 64 years 60.4 %
- Aged 65 years and 22%

Life Expectancy

- Female life expectancy: 84.7 (above England average of 82.8)
- Male life expectancy: 80.7 (above England average of 78.7)

General Health

- Very good health 52.8%
- Good health 33.1%
- Fair health 10.6%
- Bad health 2.7 %
- Very bad health 0.7%

17.6. As part of the current evidence gathering process Harborough will work closely with the other Leicestershire authorities and other relevant stakeholders to prepare a Health Impact Assessment to support the preparation of policies for the Local Plan.

17.7. At this stage in the plan preparation process we would like to hear your views regarding what you consider to be the best approach to incorporate health and well-being into the new Local Plan.

17.8. Currently we have identified two options:

- 1) Continue with the current approach of incorporating health and wellbeing with the other themes and issues explored in the Local Plan, such green infrastructure, open space and design codes.
- 2) Based upon evidence create a specific planning policy that encourages healthy lifestyles and improves the well-being of the communities in the District.

Healthy communities

Question 35: Which of the above options do you think should be pursued? Are there any other options?

18. Blue-Green Infrastructure

18.1. Blue-green infrastructure (BGI) refers to a strategic and interconnected network of natural and semi-natural features designed to manage and enhance the environmental, social, and economic well-being of a local community or region.

18.2. This infrastructure incorporates a combination of water bodies, such as rivers, lakes, and wetlands (the "blue" elements), as well as green spaces, such as parks, forests, and green roofs (the "green" elements).

18.3. It is a multifunctional approach to urban and rural planning that aims to provide a range of benefits, including flood mitigation, improved water quality, biodiversity conservation, recreational opportunities, and enhanced urban aesthetics. Blue-green infrastructure seeks to promote sustainability, resilience, and quality of life by integrating nature-based solutions into the built environment, ultimately creating more liveable and environmentally friendly places for present and future generations.

18.4. There are several ways in which BGI can improve the health and well-being of communities and provide additional biodiversity opportunities including:

- Urban greening
- Integrating green and blue infrastructure into new developments
- Green and active travel corridors
- Green links from urban to rural areas

18.5. The adopted plan identifies the following interconnected strategic BGI assets:

- The Welland, Sence, Soar, Swift river corridors
- Grand Union Canal
- Dismantled railway lines
- Saddington, Stanford and Eyebrook reservoirs
- Traffic free cycle routes, and long-distance recreational paths and bridleways.

18.6. The Council will work with partners and stakeholders to assess and review these assets within the District and as part of the wider BGI network to identify the best course of action for their protection and enhancement. A recently completed [Open Space Strategy \(2021\)](#) will provide a useful starting point in this BGI review process.

Blue-Green Infrastructure

Question 36: Do you agree that the existing approach should continue to protect, improve and enhance strategic Blue-green infrastructure within the district?

Question 37: Is there an alternative approach to Blue-green infrastructure?

19. Open Space, Sport and Recreation

19.1. The NPPF considers open space to include all open space of public value that can take many forms, from formal sports pitches to open areas within a development, linear corridors and country parks. Open spaces can make a positive contribution towards creating a sense of place, improving biodiversity and mitigating climate change. Also, improving access and connections between open spaces to create a green infrastructure network provides important opportunities for sport, recreation and physical activity that improve the health and well-being of communities.

19.2. An up-to-date assessment of the need for open space, sports and recreation facilities is required to inform the preparation of planning policies for the Local Plan, so the Council has updated the [Open Space Strategy \(2021\)](#). This study identifies the different typologies of open space within the District and assesses the quantity, accessibility, quality and value of open spaces up to 2036. The implementation of this strategy is discussed in the [Provision for Open Space Sport and Recreation Delivery Plan 2021](#)

19.3. Other recently completed studies include:

- [Built Sports Facility Strategy \(2020\)](#) : Assessment of the need for sports and recreation facilities

- [Playing Pitch Strategy \(2022\)](#) identifies supply and demand for a variety of playing pitches and outdoor sports facilities.

19.4. The information collected from these assessments and studies identify the amount and type of open space, sport and recreational provision that is required in the future within the District. Based upon these findings recommendations and standards for development have been suggested in the studies.

19.5. The adopted Local Plan sets standards for open space, sport and recreation requirements for development based on evidence from previous studies. It is proposed that the information and recommendations from the recent studies will inform the planning policy formulation on open space, sport and recreation in the new Local Plan.

Open Space, Sport and Recreation

Question 38: Based upon this updated evidence do you think we should continue with the similar approach set out in the adopted Local Plan and set standards in planning policies for open space, sport and recreation?

Question 39: Is there an alternative approach that you consider to be more appropriate for open space, sport and recreation?

20. Local Green Spaces

20.1. Open spaces with a local significance for communities can be protected through the Local Green Space designation. National policy specifies that Local Green Space can be designated through the local and neighbourhood plan making process. For an area to be designated as Local Green Space an assessment needs to be carried out to determine whether the site meets the criteria set out in national planning policy.

20.2. The NPPF states that the Local Green Space designation should only be used where the green space is:

- in reasonably close proximity to the community it serves;
- demonstrably special to a local community and holds a particular local significance, for example because of its beauty, historic significance, recreational value (including as a playing field), tranquillity or richness of its wildlife; and
- local in character and is not an extensive tract of land.

20.3. An assessment of Local Green Spaces may be carried out to update the previous study that was carried out in 2013.

20.4. Currently there are 36 Local Green Spaces designated in the adopted Local Plan. In addition, there are 143 Local Green Spaces designated in Neighbourhood Plans. The neighbourhood planning process has given local communities the opportunity to identify Local Green Spaces and prepare policies that preserve and enhance them.

Local Green Space

Question 40: Should the new Local Plan identify new areas of Local Green Space or are they more appropriately identified through Neighbourhoods Plans?

Housing Needs Policies

Housing and Economic Needs Assessment (HENA, 2022)

21.1. It is important that new homes delivered provide for an appropriate mix of types, tenures and sizes of homes, including affordable housing (NPPF). The [Housing and Economic Needs Assessment \(HENA, 2022\)](#) includes an assessment of affordable housing need across the Leicester and Leicestershire authorities, and also considers the appropriate mix of housing across the area focusing on sizes of homes required in different tenure groups. The HENA also includes an assessment of need for specialist accommodation for older people and the potential requirements for housing to be built to higher accessibility and wheelchair standards and considers the needs for self and custom build housing and also Gypsy and Traveller needs.

21. Affordable Housing

21.2. The NPPF categorises affordable housing into four main types:

- a) **Affordable housing for rent:** owned and managed by a Council or other Registered Provider with rent set at a level which does not exceed 80% of the local market rent or Social Rent set in accordance with the Government's rent policy.
- b) **Starter homes:** new dwellings which are available for purchase by qualifying first-time buyers and are sold at a discount of at least 20% of the market value, subject to a price cap and with restrictions on sale or letting.
- c) **Discounted market sales:** housing which is sold at a discount of at least 20% below market value with eligibility determined by local incomes and house prices and with provisions to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership:** for those who could not achieve home ownership through the market including shared ownership, equity loans, low cost homes for sale and rent to buy.

21.3. The HENA assessed affordable housing need taking account of the NPPF definition of affordable housing. It found that Harborough's affordable housing need is:

- 254 affordable homes for rent per annum
- 185 affordable home ownership per annum

21.4. Affordable home ownership products include First Homes, Shared Ownership and Rent to Buy. The figures for affordable home ownership represent the highest possible requirement. The HENA analysis states that

the needs for affordable home ownership do not include any reduction due to the availability of market-based initiatives to make homes affordable such as the Help-to-Buy Equity Loan scheme which evidence shows has in the past comprised a significant proportion of new-build delivery. This would significantly reduce the estimated need for affordable home ownership products and therefore point Councils to focus on meeting rented needs where possible. The HENA states that individual local authorities may look to discount a proportion of the identified Affordable Home Ownership numbers to reflect these scenarios.

- 21.5. The Council's approach to meeting the need for affordable housing will be informed by viability evidence for the whole plan and is unlikely to be as high as the need identified by HENA.

Affordable Housing

Question 41: How should the plan deliver the 254 affordable homes for rent per annum?

Question 42: Should Council look to discount the proportion of affordable home ownership dwellings to reflect the scenarios set out above? If so, how should it be discounted?

22. Mix of Housing

- 22.1. The NPPF requires an assessment of the size, type and tenure of housing needs for different groups in the community to be completed.

- 22.2. The HENA identifies the mix of homes needed in different tenures having regard to demographic changes and how households of different ages occupy homes, together with adjustments to address overcrowding. This is set out in the table below:

	1-bedroom	2-bedroom	3-bedroom	4+ bedroom
Affordable housing (rented)	35%	40%	20%	5%
Affordable home ownership	20%	40%	30%	10%
Market	5%	35%	40%	20%

Table 1 Table showing the percentage of different bedroom sizes for affordable and market dwellings

- 22.3. Analysis in the HENA also suggests that the majority of units should be houses rather than flats, with consideration to site specific circumstances. Additionally, it states that the Council should consider the role of bungalows within the mix as such housing can be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into the market.

Mix of Housing

Question 43: Should the mix of sizes apply to all developments or only those over a set size threshold?

Question 44: How should the plan deal with the demand for bungalows?

23. Older Person and Specialist Housing

- 23.1. The NPPF makes clear that local planning authorities should seek to address the needs of different groups with specific housing requirements in their communities, including older people and those with disabilities.
- 23.2. The HENA analysis shows that 20.5% of the population across Leicestershire is aged 65+, and that the population aged 65+ is expected to grow by 80,200 persons to 2041. Currently 31% of households across Leicestershire have a long-term health problem or disability, and the number of households with support and care needs is expected to rise over time, driven by demographic changes and a growing older population. The HENA models the needs of households with specialist housing needs. The needs for additional housing units with care are focussed on market housing, with a smaller need for affordable housing units with care as set out in the table below.

Shortfall/surplus by 2041	Need
Housing with support (Market)	893
Housing with support (Affordable)	127
Total housing with support	1021
Housing with care (Market)	428
Housing with care (Affordable)	119
Total housing with care	547
Residential care bedspaces	273
Nursing care bedspaces	391
Total bedspaces	663

Table 2 Table showing specialist housing needs for older people from 2020-2041

Older Person and Specialist Housing

Question 45: Should the plan make specific site allocations for specialist housing, or require a proportion on sites over a specified size threshold?

23.3. The HENA report also identifies a housing need for Harborough for around 971 wheelchair users up to 2041. Together with the expected growth in residents with mobility problems, as set out in the HENA, this would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings. The HENA suggests requiring all dwellings meet the M4(2) standard (accessible and adaptable dwellings) and 10%-25% of homes meet M4(3) standard (wheelchair user dwellings) where it is feasible to do so, with a higher proportion in the affordable than market sector.

Question 46: Should all dwellings be required to meet the M4(2) standard (accessible and adaptable dwellings) and 10%-25% of homes be required to meet the M4(3) standard (wheelchair user dwellings)?

Question 47: Should the approach to accessibility standards be different for market housing and affordable homes?

24. Space Standards

24.1. The NPPF requires planning policies to create places that have a high standard of amenity for existing and future users. It states that policies may make use of the [nationally described space standard](#), where the need for an internal space standard can be justified.

Space Standards

Question 48: Should this Local Plan include a requirement to use the nationally described space standard?

25. Accommodation for Gypsies and Travellers

25.1. The Planning Policy for Traveller Sites (PPTS, 2015) requires local authorities in producing their local plans to set targets for pitches for Gypsies and Travellers and plots for travelling show people. Local authorities are also required to find sites for the next 5 years against the target and sites or broad locations for at least the next 10 years.

25.2. The most recent evidence in relation to the housing needs of Gypsies, Travellers and Travelling Showpeople was published in May 2017. An updated Gypsy and Traveller Accommodation Assessment (GTAA) is likely

to be needed to identify the current and future need for pitches and plots. The Council may need to identify new sites to meet any identified need and would welcome the submission of potential sites for gypsy and traveller accommodation through the Call for Sites process (see section 5).

- 25.3. Once the GTAA evidence has been updated, the Local Plan will need to find sites to accommodate any identified need for gypsy and traveller pitches.

Accommodation for Gypsies and Travellers

Question 49: How can the Council find sites to accommodate the need for Gypsy and Traveller pitches:

- a) Allocate sites for gypsy and traveller pitches as part of new employment land or housing developments?*
- b) Regularise existing unauthorised sites?*
- c) Extend existing sites?*
- d) Create a new district or county council owned site?*
- e) Other (please explain).*

Question 50: If we need to allocate sites for new pitches, what size of site should we be seeking to allocate?

26. Self-build and Custom Housebuilding

- 26.1. Some people want to build or commission their own homes and it is important to ensure communities have the opportunity to do so as part of the Council's strategy for meeting housing need. Such schemes can include individual family homes and community housing projects.

- 26.2. The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) requires councils to keep and have regard to a self-build and custom housebuilding register which is a record of the individuals and associations of individuals seeking serviced plots of land in the area to self-build or custom build their own home. The Act places a further duty upon councils to grant permission for enough suitable plots of land to meet the demand in their area. The level of demand is established by the number of entries added to the Council's register during a base period which runs from 31 October to 30 October each year. The local authority then has 3 years from the end of each base period in which to permit an equivalent number of plots.

- 26.3. The Council's register shows that at 30th October 2023 there were 183 individuals and 1 association on the Self-build and Custom Housebuilding

Register and together they required a total of 185 plots. At this time 27 plots had been granted planning permission to go towards meeting this demand.

Self-build and Custom Housebuilding

Question 51: How should the Local Plan address meeting demand for self-build and custom housebuilding?

Question 52: Should large sites be required to provide a percentage of their plots as serviced plots for self-build?

Question 53: Should the plan make site specific allocations for self-build and custom housebuilding?

Local connection test – Self-build and Custom Housebuilding Register

26.4. The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) enables relevant authorities to include an optional local connection test to the Self-build and Custom Housebuilding register. This would require any applicants to the self-build register to have a local connection that would be set by the local planning authority. To introduce this test, local planning authorities must have a strong justification. If a local connection test were to be introduced it is proposed to use the same local connection test used by the Council for the Housing Register as set out below.

26.5. *A local connection to join the housing register is:*

(a) They have normally resided in settled accommodation in the District for at least two years preceding application, (an exception will be made for homeless applicants who do not meet the 2 year residence criteria in Local Connection, where the Council has a statutory duty to discharge to a homeless household).

(b) They, or a member of their household is employed on a permanent basis or a temporary contract running for a minimum of twelve months, within the District (confirmation will be required from the employer)

(c) Having parents, brothers, sisters or adult children and step equivalents (aged 18+ years) who are living in the District now and have done so far at least the past five years in settled accommodation and where a meaningful relationship exists.

(d) They have no local connection but are fleeing violence or threats of violence and have been accepted as priority homeless by the Council.

(e) Other special circumstances may exist, and all applications will be considered on their individual circumstances.

Question 54: Should the Council decide to introduce a Local connection test, is the Local connection test set out above suitable to use for the Self-build and Custom Housebuilding register?

Question 55: Does the Council have strong justification to introduce the local connection test?

Town Centres, Retailing, Leisure and Tourism Policies

27. Town Centres, Retailing and Leisure

27.1. National policy seeks to promote the vitality of town centres and requires planning policies and decisions to support the role that town centres play at the heart of local communities. It advocates taking a positive approach to their growth, management and adaptation which includes promoting their long-term vitality and viability by allowing them to grow and diversify in a way that responds to changes in the retail and leisure sectors. As well as allocating a range of suitable sites in town centres to meet the scale and type of development likely to be needed (over at least a 10 year period), it emphasises that residential development on appropriate sites can play an important role in supporting the health of town centres.

27.2. Local plans should also define a network and hierarchy of town and retail centres. The current hierarchy is set out in the table below. Centres beyond the administrative boundary are also shown as they potentially have a functional relationship with the District and a role to play in meeting the needs of residents.

Current Town Centre/Retail Hierarchy:

Hierarchy Tier	Within Harborough District	Beyond Harborough District
City Centre		Leicester, Northampton
Town Centre	Market Harborough Lutterworth	Rugby, Kettering, Corby, Wigston, Hinckley, Melton Mowbray, Oakham, Uppingham, Blaby
District centre	Broughton Astley	Oadby, South Wigston, Hamilton, Evington, Narborough, Enderby
Local centre	Kibworth Beauchamp Fleckney, Great Glen	Desborough, Burbage, Stoney Stanton, Cosby, Huncote, Sapcote, Whetstone

27.3. Whilst the District's town and village centres have been evolving over several years, the Covid-19 epidemic greatly accelerated these transformational changes. With an increased number of transactions online, 'High Streets' are no longer just retail centres, but are evolving into destinations where people expect to experience a range of activities, be it going to a park, having a coffee, visiting the gym, enjoying a meal out or visiting a museum. Whilst some of this change is happening organically, it is important that new Local Plan policies support change whilst still ensuring that places remain attractive places, support the needs of local communities, encourage increased visitor numbers and promote an appropriate balance between retail and non-retail uses.

- 27.4. The current town centre boundaries for Market Harborough and Lutterworth will be reviewed, as will Market Harborough's defined primary shopping area. The policy approach to uses within these boundaries will also be reviewed as part of a positive strategy for the future of each centre.
- 27.5. Town Centre Masterplans have been prepared for both Market Harborough (2022) and Lutterworth (2021) with a remit of ensuring the future viability and vitality of the town centres and securing their role as local destination for retail, leisure and hosting of community networks and events. These masterplans will form part of the evidence base for the new Local Plan and its policies relating to the two town centres.
- 27.6. An up-to-date town centre, retail and leisure study will also be prepared to inform new Local Plan policy. While the scope of the study will encompass the changing role of town centres, it will identify the amount of new retail and leisure floorspace needed over the plan period. This evidence will need to consider the scale and location of additional retail provision needed to support proposed growth across the District. For example, there may be a need for new retail floorspace to be delivered alongside strategic development.
- 27.7. Key issues which the Local Plan can help address are:
- Positively supporting change within the District's town and local centres, making them attractive places to visit and protecting their character.
 - Providing policy flexibility to support the challenges and opportunities faced by each retail centre.
 - Allocating land to meet identified needs for retail and mixed-use development.
 - Ensuring that strategic development delivers local services and retail facilities to meet day to day needs thus minimising the need to travel.

Town Centres, Retailing and Leisure

Question 56: Do you agree with the proposed approach to supporting town and village centres?

28. Tourism

- 28.1. As part of a prosperous rural economy, the NPPF supports sustainable rural tourism and leisure developments which respect the character of the countryside. Building on the District's strengths, one of the aims of the Council's Corporate Strategy is to increase tourism through the showcasing

of the District's culture and heritage. This aspiration will be reflected in the upcoming refresh of the Council's Economic Development Strategy.

- 28.2. Tourism and the visitor economy is seen as a significant and growing sector across Leicester and Leicestershire in the [LLEP Economic Growth Strategy 2021-2030 \(2021\)](#). Its potential is reflected in the [Leicester and Leicestershire Tourism Growth Plan](#) which is a 5 year plan for further growth in the tourism sector with the aspiration for the county to become a leading leisure and business tourism destination. More locally, the [Visit Harborough](#) website focuses on promoting the District's attractions including market towns, villages, heritage, shopping, eating places and accommodation options to encourage visitors to the area.
- 28.3. The Council will consider how the new Local Plan can support a sustainable tourism economy and promote growth in visitor numbers. Policies to support the enhancement of tourist attractions and the development of new visitor accommodation in appropriate locations will be considered. In doing so the District's main attractions may be identified alongside specific supporting policies. Also work will need to establish the unique selling points and qualities of the District and how policy can support them most appropriately. We will take into account the Councils Economic Development Strategy and other relevant evidence in developing our policy approach.
- 28.4. Growth in tourism, the hospitality sector and the visitor economy is dependent on many aspects of policy. Tourism opportunities and visitor numbers are intrinsically linked with District's cultural and leisure facilities, heritage assets, rural character and its distinctive towns and villages. Policies will need to strike a balance between promoting of tourism and protecting of the character and qualities of the District. Potential impacts on the historic and natural environment, local landscape and residential amenity will need to be considered. Similarly healthy and vibrant town centres with a balance of uses (e.g. shops, cafes, restaurants, leisure activities, parks and open spaces) attract visitors. Therefore, policy to support town centres and an appropriate balance of uses will be important in supporting tourism and visitor activity.

Tourism

Question 57: Do you agree that the new Local Plan should encourage tourism and the growth in visitor numbers?

Transport, Local Services and Infrastructure Policies

29. Transport

- 29.1. Government Policy says transport issues should be considered from the earliest stages of plan-making. In doing so, plans can seek to address any potential transport impacts, encourage more sustainable forms of movement and embrace changing transport technology.
- 29.2. Significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes. This can help to reduce congestion, emissions and improve air quality and public health. However, opportunities to maximise sustainable transport solutions will vary between urban and rural areas, and this should be taken into account in plan-making.
- 29.3. Harborough District is a rural area and the current Local Plan (2019) directs most development to areas which already have capacity to offer sustainable transport choice for local journeys to access services and facilities, such as public transport, walking and cycling.
- 29.4. Parts of the District contain a heavily trafficked road network which experiences congestion, delays and poor air quality, particularly at peak times. There are two Air Quality Management Areas (in Lutterworth and The Kibworths). The only railway station is in Market Harborough giving good access to larger centres such as Leicester and London. The west of the District has good access to the strategic road network including the M1 and A5. The rural nature of Harborough means residents of the District are heavily reliant on private vehicles.
- 29.5. The new Local Plan will need to consider the implications of growth and how best to mitigate any adverse transport impacts. It can encourage growth in locations that have greater access to more sustainable forms of transport.
- 29.6. The Local Plan can strongly influence transport and travel patterns. Minimising the need for journeys using private cars and encouraging more sustainable modes can be achieved through a range of policy approaches and identifying potential allocations in the most sustainable locations.
- 29.7. The plan must be realistic, there will inevitably be a need for people to travel to seek employment, education, shopping, leisure and other services and facilities. The Local Plan should seek to provide growth in a manner that minimises transport impacts.

29.8. Initially, further transport evidence will be required to understand the current pressures on transport and where there are capacity constraints. Growth options will be assessed to understand the transport impacts and implications.

29.9. The development of new policies and allocations will allow the Council to explore options for delivering necessary growth whilst seeking the most sustainable forms of movement and mitigating any adverse impacts identified. There are several potential options including:

Option A: Continue with the approach in the current Local Plan which recognises the rural nature of the District and encourages more sustainable transport modes whilst acknowledging that private cars have an important role for residents. Where adverse impacts are identified at junctions and links, mitigation solutions are required.

Option B: Promote policies that actively encourage sustainable transport. To help shift the emphasis towards more sustainable transport modes consideration could be given to policies which require greater financial contributions towards public transport or improving cycling / walking infrastructure in preference to road and junction upgrades.

Option C: Allow for development and accept that junctions and links will continue to operate above capacity. This may result in 'self-regulating' behaviour where people choose alternatives where routes and junctions become too congested. This approach would place lesser transport constraints on growth but is likely to perpetuate traffic problems on the network.

Transport

Question 58: Which of the above options or option do you think should be followed in the new Local Plan? Are there any other options to consider?

30. Local Services and Infrastructure

30.1. Infrastructure planning is an essential part of the Local Plan process. To create sustainable communities we need to ensure development is supported by the necessary physical, social and green infrastructure. By 'infrastructure' we mean essential services and facilities such as schools, health, roads, water, gas, electricity and open space.

30.2. The provision of appropriate infrastructure is an important theme running through national policy. It requires effective and ongoing joint work with relevant bodies so additional infrastructure needs are understood, and local plans are required to set out the infrastructure needed to support the

delivery of the Plan.

- 30.3. The new Local Plan should therefore consider the implications of growth and ensure social and other infrastructure is in place to support the needs of new residents. Large scale growth often has substantial and complex infrastructure requirements. It is therefore vital that the Local Plan adequately plans for this.
- 30.4. The Local Plan will need to identify sites in locations which have the ability to access existing infrastructure (where there is capacity) or provide additional infrastructure through new provision or expansion of existing facilities.
- 30.5. It is therefore important to understand what existing infrastructure is available, and whether it may need to be improved or extended to support new development. The Council will work with infrastructure partners to develop a clear understanding of what infrastructure capacity is available and what will be needed to support new development and use this information to develop an Infrastructure Delivery Plan to sit alongside the Local Plan. The Infrastructure Delivery Plan will be used to identify the type of infrastructure required, its cost, delivery agency, phasing and funding sources.
- 30.6. To ensure an appropriate range of infrastructure is available in a timely manner, we will carry out new viability testing of the policies and proposals in the plan to ensure the cumulative impact of policies, infrastructure requirements and development costs do not make development unviable.
- 30.7. The Plan may include policies to cover specific types of infrastructure such as water and wastewater, sustainable drainage systems (SuDS), transport and open space. Policies relating to allocated sites may also contain site specific infrastructure requirements where appropriate.
- 30.8. We have identified the following potential approaches to local services and infrastructure:
- 30.9. Option A: Continue with current approach of seeking on-site provision and financial contributions to a wide range of infrastructure where new development requires the provision. It ensures that developments support a wide range of services and facilities (including health, education, policing, libraries and other forms of social infrastructure).
- 30.10. Option B: Prioritise infrastructure. This would help to prioritise scarce financial resources towards key infrastructure to be agreed as the Local Plan progresses. This could prioritise certain types of infrastructure helping to focus investment plans of other agencies and support funding bids.

- 30.11. Option C: Focus new development on areas where there is existing capacity or certainty about the delivery of infrastructure improvements. This would result in an infrastructure-led approach where development sites are chosen depending on the existing or potential supply of infrastructure.

Local Services and Infrastructure

Question 59: Which of the above approaches to infrastructure delivery do you prefer? Are there any other options that could be considered?

Harborough District Council



Report to Cabinet of the Council

Title:	Local Development Scheme update
Status:	Public
Key Decision:	No
Report Author:	Local Plan Project Officer, Joanne White
Portfolio Holder:	Planning Portfolio, Councillor Galton
Appendices:	Revised Local Development Scheme – Appendix A

Summary

- i) The Council is required to keep under review the key milestones in the local plan timetable and any changes in planning context, especially at sub-regional and national level.
- ii) Preparation of a new local plan currently faces two key challenges, which this update seeks to address.

Recommendations

That Cabinet resolve to:

- (1) Recommend to Council approval of the revised Local Development Scheme, set out at Appendix A.**
- (2) Delegate to the Director of Planning, in consultation with the Head of Legal Services and the Portfolio Holder for Planning, authority to:**
 - (a) Commission, negotiate, award, enter into and vary such arrangements and legal agreements as may be necessary or appropriate to deliver the Local Development Scheme.**
- (3) Delegate to the Director of Planning, in consultation with the Portfolio Holder for Planning, authority to:**
 - (a) Keep the Local Development Scheme under review as necessary and appropriate.**

Reasons for Recommendations

The last Local Development Scheme (LDS), published in July 2022, indicated that Regulation 18 (Issues & Options consultation) would be conducted in September/October 2023 and therefore it is now out-of-date.

This LDS update is to ensure that the timetable for local plan preparation remains up to date.

1. Purpose of Report

- 1.1. The Council has a duty to prepare, publish and maintain an LDS for the district.
- 1.2. The last LDS, published in July 2022, indicated that Regulation 18 (Issues & Options consultation) would be conducted in September/October 2023 and therefore it is now out-of-date.
- 1.3. This LDS update is to ensure that the timetable for local plan preparation remains up to date.

2. Background

- 2.1. In July 2021, Cabinet decided to begin the preparation of a new Local Plan. An integral part of the preparation of a new local plan is the formulation of a Local Development Scheme (LDS). The LDS sets out the timetable / route map for the preparation of the new Local Plan. The timetable identifies key dates and public consultation stages as well as outlining the subject matter and geographical extent of the plan.
- 2.2. By preparing and publishing the LDS, key stakeholders such as the local community, neighbouring authorities, infrastructure providers and developers can contribute to planning policies for the district. The LDS is also an opportunity to provide information on any Supplementary Planning Documents.
- 2.3. A new LDS was approved by Cabinet in September 2021, and was superseded in July 2022.
- 2.4. The Council is required to keep under review the key milestones in the timetable within the LDS; some changes in context, especially at sub-regional and national level, may be driven by circumstances beyond the authority's control.
- 2.5. The Council's existing LDS provides that the Council will submit its local plan for examination by 30 June 2025. This date is not changing. However, the timetable within the existing LDS requires updating to reflect that the Council will be issuing the Regulation 18 issues and options consultation slightly later than anticipated.

3. Details

- 3.1 The reprofiled timetable for the preparation of the local plan outlined in the proposed LDS takes into consideration both the national and local planning policy context, including:

Local Plan Policy IMR1: Implementation, monitoring and review

- 3.2 Local Plan Policy IMR1 sets out specific local triggers which would require a full or partial update of the Local Plan and associated timescales. Simply put, Policy IMR1 specifies that a review of the Local Plan will be commenced (i.e., publication of a Regulation 18 Issues and Options Consultation¹) within 6 months of any three possible triggers:

- A) The adoption by the Council of a Memorandum of Understanding (MOU) or Statement of Common Ground (SoCG) which proposes a significantly higher quantity of housing or employment development to 2031, than the housing or employment need already identified in the adopted Local Plan; or
- B) 12 months from the date of publication of a Local Plan for Leicester City Council (defined as publication of a Regulation 19 consultation²) which includes satisfactory evidence of an unmet local housing need; or
- C) Conclusion of a review in relation to specific trigger points, such as significant and persistent shortfalls in the delivery or supply of housing when measured against the adopted housing requirement.

- 3.3 The updated LDS takes into account the publication of Leicester City Council's Regulation 19 local plan consultation on 16 January 2022, with an evidenced unmet local housing need (which is also set out in a Statement of Common Ground which is being considered by Council on 6 November 2023).

- 3.4 The proposed updated LDS meets the requirements of Local Plan Policy IMR1 and will facilitate a new local plan being submitted for public examination by 30 June 2025.

Levelling-up and Regeneration Act 2023

- 3.5 The Levelling Up and Regeneration Act 2023 ('LURA') has changed the statutory framework for the 'making' of local plans. It provides for a period of transition for local authorities who have been progressing preparation of their local plan under the current plan making system. The transition period requires the Council to submit its local plan for examination by 30 June 2025 – the date in the existing LDS. To achieve that deadline, the Council needs to progress the preparation of the new local plan.

- 3.6 The transitional arrangements tabled by government state that Local Planning Authorities who do not submit a new plan by 30 June 2025, will have to operate within the reformed planning system.

- 3.7 The Government is proposing transitional arrangements to enable up to date plans which become more than five years old during the first 30 months of the new system to be

¹ Regulation 18 of the Town and Country (Local Planning) (England) Regulations 2012

² Regulation 19 of the Town and Country (Local Planning) (England) Regulations 2012

protected from speculative development. This will not protect the Council's current local plan which was adopted on 30 April 2019 and will become five years old before new arrangements are expected to be in place. The current local plan will therefore remain out of date until replaced by a new local plan. If the 30 June 2025 deadline is not met, this could potentially be as late as 2029 or 2030. That would place the district at considerable risk of speculative development over a period of several years and is not recommended.

- 3.8 Furthermore, Government proposals will remove local authority controls for deciding when a new local plan should be commenced. This means that even if Council's monitoring indicators highlight that there is a need to start a new local plan, work cannot begin until the Authority receives instructions, or approval, to do so from central government. Consultation proposals also make clear the government's intention to dictate local plan preparation timetables and the associated programme of public consultations to be undertaken.
- 3.9 Local Planning Authorities like Harborough will be grouped or 'batched' according to their plan-making track record and adoption date of their last adopted local plan. The government intends to ensure that the first 'batch' of local plans to be prepared under the new system will comprise authorities without a current adopted plan.
- 3.10 Future 'batches' of authorities will be instructed to commence local plans chronologically, according to previous adoption date. In view of Harborough District Council's strong track record of local plan preparation and adoptions, and strong track record of housing delivery, there will be a considerable wait until called upon to start a new local plan (unlikely to be asked to start a new local plan before 2027).
- 3.11 The Government has indicated that it will introduce protections for plans which become more than five years old during the first 30 months of the new system (i.e., between 1 July 2025 and January 2028 if the transition date is not altered). This protection is intended to reduce speculative development. This protection would not however apply to the Council's plan as it was adopted on 30 April 2019. It will therefore be more than five years old (and therefore out of date) and remain out of date until replaced by a new local plan.
- 3.12 The reprofiled LDS timetable set out at Appendix A will enable a new plan to be submitted for public examination under the current plan-making system as anticipated by 30 June 2025. A thorough and comprehensive project management led approach has been put in place to mitigate any such circumstances as much as possible.
- 3.13 Failure to submit the local plan for examination by 30 June 2025 may lead to the Council having an out-of-date local plan and no statutory protection until 2029 or 2030 because of the impact of LURA. That would place the district at considerable risk of speculative development over a period of several years and is not recommended.

4. Implications of Decisions

Corporate Priorities

- 4.1 The LDS will support delivery of a new Local Plan which in turn will support all four priorities in Corporate Plan 2022-2031: -
- Place and Community: Leading across the local community to create a sense of pride and belonging. CO1, CO2, CO3, CO5.
 - Healthy Lives: Promoting health and wellbeing, encouraging healthy life choices. CO6, CO7, CO8.
 - Environment and sustainability: Creating a sustainable environment to protect future generations. CO11, CO12, CO14, CO16.
 - Economy: Supporting businesses and residents to deliver a prosperous local economy. CO17, CO18, CO23.

Consultation

- 4.2. There is no requirement for public consultation on the LDS. The LDS will be published on the Council's website.

Financial

- 4.3. There are significant resource and financial implications due to incredibly tight local plan preparation timescales, to meet the government deadline to submit a new local plan by 30 June 2025, for Examination under the current legal framework.
- 4.4. Financial implications are to be considered by the Council's Cabinet on 27 November 2023, under a separate agenda item entitled, 'New Local Plan Resources'.

Legal

- 4.5. The requirement to publish and keep under review the LDS is set out in section 15 of the Planning and Compulsory Purchase Act 2004 (as amended).
- 4.6. Preparation of the new Local Plan will take place in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012. The Planning and Compulsory Purchase Act 2004 places a duty on local authorities to carry out plan-making.

Environmental Implications

- 4.7. The LDS will support delivery of the Local Plan. The new Local Plan will have implications in relation to the spatial planning of the district. The wider environmental implications of the scale and distribution of development and associated supporting infrastructure will be assessed through the Sustainability Appraisal of the Local Plan, which incorporates the requirements of the SEA Directive.

Risk Management

- 4.8. The updated LDS is an important step in the preparation of the new local plan. The LDS helps the Council to manage the risks associated with preparing a new local plan within the reprofiled LDS timeframe, including:
- The proposed LDS local plan preparation timetable confirms that the new local plan will be submitted for examination in June 2025, which accords with the government's deadline for plans to be submitted for examination under the current plan-making system.
 - Triggers which specify the circumstances in which the Authority will need to prepare a new local plan (as outlined in local plan policy IMR1) have been activated, since Leicester City Council published its Regulation 19 in January 2022.
 - Ensuring the local plan remains up to date.
 - Provision of certainty to key stakeholders, including partners, infrastructure providers and site promoters, enabling effective collaboration.
 - Ensures compliance with the regulatory framework for Local Plans.
- 4.9 Preparation of the local plan is technically complex process which draws upon a high number of both internal and external expertise. This reliance increases the risk of delay in the event that partners, consultancy support or statutory bodies are unable to meet tight deadlines. In the event that submission by 30 June 2025 does not prove achievable the work will not be wasted. Instead the draft Local Plan, evidence and supporting documents underpinning it would be used to prepare a new local plan under the new planning system, with the necessary reviews and updates undertaken.

Equalities Impact

- 4.10. The LDS will support delivery of the Local Plan. An Equalities Impact Assessment (EIA) for the Local Plan will be prepared and regularly reviewed as part of the Local Plan making process. In addition, an EIA will be prepared for each public consultation stage.

Data Protection

- 4.11 The LDS will support delivery of the Local Plan. Any consultation on the Local Plan will be carried out in compliance with the provisions of the UK General Data Protection Regulations and the Data Protection Act 2018.

5. Alternative Options Considered

- 5.1. Option 1: Cabinet agree the revised LDS. This is the recommended option.
- 5.2 Option 2: Cabinet does not agree the LDS. This is not the recommended option because it will produce uncertainty and significant risk for the Authority in preparation and Submission of a new Local Plan, by the government deadline of 30 June 2025.

6. Recommendation

That Cabinet resolve to:

- (1) Recommend to Council approval of the revised Local Development Scheme, set out at Appendix A.
- (2) Delegate to the Director of Planning, in consultation with the Head of Legal Services and the Portfolio Holder for Planning, authority to:
 - a) Commission, negotiate, award, enter into and vary such arrangements and legal agreements as may be necessary or appropriate to deliver the Local Development Scheme.
- (3) Delegate to the Director of Planning, in consultation with the Portfolio Holder for Planning, authority to:
 - a) Keep the Local Development Scheme under review as necessary and appropriate.

7. Background papers

7.1 Previous reports and links to referenced documents:

- Review of the adopted Harborough Local Plan: Cabinet 5 July 2021.
- Local Development Scheme for the new Local Plan: Cabinet 6 September 2021.
- Local Development Scheme for the new Local Plan: Cabinet 4 July 2022

Above reports are available here: <https://cmis.harborough.gov.uk/cm5/Meetings.aspx>

- Current LDS: <http://www.harborough.gov.uk/local-development-scheme>
- Government consultation, July-Oct 2023: [Levelling-up and Regeneration Bill: Consultation on implementation of plan-making reforms](#)

The Government Consultation is now closed but available to view online here:

<https://www.gov.uk/government/consultations/plan-making-reforms-consultation-on-implementation/levelling-up-and-regeneration-bill-consultation-on-implementation-of-plan-making-reforms>



HARBOROUGH DISTRICT LOCAL DEVELOPMENT SCHEME

November 2023

Harborough District Council

Published: xx xxxx 2023

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Local Development Scheme (November 2023)

1. Introduction

1.1 The Council has a duty to prepare, publish and maintain a Local Development Scheme (LDS) for the district.

1.2 In July 2021, the Council's Cabinet took the decision to begin the preparation of a new Local Plan. The Local Development Scheme sets out the timetable for the preparation of the new Local Plan, giving key production and public consultation stages as well as outlining the subject matter and geographical extent. It also enables the local community to find out about planning policies for their area by setting out the documents which currently form the development plan for Harborough District. The LDS is also an opportunity to provide information on any Supplementary Planning Documents which have been adopted by the Council.

1.3 The LDS is published on the Council's website at www.harborough.gov.uk/local-development-scheme. The Authority's Monitoring Report will report on plan making activity and progress against the LDS to keep communities and interested parties informed.

1.4 This LDS replaces the July 2022 version.

2. The planning system

2.1 Planning law requires that planning applications must be determined in accordance with the statutory development plan unless material considerations indicate otherwise. The National Planning Policy Framework, which must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in planning decisions, emphasises that 'the planning system should be genuinely plan-led'. It advocates succinct local and neighbourhood plans, which should be kept up to date, and be based on joint working and co-operation.

2.2 As set out in Section 3 below, the Harborough Local Plan 2011-2031 is a fundamental part of the 'plan-led' system. It was adopted in April 2019 and then underwent an internal officer review. This review demonstrated that the Local Plan remained up to date and continued to deliver sustainable development across the district. However, the review identified that a recent significant increase in Leicester's housing need, combined with the requirement to meet resultant unmet need within Leicester and Leicestershire through the Duty to Cooperate, was likely to result in the need to update the Harborough Local Plan. In recognition of the time needed to prepare a local plan, on 5th July 2021 Cabinet took the decision to begin preparation of a new

Local Plan as a full update to the adopted Harborough Local Plan 2011-2031 (the Cabinet report and Local Plan Review are available [here](#)).

2.3 In order to keep local communities and other stakeholders informed of local planning activity, the Council is required to prepare a Local Development Scheme under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). In relation to the New Local Plan, the LDS must specify:

the subject matter of the document to be prepared and the geographical extent to which it relates;
whether the document will be prepared jointly with one or more other local authority; and
the timetable for the preparation of document

2.4 Local Development Schemes must be publicised and kept up to date. Planning Practice Guidance (PPG) states that a Local Development Scheme is expected to be reviewed and updated at least annually but may need updating more frequently if there are any significant changes in the timescales or the plans being prepared. It is therefore likely that timescales will change over time, leading to the revision of the Local Development Scheme if necessary.

3. Current development plan

3.1 The development plan is at the heart of the planning system with a requirement in law that planning decisions must be taken in line with the development plan unless material considerations indicate otherwise. As such it is essential that plans are in place and kept up to date.

3.2 As of November 2023, the development plan for Harborough District comprises:

- [Harborough Local Plan 2011-2031](#) (adopted 30th April 2019)
- [Leicestershire Minerals and Waste Local Plan to 2031](#)
- [Broughton Astley Neighbourhood Plan](#) (made on 20th January 2014)
- [Billesdon Neighbourhood Plan](#) (made on 7th October 2014)
- [Scraftoft Neighbourhood Plan](#) (made on 24th February 2016)
- [Lubenham Neighbourhood Plan](#) (made on 20th July 2017)
- [North Kilworth Neighbourhood Plan](#) (made on 20th July 2017)
- [Great Easton Neighbourhood Plan](#) (made on 25th January 2018)
- [Houghton on the Hill Neighbourhood Plan](#) (made on 5th April 2018)
- [Medbourne Neighbourhood Plan](#) (made on 4th July 2018)
- [Swinford Neighbourhood Plan](#) (made on 10th October 2018)
- [South Kilworth Neighbourhood Plan](#) (made on 17th January 2019)
- [Shearsby Neighbourhood Plan](#) (made on 17th January 2019)

- [Burton Overy Neighbourhood Plan](#) (made on 17th January 2019)
- [Arnesby Neighbourhood Plan](#) (made on 8th March 2019)
- [Tur Langton Neighbourhood Plan](#) (made on 1st July 2019)
- [Great Glen Neighbourhood Plan Review](#) (made on 25th January 2020)
- [Great Bowden Neighbourhood Plan Review](#) (made on 26 June 2018, reviewed (minor amendments) 5th October 2020)
- [Fleckney Neighbourhood Plan](#) (made 27 May 2021)
- [Husbands Bosworth Neighbourhood Plan](#) (made 27 May 2021)
- [Hallaton Neighbourhood Plan](#) (made 11 June 2021)
- [Misterton with Walcote](#) (made 11 June 2021)
- [Hungarton Neighbourhood Plan Review](#) (made 20 July 2017, reviewed (minor amendments) 19 July 2021)
- [Saddington Neighbourhood Plan Review](#) (made 17 Jan 2019, reviewed (minor amendments) 4 June 2021)
- [Foxton Neighbourhood Plan Review](#) (made 2 November 2021)
- [Gilmorton Neighbourhood Plan](#) (made on 24 January 2022)
- [Leire Neighbourhood Plan](#) (made on 16 May 2022)
- [East Langton Neighbourhood Plan Review](#) (made on 2 Nov 2022)
- [Tugby and Keythorpe Neighbourhood Plan](#) (made on 2 Nov 2022)
- [Kibworths Neighbourhood Plan Review](#) (made 31 May 2023)
- [Dunton Bassett Neighbourhood Plan](#) (made 4 July 2023)

3.3 [Harborough Local Plan 2011-2031](#). The Local Plan was adopted on 30th April 2019 and sets out the vision and strategic objectives for the district to 2031. It includes site allocations to meet identified development needs and a range of development management policies to help in the determination of planning applications. The Local Plan is accompanied by a Policies Map which illustrates the policies and proposals across the district.

3.4 [Leicestershire Minerals and Waste Local Plan Up to 2031](#). The County Council formally adopted the Minerals and Waste Local Plan Up to 2031 on 25th September 2019. It includes a spatial vision, strategic objectives, and core policies which set out the key principles to guide the future extraction of minerals and the form of waste management development in the County over the period to the end of 2031.

3.5 [Neighbourhood Plans](#). In addition to the ‘made’ neighbourhood plans listed in para 3.2, above, which form part of the Development Plan for Harborough District, several other neighbourhood plans are in the process of being prepared or reviewed. The up-to-date position in relation to the preparation and adoption of neighbourhood plans is available on the Council’s [website](#). Once neighbourhood plans are ‘made’ (adopted) by the Council, they form part of the development

plan for the district and must be taken into account in the determination of planning applications.

- 3.6 [Supplementary Planning Documents](#). Supplementary Planning Documents (SPDs) provide additional information on policies and proposals in a local plan and are a material consideration in the determination of planning applications.
- 3.7 The Authority previously published several [Supplementary Planning Guidance Notes](#), the majority of which were linked to the former 2001 Local Plan policies. These policies no longer form part of the development plan.
- 3.8 The [Development Management SPD](#) was adopted on 13 December 2021 and replaces the previous Supplementary Planning Guidance Notes.
- 3.9 The [Planning Obligations SPD](#) was adopted on 20 June 2022. It provides detailed guidance on the policies in the Local Plan and has replaced the January 2017 Planning Obligations Supplementary Planning Guidance (SPG).

4. New Local Plan

4.1 Central to the planning system is the preparation of a Local Plan which is in compliance with the National Planning Policy Framework (NPPF).

4.2 The Harborough Local Plan was adopted in April 2019. An officer review of the Local Plan carried out in May 2021 found that, although it remains up-to-date and continues to deliver sustainable development in the district, the issue of Leicester City's unmet housing need is likely to require an update. The Council therefore took the decision to begin the preparation of a new Local Plan

4.3 The Local Plan preparation timetable as set out in this Local Development Scheme was approved by the Council's Cabinet at its meeting on [to be inserted following Cabinet]. The report is available on the Council's website [link to be inserted following publication].

New Local Plan	
Role and Subject:	<p>The New Local Plan will provide the strategic planning framework for the district for at least 15 years from its adoption. The current Local Plan spatial strategy will be updated by a new strategy to deliver the required scale of development in appropriate and sustainable locations. Current Development Management policies will be reviewed and updated as necessary.</p> <p>In line with NPPF (September 2023) paragraphs 20-23, strategic policies in the New Local Plan will set out the overall strategy for the pattern, scale and design quality of places and make sufficient provision for development needs and supporting infrastructure. It will also provide for the conservation and enhancement of the district's natural, built and historic environment as well as planning measures to address climate change mitigation and adaptation.</p> <p>Where appropriate, the New Local Plan will also set out non-strategic, more detailed policies for specific areas, neighbourhoods or types of development in line with NPPF (September 2023) paragraphs 28-30. Such policies can also be set out in neighbourhood plans.</p> <p>The Local Plan will support the continued preparation of neighbourhood plans across the district by providing a clear strategic policy framework. It will identify which policies are strategic and provide the policy context for the preparation or review of neighbourhood plans prepared by Parish Councils or neighbourhood forums on behalf of their local communities.</p>
Geographical Area:	District wide
Status:	Development Plan Document
Chain of Conformity:	NPPF
Joint Production?	No but there is a 'duty to cooperate' on planning issues that cross administrative boundaries, particularly those relating to strategic priorities. Paragraph 27 of the NPPF (2023) is clear that in order to demonstrate effective and on-going joint working, strategic policy making authorities should prepare and maintain one or more Statements of Common Ground (SoCG), documenting the cross-boundary matters being addressed and progress in cooperating to address these. The Council will continue to prepare joint evidence across the Housing Market Area (Leicester and Leicestershire) or other geographical area, as appropriate, and to address cross-boundary strategic issues through the preparation of SoCGs as appropriate.
Timetable – Key Stages	
Reg 18 Issues and Options Consultation	Between January and February 2024
Reg 19 & 20	Between

Proposed Submission Local Plan Consultation	January and March 2025
Reg 22 Submission of Local Plan for Examination	Between May and June 2025
Reg 26 Local Plan Adoption*	Between May and December 2026

**Indicative only at this stage as dependent on detailed arrangements for Examination by the Planning Inspectorate and decisions/recommendations by the Inspector including the need for and scope of any main modifications arising out of the Examination.*

5. Supplementary planning documents

5.1 Supplementary Planning Documents (SPD) are prepared to add further detail to the policies in an adopted local plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. SPDs are capable of being a material consideration in planning decisions but are not part of the development plan.

5.2 Over the Local Development Scheme timeframe, the Council will continue to deploy the following SPDs:

- **Planning Obligations Supplementary Planning Document** - adopted by the Council on 20th June 2022. This replaced the Planning Obligations SPD from January 2017. It informs developers, landowners, infrastructure providers and local communities about the approach of the Council to securing community infrastructure and affordable housing through planning obligations. It is available on the Council's [website](#).
- **Development Management Supplementary Planning Document.** This provides additional guidance to assist with the interpretation and implementation of several Local Plan policies. It helps applicants to make successful applications and will be taken into account as a material consideration, when appropriate, as the Council makes decisions on planning applications. It is available on the Council's [website](#).

5.3 As SPDs are not development plan documents, the Council is not required to include them in the Local Development Scheme. They are included here for information only.

5.4 **Community Infrastructure Levy:** The Council will review the option of introducing a new Community Infrastructure Levy (CIL), as part of its forthcoming new Local Plan, to fund certain elements of future infrastructure, potentially of a District wide significance. The latest Government policy, guidance and emerging legislation will be considered in this review.

6. Other documents

- 6.1 **Policies Map:** The Local Plan Policies Map will be revised as appropriate as part of the new Local Plan. The Policies Map will identify policy designations, proposals and sites allocated for particular land uses.
- 6.2 **Sustainability Appraisal (incorporating Strategic Environmental Assessment):** A Sustainability Appraisal will be undertaken for the new Local Plan and for Supplementary Planning Documents where required. The main aim of this process, which runs in parallel with the preparation of plans, is to ensure that the social, economic and environmental effects of emerging policies are understood and taken into account. The process will follow guidance at the time.
- 6.3 **Appropriate Assessment:** An Appropriate Assessment is prepared at each published stage of a Development Plan to show whether the policies will have significant effects on sites subject to the constraints of the Habitats Regulations Assessment of European Importance.
- 6.4 **Monitoring and Review – Authority’s Monitoring Report:** Local planning authorities are required to publish a report that monitors the progress and implementation of each document set the Local Development Scheme. It must specify whether adopted policies are meeting their stated objectives. In addition, it must include:
- Details of any neighbourhood development order or a neighbourhood development plan made by the Council;
 - Any Community Infrastructure Levy related receipts and expenditure; and
 - Details on where the Council has worked with other authorities in accordance with the ‘Duty to Cooperate’.

The latest Council monitoring report is available [here](#).

- 6.5 **Statement of Community Involvement (SCI):** This document explains how parties with an interest in planning issues in the district can engage with the planning system. Essentially it sets out who, when and how the authority will consult when developing new planning policy and processing planning applications. The latest version of the Statement of Community Involvement was adopted by the Council in February 2020 and is available [here](#). The Council is keen to encourage the use of the [Strategic Planning Consultation Portal](#) as a means of engaging stakeholders and the public and this is reflected in the Statement of Community Involvement.

7. Other factors impacting on Local Plan preparation

- 7.1 Evidence Base: A number of studies were prepared to support the production of the current Local Plan. Updated and additional evidence will be prepared to inform the preparation of the new Local Plan. This is published on the Council's website on the [supporting evidence](#) webpage wherever possible. Otherwise, a hard copy will be made available for inspection.
- 7.2 Duty to Cooperate: Given the importance attached to the 'Duty to Cooperate', the Council is putting procedures into place to ensure effective collaboration with neighbouring local authorities, other local authorities within the Leicester and Leicestershire Housing Market Area and other public bodies, particularly on strategic planning issues that span district council boundaries. Both member and officer groups are established to facilitate this process.
- 7.3 Council Procedure and Reporting: The preparation of the Local Plan will be informed, monitored and approved as appropriate by Harborough District Council through:
- Member engagement, including the Planning Portfolio Holder and Chair of Planning Committee and other councillors;
 - The Council's Cabinet; and
 - The Council.
- 7.4 Resources: The following officers of Harborough District Council will be involved, to varying degrees, in preparing the Local Plan:
- Director of Planning
 - Head of Strategic and Local Planning
 - Principal Planning Policy Officer
 - Local Plan Project Officer (0.6 FTE)
 - Senior Planning Policy Officer (2.3 FTE)
 - Planning Policy Officer (0.5 FTE)
 - Planning Policy Assistant
 - Neighbourhood and Green Spaces Officer
 - Heritage and Conservation Officer
 - Environment Coordinator
 - Additional external support as necessary.
- 7.5 Risk Assessment: It is important that the risks associated with delivery of the Local Plan are acknowledged and mitigating measures put in place to avoid adverse impact on the delivery of the LDS. The main risks to delivery have been identified together with proposed mitigation measures:
- **Staffing**

The need for additional staff resources may occur through sickness, staff turnover or volume of work.

Mitigation measures: succession planning, continual professional development through appraisals, liaison with Local Planning Advisory Panel, liaison with Director of Planning over recruitment, secondment arrangements, temporary cover arrangements, additional external resources.

- **Evidence**

Delay to Plan progress if relevant evidence at Leicestershire-wide level is delayed.

Mitigation measures: Full involvement in process, timely provision of information/comments for consultants, close monitoring of adherence to project timescales, ensure project group are aware of Local Plan deadlines. Should significant delay be experienced in the preparation of evidence, which the Local Plan relies upon, an amendment to the Local Development Scheme will be prepared and presented for consideration.

- **Political Decision-making**

Politically contentious issues may require unforeseen procedures to resolve.

Mitigation measures: Internal process arrangements provide a number of opportunities for district councillors to meet and discuss emerging policies and proposals with officers including Portfolio Holder meetings, Member engagement in Local Plan preparation, all-Member workshops and briefings, the formal approval of documents at Cabinet and Council meetings.

- **Duty to Cooperate (DtC)**

Local planning authorities must demonstrate how they have complied with the Duty to Cooperate at the independent examination of their local plan. If a local planning authority cannot demonstrate to the examination inspector that it has complied with the Duty, then the local plan will not be able to proceed further in the examination process. In preparing local plans, local planning authorities have to bear in mind that cooperation should produce effective and deliverable policies on strategic cross boundary matters.

Mitigation measures: Ensure a good understanding of the requirements of the duty to cooperate at an early stage through clarity on the legislative framework, accompanying guidance and lessons from inspectors' reports. This then needs to be translated into officer and member involvement in appropriate structures for evidence gathering

and agreement on strategic issues. Appropriate ongoing engagement with partners on identified Duty to Cooperate issues will take place involving one to one engagement where appropriate, stakeholder meetings and workshops. The preparation of Statements of Common Ground with relevant partners will identify strategic cross boundary issues and identify the mechanisms to address such issues, including the preparation of joint evidence.

• **Changes to National Planning Policy and legislative framework**

From time to time the NPPF and National Planning Practice Guidance is updated. The NPPF was most recently updated in September 2023 and is likely to be reissued later in 2023, at a date to be confirmed. The Planning Practice Guidance is updated regularly. Any changes to these documents will need to be considered. The Levelling Up and Regeneration Act (LURA) has recently received Royal Assent. In addition to the LURA, several Government consultations on planning reforms have been tabled in the last 3 years, with significant primary and secondary legislative changes likely to come into effect in 2024, these include but are limited to:

- [Planning White Paper in August 2020](#),
- [Levelling-up and Regeneration Aill: reforms to national planning policy in December 2022](#) and
- [Plan-making reforms: consultation on implementation in July 2023](#).

Mitigation measures: Closely monitor new policy and practice guidance, anticipate changes to national policy and its implications at the Housing Market Area level, build flexibility into the plan and work closely with neighbouring local authorities in respect of the Duty to Cooperate on strategic priorities. Should changes to Government policy or legislative framework impose additional requirements and therefore additional time to resolve, an amendment to the Local Development Scheme will be prepared and presented for consideration.

• **New/Revised Procedural Requirements**

The preparation of the Local Plan will be carried out under the Town and Country Planning (Local Planning) (England) Regulations 2012.

Mitigation measures: Pay close attention to the new regulations and any revised legal processes. Should changes to the legislative framework impose additional requirements and therefore additional time to resolve, an amendment to the Local Development Scheme will be prepared and presented for consideration.

• **Financial Resources**

Undertaking evidence gathering projects, public consultation events and the formal Examination of the final new Local Plan require

significant financial resources. Any additional unforeseen costs would place a further burden on the budget.

Mitigation measures: Close monitoring of the new Local Plan preparation budget and likely future commitments.

- 7.6 Equality Impact Assessment: An Equality Impact Assessment (EIA) will be undertaken in conjunction with the preparation of the Local Plan to consider the likely effects of new and/or changing policies on people with protected characteristics (see the Council's [website](#)). This will help the Council to ensure that the needs of people are taken into account when developing and implementing the Local Plan.

8. Timetable for new Local Plan

- 8.1 The following timetable sets out the key stages in the preparation of the new Local Plan for Harborough District.

Local Development Scheme (November 2023): New Local Plan preparation timetable

	2023				2024												2025												2026													
Stage	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D		
Issues and Options consultation (Regulation 18)																																										
Proposed Submission Consultation (Regulation 19)																																										
Submission for Examination																																										
Local Plan Adoption*																																										

Figure 1: An illustration of the timeline for local plan preparation, with key project milestones indicated on a calendar; Issues and Options consultation (Jan-Feb 2024), Proposed Submission consultation (Jan-Mar 2025), Submission for Examination (May-Jun 2025), and Adoption in mid-late 2026.

*Estimated to be 11 months from Submission for Examination (the current Local Plan was adopted 11 months after Submission for Examination), i.e. the Local Plan Adoption Date is indicative only at this stage – it is dependent on detailed arrangements for Examination by the Planning Inspectorate and decisions/ recommendations by the Inspector including the need for and scope of any main modifications arising out of the Examination. The Government's [recent consultation on plan-making reforms](#) states that all plans Examined under the current legislative framework (Submitted for Examination by 30 June 2025), should be adopted by 31 December 2026.

Harborough District Council



Report to Cabinet Meeting of 27 November 2023

Title:	New Local Plan Resources
Status:	Public
Key Decision:	Yes
Report Author:	David Atkinson, Director of Planning
Portfolio Holder:	Planning Portfolio, Cllr Simon Galton Finance Portfolio, Cllr Mark Garves
Appendices:	N/A

Summary

- i. The report seeks approval for additional financial resources to be used to fund the preparation of the local plan and aim to meet submission by June 2025.

Recommendations

It is recommended that:

A recommendation is made to Council to approve the additional resources needed for Local Plan preparation set out in Table 1 in paragraph 4.4 of this report in order to aim to submit the new local plan for examination by June 2025.

Reasons for Recommendations

- i. The planning system is plan-led. This means that planning applications must be considered and determined in accordance with the development plan unless material considerations indicate otherwise. The development plan should therefore be kept up to date.
- ii. Preparation of the local plan is a corporate priority and will help to deliver against a number of further corporate priorities.
- iii. The Levelling Up and Regeneration Act 2023 ('LURA') has changed the statutory framework for the 'making' of local plans. It provides for a period of transition for local authorities who have been progressing preparation of their local plans to the preceding regime. The transition period requires the Council to submit its local plan for examination under the existing, known, planning system, by 30 June 2025 – the

date in the existing Local Development Scheme (LDS). To achieve that deadline, the Council needs to reprofile the local plan preparation work programme. If this objective is to be achieved, additional resources are required to enable the reprofiled the LDS work programme.

- iv. Specifically, additional staffing capacity, consultancy support and specialist technical expertise is needed in order to prepare the local plan within the reprofiled LDS timeframe. The preparation process is technically complex and draws upon a high number of both internal and external expertise. This reliance increases the risk of delay if partners, consultancy support or statutory bodies are unable to meet tight deadlines. As such, it should be noted that additional funding of this nature does not guarantee submission by June 2025. However it is expected that the additional resources provide the necessary resources in order to aim to meet the deadline.

1. Purpose of Report

- 1.1. This report seeks a recommendation to Council for approval of additional resources to meet a reprofiled timeframe for the Local Development Scheme (LDS) local plan preparation work programme.

2. Background

- 2.1 In England there is a 'plan-led' approach to the regulation of land and development which places local plans at the heart of the town and country planning system. A local plan forms part of the statutory 'development plan' for an area and is the starting point for the determination of all planning applications in the area unless material considerations indicate otherwise.
- 2.2 The Planning and Compulsory Purchase Act 2004 places a duty on local authorities to carry out plan-making with the "objective of contributing to the achievement of sustainable development" while the Planning Act 2008 puts an additional obligation on plan-making authorities to ensure their development plan documents (taken as a whole) include policies that are "...designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change."
- 2.3 The latest government consultation on plan-making reforms includes transitional arrangements to facilitate the switch from the current planning system to the reformed planning regulations under the Levelling- up and Regeneration Act 2023 (LURA). LURA has introduced a revised statutory framework for the 'making' of local plans. However, the legislation also provides for a period of transition. This means that local authorities who have been progressing preparation of their local plan under the current local plan making regime can still submit a Local Plan for examination by 30 June 2025.
- 2.4 The Harborough Local Plan was prepared and subsequently adopted in April 2019. It replaced the previous Harborough District Core Strategy adopted in 2011. The adopted plan provides at Policy IMR1 that:

"2. A full or partial update of the Local Plan will be commenced (defined as the publication of an invitation to make representations in accordance with Regulation 18 of

The Town and Country Planning (Local Planning) (England) Regulations 2012) within 6 months of the following:

- a. the adoption by the Council of a Memorandum of Understanding (MOU) or Statement of Common Ground (SoCG) which proposes a quantity of housing or employment development to 2031 that is significantly greater than the housing requirement or employment need identified in this Local Plan; or
- b. in the absence of an adopted MOU or SoCG, 12 months from the date of publication of a Local Plan for Leicester City (defined as publication of an invitation to make representations in accordance with Regulation 19 of the Town and Country (Local Planning) (England) Regulations 2012) ('a Regulation 19') that includes satisfactory evidence of an unmet local housing need; or
- c. conclusion of a review in response to specific trigger points as set out in the monitoring framework, including identification of significant and persistent shortfalls in the delivery or supply of housing against the housing requirement.

3. Any full or partial update of the Local Plan triggered by 2. above will be submitted for examination within 30 months from the date it commenced."

- 2.5 Whilst the current local plan remains up to date, the trigger set out above at paragraph 2.4, 2.b. has been activated as a consequence of Leicester City Council publishing a Regulation 19 on 16 January 2023. This means that the Council must commence a full or partial update of its local plan in accordance with the Regulation 18 provisions. This accords with a decision by Cabinet in July 2021 to begin the preparation of a new local plan. A new local plan is beneficial to provide long term certainty, allocate development in sustainable locations and protect important natural spaces and built heritage.

3. Details

- 3.1 The transitional arrangements tabled by government state that Local Planning Authorities who do not submit a new plan by 30 June 2025, will have to operate within the reformed planning system.
- 3.2 Within the reformed planning system, Government proposals will remove local authority controls for deciding when a new local plan should be commenced. This means that even if Council's monitoring indicators highlight that there is a need to start a new local plan, work cannot begin until the Authority receives instructions, or approval, to do so from central government. Consultation proposals also make clear the government's intention to manage local plan preparation timetables and the associated programme of public consultations to be undertaken.
- 3.3 Local planning authorities are expected to be grouped or 'batched' according to their plan-making track record and adoption date of their last adopted local plan. The government intends to ensure that the first 'batch' of local plans to be prepared under the new system will comprise authorities without a current adopted plan.
- 3.4 Future 'batches' of authorities will be instructed to commence local plans chronologically, according to previous adoption date. In view of Harborough District Council's strong track

record of local plan preparation and adoptions, and strong track record of housing delivery, there will be a considerable wait until called upon to start a new local plan (unlikely to be asked to start a new local plan before 2027).

- 3.5 Under the transitional arrangements up to date plans which become more than five years old during the first 30 months of the new system are expected be protected from speculative development. However, this will not protect the Council's current local plan which was adopted on 30 April 2019 and will become five years old before new arrangements are expected to be in place (in Autumn 2024). The current local plan will therefore remain out of date until replaced by a new local plan. If the 30 June 2025 deadline is not met, this could potentially be as late as 2029 or 2030. That would place the district at considerable risk of speculative development over a period of several years and is not recommended.
- 3.6 In the meantime, the existing policy IMR1 policy trigger outlined in paragraph 2.4 above, will have been met, leaving the authority without an up-to-date plan. Therefore, the Authority now faces an intense period of plan preparation, through a reprofiled Local Development Scheme (LDS) work programme to enable the preparation of the new local plan. This is to meet the new government deadline for submission under the existing plan-making system of 30 June 2025 in order to avoid the uncertainties of the new plan making system outlined in paragraphs 3.1 – 3.5 above, and also to satisfy the provisions of the existing local plan trigger policy, IMR1.
- 3.7 In order to progress the local plan to submission by June 2025 and to thereby protect the district from potentially damaging and unsustainable speculative development over a prolonged period of up to 6 or so years to 2029 or 2030, additional resourcing is required. The total additional investment to enable the local plan to be prepared under the reprofiled work programme is estimated for each year of local plan preparation as follows:
- 2023/4: £ 257,959
 - 2024/5: £1,139,539
 - 2025/6: £ 474,315

This investment will enable the use of additional staffing capacity, consultancy support, and technical expertise to progress the local plan under the reprofiled local plan preparation timetable.

- 3.8 The justification for the council committing these additional resources to the preparation of the new local plan is that this will ensure that the authority has the best chance possible to submit a new local plan for examination by the government deadline of 30th June 2025, as set in the Local Development Scheme (LDS). It is important to achieve this to ensure that a new local plan can be adopted as soon as possible following the examination, likely to be sometime in 2026. This will ensure the district has plan-led delivery of sustainable development and protection from potentially unsustainable speculative development in the quickest possible timescale.
- 3.9 It is important to understand that a comprehensive project management approach is being deployed to oversee and guide the preparation of the local plan through the reprofiled and

work programme. This will include due diligence on managing all of the resources provided by the council to ensure that those resources are used in the most efficient and effective way to achieve best value for money. The authority is in the process of procuring specialist planning experts to enable it to meet the reprofiled local plan work programme. The Head of Service for Local and Strategic Planning is the lead officer for the project under the oversight and management of the Director of Planning in the role of Senior Responsible Owner.

3.10 Robust procurement processes are being pursued to ensure value for money is achieved for all goods, services and additional staff required to deliver the reprofiled local plan work programme. These processes are be overseen by the Head of Service for Strategic and Local Planning and the Director of Planning.

3.11 There is comprehensive and robust member oversight of the plan-making process so that all members of the authority can take part and contribute to the preparation of the local plan. This includes the Local Plan Advisory Panel, various member briefings as well as Cabinet and Council meetings. This is not an exhaustive list, other member engagement can and will be undertaken as and when needed during the progression of the project.

3.12 A full programme of public consultation and engagement is also included in the reprofiled local plan work programme so that all members of the community and other stakeholders can access information about the project and make their contributions to the preparation of the new local plan. This programme will be guided and promoted in the light of a communications plan for the whole project.

3.13 The reprofiled local plan work programme represents good value for money for the authority. The process has a strong project and programme management control framework in place to ensure quality control and risk management is undertaken to a high standard.

3.14 Fundamentally, the council needs the new local plan to be submitted for examination by June 2025 in order to plan-led sustainable development is delivered across the district in the coming years rather than the alternative of unplanned, ad-hoc, speculative development on uncontrolled development sites across the district. The district has suffered from periods of non-plan-led and speculative growth on previous occasions when no up to date and sound local plan has been in place. In these periods the council has had limited powers to resist such unplanned and speculative growth, often because of the planning appeals system. By investing the additional financial resources requested and recommended in this report to enable the delivery of the reprofiled local plan work programme will mean the district has the best possible chance to avoid returning to such circumstances again.

This will enable the use of additional staffing capacity, consultancy support, and technical expertise.

4. Implications of Decisions

Corporate Priorities

4.1. The first stage in plan preparation is the publication and consultation on an Issues and Options consultation document. It is planned to consult on this document for 6 weeks in

January and February 2024. This is an important stage in preparation of the new local plan. This will aid delivery of the following corporate priorities:

- CO1: There will be an adequate supply of housing to meet local needs across all tenures and price ranges, and reducing the potential for homelessness
- CO2: Our local plan will ensure growth in the area is balanced with employment opportunities and transport and infrastructure needs are met
- CO3: The rural nature of the district will be recognised, and our heritage and cultural assets are preserved
- CO4: Our local communities, the voluntary and charitable sector are more engaged and actively managing their own localities and shaping their own places
- CO5: The district will be shaped through good design, that addresses local needs and promotes healthier life choices.

Consultation

- 4.2. Informal consultation has taken place with relevant Portfolio Holders. No additional consultation is required.

Financial

- 4.3. The additional cost of £1.9m is expected to provide the necessary resources to deliver the local plan reprofiled LDS work programme, with the aim to submit the new local plan for examination by the government deadline of June 2025.
- 4.4. The expectation is that this additional resource will be funded by a combination of receipts from the Leicestershire Business Rates Retention Pool receipts (Delegations: [03/04/2023](#); [24/05/2023](#)), use of reserves and when possible, in-year savings. Based on the current project plan, and not knowing any future in-year savings, the following Table 1 is the expected cost and financing profile for resourcing the new local plan:

Table 1 – Recommended New Local Plan Resourcing – Expected Project Costs and Resourcing

Net Local Plan Resourcing - Expected Projects Costs and Financing	Year			
	2023/24 £	2024/25 £	2025/26 £	TOTAL £
Staffing and Evidence	132,959	724,539	444,315	1,301,813
Technical support Sub-total	125,000	415,000	30,000	570,000
TOTAL	257,959	1,139,539	474,315	1,871,813
Income: Leics NDR Pool Funding	(1,342,358)	0	0	(1,342,358)
Net Cost	(1,084,399)	1,139,539	474,315	529,455
Resource Allocation				
Contribution to Earmarked Reserve: Local Plan	1,084,399			1,084,399
Contribution from Earmarked Reserve: Local Plan		(1,084,399)		(1,084,399)
Contribution from Earmarked Reserve: Other		(55,140)	(474,315)	(529,455)
Net Service Impact	0	0	0	0

Earmarked Reserves: Local Plan [Leicestershire NDR Pool Funding]			
b/f	0	(1,084,399)	0
Contribution from Services	(1,084,399)		
Contribution to Services	0	1,084,399	0
c/f	(1,084,399)	0	0

Earmarked Reserve: Other			
b/f	(1,000,000)	(1,000,000)	(944,860)
Contribution to Services	0	55,140	474,315
c/f	(1,000,000)	(944,860)	(470,545)

Legal

- 4.5 Preparation of the new local plan will take place in accordance with The Town and Country Planning (Local Planning) (England) Regulations 2012. The Planning and Compulsory Purchase Act 2004 place a duty on local authorities to carry out plan-making.

Environmental Implications

- 4.6 The new Local Plan will have implications in relation to the spatial planning of the district. The wider environmental implications of the scale and distribution of development and associated supporting infrastructure will be assessed through the Sustainability Appraisal of the Local Plan, which incorporates the requirements of the SEA Directive.

Risk Management

- 4.7 Not meeting the government deadline to submit the new local plan by 30 June 2025 would mean that preparation of the new local plan would suffer a hiatus or uncertainty whilst the Government introduces the new planning system. This would impose a significant delay on plan making. It is anticipated that under the new planning system, work on the new local plan would be delayed until a start in 2027, resulting in a very significant delay in adoption of the new plan until 2030. This would result in the district not having an up-to-date local plan for a number of years and place the district at considerable risk of speculative, unplanned development, the likely consequences of which are described in paragraph 3.14 above.

- 4.8 Additional resources are required due to the achievable, yet challenging nature of the deadline and the associated reprofiled local plan work programme put in place to achieve it. Additional staffing capacity, consultancy support and specialist technical expertise is needed to prepare the local plan within this reprofiled timeframe. The preparation process is technically complex and draws upon a high number of both internal and external expertise. This reliance increases the risk of delay in the event that partners, consultancy support or statutory bodies are unable to meet tight deadlines. As such, it should be noted that additional funding of this nature does not guarantee submission by June 2025. It does however represent the best possible chance and opportunity to meet this extremely challenging deadline. Without the additional resources requested and recommended in this report there would be no chance of meeting the government's June 2025 deadline for submission of the district's new local plan for examination.
- 4.9 In the event that submission by 30 June 2025 does not prove achievable for reasons outlined above, the work will not be wasted. Instead the draft Local Plan, evidence and supporting documents underpinning it would be used to prepare a new local plan under the new planning system, with the necessary reviews and updates undertaken.

Equalities Impact

- 4.10 An Equalities Impact Assessment (EIA) for the Local Plan will be prepared and regularly reviewed as part of the Local Plan making process. In addition, an EIA will be prepared for each public consultation stage.

Data Protection

- 4.11 All consultation on the Local Plan will be carried out in compliance with the provisions of the UK GDPR and , the General Data Protection Act 2018.

5. Alternative Options Considered

- 5.1 Option 1: Recommend to Council to approve additional resources in order to meet the reprofiled LDS local plan work programme and aim to submit the new local plan by the deadline of 30 June 2025. This is recommended.
- 5.2 Option 2: Not recommend to Council to approve the additional resourcing. This is not recommended since it will slow down local plan preparation and result in the Council being unable to achieve submission of the new local plan by the government deadline of June 2025. The consequence of missing this deadline is needing to await the establishment of the new planning system and the likely uncertainties and associated delays to the preparation of the new local plan that will incur in those circumstances. Due to the proposed way in which the new planning system is being introduced, local plan preparation is likely to be significantly delayed under the new system, with the start of plan preparation not expected until at least 2027, meaning adoption not until, at least, 2030.

6. Recommendation

- 6.1 It is recommended that:

A recommendation is made to Council to approve the additional resources needed for Local Plan preparation set out in Table 1 in paragraph 4.4 of this report in order to aim to submit the new local plan for examination by June 2025.

7. Background papers

Cabinet decision to prepare a new Local Plan June 2021 available at the following link:

[Meetings and Events \(harborough.gov.uk\)](https://harborough.gov.uk/Meetings-and-Events)

Latest Government consultation on planning reforms:

[Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms - GOV.UK \(www.gov.uk\)](https://www.gov.uk/levelling-up-and-regeneration-bill)

Harborough District Council



Report to the Cabinet

27 November 2023

Title:	Mid-Year Treasury Management Report 2023/24 and Prudential Indicators
Status:	Public
Key Decision:	No
Report Author:	Carolyn Bland, Head of Financial Services
Portfolio Holder:	Councillor Mark Graves, Finance
Appendices:	Appendix 1: Economic Background Appendix 2: Interest Rate Forecasts Appendix 3: Investments Appendix 4: Borrowing Appendix 5: Treasury and Prudential Indicators

Executive Summary

- i. Treasury Management is an integral part of the Council's finances relating to cash flow management and financing of capital schemes and therefore underpins all of the Council's aims. The mid-year treasury report is a requirement of the Council's reporting procedures and covers the treasury management activity for the first six months of 2023/24. The report also covers the actual Prudential Indicators for this period in accordance with the requirements of the Prudential Code.

Recommendations

- a. To note the Mid-Year Treasury Management Report for 2023/24 and treasury activity;
- b. To note the Prudential Indicators

Reasons for Recommendations

- | |
|---|
| ii. The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. |
|---|

Purpose of Report

1. In accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021), the Council is required to receive, as a minimum, three main treasury reports each year – the annual Treasury Management Strategy Statement, a Mid-year Review Report (this report) and an Annual Report. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

Background

2. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
 - a. An Economic update for the first half of the 2023/24 financial year;
 - b. Interest rate forecasts;
 - c. Annual Investment Strategy;
 - d. Borrowing;
 - e. Debt rescheduling;
 - f. Compliance with Treasury and Prudential Limits.

Details

Economic update

3. The Council appointed Link Group as its treasury advisor following a competitive process and their detailed economic background for the first half of 2023/24 is provided in **Appendix 1**. In summary bank rates continued to rise to possibly its peak of 5.25% and inflation fell to its lowest rate since February 2022.

Interest rate forecasts

4. Part of the Link Group service is to assist the Council to formulate a view on interest rates. Their detailed forecasts are attached at **Appendix 2**, in summary the most recent forecast for bank rates sets out a view that interest rates will be elevated for some while, the most favourable time for a rate cut is predicted as Q3 2024.

Treasury Management Strategy Statement and Annual Investment Strategy Update

5. The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual Investment Strategy, was approved by Council on 27 February 2023. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

Annual Investment Strategy

6. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:
 - a. Security of capital.
 - b. Liquidity.
 - c. Yield.
7. The Council aims to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short-term to cover cashflow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions.
8. As shown by the rate graphs in **Appendix 3**, rates have continued to improve dramatically during the first half of 2023/24 but are forecast to have topped at 5.25% see **Appendix 2**.

Creditworthiness

9. Following the Government's fiscal event on 23rd September 2022, both S&P and Fitch placed the UK sovereign debt rating on Negative Outlook. This reflected a downside bias to the then current ratings in light of expectations of weaker finances and a challenging economic outlook. Nothing further has evolved in the first half of 2023/24.

Investment Counterparty criteria

10. The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Investment performance year to date as at 30 September 2023

11. The average level of funds available for investment purposes during the quarter was £37m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds £25m core cash balances for investment purposes (i.e., funds available for more than one year).
12. The Council's budgeted investment return for 2023/24 is £697k, and performance for the year is forecast to be £1,417k above budget because of the increase in interest rates detailed above. The Council achieved an average rate of return of 4.51% for the six months against the benchmark of the 7-day compounded SONIA (Sterling Overnight Index Average) average for the period of 4.71%.

Property Fund investment

13. The Council continued to hold shares in the Churches Charities and Local Authorities Investment Management Ltd (CCLA) Local Authority Property Fund which earned a return of 4.32% during the period. The Council takes advantage of the temporary override of International Financial Reporting Standard 9 (IFRS 9, this standard determines how organisations account for financial instruments) which was extended by the Department for Levelling Up, Housing and Communities until 31 March 2025. This means that any adverse movements in this pooled fund do not impact on the Council's General Fund.

Approved limits

14. The approved limits set out within the Annual Investment Strategy were not breached during the six months ending 30 September 2023.
15. A full list of investments held by the Council at 30 September 2023 is shown in **Appendix 3**.

Borrowing

16. The Council's capital financing requirement (CFR) for 2023/24 is £15.585m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. **Appendix 5** shows the Council has borrowings of £1.490m and has utilised cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring if further upside risk to gilt yields prevails.
17. PWLB rates for the year to 29 September 2023 are shown in **Appendix 4**.
18. Due to the overall financial position no new external borrowing was undertaken. The capital programme is being kept under regular review due to the effects of inflationary pressures, shortages of materials and labour. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the long-term.
19. It is anticipated that there will be no borrowing undertaken during this financial year.

Debt Rescheduling

20. Debt rescheduling opportunities have increased over the course of the past six months and will be considered if giving rise to long-term savings. However, no debt rescheduling has been undertaken to date in the current financial year.

Compliance with Treasury and Prudential Limits

21. The prudential and treasury Indicators are shown in **Appendix 5**.
22. It is a statutory duty for the Council to determine and keep under review its affordable borrowing limits. During the half year ended 30 September 2023, the Council operated within the treasury and prudential indicators set out in the Council's TMSS for 2023/24. No difficulties are envisaged for the current or future years in complying with these indicators.
23. All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices that was approved in February 2023.

Implications of Decisions

Corporate Priorities

24. The Council relies upon sound financial management to ensure it has the financial stability to deliver its corporate priorities. This report evidences how the Council monitors issues that may affect the delivery of its Corporate Priorities.

Financial

25. These are covered in detail within the report. The report satisfied the statutory requirements on the Council to account for its financial management arrangements.

Legal

26. This report ensures that the statutory obligations upon the Council to report on matters relating to capital financing and treasury management, as set out in the Local Government Act 2003 and subsequent Regulations.

Policy

27. This report does not conflict with or undermine the Council's budget and policy framework.

Environmental Implications

28. No environmental issues arise directly from this report.

Risk Management

29. Management of the Council's financial resources is key to achieving targets set out in the budget. Security of the Council's money in the current banking market is paramount. Accordingly, regular monitoring and reporting of performance forms part of the mitigation of risk posed by financial turbulence.

Equalities Impact

30. No equalities issues arise directly from this report.

Data Protection

31. This report does not contain personal data.

Summary of Consultation and Outcome

32. The Portfolio Holder for Finance is regularly appraised of issues relating to the financial performance of the Council and has been briefed on the content of this report. Consultation has been undertaken with the Portfolio Holder.

Alternative Options Considered

33. The Council is required to report the matters contained within this report and retains independent financial experts to provide that advice therefore no alternative options.

Background papers

Various Treasury and Capital related reports approved by Council in February 2023 as part of the 2023/24 Budget and MTFS.

Economics Update

As provided by our treasury advisors – Link Group

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A

rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.

- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

Appendix 2

Interest Rate Forecasts

The PWLB rate forecasts below, provided by Link Group, are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

The latest forecast on 07 November sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Link expect rate cuts to start when both the CPI inflation and wage/unemployment data are supportive of such a move, and there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.

Naturally, timing on this matter will remain one of fine judgement, cut too soon, and inflationary pressures may well build up further, cut too late and any downturn or recession may be prolonged.

International factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

The balance of risks to the UK economy: -

- The overall balance or risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- The Bank of England acts too fast, or too far over recent months and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- UK / EU trade arrangements, if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- Geopolitical risks, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- Despite the recent tightening to 5.25%, the Bank of England proves too timid in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term US treasury yields rise strongly if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher.

Appendix 3

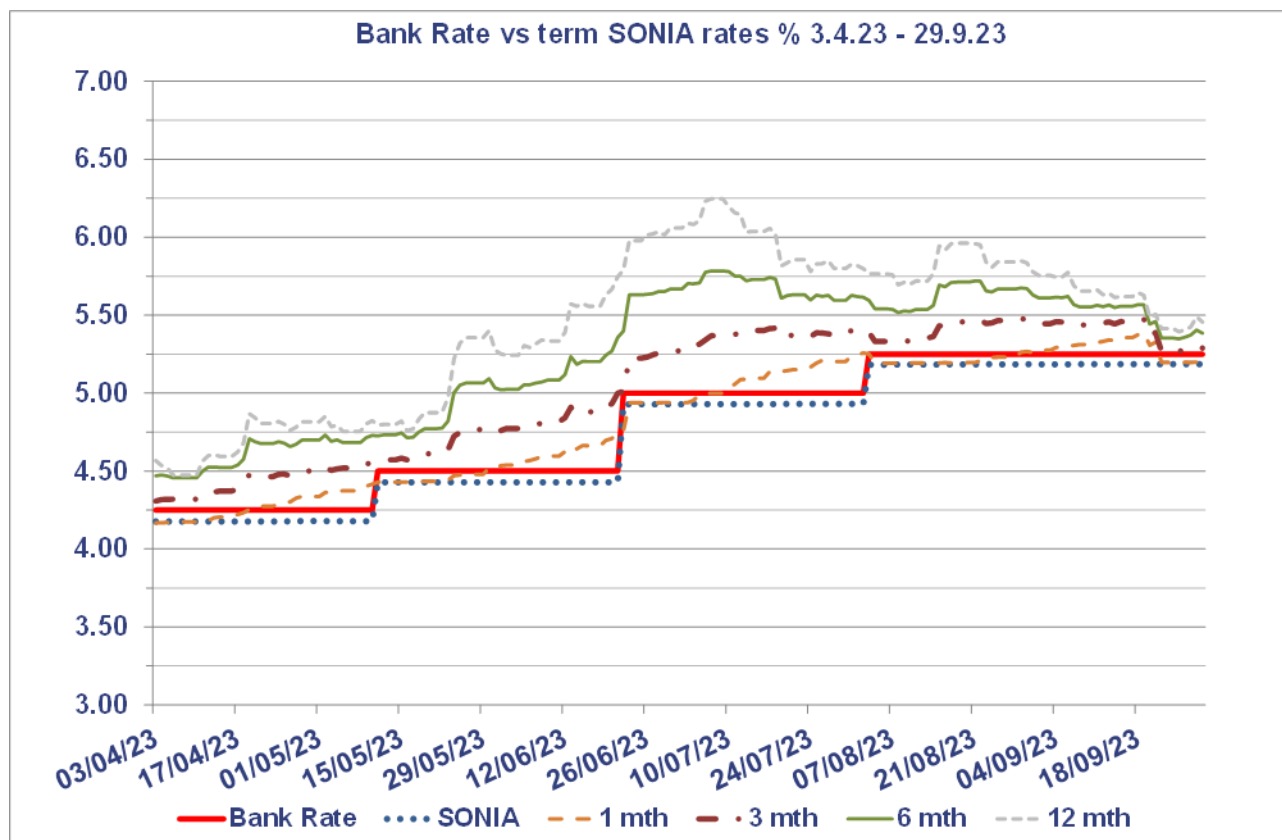
List of investments held at 30th September 2023

Institution	Amount	Investment Period		Terms	Interest Rate %
		Invest date	Repay date		
<u>Money Market / Direct Dealing</u>					
Santander UK plc	3,000,000	31/05/2023	19/10/2023	Fixed	4.89%
Santander UK plc	1,000,000	14/06/2023	19/10/2023	Fixed	5.02%
Yorkshire Building society	3,000,000	28/06/2023	06/10/2023	Fixed	4.97%
Leeds Building Society	1,000,000	03/07/2023	09/10/2023	Fixed	5.05%
Leeds Building Society	4,000,000	05/07/2023	13/10/2023	Fixed	5.09%
National Counties Building Society	1,000,000	05/07/2023	09/10/2023	Fixed	5.21%
Leeds Building Society	2,000,000	19/07/2023	19/10/2023	Fixed	5.13%
Newcastle Building Society	1,000,000	19/07/2023	19/10/2023	Fixed	5.00%
Nationwide Building Society	1,000,000	19/07/2023	19/10/2023	Fixed	5.25%
Principality Building Society	3,000,000	28/07/2023	19/10/2023	Fixed	5.19%
Nationwide Building Society	3,000,000	01/08/2023	20/11/2023	Fixed	5.31%
Yorkshire Building Society	1,000,000	01/08/2023	06/11/2023	Fixed	5.25%
Santander UK plc	2,000,000	04/08/2023	02/02/2024	Fixed	5.56%
Leeds Building Society	1,000,000	11/08/2023	17/11/2023	Fixed	5.30%
National Counties Building Society	1,000,000	11/08/2023	17/11/2023	Fixed	5.28%
Coventry Building Society	4,000,000	11/08/2023	19/10/2023	Fixed	4.98%
National Counties Building Society	1,000,000	21/08/2023	23/11/2023	Fixed	5.33%
Principality Building Society	2,000,000	21/08/2023	23/11/2023	Fixed	5.19%
Coventry Building Society	1,000,000	21/08/2023	23/11/2023	Fixed	5.19%
Coventry Building Society	3,000,000	01/09/2023	23/11/2023	Fixed	5.16%
Santander UK plc	2,000,000	13/09/2023	12/03/2024	Fixed	5.61%
Yorkshire Building society	1,000,000	13/09/2023	19/12/2023	Fixed	5.32%
Nationwide Building Society	4,000,000	14/09/2023	06/02/2024	Fixed	5.41%
Principality Building Society	1,000,000	14/09/2023	19/12/2023	Fixed	5.26%
Yorkshire Building society	2,000,000	19/09/2023	19/12/2023	Fixed	5.33%
Skipton Building Society	2,000,000	25/09/2023	19/10/2023	Fixed	4.75%
Newcastle Building Society	2,000,000	29/09/2023	02/01/2024	Fixed	5.30%
<u>HSBC Money Market</u>	1,465,000			Fixed	0.50%
<u>Money Market Funds</u> - CCLA Public Sector Deposit Fund	4,500,000				Dividend
<u>CCLA Local Authority Property Fund</u>	1,500,000				Dividend
	£60,465,000				

Bank Rate

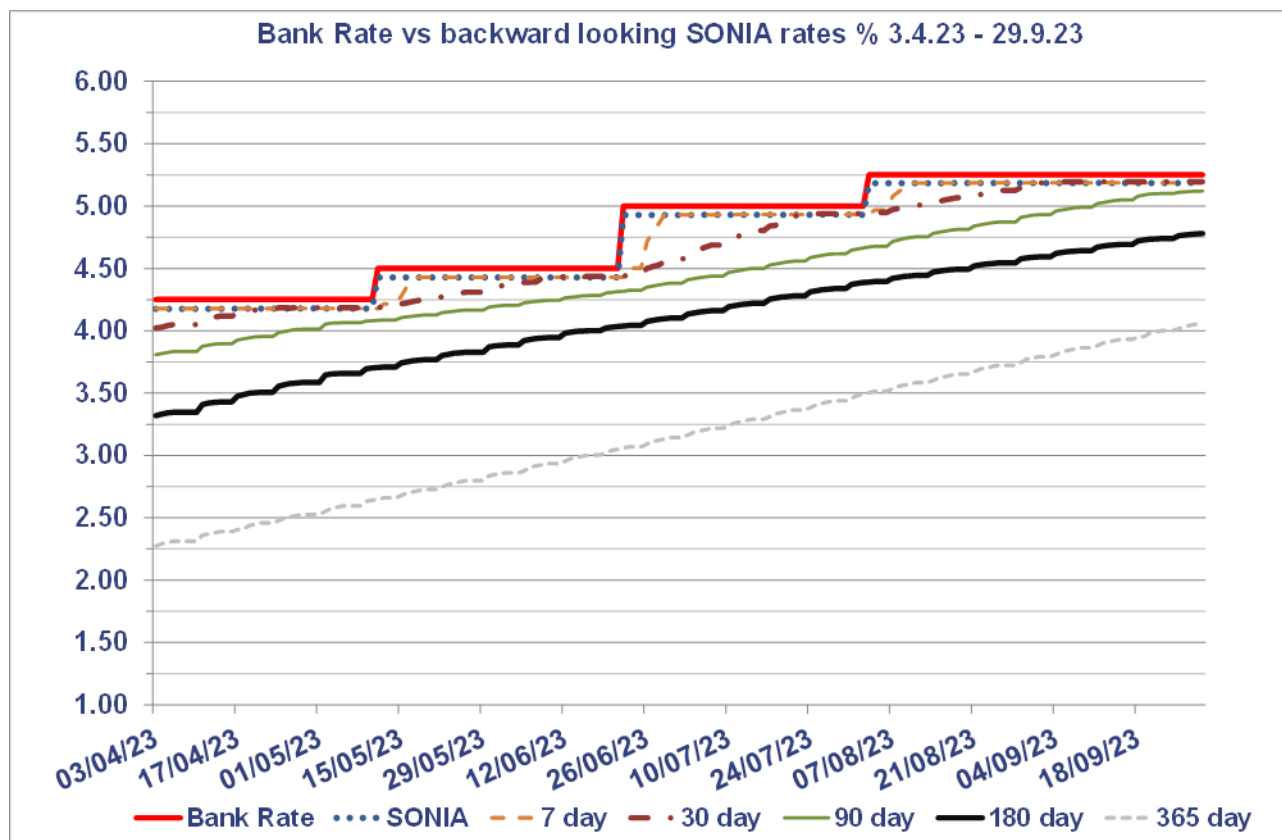
The publication of official LIBOR figures ceased at the close of 2021 and was replaced by a new benchmark, SONIA (Sterling Overnight Index Average), which is the risk-free rate for sterling markets administered by the Bank of England. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

Investment performance year to date as of 29th September 2023



This table above covers the first half of 2023/24

	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	5.25	5.19	5.39	5.48	5.78	6.25
High Date	03/08/2023	29/09/2023	19/09/2023	30/08/2023	07/07/2023	07/07/2023
Low	4.25	4.18	4.17	4.31	4.46	4.47
Low Date	03/04/2023	04/04/2023	03/04/2023	03/04/2023	06/04/2023	06/04/2023
Average	4.81	4.74	4.83	5.03	5.26	5.45
Spread	1.00	1.01	1.22	1.17	1.33	1.77



This table above covers the first half of 2023/24

	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.19	5.19	5.20	5.12	4.78	4.06
High Date	03/08/2023	29/09/2023	04/09/2023	27/09/2023	29/09/2023	29/09/2023	29/09/2023
Low	4.25	4.18	4.18	4.02	3.81	3.32	2.27
Low Date	03/04/2023	04/04/2023	11/04/2023	03/04/2023	03/04/2023	03/04/2023	03/04/2023
Average	4.81	4.74	4.71	4.64	4.44	4.10	3.16
Spread	1.00	1.01	1.01	1.17	1.31	1.46	1.79

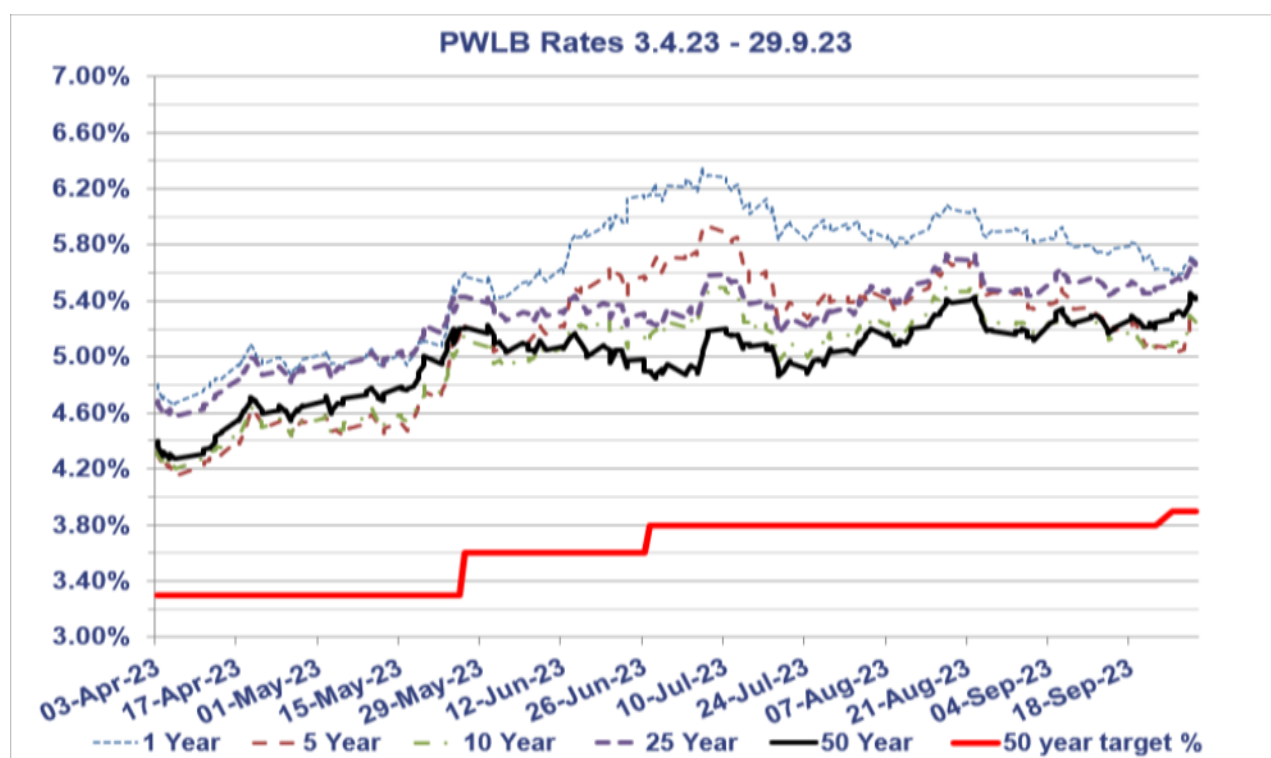
Borrowing

PWLB rates year to date to 29th September 2023

Gilt yields and PWLB certainty rates were on a generally rising trend throughout the first half of 2023/24. At the beginning of April, the 5-year rate was the cheapest part of the curve and touched 4.14% whilst the 25-year rate was relatively expensive at 4.58%.

July saw short-dated rates peak at their most expensive. The 1-year rate spiked to 6.36% and the 5-year rate to 5.93%. Although, in due course, short-dated rate expectations fell, the medium dates shifted higher through August and the 10-year rate pushed higher to 5.51% and the 25-year rate to 5.73%. The 50-year rate was 4.27% on 5th April but rose to 5.45% on 28th September.

Link forecast rates to fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and Link forecast 50-year rates to stand at 3.90% by the end of September 2025. However, there is considerable gilt issuance to be digested by the market over the next couple of years, as a minimum, so there is a high degree of uncertainty as to whether rates will fall that far.



High/Low/Average PWLB rates for 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

Treasury and Prudential Indicators

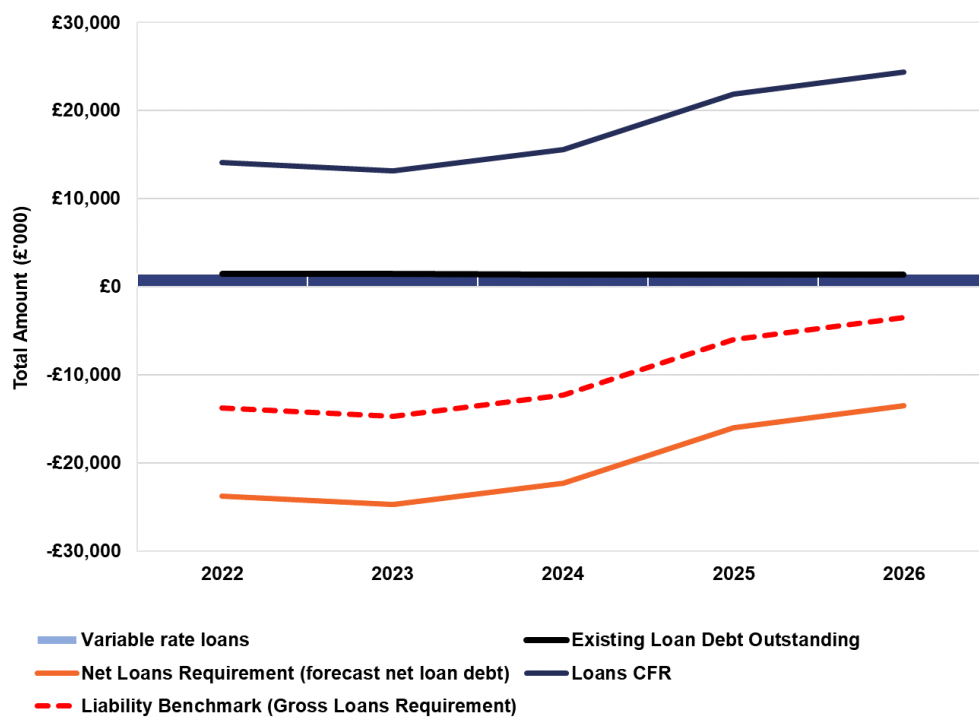
Treasury Indicators

Treasury Indicators	2023/24 Budget £'000	30/09/2023 Actual £'000
Authorised limit for external debt	23,000	23,000
Operational boundary for external debt	17,500	17,500
Gross external debt	4,047	1,490
Investments	16,500	60,465
Net borrowing	(12,453)	(58,975)
Maturity structure of fixed rate borrowing - upper limits		
Under 12 months	10%	1.5%
12 months to 2 years	10%	0%
2 years to 5 years	20%	0%
5 years to 10 years	30%	0%
Over 10 years	100%	98.5%
Upper limit for principal sums invested for over 365 days	10,000	1,500

Prudential Indicators

Prudential Indicators	2023/24 Budget £'000	30/09/2023 Actual £'000
Capital expenditure (including carry forwards from 2022/23)	19,905	20,105
Capital Financing Requirement (CFR)	16,211	15,585
Annual change in CFR	2,150	2,401
In year borrowing requirement	2,500	2,750
Ratio of financing costs to net revenue stream	-3.09%	-14.76%

Liability Benchmark



Harborough District Council

Report to the Cabinet Meeting of 27th November 2023



Title:	2023/24 Performance Report – Financial (Outturn) and Corporate Quarter 2 (Year ending 31 March 2024)
Status:	Public
Key Decision:	No
Report Author:	Carolyn Bland, Head of Financial Services Clive Mason, Interim Deputy Chief Executive and S151 Officer
Portfolio Holder:	Cllr Mark Graves, Finance Cllr Paul Beadle, Corporate
Appendices:	1: Summary Revenue Budgets and Capital Programme for 2023/24 Budget and MTFs (2024/25 to 2027/28). 2: 2023/24 Forecast Revenue Outturn and Variance Analysis by Portfolio & Director Service Categorisation. 3: Commentary on 2023/24 Budget Variances Greater than £25,000, by Director Service Categorisation. 4: General Fund Reserves 31.03.2023 5: 2023/24 Forecast Capital Outturn and Variance Analysis 6: Key Activity Quarterly Report Quarter 2 2023/24 7: Strategic Performance Dashboard Quarter 2 2023/24

Executive Summary

This report combines two reports previously received separately, Financial Performance (Outturn), and Performance. This combined report sets out the forecast financial position (outturn) for the year ending 31 March 2024, based on information at the end of September 2023 for revenue and capital, and covers performance monitoring of the refreshed corporate plan for Quarter 2, July to September 2023.

Financial Performance

Based on the financial position at 30 September 2023, known income and expenditure commitments and working assumptions, the forecast is:

- Revenue is forecasting an underspend of £410k, a variance of 3.3% to the approved budget.
- Capital is forecasting an overspend of £200k, a variance of 1% to the approved budget.

Performance

A refresh of the corporate plan Key Activities was undertaken prior to 01 April 2023, resulting in 31 Key activities for the 2023/24 period.

- Appendix 6 contains a report of progress against all 31 Key activities in the Corporate Plan. At the end of Quarter 2 there was one at red status.
- Appendix 7 contains a report of twenty key performance indicators (KPI's). At the end of Quarter 2, one KPI had a red status.

The links between the red activities/KPI's and outturn have been reviewed and are detailed in paragraph 3.17 below.

Recommendations

That Cabinet:

- **considers and comments on the contents of this report and associated appendices.**

Reasons for Recommendations

The Council's Performance Management Framework requires that both Scrutiny and the Cabinet have a role in monitoring the performance of the Council against its Corporate Delivery Plan. Good financial governance requires the Cabinet to consider and comment on forecast financial outturn. Such commentary demonstrates to customers, partners, and stakeholders that the Council is actively considering the environment within which the Council is operating.

1. Purpose of Report

To update Cabinet in respect of the Quarter 2 forecast outturn for 2023/24 for revenue, capital, and reserves, and provide information on the Council's performance.

2. Background

- 2.1 This combined report [Financial Performance (Outturn) and Performance] seeks to ensure that trends reflected in the forecast outturn are also reflected in the performance reporting and vice versa. Because many things can occur between the end of September and the end of the financial year, some trends may still not yet be apparent.
- 2.2 The Council approved the 2023/24 Budget and Medium-Term Financial Strategy (2024/25 to 2027/28) (MTFS); which included the Capital Programme in February 2023. It should be noted that the categorisation of services by Director and Portfolio used in this report, has been revised to reflect current responsibilities/structure and is not based on the structure used for setting the 2023/24 budget.
 - 2.2.1 the **Revenue budget**, the 2023/24 net service expenditure was £12.1m and after capital financing of (£424k), the net expenditure for the delivery of services was £12.5m; over the MTFS period, this increases to £15.1m. This is summarised in **Appendix 1**.
 - 2.2.2 the **Capital Programme**, the 2023/24 programme totals £12.7m, of which £5.3m was in respect of projects brought forward from previous years and £7.4m was in respect of new initiatives for 2023/24. Over the MTFS period the capital programme decreases to £412k.
 - 2.2.3 **Reserves**, Council approved a net contribution to reserves of £4.4m.
- 2.3 Performance is monitored and reported to Officers and Members on a Quarterly basis as part of the Council's Performance Management Framework. Performance Reports are submitted to both Scrutiny and the Cabinet via Quarterly reports. Officers and Members can review performance via Pentana Risk in between these reports at [Corporate Plan 2023/24 \(pentanarpm.uk\)](https://pentanarpm.uk).

- 2.4 The key activities within the corporate plan have been refreshed in line with meetings with Heads of Service and the annual service planning process. Following the elections in May 2023, a further refresh considered the new administrations immediate priorities.

3. Details

Revenue Headlines

- 3.1 Providing an accurate forecast outturn based on the financial performance at Quarter 2 can still be challenging as many things can occur between the end of September and the end of the financial year. Finance have been working closely with services, acting as a critical friend to value check their forecast outturns, however it must be remembered that the forecast outturns are the responsibility of respective services.
- 3.2 The forecast outturn for the current financial year and the impact over the MTFS is summarised below.
- 3.3 **2023/24;** In respect of the original net expenditure budget of £12.477m, the forecast outturn, after funding adjustments, is £12.067m, which represents an underspend of the budget by £410k. A “financial” variance analysis based on Director service categorisation is summarised in **Table 1** below. A more detailed analysis based on both Director and Portfolio service categorisation is shown in **Appendix 2** along with an accompanying Reserve analysis. A summary of variances greater than £25k shown in **Appendix 3**.

Summary of 2023/24 Revenue Budget Variances, by Director Service Categorisation				Table 1
Service	Updated Budget £000	Outturn £000	Variance £000	Commentary
Interim Chief Executive	501	435	(66)	Savings in Programme Management.
Interim Deputy Chief Executive (Finance, ICT & Assets)	4,014	3,336	(678)	Increased investment income £1,417k and savings in Director costs, less overspends in Insurance, ICT, external audit and corporate savings not achieved. £60k funded from carry forwards.
Communities	6,620	6,702	82	Overspends in Trade Waste, Customer Services, Market, Homelessness and Housing less savings in Car Parking and Harborough Grow on Centre, £30k funded from carry forwards.
Planning	918	1,648	730	Overspend and under recovery of income in Development Control, Strategic Planning and Planning Appeals, £70k funded from carry forwards. Acceleration of local plan funded from Business Rates Pool contribution
Net Direct Cost of Services	12,053	12,121	68	
Finance & Assets: Capital Financing (*)	424	424	0	
Net Expenditure	12,477	12,545	68	
Approved Carry Forwards from 2022/23	0	(220)	(220)	
Funding of Local Plan Acceleration		(258)	(258)	
Revised Net Expenditure	0	12,067	(410)	
NB. * Finance & Assets are allocated to this item, but this item (Minimum Revenue Provision) is dependent on other services actioning the capital programme.				

Inflationary Costs

- 3.4 **Pay Award** It should be noted that included within the 2023/24 forecast estimate is a corporate increase in respect of employees pay. In February 2023, the National Employers agreed unanimously to make the following one-year (1 April 2023 to 31 March 2024), full and final offer to the unions representing the main local government NJC workforce, with effect from 01 April 2023:

- An increase of £1,925 (pro rata for part-time employees) permanent addition on all NJC pay points 2 to 43 inclusive.
- An increase of 3.88% on all locally agreed NJC pay points above 44 but below Chief Executive, with the Chief Executive at 3.50%.

This has now been agreed and the additional cost is estimated to be £450k, an overspend of £75k over the budgeted increase. The pay award will be applied to salaries with the November payroll.

Members will recall that as part of the budget they approved the following employee pay indices for 2023/24 and for each year of the MTFS.

- 2023/24: 4.0% (an increase of £375k over 2022/23)
- 2024/25: 3.5%
- 2025/26: 3.0%
- 2026/27 3.0%
- 2027/28 3.0%

Underachievement of Savings

- 3.5 **Senior Management review** the review of the “target operating model” (the way the Council operates) was delayed initially because of the Council decision to investigate the sharing of senior management. At this time, it is estimated that the remaining underachieved saving is £209k; after including an anticipated saving that may occur during the year. However, this may change depending on the new Chief Executive, as they consider and propose the staff structure that they will need to deliver the administrations priorities. The cost of implementing any structural change will either be met from in-year savings or from the transformation earmarked reserve.

Reserves

- 3.6 Inevitably as the Council progresses through any year its use of reserves will flex depending on:
- the macro and micro economic climate that the Council finds itself, and
 - along with its need to meet its corporate priorities and statutory obligations.
- 3.7 As required by the Reserves Strategy, Cabinet is asked to note that through the active management of reserves that the General Fund (Unallocated) Reserve is maintained at 20%, the approved minimum level of reserves.
- 3.8 Further, members will recall that when the budget was set in February 2023, no contribution from reserves was needed. At 31 March 2023, the Council had revenue reserves totalling £10.9m; however not all these reserves are useable, and these are shown in **Appendix 4**. Of these reserves, £6.7m are potentially useable and sufficient to meet in-year pressures.
- 3.9 The forecast position of reserves at 31 March 2024 as at 30 September 2023 is £16.3m and is shown in **Appendix 2**. This includes the transfer of £279k from the underspend to the Capital & Contracts Earmarked Reserve to meet the estimated costs of procurement of the environment/waste contract, agreed by Cabinet 04 September 2023 <https://cmis.harborough.gov.uk/cm5/Document>. Note £300k was proposed but this has been reduced by £21k for which the expense is now forecast to fall before 31 March 2024.

- 3.10 An amount of £1,084m has been transferred to the Projects, Risk and Smoothing Earmarked Reserve towards future costs of the development of the Local Plan, plus £258k transferred against revenue this year to fund the cost forecast to occur before 31 March 2024, total £1,342m. This represents the reconciliation of the receipts due to the Council as part of the final calculations for 2020/21 and 2021/22 by the Leicester and Leicestershire Business Rates Pool. The Council is part of this pooling agreement for business rates (along with Leicestershire County Council, Leicester City Council, the Combined Fire Authority and all of the Leicestershire District Councils).
- 3.11 **Local Plan development;** recent Government consultation on the implementation of the Levelling Up and Regeneration Bill has imposed a deadline on local plan preparation under the current system of 30 June 2025. In summary, plans must be submitted by this date or await the introduction of the new planning system, which is expected to place a considerable delay on progress being made on the new local plan for Harborough. Under the Government's draft transitional arrangements, awaiting the introduction of the new planning system would prevent work on the new local plan starting until 2026, or more likely 2027, delaying adoption until at least 2030 which would result in the district not having an up-to-date local plan for several years and place the district at considerable risk of speculative, unplanned development. Currently the council is considering adoption of a local plan in 2026 under an accelerated programme. In respect of 2023/24, the estimated cost of the accelerated programme is £258k which will be entirely financed (net nil) from funding due from the councils share of Leicestershire NDR Pooling as part of the new distribution arrangement agreed by delegation in [April](#) and [May](#) 2023. Future years costs associated with the accelerated programme and requisite funding are addressed elsewhere on this agenda.

Capital Programme

- 3.12 The Capital Programme for **2023/24** totals £12.7m, of which £5.3m was brought forward from previous years and £7.4m is in respect of new initiatives for 2023/24. The forecast outturn is an overspend of £200k. A summary variance analysis is shown in **Table 2**, and a detailed analysis, with associated commentary, is shown in **Appendix 6**.

Summary of 2023/24 Capital Budget Variance Greater than £25,000					Table 2
Service	Proposed Updated Budget	Outturn	Variance		Commentary
	£000	£000	£000	%	
Capital Projects	19,905	20,105	200	1%	Overspend in relation to delay on finance system implementation

Corporate Performance

- 3.13 Officers are required to monitor and update the performance management software on a regular basis and provide a status of Complete, Green, Amber, or Red for each Key Activity. Definitions of these are as follows:

3.13.1 Appendix 6: Key Activities in Detail

This appendix contains a performance summary of each of the Key Activities identified in the Corporate Delivery Plan for the 2022/23 year including a status (as described in the table below), progress comment and next steps.

Status	Description
Red	Planned actions have not been achieved or have missed their target date. Issues are now impacting on delivery or expected outcomes.
Amber	Most actions completed. Some issues recognised which may impact on the delivery or expected outcomes.
Green	Planned actions completed, project on track. There are no known issues.
Complete	The project has been completed.

3.13.2 Appendix 7: Strategic Performance Dashboard

The Strategic Performance Dashboard consists of the Council's key performance indicators for each corporate priority. It is designed to provide an overview of how the Council is performing against those identified priorities. The Council's Performance Management database contains information on a wider range of performance indicators including further indicators from the Corporate Delivery Plan and operational indicators. The status of these items is categorised as either 'Green' (on or better than the set target), 'Amber' (within a tolerance of 5% below the target) or 'Red' (5% or more below target).

The Direction of Travel column indicates whether the indicator has changed status since the previous month. Direction of Travel is stated as either 'Better,' 'Same' or 'Worse'. Exceptions are addressed through one-to-one Portfolio Holder meetings and the Performance Improvement Board.

Performance Summary

- 3.14 Quarter 2 reported performance indicates one red category within the key activities shown in **Appendix 6** and 1 red activity within the strategic performance (KPI) dashboard shown in **Appendix 7**.

Status of Key Activities

- 3.15 There are 31 Key Activities, and progress against them all is shown in **Appendix 6**. Key activities that display a Red or Amber status are listed below:
- 3.15.1 KA 03.02 (Red) Prepare for the re-procurement of the Environmental services contract - The timeline has moved back for this due to several factors:- Prime ministers announcement on waste legislation and the subsequent letter from DEFRA and changes in timelines for the above. There are Option to look at an extension with the current contractor to mitigate against this. A new timeline and employment of a waste consultant is being worked on by the team at present.
- 3.15.2 KA.01.08 (Amber) Planning decisions and planning enforcement are maintained in line with the adopted Harborough Local Plan (2011-2031) Q2 is improved performance. The thresholds to avoid potential Government special measure designation are 60% and 70% respectively measured over a 24- month period. For the 2 year period ending June 2023, Harborough sits badly in live national tables of planning application statistics [Live tables on planning application statistics - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/live-tables-on-planning-application-statistics) at position 340(61.9%) of 345 and 313 (74%) of 345 respectively for these major and minor / other - speed of decision - indicators. The Q2 improvement needs to be sustained over several quarters to improve on this national table position as that will continue to include and reflect very low 2023 performance until 2025.

3.15.3 KA.01.13 (Amber) Review of the Asset Management Plan and developing new operational assets in line with community and council needs. Works that have previously been allocated under the capital programme are being reviewed due to rising costs. A full review of the Council's assets is being considered. The Head of service is currently in the early stages of a plan for the review process. **Appendix 6** gives more details on specific projects such as the Symington Building works and review for a new Depo and **Appendix 7** gives details of their inclusion in the Capital Programme.

Status of Strategic Performance Dashboard

3.16 There are 20 KPI's on the Strategic Performance dashboard. Performance against these indicators at the end of Quarter 2 (2023/24 year) is available in **Appendix 7**. 3 KPI's show an amber status at the end of Quarter 2, with one at red status. These are:

3.16.1 FS 02 (Red) 90% of payments to creditors within 30 days – Performance was at 66.7% where the target is 90% During Quarter 2 a new finance system has been implemented.

3.16.2 CON 10 (Amber) Levels of litter and detritus, this missed the Quarter 2 target by 0.8% which was similar in Q1.

3.16.3 RB 01 (Amber) In year council Tax Collection rates. Performance was 0.5% behind target at 28.5% instead of 29%. This was also the situation in Q1.

3.16.4 In addition the 2 KPI's around footfall data are not reported on in Quarter 2 performance due to ongoing delays in the installation of new equipment. 2 other KPIs SP01 Numbers of affordable houses built and RS 14, interventions to empty homes are recorded annually.

3.17 The one red KPI and one red key activity referred to above link to forecast outturn as follows; FS 02 is a knock-on effect of the delays to the implementation of the new finance system referred to in **Appendix 5** and the implementation cost of KA 03.02 is referred to in paragraph 3.9 above.

4. Implications of Decisions

4.1. Corporate Priorities

The contents of this report are evidence of how the Council monitors issues that may affect the delivery of its Corporate Priorities.

4.2. Financial

This report gives the outturn position for the Council's 2023/24 revenue and capital budgets. Regarding the performance of Planning, if performance does not improve in 2023/24 there is a risk of Government designation. Designation has potential financial implication as applicants have an option to submit planning applications directly to the Planning Inspectorate and paying no application fee to the Council, the planning authority. The risk is recorded in the Corporate Risk Register and control measures are in place to manage this risk.

4.3. Legal

Designation also has a potential legal implication for the Council with the power to take certain planning decisions away from the planning authority and give to the Planning Inspectorate.

The Council is legally required to set and manage a balanced budget.

4.4. Policy

No policy issues arise directly from this report.

4.5. **Environmental Implications including contributions to achieving a net zero carbon Council by 2030**

Currently, only some of the capital initiatives relating to achieving net zero are being implemented. The capital programme is currently being reviewed and will be reported to a future Cabinet meeting as part of 2024/25 budget setting.

4.6. **Risk Management**

It is important to monitor the position against budget to ensure any issues can be addressed appropriately and in a timely manner. Risks are managed alongside performance through the Council's Performance Management database, Pentana Risk. A Corporate Risk register can be found at [Corporate Risk portal \(pentanarpm.uk\)](https://pentanarpm.uk).

4.7. **Equalities Impact**

Equality actions are identified as part of the Business Planning Process and are captured where relevant for each Key Activity.

4.8. **Data Protection**

No data protection issues arise directly from this report.

5. **Summary of Consultation and Outcome**

Consultation has been undertaken with the Portfolio Holder.

6. **Alternative Options Considered**

Not applicable.

7. **Background papers**

Corporate Plan

Performance Management Framework

Appendix 1

Summary Revenue Budgets and Capital Programme for 2022/23 Budget and MTFS (2023/24 to 2026/27)

REVENUE					
Approved 2023/24 Budget & Medium-Term Financial Strategy (2024/25 to 2027/28)					
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Net Direct Cost of Services	12,053	12,470	13,380	14,224	14,546
Capital Financing	424	437	509	540	564
Net Expenditure	12,477	12,907	13,889	14,764	15,110
Contributions to/(from) Reserves					
- General Reserves	5,212	1,516	(438)	(1,020)	(1,057)
- Earmarked Reserves	(790)	(322)	(206)	(206)	(206)
	4,422	1,194	(644)	(1,226)	(1,263)
Budget Requirement	16,899	14,101	13,245	13,538	13,847
Total Grants	(10,091)	(6,938)	(5,741)	(5,677)	(5,614)
Council Tax Requirement	6,808	7,163	7,504	7,861	8,233

CAPITAL PROGRAMME					
Approved 2023/24 Budget & Medium-Term Financial Strategy (2023/24 to 2027/28)					
	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Capital Projects					
CCTV	45	20	20	20	0
Harborough Innovation Centre	20	35	20	20	140
Housing & Homelessness Schemes	2,000	78	78	79	0
Lightbulb (Disabled Facilities Grants) & Other Social Services	420	420	420	420	0
Leisure, Open Spaces & Play	3,877	3,120	1,060	150	20
Corporate Buildings	3,205	6,395	2,500	0	180
Car Parks & Similar Facilities	2,515	650	34	0	0
Economic Development	0	0	0	0	0
Capital Works-S.106	250	250	250	250	0
ICT & Transformation	140	20	20	20	20
Green Initiatives	249	272	257	122	52
Total	12,721	11,260	4,659	1,081	412

2023/24 Revenue Outturn and Variance Analysis by Portfolio & Director Service Categorisation	Appendix 2
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2022/23 Outturn	Service Analysis - BY PORTFOLIO	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
667	Strategy	1,515	0	(17)	1,498	1,476	(22)	-2%
1,820	Finance	1,243	0	(4)	1,239	377	(862)	-69.6%
5,201	Environment & Climate Change	4,614	0	(18)	4,596	4,485	(111)	-2%
0	Culture Leisure Economy & Tourism	558	0	3	561	618	57	10.2%
2,598	Corporate	3,047	0	16	3,063	3,262	199	6.5%
0	Planning	413	0	22	435	1,122	687	157.9%
1,327	Wellbeing	663	0	(2)	661	781	120	18.2%
11,613	Net Direct Cost of Services	12,053	0	0	12,053	12,121	68	0.6%
413	Capital Financing	424	0	0	424	424	0	0.0%
12,026	Net Expenditure	12,477	0	0	12,477	12,545	68	0.5%
	Approved Carry Forwards from 2022/23					(220)	(220)	
	Funding of Local Plan Acceleration					(258)	(258)	
	Revised Net Expenditure					12,067	(410)	-3.3%

2022/23 Outturn	Service Analysis - BY DIRECTOR	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
2,212	Interim Chief Executive	503	0	(2)	501	435	(66)	-13%
2,435	Interim Deputy Chief Executive (Finance, ICT & Assets)	4,000	0	14	4,014	3,336	(678)	-16.9%
6,236	Communities	6,638	0	(18)	6,620	6,702	82	1.2%
730	Planning	912	0	6	918	1,648	730	79.5%
11,613	Net Direct Cost of Services	12,053	0	0	12,053	12,121	68	0.6%
413	Capital Financing	424	0		424	424	0	0.0%
12,026	Net Expenditure	12,477	0	0	12,477	12,545	68	0.5%
	Approved Carry Forwards from 2022/23					(220)	(220)	
	Funding of Local Plan Acceleration					(258)	(258)	
	Revised Net Expenditure					12,067	(410)	-3.3%

2022/23 Outturn	Reconciliation to Council Tax Requirement	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
12,026	Net Expenditure	12,477	0	0	12,477	12,545	68	0.5%
	Contributions to/(from) Reserves							
(1,330)	- General Reserves	5,212	0	(300)	4,912	5,343	431	0.0%
5,361	- Earmarked Reserves	(790)	0	300	(490)	353	843	-172.0%
4,031		4,422	0	0	4,422	5,696	0	0.0%
16,057	Budget Requirement	16,899	0	0	16,899	18,241	68	0.4%
(9,403)	Corporate Funding & Grants	(10,091)	0	0	(10,091)	(11,433)	(1,342)	13.3%
6,654	Council Tax Requirement	6,808	0	0	6,808	6,808	0	0.0%

Original Budget £000	2023/24 Reserve Movements		Appendix 2 (continued)			
		Updated Actuals 31.03.23 £000		Updated Budget £000		Outturn £000
	> General Fund (Unallocated) Reserve					
2,568	b/f	2,405		2,405		2,405
5,212	Cont from/(to) Services			4,912		5,343
(5,285)	Cont from/(to) Budget Surplus			(4,912)		(5,239)
2,495	c/f			2,405		2,509
12,477	Net Expenditure	12,026		12,026		12,545
2,495	Gen Fund Minimum @ 20%			2,405		2,509
Yes	Are Reserves maintained at 20% of Net Expenditure			Yes		Yes
	> Earmarked Reserves					
	Budget Surplus Reserve					
0	b/f	0		0		0
5,285	Cont from/(to) General Fund			5,285		5,239
(5,285)	Cont from/(to) Earmarked Reserves			(5,285)		(5,239)
0	c/f			0		0
	CV19 Internal Recovery Reserve					
301	b/f	301		301		301
(301)	Cont from/(to) Corp Funding & Grants			(301)		(301)
0	c/f			0		0
	Projects, Risk & Smoothing Reserve					
2,686	b/f	2,238		2,238		2,238
(55)	Cont from/(to) Services			(55)	1,084	1,029
2,631	c/f			2,183		3,267
	Capital & Contract Reserve					
1,427	b/f	1,601		1,601		1,601
0	Cont from/(to) Budget Surplus			0		0
1,000	Cont from/(to) Earmarked Reserves			1,000		1,000
0	Cont from/(to) Capital			0	(7)	(7)
0	Cont from/(to) Services		300	300	59	59
2,427	c/f			2,901		2,653
	Transformation Reserve					
837	b/f	837		837		837
(116)	Cont from/(to) Services			(116)		(116)
279	Cont from/(to) Earmarked Reserves			279		279
1,000	c/f			1,000		1,000
	Financial Sustainability Reserve					
0	b/f	0		0		0
2,956	Cont from/(to) Budget Surplus			2,956	(46)	2,910
2,956	c/f			2,956		2,910
	Collection Fund Reserve					
0	b/f	0		0		0
1,000	Cont from/(to) Budget Surplus			1,000		1,000
1,000	c/f			1,000		1,000
	Corporate Plan & Strategy Reserve					
0	b/f	0		0		0
1,329	Cont from/(to) Budget Surplus			1,329		1,329
(606)	Other Contributions			(606)		(606)
723	c/f			723		723
	Community, Economic & Infrastructure Reserve					
1,000	b/f	1,000		1,000		1,000
0	Cont from/(to) Earmarked Reserves			0		0
1,000	c/f			1,000		1,000
	Commercial Investment Reserve					
2,508	b/f	2,508		2,508		2,508
(1,279)	Cont from/(to) Earmarked Reserves			(1,279)		(1,279)
1,229	c/f			1,229		1,229

Commentary on 2023/24 Budget Variances Greater than £25,000, by Director Service Categorisation			Appendix 3
Service	Directorate Variance £000	Total £000	Detailed Service Variance
			Commentary
Interim Chief Executive	(66)	(92)	2 vacancies, interviews commenced beginning of November and one employee not in pension.
Programme Management			
Cumulative variances less than £25k		26	
Interim Deputy Chief Executive (Finance, ICT & Assets)	(678)		
Insurance		27	Total premium £268k against a budget of £242k.
IT Services		93	Microsoft contract above budget, less savings.
Interest & Investment Income		(1,417)	Continued increasing interest rates since budget setting.
Director: Finance, ICT & Assets		(49)	Saving generated as post holder acting as Interim Deputy Chief Executive less amount used to supplement interim Monitoring Officer budget.
Corporate Savings		421	£209k target operating model savings will not be achieved. Additional provision of £75k against cost of pay rise. £90k of vacancy savings and £47k pension savings for quarter 2 achieved and matched by vacancy savings in individual cost centres.
The Symington Building		61	£14k HDC share of manned security for the building (new arrangement), £5k other security, £18k inflation increase in new soft services contract, £33k increased utilities inflation less £9k increased income re new tenant and ad hoc rents.
External Audit		40	Increase in proposed fee.
Cumulative variances less than £25k		146	
Communities	82		
Customer Services		41	£30k Talk Desk (telephone system) to be funded from £30k carry forward from 22/23 (although final amount TBC). £26k Jadu (digital platform) not in budget.
Market Hall		42	Income forecast to be below budget, struggling with midweek bookings, weather has impacted (excessive heat in summer and torrential rain in Autumn) and waves of covid have resulted in cancellations.
Car park services		(46)	Refund on business rates.
On Street Car Parking		(71)	Savings in vacancies less additional costs.
Off Street Car Parking		(34)	Savings in vacancies.
Trade Waste		68	Income down due to legacy of Covid.
Temporary Accommodation		54	Reduced expected income due to delay in Plowmans Yard renovation and vacant periods in other accommodation.
Homelessness		46	High demand for Temporary Accommodation with Legal Obligation to provide accommodation
Housing Services		48	£11k overspent on agreed computer software package(Housing Jigsaw Licence). Shortfall in salary budget for the year.
Cumulative variances less than £25k		(66)	
Planning	730		
Development Control		347	Agency costs to cover 2 members of staff £65k. Planning fee income down £255k due to less large applications than expected, Planning advice down £8k and no Planning Performance Agreement income as no staff to provide £22k. Some small savings.
Neighbourhood Planning		61	£30k costs not in budget, plus £31k staffing costs for MH Enabling officer funded from reserve.
Local Plan		258	23-24 forecast cost of accelerating local plan.
Joint Strategic Planning		32	Consultancy costs not in budget funded by carry forward from 22/23
Planning Appeals		32	Provision for 3 known planning appeals above budget less £7.5k to be funded from reserves
Cumulative variances less than £25k		0	
Net Expenditure	68	68	
Approved Carry Forwards from 2022/23	(220)	(220)	
Funding of Local Plan Acceleration	(258)	(258)	
Revised Net Expenditure	(410)	(410)	

General Fund Reserves, 31 st March 2023				Appendix 4	
Reserve		Balance (£m)		Purpose	Useable / Unusable
General Fund (Unallocated Reserve)		2.4		Emergency funding (20% of net expenditure)	Unusable
Earmarked Reserves		8.5			
	CV19	0.3		To meet known costs relating to the Coronavirus Pandemic.	Unusable, as it is mainly TIG grant to meet current and next year Collection Fund deficits.
	Projects, Risks & Smoothing	2.3		To meet known future pressures, primarily the Local Plan.	Unusable, as this is funding set-aside to meet known future costs.
	Capital & Contracts	1.6		To meet known capital and revenue contract costs.	Unusable, as this is funding set-aside to meet known future costs.
	Transformation	0.8		To meet costs relating to the current transformation programme.	Usable, but this would be available to meet costs of transformation.
	Community, Economic & Infrastructure	1.0		To meet potential costs relating to community etc development.	Usable, but this would be available to meet the costs of community development.
	Commercial Investment	2.5		To meet potential costs where investments will generate a return.	Usable, but this would be available to support the costs of commercial investment.
Total		10.9			





2023/24 Capital Forecast Outturn and Variance Analysis										Appendix 5	
Capital Projects	Original Budget	B/f 22/23	Virements & Reserve Movements	Proposed Slippage to 2024/25	Updated Budget	Actual to Quarter 2 2023/24	Forecast Outturn	Variance		Commentary	
	£000	£000	£000	£000	£000	£000	£000	£000			
CCTV	45	7	0	0	52	2	52	0	100%	CCTV schemes.	
Harborough Innovation Centre	20	15	0	0	35	0	35	0	100%	Various building works, Solar panels now in Green Initiatives.	
Housing & Homelessness Schemes	2,000	843	0	0	2,843	42	2,843	0	100%	Roman Way development part of review of all current capital programme, includes £1.7m LA Housing Fund - grant to Platform Housing.	
Lightbulb (Disabled Facilities Grants) & Other Social Services	420	40	0	0	460	0	460	0	100%	Delivered through Lightbulb partnership.	
Leisure, Open Spaces & Play	3,877	2,389	(4)	0	6,262	14	6,262	(0)	100%	New Leisure provision procurement was moved out to 2024 due to contract extension. Spend on leisure dependent on new leisure provider.	
Corporate Buildings (including Depot)	3,205	480	0	0	3,685	111	3,685	0	100%	Symington Building ventilation scheme put on hold awaiting outcome of review of TSB future usage. New depot project underway.	
Car Parks & Similar Facilities and Electric Charging	2,515	602	0	0	3,117	15	3,117	0	100%	Covers EV points at car parks plus budget b/f for the coach park.	
Economic Development	0	524	4	0	528	0	528	0	100%	Lutterworth TC Heritage Zone plan.	
Capital Works-S.106	250	758	0	0	1,008	557	1,008	0	100%	Community grants funded through s106 contributions.	
ICT & Transformation	140	1,526	0	0	1,666	624	1,865	200	112%	All principle projects underway (new finance and assets system, ICT transformation programme,). Overspend in relation to delay on finance system implementation.	
Green Initiatives	249	0	0	0	249	0	249	0	100%	Relates to Environmental/Climate Change Grants, Biodiversity Projects Reserve and HIC Solar panels.	
Total	12,721	7,184	0	0	19,905	1,365	20,105	200	101%		

Appendix 6

Key Activity Quarterly Report (July – Sept Q2 2023/24)

Key


Action Status Key

	Red (Planned actions have not been achieved or have missed their target date. Issues now impacting on delivery or expected outcomes).
	Amber (Most actions completed. Some issues recognised which may impact on delivery or expected outcomes).
	Green (Planned actions completed, project on track. There are no known issues).
	Completed


Summary


		
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Community Leadership to create a sense of pride and wellbeing


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.01 Improve and enhance the future delivery of Customer Services		New contact centre project successfully implemented as per project plan providing a modern contact centre, live webchat functions and improved reporting. Work is ongoing to embed the new	Complete final stages of implementation of the new contact centre. Undertake staff training.	Customer Services and Engagement	Corporate

		services and work will be undertaken over the next months to look at ways to further enhance the delivery of the service			
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.02 Continue to Increase the digitalisation of services		Work so far in quarters 1 and 2 has been to establish a role out of the webforms and pages across the organisation so that there is continuous improvements to our online offer of services.	Initial working completed re the development of online licensing forms within Netcall. Ongoing monitoring and review of current/new online forms through customer feedback. Continue with the re-engineering and redesign of the Council's website.	Customer Services and Engagement	Corporate

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.03 To ensure effective Strategic Communications across the District to keep residents informed of Council services and Key Activities		<p>This ongoing Key Activity is completed to date except for delivery of the engagement toolkit for staff. Key news and updates are shared with stakeholders via the council's communication channels in a timely, accurate and engaging way and links with partners and local media continue to help us to widen our reach to residents across the Harborough district.</p> <p>Followers on the council's social</p>	<p>-Continue to deliver high-quality communication activities for key projects and initiatives, and in support of service areas and corporate plan priorities, across the Council's communication channels to stakeholders.</p> <p>- Engagement Strategy draft completed and internal consultation is taking place.</p>	Communications	Strategy


		media profiles is growing steadily and ongoing monitoring of these shows good reach and levels of engagement of Harborough residents.			
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.04 Investment in community facilities through the Section 106 process		<p>At the most recent Cabinet Sub Committee it was agreed that the new Chair for this group would be Cllr Knowles</p> <p>The committee reviewed 4 applications and the approvals from 27th September Meeting are as follows</p> <ul style="list-style-type: none"> • 001 – S106 R2 2023/24 Ullesthorpe Village Memorial - Unanimously agreed to support in full • 002 – S106 R2 2023/24 North Kilworth Parish Council Unanimously agreed to support in full • 003 – S106 R2 2023/24 Kibworth Beauchamp Parish Council Unanimously agreed to support in part 	2023 contributions at risk. Balances not provided to Parishes.	Community Partnerships	Wellbeing

		• 004 – S106 R2 2023/24 Kibworth Scouts and Guides Unanimously agreed to support in part			
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.05 To identify and address key issues of crime and disorder through the community safety partnership and the use of statutory tools and powers		<p>Part-time Community Safety Officer recruited.</p> <p>Three Year Plan went to Cabinet in Qtr 2 and CS Action plan went to Scrutiny..</p> <p>Campaigns :</p> <p>Safer summer - including 4 x safer summer in person events across District.</p> <p>Rural Crime event planned for November and invites sent.</p>	<p>Community Safety Vehicle has been purchased and will start to be used once it has livery completed.</p> <p>Domestic Abuse Link worker is undertaking training to be an IDVA (Independent Domestic Violence Advocate)</p> <p>Rural Crime Event 6th November</p> <p>Bystander Training November/December dates</p> <p>Womens Well being Events - MH, Lutterworth and Broughton Astley in November/December</p> <p>Campaigns:</p> <p>Celebrate safely</p> <p>Darker Nights</p> <p>16 days of Action - DA Consultation will take place to inform next CSP Action plan.</p> <p>New Prevent Action plan to be agreed.</p>	Environmental Services and Community Safety	Wellbeing


			Serious Violence Toolkit completed		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.07 Implementation and monitoring of the adopted Harborough Local Plan (2011-2031)		Continued support for implementation and ongoing monitoring of the adopted Local Plan	- Publication of the 2021-2 Authority Monitoring Report	Strategic Planning	Planning

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.08 Planning decisions and planning enforcement are maintained and reported on, in line with the adopted Harborough Local Plan (2011-2031)		During Quarter 2, 12 out of 15 (80%) of major and 166 of 216 (76.9%) minor & other applications were determined on time. Q2 is improved performance. The thresholds to avoid potential Government special measure designation are 60% and 70% respectively measured over a 24- month period. For the 2 year period ending June 2023, Harborough sits badly in live national tables of planning application statistics Live tables on planning application statistics - GOV.UK (www.gov.uk) at position 340(61.9%) of 345 and 313 (74%) of 345 respectively for these major and minor / other - speed of decision - indicators. The Q2 improvement needs to be sustained over several quarters to improve on this national table position as that will continue to include and reflect very low 2023	Continue to monitor planning application performance. Recruit to vacant posts.	Development Management	Planning


		performance until 2025.			
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.09 Continue the preparation of the next Local Plan, ensuring that design codes are developed to shape the District in line with our place-shaping ambitions		Local Plan preparation continues. Project is managed through Project Board and Local Plan Member Advisory Panel. Currently no budget is identified for design codes.	Prepare strategic development options	Strategic Planning	Planning

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.11 Continue the programme of review of the Council's conservation areas and preparation of the Local List of Heritage Assets		Preparation of Great Easton Conservation Area Appraisal underway as well as next tranche of local list entries.	Adoption of the Bitteswell Conservation Area Review and second Tranche of the Local List. Begin preparatory work on the Great Easton Conservation Area Appraisal	Strategic Planning	Planning

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.12 Support the preparation of Neighbourhood Plans		<p>Billesdon Neighbourhood Plan review submitted.</p> <p>Arden Forum and Logan Forum submission expected.</p> <p>Grant claim (£25k) made for NP</p>	<p>- Set up Logan, Arden and Town Centre Forums by working with communities</p> <p>- Support Plans as they progress: Market Harborough Neighbourhood Forums, ,</p>	Strategic Planning	Planning


		Grants in Oct 2023	Houghton Review, Lubenham Review, Billesdon Review, Burton Overy Review, Lutterworth start (all dates TBC).		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.13 review the Asset Management plan and develop new operational assets in line with community and council needs		A review of all Assets s now being undertaken. The head of service has formulated an early stages plan for the review process. 1. Works on the Symington building - reports went to informal cabinet in this quarter. New Depo site - This project will form part of the ongoing procurement process.	Continue with the assets review.	Creating a sustainable environment to protect future generations; Property Team	

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.14 Preparation of final accounts in accordance to statutory deadlines		The 22/23 draft accounts were published on the HDC website on 31st May 2023 in accordance with statutory deadlines	The next stage is for the 22/23 accounts to be audited, this is due to start within quarter 2 but may be Quarter 3 before this is concluded.		

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.15 Implementation of the		Since 1 May 2023, Welland	Monitoring/reporting of	Legal and	


Welland Procurement Partnership		<p>Procurement ("WP") has provided Harborough District Council's advice and support in respect of procurement matters.</p> <p>Training was provided by WP prior to the go live date for all HDC officers who procure goods/services. Officers currently self-serve lower value procurements and WP provide support / lead on procurements where necessary.</p> <p>The most recent service plan update from WP confirms they are instructed on 15 procurement matters for HDC.</p>	procurements	Democratic Services	
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.16 Implementation of a legal case management system		Go live date is still on track for late September. The go-live date has been pushed back and the system will now go-live on 14 November 2023 . All the users have been trained in the new system. In addition, 3 users have also been trained as superusers. Quality assurance testing has taken place and a few minor issues have now been resolved and the system is ready to go-live.	Go-live on 14 November 2023. Data Migration to be completed by team after go-live via file upload. Training session specifically on workflow to be scheduled after go-live	HoS Legal Services	


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.18 implement an internal transformation strategy to maximise		Meetings are arranged for mid august to start this piece of work		Chief Executive Officer	


resources and deliver efficiencies in service provision.					
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Promoting health and wellbeing and encouraging healthy life choices

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.01 Provide support for the most vulnerable in our communities, providing suitable accommodation to safeguard them from harm and provide high-quality help and advice on housing options		<p>Housing team restructure is complete and recruitment to new roles is underway.</p> <p>A 12 month fixed term Housing Advisor role with a focus on homeless Ukrainians forms part of the recruitment process</p> <p>2 new flats have been leased above Tesco's in Market Harborough</p> <p>Planning for bring 3x units back into use at Plowmans Yard is progressing</p> <p>Options around the Roman Way development are being explored</p> <p>The Housing Team are currently being audited</p> <p>The Homelessness and Rough Sleeping strategy is being refreshed following a recent consultative Housing Summit event</p>	<p>- Continue to Provide extensive training to the Housing Options Officer.</p> <p>– working with internal services and external housing providers to support residents with the costs of living crisis.</p> <p>- Recruitment of an officer to focus on the resettlement of refugees.</p>	Community Partnerships	Wellbeing


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.02 Understand and address the housing needs of the district		The Housing, Homelessness and Rough Sleeping Strategy is underway which should address this		Community Partnerships	

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.03 Creating sustainable leisure facilities through provision of new leisure contract procurement and appropriate funding such as planning obligation contributions.		<p>The Leisure project continues to progress as planned, after invitations to submit tenders we have evaluated potential bids and have progressed those that have been successful to the next stage after a robust evaluation and dialogue process.</p> <p>Importantly the project remains on track to ensure that any new procurement will mean that the centres will have £0 impact on the authority.</p> <p>Final submissions are due imminently and we are still asking potential providers to offer us solutions to our requirements around, Community Development, The Dome and improvements at both of our centres supported by up to £9.5million of investment</p>		Community Partnerships	


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.05 Implement measures to improve and enhance residential accommodation across the district		Rented units are continuing to be delivered on sites already under construction with 50 units already completed in 2023/24. However take up of up and coming S106 affordable schemes by our Registered Providers (RP) partners is becoming an issue and we are working diligently to resolve issues afflicting take up so that future affordable delivery continues.	- Continue monitoring affordable housing unit delivery and work closely partner organisations.	Strategic Planning	Wellbeing


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.06 Delivery of the agreed objectives of the Armed Forces Covenant		<p>Current activity to sustain the Armed Forces Covenant continues to be assessed as Green.</p> <p>Since the Armed Forces Covenant (AFC) Duty became legally enforceable in November 2022, HDC has remained compliant and there have been no challenges made under or relating to the legislation.</p> <p>The Armed Forces Governance work plan (2023/24) for HDC was reviewed</p>	Initiated in Q2 and to be completed in Q3, the Armed Forces Officer (AFO) is conducting an (MOD approved) local authority self-assessment around compliance with the Armed Forces Covenant Duty to ensure HDC continue to meet our legal obligations, and that staff knowledge and training needs are	Corporate Services; Legal and Democratic Services	Corporate

		<p>on 30th October 2023 at the Quarterly Governance Board (attended by the HDC Armed Forces Champion and Interim Deputy Chief Executive) and satisfactory progress was being made against the plan's workstreams.</p>	<p>understood.</p> <p>Following recent engagement with local veteran's groups, alongside the HDC Chairman and Armed Forces Champion, the AFO is setting up a regular engagement forum with these groups and other veteran's charities in the District. The primary aim is to help with reinvigorating membership, but it will also help to improve understanding of the services that they can provide the local Armed Forces Community. In support of this task a sizeable 'Veteran's Information Fair' will be arranged in Harborough during Q4 of this FY.</p> <p>Ongoing and constant, the AFO maintains oversight of HCC performance against the obligations of the Covenant Duty (monitor, record, measure).</p>		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.07 Provision of a sustainable control room delivering services across Harborough District		Customer numbers are steady which will likely be down to the requirement for marketing of lifeline services and a choice in assistive technology providers, some offer free installation. We are currently reviewing marketing activities that previously worked and will look to see if there are any activities already in place in HDC/local community that Lifeline can utilise.	- Continue marketing of service.	Lifeline ; Lifeline Services	Wellbeing


Creating a sustainable environment to protect future generations

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.01 Reduce environmental crime through promoting a cleaner, greener environment using education and enforcement		<p>Fly tipping has increase in Q1 and Q2 tis year with some hotspot locations. Action has been taken using CCTV and working with businesses and residents.</p> <p>Harborough DC has been shortlisted again for our campaign work in this area.</p>	<ul style="list-style-type: none"> - Continue the work on our successful campaigns. - Work with other districts on campaigns - Work with parishes and other organisations 	Environmental Services and Community Safety	Environment and Climate Change


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.02 Prepare for re-procurement of the Environmental Services contract, ensuring that it reviews the current service and takes new requirements from government and sustainability factors into consideration.		<p>The timeline has moved back for this due to several factors:-</p> <ol style="list-style-type: none"> 1. Prime ministers announcement on waste legislation and the subsequent letter from DEFRA. 2. Changes in timelines for the above. 3. Option to look at an extension with the current contractor to mitigate against this. <p>A new timeline and employment of a</p>	<ol style="list-style-type: none"> 1. Site visit to Casepak with the Cabinet in September 2. Meeting with my Director and CEO 3. Legal Enquiries 	Environmental Services and Community Safety	Environment and Climate Change

		waste consultant is being worked on by the team at present.			
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.04 Provide effective local air quality management		<ul style="list-style-type: none"> • The DEFRA Air Quality consultation has now ended but we continue to monitor particulates in the village of North Kilworth as part of the ongoing project. • We have completed the 2023 Annual Status Report for Air Quality and are in the process of getting it signed off prior to submission to DEFRA. • We are continuing to monitor Air Quality in the District and there are currently no exceedances of any local government objective levels. This includes our two Air Quality Management Areas in the Kibworths and Lutterworth. 	Confirm the study location and send out initial questionnaires	Regulatory Services	Environment and Climate Change

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.05 All Council activities will work towards being carbon neutral by 2030, whilst influencing wider change on climate issues in Harborough district.		<p>Draft inventory of emissions completed and sent to Portfolio holder, now addressing a couple of comments.</p> <p>Draft Climate Emergency update report has gone to Scrutiny, again a few comments being addressed</p>	<p>Draft reports to be completed with comments and published on website by end 2023.</p> <p>Detailed approach to decarbonising HDC Scope 1 and 2 emissions being prepared</p>	Corporate Services	Environment and Climate Change


		before publication on our website.			
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.06 Provide domestic energy efficiency advice and measures in partnership with external organisations and encourage households to participate in the Council's Collective Switching and Solar Together initiatives		<p>Sustainable Warmth competition completed 28 homes received measures.</p> <p>Solar together phase 1 completed 63 homes had solar and /or battery installed.</p> <p>Big Community Switch took place in May approx. 250 switched in spite of low savings achieved. October auction was not able to achieve better than government price cap.</p>	<p>All installations for Solar Together Phase 2 complete by March 2023. Sustainable Warmth competition delivered through Green Living Leicestershire Partnership complete 28 properties received energy efficiency measures, bring them to at least EPC of C.</p> <p>-Phase 1 installs of Solar together complete (63 in total), Phase 2 Installations of solar together in progress, due to complete Spring 2024</p> <p>- ECO4 flexible eligibility is in process of being signed off following final guidance.</p> <p>- HUG2 now recruiting eligible households with installs due to start early 2024.</p> <p>Big Switch resumed, but Government price cap is lower than potential offers, so no offers sent October</p>	Corporate Services	Environment and Climate Change


			23. Next Auction February 2024.		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.07 Improving Council assets to be more sustainable and offering increased biodiversity		<p>We were successful in achieving a gold for both East Midlands in Bloom and Britain in Bloom.</p> <p>90 trees to be planted by this winter to replace and add to our stock.</p>	<p>1. Additional tree planting</p> <p>2. New locations for wildflowers</p> <p>3. Options to revamp the old greens at Welland Park (Community Orchard)</p> <p>4. Planting at other parks to be re-evaluated</p>	Environmental Services and Community Safety	


Economy


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.04.01 Ensure that Harborough District's towns, villages and rural areas remain attractive and vibrant places to live, work invest and visit		<p>The new tourism leaflet has been printed and distributed via our leaflet stands.</p> <p>The bi-monthly newsletter had been sent out to all businesses who are signed up and the team continually promote businesses to sign up.</p> <p>The footfall and Wi-Fi is in its second stage, and we are now at the point of</p>	<p>- Start rolling out a programme of investment through the UK Shared Prosperity Fund, including Active Travel and town centre improvements.</p> <p>- Submit plans for the Government's Rural England Prosperity Funding to support Harborough District's rural</p>	Economic Development	Finance

		getting licence agreements signed. Installation will be starting in quarter 3 23/24	areas.		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.04.02 Ensure that we support new and existing businesses with		Work is underway to organise the next Leicester Comedy Festival for	- Develop plans for the Rural England Prosperity	Economic Development	Finance

Harborough District to be as successful as they can be		<p>Feb 2024</p> <p>Events are continuing to be delivered on the square throughout the year, with a big focus on Christmas.</p> <p>Open days are continue to be ran at the HIC to promote and support the businesses.</p> <p>Rural spend is being delivered through rural grants, more promotion on this will be happening over the next few weeks.</p> <p>We successfully ran a green convention that was attended by 60 businesses at Bruntingthorpe proving ground.</p>	<p>Fund to support rural businesses and communities within Harborough District.</p> <p>- Developing new business grants scheme and comprehensive business support offer, as part of our UK Shared Prosperity Fund programme.</p>		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.04.03 Ensure that Harborough District residents (particularly young people), can gain access to the education, training, and skills they require to obtain high-quality employment and careers to help them meet their potential and live a fulfilling life		<p>Job Club - last one was successful held on 4th July, the next one will be 6th October</p> <p>Job Fairs - these are still very popular with residents, the next one will be 20th September</p> <p>Meeting held with Enterprise Advisers at the LLEP on 31st July, the next meeting will be 18th to discuss how we can start delivering actions.</p> <p>The next careers fair we will be attending is 5th October at Weland Park Academy</p> <p>The young trader event was delivered on 1st July, we will look to do another one this financial year.</p>	<p>- Develop detailed plans for the UK Shared Prosperity Fund to support District residents gaining skills and employment, (ideally for implementation in 2023/24 and 2024/25)..</p> <p>- Continue to support and develop Job Fairs in both towns and the Lutterworth Job Club, in conjunction with partners.</p> <p>- Continue to support school careers events and share good practice between schools.</p>	Economic Development	Finance

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.04.04 Review and revise the Economic Development Strategy to ensure it is fit for purpose in the current climate		DW held a meeting in 22/23 with David Marlow to look at options, however depending on the cost a procurement exercise may need to	- Detailed work to review and develop a new Economic Development Strategy for the District is	Economic Development	Finance








		be done. This has not progressed since.	planned for late 2022/early 2023.		
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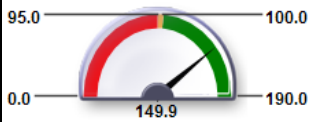
Appendix B - Strategic Performance Dashboard (July-Sept Q2 2023/24)

Summary

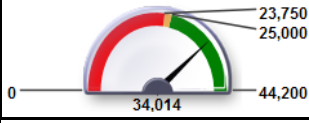

		
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Priority 1: Community Leadership to create a sense of pride and wellbeing


KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
HS 07 Number of Repeat Homelessness Acceptances		0	0	<p>Q1 2023/24 result</p> 		
COR 01 Stage 1 and Stage 2 complaints responded to within 20 working days (%)		91.7%	90.0%	<p>Cumulative result for Q2 2023/24 as of September 2023</p> 		
SP 01 Number of new affordable housing completions during the year	Annual Target	50.0				<i>We are now into our 2nd Quarter and rented units are continuing to be delivered on sites already under construction with 50 units already completed. However take up of up and coming S106 affordable schemes by our RP partners is becoming an issue and we are working diligently to resolve issues afflicting take up so that future affordable delivery continues.</i>




KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
SP 02 Supply of ready to develop housing sites in forthcoming five year period compared to requirement (achievement of five-year land supply)	✓	149.9	100.0	<p>March 2021 result</p> 	?	Data for this indicator was last calculated on 31 March 2021, when 7.49 years was available. New data expected by end of October 22.


Priority 2: Promoting health and wellbeing and encouraging healthy life choices

KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
CP HW 03 Number of attendances at sport and physical activities	✓	34,014	25,000	<p>Q4 2021/22 result</p> 	↑	Quarter 2 data will not be made available until the end of October 22
RS 16 Average number of weeks taken to complete Disabled Facilities adaptations	✓	20	20	<p>Q1 2023/24 result</p> 	↓	




Priority 3: Creating a sustainable environment to protect future generations

KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
CON 10 Levels of Litter and Detritus (% of sites are Grade B or better)	⚠	87.2%	88%	<p>Q2 2023/24 result</p> 	→	

KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
CON 14 Average number of working days to respond to reports of fly-tipping (days)	✓	3.00	5.00	<p>Q2 2023/24 result</p> 	↓	
DM 01 60% of major applications determined within 13 weeks or other agreed time	✓	80.0%	60.0%	<p>Cumulative result for Q2 2023/24 as of September 2023</p> 	↑	
DM 02 Percentage of minor and other applications determined within 8 weeks or other agreed time	✓	76.9%	70.0%	<p>Cumulative result for Q2 2023/24 as of September 2023</p> 	↑	
FS 02 Establishment and Agency costs are kept within agreed revised budget	✓	£2,276,497.00	£2,551,701.00	<p>Cumulative result for Q2 2023/24 as of September 2023</p> 	↓	
FS 03 90% of payments to creditors within 30 days	✗	66.7%	90.0%	<p>Cumulative result for Q2 2023/24 as of July 2024</p> 	↓	
HR 02 Percentage staff turnover (%)	✓	0.5	4.0	<p>Latest result for Q2 2023/24 as of September 2023</p> 	↑	1 x resignation
RS 05 Number of energy efficiency measures installed in domestic properties	✗	28.0	50.0	<p>Q1 2023/24 result</p> 	↑	All properties received measures via Sustainable Warmth Competition. Programme now complete.
HR 03.1 Working days lost due to Sickness Absence (short-term only)	✓	0.4	1.5	<p>Average result for Q2 2023/24 as of September 2023</p> 	↓	

KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
DM 07 Less than 10% of major decisions allowed at appeal	✓	0.0%	10.0%	Cumulative result for Q2 2023/24 as of September 2023 	➡	

Priority 4: Supporting businesses and residents to deliver a prosperous local economy

KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
RB 02 Achieve an average time of 19 days to process new benefit claims	✓	12.4	16.9	Average result for Q2 2023/24 as of September 2023 	⬆	
RB 01 In-Year Council Tax Collection Rate of 98.4%	⚠	28.5%	29.0%	Q1 2023/24 result 	⬇	
RS 14 Number of interventions carried out to encourage owners of empty properties to bring them back into use/ number of properties brought back into use		Annual target	8.75	Q1 2023/24 result 	⬆	

Harborough District Council

Report to the Cabinet Meeting of 27th November 2023

Report Number:	
Title:	2024/25 Budget & MTFS - Budget Principles & Reserves Strategy
Status:	Public
Key Decision:	No
Report Author:	Clive Mason – Interim Deputy Chief Executive (& s.151 officer)
Portfolio Holder:	Cllr Mark Graves, Finance
Appendices:	Appendix 1: Discretionary Fees & Charges: exceptions to blanket increase. Appendix 2: Inflation Graphs (CPI/RPI and Gas/Electricity) Appendix 3: Budget Principles for the 2024/25 Budget and MTFS (2024/25 to 2027/28) Appendix 4: Reserves Strategy

Executive Summary

In February each year, the Council is required to approve the Council Tax for the forthcoming year. To achieve this, the Council has to:

- prepare an annual budget that has to comply with statutory regulations as well its own Constitution and local corporate priorities.
- a medium-term financial strategy (MTFS) that aids future decision making.

All budgets are organic in nature, in that they are a best estimate of resource allocation to meet the Councils corporate priorities; consequently, they can change over time; as the coronavirus pandemic and the cost-of-living/inflationary economic climate is currently showing.

An essential part of the budget setting process is the agreement of a set of “budget principles”, which are detailed later in this report. These principles set the foundation upon which the budget will be built. Further, it is also opportune for the Cabinet to review and agree any updates to the Reserves Strategy.

Recommendations
<p>To approve the:</p> <ul style="list-style-type: none"> • budget principles, delegations and definitions that are summarised in Appendix 3. • Reserves Strategy in Appendix 4.
Reasons for Recommendations
<p>To develop the foundation on which to support the development of the Budget and Medium-Term Financial Strategy.</p>

1. Purpose of Report

1.1 To:

- highlight to members the budget setting process and get agreement on key principles to support the development of the 2024/25 Budget and Medium-Term financial Strategy (2025/26 to 2028/29), and
- confirm the principles of the Reserves Strategy.

2. Background

Review of 2023/24 Budget and Medium-Term Financial Strategy

2.1 In February 2023, the Council approved the 2023/24 Budget and Medium-Term Financial Strategy (MTFS) (2024/25 to 2027/28); the key aspects of the budget and MTFS are as follows:

- i. for 2023/24:
 - a net expenditure budget of £12.5m,
 - a budget requirement of £16.9m,
 - a net contribution to reserves of £4.4m,
 - an “nil” increase in Council Tax of £177.97 (same as 2022/23).
- ii. for the MTFS, by 2027/28:
 - net expenditure increasing to £15.1m (+21.9%).
 - budget requirement decreasing to £13.8 (-18.1%).
 - a total contribution from reserves of £1.3m; of which £206k from Earmarked Reserves and £1.1m from General Reserves.
 - a notional increase in Council Tax of £5 per year to £200.22.

Current 2023/24 Forecast Outturn

2.2 Elsewhere on the agenda, Cabinet will receive the 2023/24 Quarter 2 report which is forecasting an “in-year” saving of £190k (£410k after the application of approved carry forwards from 2022/23).

2.3 This overall net saving is a mix of service savings and pressures but is mostly explained by the additional investment income generated as a consequence of the continued increases in interest rates over the year. Current expectations are that interest rates have now peaked and will start to fall from late 2024.

3. Details

Strategic Budget Principles, and longer-term budget setting.

- 3.1 For the forthcoming 2024/25 budget/MTFS setting round, it is proposed that the Strategic Budget Principles noted in (A) to (B) below are adopted. Both of these principles represent good practice in respect of good financial management and the Councils commitment to the delivery of core services, further these principles have been basis of the budget setting for the past few years.

Strategic Budget Principles:

- A. To maintain, within expected service constraints, service expenditure within the approved net expenditure envelope.***
- B. To ensure that over the medium term, financial sustainability can be achieved.***

- 3.2 In respect of:

- A. the approved net expenditure envelope, this will be the “Updated Budget” that was reported to Cabinet in September as part of the Quarter 1 Financial Performance Monitoring (i.e. approved budget + approved carry-forward)
- B. financial sustainability, it is fair to acknowledge that this principle has been a challenge over the past few years budget cycles. To help with financial sustainability, the Council approved the establishment of a Financial Sustainability Earmarked Reserves when it set the 2023/24 budget. The issues that contributed to this pressure include the compounding of pay awards and the potential impact of changes to the Waste Service. With the more recent pressures due to inflation along with changes in service delivery and demand the pressures over the MTFS are expected to remain.

Budget Inflation & Growth

- 3.3 In any budget setting process, it is necessary to set-out the inflation principles within which certain aspects of the budget will be set. Considering the financial challenge that the Council continues to face the inflation principles that will be applied for 2023/24, and over the MTFS period, will remain similarly “tight” as they were in previous years. This “tighter” approach is necessary to help mitigate cost inflation and ensure that the limited financial resources available to the Council are used in the most effective way possible.

Income

3.4 General Service Income;

3.4.1 Statutory Fees & Charges; it is recommended that where the Council has to set a level of fees by law, then those fees are increased at the earliest opportunity.

3.4.2 Discretionary Fees & Charges; it is recommended that all service income lines applicable to discretionary services are reviewed on a 3-year cyclical basis to ensure that they achieve cost-neutrality; for the two intervening years the prevailing CPI rate that was published in the preceding October is applied. The rate to be applied for the 2024/25, based on the CPI rate announced in October 2023 is 6.7% (subject to the exemptions noted in **Appendix 1**). For the 2023/24 budget, the equivalent rate was 10.1%.

Budget Principle (1)

General Service Income;

i. Statutory Fees & Charges, where:

- the Council has to set a level of fees by law, then those fees are increased at the earliest time possible.
- a service is required to “consult” with other internal services, that an appropriate recharge of the income is made to the consultee service. This avoids individual services carrying an unfair burden to meet statutory requirements.

ii. Discretionary Fees & Charges, subject to the exceptions noted in (Appendix 1) below:

- all service income lines applicable to discretionary services and are reviewed on a 3-year cyclical basis,
- for the two intervening years then the prevailing CPI rate for the October of the preceding year is applied. The CPI rate to be agreed by the Director of Resources, in consultation with the Portfolio Holder for Finance

iii. At times during the financial year, it is occasionally necessary to adjust fees and charges; indeed it may be necessary to introduce a new charge. Such changes are to be agreed by the Director of Resources, in consultation with the Portfolio Holder for Finance.

Costs

Inflation

3.5 Our Treasury Advisors have provided graphical forecasts in respect of the Strategic Inflation Indices (Retail Prices Index & Consumer Prices Index) and Energy Indices (Gas/Electricity) for the period through to December 2025 at **Appendix 2**. Although these graphs show a reduction in all inflation indices through 2023 and until mid-2024, what needs to be recognised is that the cost of goods and services will be at a “new” higher base – so the cost of delivering services will be significantly higher than at present.

3.6 **Pay Inflation**; the Council is part of the national local government pay-bargaining process. The 2023/24 increase now agreed as follows:

- flat £1,925 for scale points 1 to 43 (to top of Grade 10),
- 3.88% for scale points 44 to 60 (Grade 11 to Grade 14), and for the 3.5% agreed for the Chief Executive grade,

For the 2023/24 budget, the Council budgeted for an increase of 4% ([Council 27 Feb](#), [Appendix 3](#)). Based on the currently negotiated position, this reflects an over budget position of £75k. **Table 1** below shows the increases in spinal points:

2023/24 Grade Inflation compared to		Table 1
Grade	Lowest Spinal Point	Highest Spinal Point
2	9.08%	8.76%
3	8.61%	8.30%
4	8.00%	7.44%
5	7.17%	6.54%
6	6.19%	5.85%
7	5.69%	5.30%
8	5.17%	4.76%
9	4.64%	4.32%
10	4.14%	3.88%
11	3.88%	3.88%
12	1.94%	3.88%
13	3.88%	3.88%
14	3.88%	3.88%
Chief Exec	3.50%	3.50%

- 3.6.1 Shown below are the pay inflation rates to be included within the current MTFS. In respect of 2024/25, Councils across Leicestershire are modelling various increases, ranging from 3% to 6%. It is therefore proposed that for 2023/24 the Council includes an increase of 3.5% (this is the same that was included for 2024/25 in the MTFS that was approved in February 2023) but for 2025/26 onwards the rate to also be 3.5% (this is 0.5% more that was included in the MTFS that was approved in February 2023):

	Current MTFS	Next MTFS
• 2024/25	3.5%	3.5%; £349k
• 2025/26	3.0%	3.5%; £361k
• 2026/27	3.0%	3.5%; £374k
• 2027/28	3.0	3.5%; £387k
• 2028/29	No number	3.5%; £401k

Budget Principle (2)

Pay Inflation: to be increased to 3.5% for 2024/25 and remaining at 3.5% for the remainder of the MTFS period.

- 3.7 **Pay Oncosts**; as an employer the Council is required to charge oncosts for National Insurance and Pension. In respect of 2023/24 the rate for:
- **National Insurance** will be 13.8%. This is in line with previous years.
 - **Pensions** will be 33.4%. The Council is part of the Leicestershire Local Government Pension Scheme and 2024/25 will be the second year of the current triennial valuation period which ends in 2025/26.

Budget Principle (3)

Pay Oncosts: National Insurance and Pensions Oncosts to be 13.8% and 33.4% respectively for 2024/25, remaining the same through to 2025/26).

- 3.8 **Vacancy Factor**; the Council includes a Vacancy Factor (VF) within its budget; such factors are a proxy that reflects salary savings that are likely to accrue between a “Leaver” leaving and a “New Starter” starting. For 2023/24 the VF was increased to £180k reflecting the preceding two years where the VF gap exceeded that previously set. For 2024/25 and each year of the MTFS, it is proposed to keep the VF at the 2023/24 rate.

Budget Principle (4)

Vacancy Factor: for 2024/25 and each year of the MTFS to maintain the VF at £180k (as applied in 2023/24).

3.9 **General Service Inflation**; when the Council set its 2023/24 budget it set a general service inflation rate of 0%. A 0% rate introduces direct cost-control within the Councils service budgets which effectively means that services have to meet service-related inflation from within their approved budgets. Following some initial budget discussions with services, this principle still holds for many service-related costs. However, some services are currently challenged by some impacts of inflation, and these will be considered by exception as part of the service review process for the ongoing budget setting process. For all other services, it is therefore proposed that this principle is maintained except for the items shown in paragraph 3.10 below.

3.10 In respect of:

- i. **utility costs**, the Council is seeing significant increases in costs associated with:
 - **electricity**; for 2023/24 the current cost for The Symington Building (TSB) is being exceeded by 98%. The Council is in a contract via the Eastern Shires Purchasing Organisation (ESPO) and current expectations are that commercial rates will gradually reduce during 2024 but thereafter, the council may start to see further increase. It is therefore proposed that the electricity cost to increase to £130k for 2024/25, with a phased reduction back to the current budget of £66k by the end of March 2026. Each year thereafter to remain at that level.
 - **gas**; for 2023/24 the current budget of £21k has already been exceeded and by the year-end it is expected to be exceeded by approximately 150% (circa £52k). The current ESPO contract is forecasting a decrease during 2024/25. It is therefore proposed that the gas cost for 2024/25 to be increased to £40k, with a phased reduction back to the current budget by the end of March 2026. Each year thereafter to remain at that level.
 - **climate change levy (CCL)**; from April 2024 His Majesty's Revenue & Customs will be setting the CCL. Based on current usage it is expected that the cost for 2024/25 will continue to be below £1k (and continuing each year thereafter).
- ii. **larger contractor costs**; namely FCC for Environment/Waste and Grounds and Leisure.
 - **FCC**, this contract is financially significant to the Council; for 2023/24 the cost is £5.4m which represents 37.1% of the Councils net expenditure. It is therefore essential that the cost of the contract remains structurally integral to the Councils overall budget. The

efficiency of the contract is continually under review but even under such scrutiny, other than 2021/22 (as shown below) the inflationary costs associated with the contract have been increasing year-on-year:

- 2018/19 3.79%
- 2019/20 4.02%
- 2020/21 2.63%
- 2021/22 -1.06%
- 2022/23 6.67%
- 2023/24 10.49%

The Council does not receive “confirmed” inflation increases from FCC until the January/February preceding the new financial year. Based on Septembers indices, the November price review is indicating an additional cost of £300k for 2024/25. This increase will be monitored over the coming few months in the lead up to the preparation of the Draft Budget.

- **Leisure;** the council will have a new leisure contract from April 2024. The contract is currently being procured but the expected position is that the net cost to the council will be £Nil or better in the council's favour. Consequently, the council will budget for a “net nil” revenue position.

New Larger Contracts: Implications of the Environmental Act and New Depot

3.11 If everything had been equal, the Council would have been letting a new environment contract (waste and grounds) from 1st April 2025. However, as a consequence of the environment act and external operational considerations in respect of disposal, it is likely that the Council will have to extend the contract by a further two-years (i.e. a new contract from 1st April 2027). The following are the proposed principles to be adopted:

- i) Two-year contract extension, to reflect the:
 - current inflationary environment the current contract be increased by 5% for 2025/26 and 2026/27 (Estimates at Q2 of 2023).
 - increased contractual demands, a flat £400k increase be applied over-and-above the 5% increase noted above.
- ii) To reflect a new contract from April 2027, a 5% cost escalator is added to the evaluated annual cost for 2026/27 to reflect the potential costs associated with the government's potential changes to future waste collection (environmental act).

- 3.12 At this time the Council does not have its own depot from which any fleet services can be based. This could potentially pose a significant “cost risk” to the Council if a depot is not acquired in time for the contract relet. When the 2023/24 budget was approved by the Council, the estimated capital cost of a new depot was increased to £10m. As well as the capital programme allocation, the associated revenue financing costs; Minimum Revenue Provision (MRP) were also included in the revenue budget. The inclusion of the annual revenue “MRP” amount not only recognises the cost of capital for any new depot but it will also mitigate against the potential cost risk if the Council is not able to acquire a new depot and has to include additional revenue resources within its own budget to meet any such additional liability from a new provider.

Budget Principle (5)

General Service Inflation to be set at 0%, except for:

- i) ***Utility costs;***
 - ***electricity, is increased to £130k for 2024/25, with a phased reduction back to the current budget by March 2026.***
 - ***gas, is increased to £40k for 2024/25, with a phased reduction to the current budget by March 2026.***
 - ***Climate change levy, no budget adjustment is made for this budget setting period.***
- ii) ***the FCC Contract; an indicative of £300k for 2024/25.***
- iii) ***the new Leisure contract from April 2025 will assume a net nil income stream to the council.***
- iv) ***the implications of the new environmental act and new depot from 2025/26 onwards:***
 - ***The annual cost to be based on the current 2024/25 environmental contract cost; inflated annually by the average inflation rate of the current contract (4.9%).***
 - ***An additional 5% cost escalator to reflect the potential cost of the government’s changes to waste collection.***

- 3.13 **General Service Growth;** the assumption in the past has been that there will not be any general service growth over the medium term. However, with a new administration there is sometimes a change in priorities that may attract growth. This growth has yet to be determined and will be reported as part of the draft budget setting process. Consequently, other than political growth the following “growth” principles will be maintained:

- i) budget corrections, or growth approved via previous budget approvals,
- ii) any subsequent transformation programme,
- iii) statutory or regulatory changes, and
- iv) items approved separately by Council.

Where posts are regraded that result in a higher grade, then savings elsewhere need to be made to finance the wage growth.

Budget Principle (6)

General Service Growth; there will not be any general service growth, except:

- i) **for political reprioritisation.**
- ii) **where there are required budget corrections, growth that has been permitted via previous budget approvals, statutory/regulatory changes, and any subsequent transformation programme or that which has been approved separately by Council.**
- iii) **where costs must increase (i.e. due to post regrading's), savings elsewhere will be required to neutralise the additional cost.**

Non-Service Funding & Related Indices

- 3.14 **Non-Domestic Rates** (NDR, or Business Rates); the Council is currently part of the Leicestershire Business Rates Pool (LBRP) and up to March 2022, the total contributions to the LBRP are £56.5m; of which £54.5m has been allocated for investment across Leicestershire. Of this, approximately:
- £12.2m (22%) relates to receipts from the Harborough area that would otherwise have been paid over to the government (this is based on the pooling arrangement since 2015/16).
 - £1.6m (21%) of the District allocations have been allocated to the Harborough area for investment (NB. £1.6m represents 7% of total contributions, but the LBRP would not exist if Leicester City and Leicestershire County Councils, as "Top-Up" authorities were not part of the LBRP).
- 3.15 Over the past year, the participants of Leicestershire Business Rates Pool have agreed to change the pool distribution arrangements. This has especially come into focus following the proposed demise of the Local Enterprise Partnership. The new approach is a 1/3 sharing between the County, City and District Councils, which was agreed by [delegation in April 2023](#), with the sharing between Districts based on a basket of disaggregation approaches which was agreed by [delegation in May 2023](#). At this time, the Council is expecting a distribution for 2020/21 and 2021/22 totalling circa £1.3m which will immediately be allocated to reserves.

3.16 However, in respect of the Councils own NDR, it is recommended that the Council continues with its prudent approach of budgeting for NDR receipts at previous year's budget levels, with any increases only based on:

- known commercial developments that will deliver "certain" NDR growth within the MTFS period, and
- the governments annually set NDR multiplier (this will not be known until the provisional financial settlement is announced later in the year).

The reason for this prudent approach is so that it provides a more stable stream of funding from which the Council can deliver services sustainably over the medium-term.

Budget Principle (7)

Non-Domestic Rates:

- i) ***future receipts from the Leicestershire Rates Pool will be allocated to reserves.***
- ii) ***only known commercial developments that will deliver "certain" NDR growth.***
- iii) ***the NDR income stream will be inflated by the government's stipulated multiplier.***

3.17 **New Homes Bonus (NHB)**; from 2021/22 the Council committed to start to remove NHB from its base budget.

3.18 In respect of NHB it is understood that NHB will:

- remain for 2024/25. The Council, like all local government, learns its NHB allocation when the financial settlement is announced in late December.
- be a single year allocation for 2024/25 (i.e. no legacy payments).

3.19 With regard to future years allocations (i.e. 2025/26 onwards), the government has not yet announced the results of the NHB consultation that was held last year. Commentators are expecting that the review of NHB will be rolled into the wider review of Fair Funding and the new Extended Producer Responsibility when it is introduced. However, during 2024/25 there is expected to be a general election so it is unlikely that there will be a significant change in "net" local government funding before 2026/27. It is therefore proposed that for 2024/25, the Council recognises 100% of the December financial settlement allocation and, as per the approach followed when the 2023/24 budget was set, an allocation for 2025/26 of 65% of 2024/25. For subsequent years, no NHB allocation is made.

Budget Principle (8)

New Homes Bonus; to be applied as general fund grant. With 100% allocated for 2024/25 and 65% for 2025/26; nil thereafter.

Fair Funding

- 3.20 Fair Funding (FF) is a government led initiative to develop a new funding formula. Its intention is to rebase local government funding to enable a more equitable distribution of centrally allocated funds; primarily via the business rates system. It is anticipated that FF will have a negative impact on the southern and midlands councils and current modelling is showing a worsening funding settlement over the medium-term. In addition, it is expected that the government will “reset” the NDR baseline; this will remove some of the “growth” currently within the Councils NDR receipts. However, because of the coronavirus pandemic the government had originally planned to delay FF until 2022/23; but with the recent change in Prime Minister and the current cost-of-living crisis; current intelligence is indicating that the FF may be some years off. In anticipation of a potential negative FF impact, it is recommended to again include a prudent “negative funding adjustment” as in previous years. However, considering that the government has committed to a two-year settlement the likelihood of FF being introduced before 2025/26 is considered unlikely. The current negative FF adjustments are shown below along with the proposed adjustments over the MTFS period:

	Current MTFS	Next MTFS
• 2024/25	£0k	£0
• 2025/26	£99k	£0k
• 2026/27	£198k	£99k
• 2027/28	£297k	£198k
• 2028/29	£350k	£297k

Budget Principle (9)

Fair Funding: To help mitigate the future impact of Fair Funding (& the NDR “reset”), to include a negative funding stream of £0k for 2024/25 and 2025/26; £99k, 2026/27; £198k, 2027/28; £297k, 2028/29.

Collection Fund (Surplus)/Deficit

- 3.21 In January each year the Council is required to calculate its estimated share of the Collection Fund as at the forthcoming 31st March. If it is a surplus, this increases the funding available to the Council, but if it is a deficit this is an additional funding pressure.

- 3.22 A definitive surplus or deficit cannot be calculated until January due to the inbuilt volatility within the Collection Fund account (i.e. an individual or business's ability to pay or indeed new properties coming onto respective rating lists.).

Council Tax Base

- 3.23 The Local Government Finance Act 1992, as amended, requires the Council to fix the Council Tax base for 2024/25 between 1 December 2023 and 31 January 2024. The calculation will be prepared in accordance with the Regulations 'Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012/2914)' which came into force on 30 November 2012. The Council Tax Base is defined as the number of Band D equivalent properties in a local authority's area. An authority's tax base is considered when it calculates its council tax. It is calculated by adding together the "relevant amounts" (the number of dwellings) for each valuation band then multiplying the result by the Council's estimate of its collection rate for the year (this collection rate will reflect past rates and an estimate of bad debt). For 2023/24 there was an overall increase in the council tax base, although some individual parishes tax bases did decrease. Because of the Coronavirus Pandemic, for 2021/22 and 2022/23 the Council significantly increased its irrecoverable rate to 2% (increased from 1%). For 2023/24, because of the ongoing cost-of-living crisis and the risk of "Council Tax default", the prudent irrecoverable rate of 2% was similarly applied (for 2023/24, financial impact of a irrecoverable rate of 2% compared to 1% is a loss of Council Tax of £69k). Upon considering the reasons below, it is proposed that an irrecoverable rate of 2% is applied for 2024/25:

- i. based on September 2023 collection rates, Council Tax collection as a proportion of the total Council Tax Debit was 56.2%, which is:
 - 0.2% below the collection rate of 56.4% for the same period in 2022/23, and
 - 1.2% below pre-pandemic collection rates of 57.4% (2019/20).
- ii. As shown in the statutory return for new house building (CTB 1), the following shows a general decline in new build since 2020:
 - Increase in house build between 2020 and 2021: 2.62%
 - Increase in house build between 2021 and 2022: 2.65%
 - Increase in house build between 2022 and 2023: 2.02%

Budget Principle (11)

Council Tax Base:

Subject to modelling, an irrecoverable rate of 2% is applied when the Council Tax Base is calculated prior to budget setting.

Reserves Strategy

- 3.24 In [November 2020, Cabinet](#) approved a new Reserves Strategy. This strategy is reviewed each year, the last revision approved by [Council in February 2023 \(Appendix 6\)](#); it is now opportune to review the Strategy.
- 3.25 The main tenants of the Reserves Strategy are:
- a minimum level of General Fund (Unallocated) Reserves (20% of net expenditure),
 - a series of new Earmarked Reserves, and
 - appropriate governance arrangements in respect of the management of reserves.
- 3.26 The freedoms permitted by the Reserves Strategy has:
- given the Council a locally agreed minimum level of reserves that it must make every effort not to breach to ensure that it can continue to deliver its immediate services.
 - provided a clear set of Earmarked Reserves that have a clear purpose.
 - allowed proactive and pragmatic management of reserves to support the ongoing delivery of services.
- 3.27 There are no suggested changes to the Reserves Strategy, this is shown at **Appendix 4.**

General Budget Definitions

- 3.28 Having prepared the budget last year, some “definitions” of aspects of the budget is necessary to aid understanding and its operation:
- 1) The **Budget** is for the year that the Council Tax is set and a commitment of resource allocation. It includes the following revenue items:
 - net service expenditure,
 - capital financing (otherwise known as minimum revenue provision; MRP),
 - reserve contributions,
 - grants,
 - collection fund surplus, and
 - council tax – but for only the year that the Council Tax is being set.

- 2) The **Medium-Term Financial Strategy (MTFS)** shows an intention to future years resource allocations. The duration of the MTFS is for the 4-years following the Budget year.
- 3) The **Capital Programme** includes the gross capital expenditure and sources of finance and covers both the budget year and the duration of the MTFS. Movements within the Capital Programme are permitted providing the overall resourcing envelope is not exceeded; including changes in fundings sources providing budgeted revenue commitments are not exceeded.
- 4) The Budget, MTFS and Capital Programme are **‘organic’ plans** for spending and can flex to reflect current and future financial commitments. However, there is the statutory requirement to deliver a balanced budget. Where during the year it is established that there will be an increase in service net expenditure and/or reductions in grant, NDR or Council Tax; this “net excess budget position” (underachievement of budget) can only be financed by a higher than planned increase in the General Fund (Unallocated) reserve allocation (the opposite is true where there is a “net reduction in the budget position” i.e. overachievement of budget). Such allocations will be reported to Cabinet and Scrutiny as part of the routine quarterly financial performance monitoring process. The use of Earmarked Reserves is as per the agreed process within the Reserves Strategy.

4. Implications of Decisions

4.1. Corporate Priorities

The contents of this report supports the Council in the development of next year’s budget and medium-term financial strategy; which then provides the resource allocations to delivery its Corporate Priorities.

4.2. Financial

These budget principles will set the foundation for the setting of the 2024/25 budget and MTFS. These principles are similar in nature to those applied for the 2023/24 budget (& MTFS). Further they are complementary to the Councils service transformation programme. The Reserves Strategy determines how reserves are to operate.

4.3. Legal

This report supports the Chief Financial Officer in meeting his statutory responsibilities in respect of the proper administration of the Councils financial affairs (s.151 of the Local Government Act 1972).

4.4. Policy

No policy issues arise directly from this report.

4.5. **Environmental Implications including contributions to achieving a net zero carbon Council by 2030**

There are no direct environment implications arising from this report.

4.6. **Risk Management**

The budget principles and reserves strategy will help to mitigate the risks associated with budget setting, manage expectations, and permit the Council to delivery its services as efficiently and effectively as possible.

4.7. **Equalities Impact**

There are no direct equality implications arising from this report.

4.8. **Data Protection**

There are no direct data protection implications arising from this report.

5. **Summary of Consultation and Outcome**

Consultation has been undertaken with the Portfolio Holder.

6. **Alternative Options Considered**

Not applicable.

7. **Background papers**

None.

Discretionary Fees & Charges: exceptions to blanket increase

The exceptions to a blanket increased in fees and charges by RPI are shown below:

1. Regulatory (Environmental Health Services) Fees & Charges

These are calculated based on the “actual” hourly rate and time spent on activity.

2. Car Parking pay & display tariffs and permits

These are reviewed on a 2-year cycle based on CPI (rounded to nearest 10p), the last review having been undertaken in 2020/21, with the new charging structure taking effect in September 2021. The next review was expected to be implemented in September 2023, but this has been delayed as a consequence of Strategic Review into Car Parking. It is therefore expected that the first year any new changes would be applied is during 2025/26.

3. Garden Waste service

The charges for this service were increased for 2021/22. However, it is essential that the principle of cost-neutrality is maintained; especially to ensure that there is equitable treatment between participating and non-participating residents. To achieve “equitability”, it will be necessary for an annual review of charges to be undertaken to ensure cost-neutrality is maintained. If it is chosen not to increase, then that decision will be recorded when the draft budget is agreed.

4. CCTV

In respect of CCTV, charges to increase by CPI:

- service fees & charges; these will be reviewed on an annual basis; this will ensure that there is no disproportionate “catch-up” due to previous years inflation.
- new installation/set-up fees, these will be based on actual costs at the time of installation/set-up.

5. Asset Lease Agreements

The Council has a number of lease agreements with third parties who use our land or buildings. These agreements will include lease obligations that reflect the type of land, building or expected use. Some agreements will be based on commercial terms and others on more discretionary terms that will be compliant with agreed policies. Where applicable, these agreements will include respective inflationary indices.

6. Charges for Street Naming and Numbering

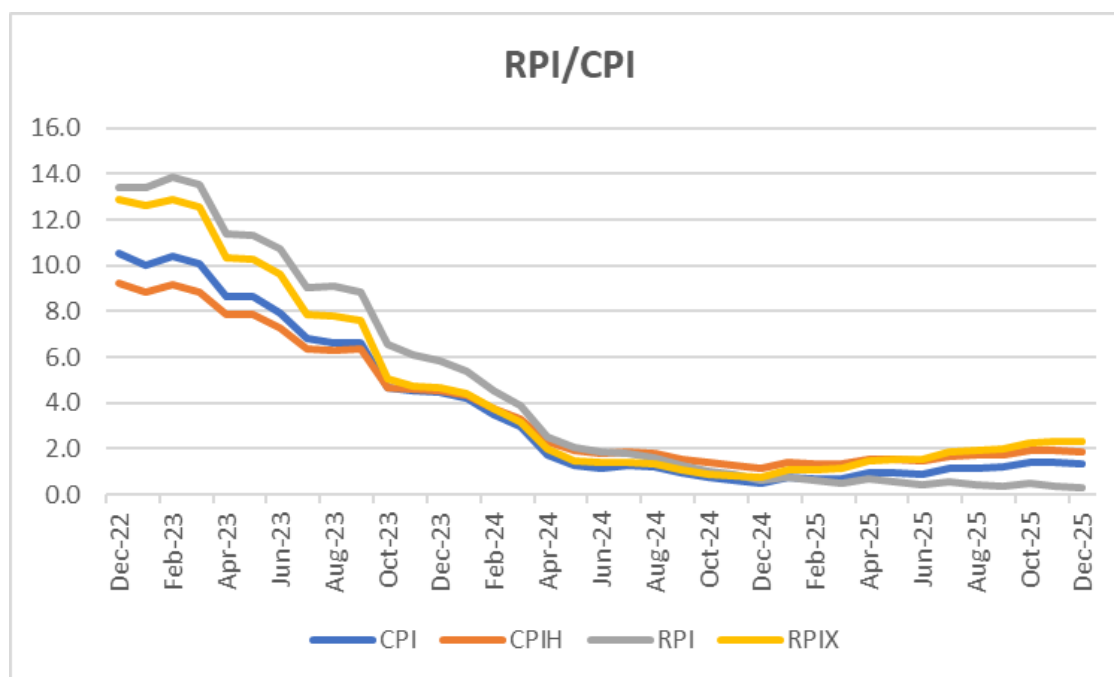
The Council sets its charges based on comparisons with other local authorities in the area as well as ensuring that such charges achieve full cost recovery.

Inflation Graphs

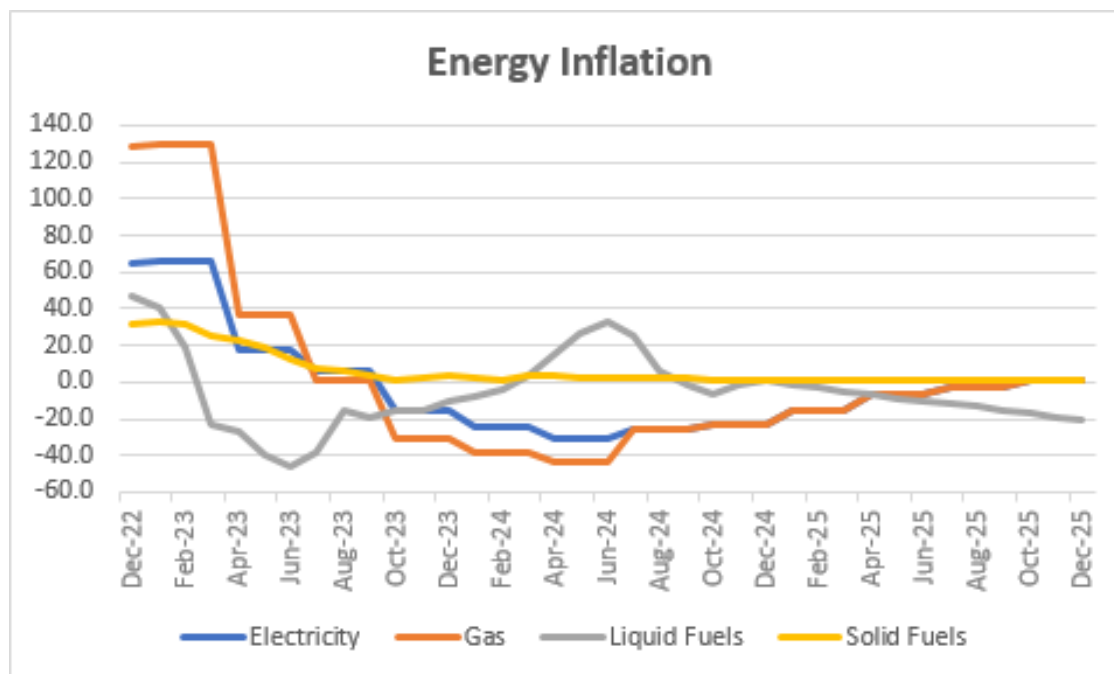
Appendix 2

(source; Link Treasury Services)

RPI/CPI



Gas/Electricity costs



Appendix 3

Budget Principles for the 2023/24 Budget and MTFS (2024/25 to 2027/28)

Report Paragraph Reference	Budget Principles and Definition	
Strategic Budget Principles:		
3.1	A	To maintain, within expected service constraints, service expenditure within the approved net expenditure envelope.
	B	To ensure that over the medium term, financial sustainability can be achieved.
Service and Corporate Budget Principles:		
3.4.1 3.4.2	1	General Service Income; i. Statutory Fees & Charges, where: <ul style="list-style-type: none">the Council has to set a level of fees by law, then those fees are increased at the earliest time possible.a service is required to “consult” with other internal services, that an appropriate recharge of the income is made to the consultee service. This avoids individual services carrying an unfair burden to meet statutory requirements. ii. Discretionary Fees & Charges, subject to the exceptions noted in (Appendix 1) below: <ul style="list-style-type: none">all service income lines applicable to discretionary services and are reviewed on a 3-year cyclical basis,for the two intervening years then the prevailing CPI rate for the October of the preceding year is applied. The CPI rate to be agreed by the Director of Resources, in consultation with the Portfolio Holder for Finance iii. At times during the financial year, it is occasionally necessary to adjust fees and charges; indeed, it may be necessary to introduce a new charge. Such changes are to be agreed by the Director of Resources, in consultation with the Portfolio Holder for Finance.

3.6	2	Pay Inflation: to be increased to 3.5% for 2024/25 and remaining at 3.5% for the remainder of the MTFS period.
3.7	3	Pay Oncosts: National Insurance and Pensions Oncosts to be 13.8% and 33.4% respectively for 2024/25 and remaining the same through the 2025/26.
3.8	4	Vacancy Factor: for 2024/25 and each year of the MTFS to maintain the VF at £180k (as applied in 2023/24)
3.12	5	<p>General Service Inflation to be set at 0%, except for:</p> <ul style="list-style-type: none"> i) Utility costs; <ul style="list-style-type: none"> • electricity, is increased to £130k for 2024/25, with a phased reduction back to the current budget by March 2026. • gas, is increased to £40k for 2024/25, with a phased reduction to the current budget by March 2026. • Climate change levy, no budget adjustment is made for this budget setting period. ii) FCC Contract; an indicative of £300k for 2024/25. iii) the new Leisure contract from April 2025 will assume a net nil income stream to the council. iv) the implications of the new environmental act and new depot from 2025/26 onwards: <ul style="list-style-type: none"> • The annual cost to be based on the current 2024/25 environmental contract cost; inflated annually by the average inflation rate of the current contract (4.9%). • An additional 5% cost escalator to reflect the potential cost of the government's changes to waste collection.
3.13	6	<p>General Service Growth; there will not be any general service growth, except where:</p> <ul style="list-style-type: none"> i. for political reprioritisation. ii. where there are required budget corrections, growth that has been permitted via previous budget approvals, statutory/regulatory changes, and any subsequent transformation programme or that which has been approved separately by Council. iii. where costs must increase (i.e. due to post regrading's), savings elsewhere will be required to neutralise the additional cost.

3.16	7	Non-Domestic Rates: <ol style="list-style-type: none"> future receipts from the Leicestershire Rates Pool will not be included in the budget, MTFS or capital programme. only known commercial developments that will deliver “certain” NDR growth. the NDR income stream will be inflated by the government’s stipulated multiplier.
3.19	8	New Homes Bonus: to be applied as general fund grant. With 100% allocated for 2024/25 and 65% for 2025/26; nil thereafter.
3.20	9	Fair Funding: to help mitigate the future impact of Fair Funding (& the NDR “reset”), to include a negative funding stream of £0k for 2024/25 and 2025/26; £99k, 2026/27; £198k, 2027/28; £297k, 2028/29.
3.22	10	Collection Fund (Surplus)/Deficit The Council will spread any forecast 31 st March 2021 Collection Fund Deficit in line with legislation.
3.23	11	Council Tax Base: subject to modelling, an irrecoverable rate of 2% is applied when the Council Tax Base is calculated prior to budget setting.
General Budget Definitions		
N/a	1	The Budget is for the year that the Council Tax is set and a commitment of resource allocation. It includes the following revenue items: <ul style="list-style-type: none"> net service expenditure, capital financing (otherwise known as minimum revenue provision; MRP), reserve contributions, grants, collection fund surplus, and council tax – but for only the year that the Council Tax is being set.
N/a	2	The Medium-Term Financial Strategy (MTFS) shows an intention to future years resource allocations. The duration of the MTFS is for the 4-years following the Budget year.
N/a	3	The Capital Programme includes the gross capital expenditure and sources of finance and covers both the budget year and duration of the MTFS.
N/a	4	The Budget, MTFS and Capital Programme are ‘ organic ’ plans for spending and can flex to reflect current and future financial commitments. However, there is the statutory requirement to deliver a balanced budget. Where during the year it is established that there will be an increase in service net expenditure and/or

		<p>reductions in grant, NDR or Council Tax; this “net excess budget position” (underachievement of budget) can only be financed by a higher than planned increase in the General Fund (Unallocated) reserve allocation (the opposite is true where there is a “net reduction in the budget position” i.e. overachievement of budget). Such allocations will be reported to Cabinet and Scrutiny as part of the routine quarterly financial performance monitoring process.</p>
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Harborough District Council

RESERVES STRATEGY

Version control

Title: Reserves Strategy

Date agreed Cabinet: December 2023 (expected)

Date agreed Council: February 2024 (expected)

Last date amended: December 2023 (expected)

Review date: December 2024

Contents

- 1. Background**
- 2. Definition of Reserves**
- 3. Principles for Maintaining Reserve**
- 4. Level of Reserves**
- 5. Governance of Reserves**

1. Background

- 1.1 The Council's reserves are the corner stone of its financial sustainability; they are the foundation upon which the Council delivers its broad range of services and delivers its significant capital investment.
- 1.2 Reserves should be actively used to ensure effective financial management; this includes the establishment of a minimum level of reserves, and a number of specific earmarked reserves that will directly support the delivery of corporate priorities.

2. Definition of Reserves

- 2.1 Reserves within local government are split between: Useable and Unusable
- 2.2 **Usable Reserves** are those that represent “real” cash and can be used to directly support services or the development of assets.

- **General Fund Balance**

The General Fund is the statutory fund into which all receipts of a Council are required to be paid and all liabilities are to be met (subject to statutory override).

The General Fund Balance is therefore the net surplus of the Council's general resources at the end of any financial year.

- **Earmarked Reserves**

These are reserves held for a defined purpose. However, they do represent immediately available resources and are therefore considered as part of the wider General Fund Balance

- **Capital Receipts Reserve**

This reserve holds the proceeds from the disposal of land or other (capital) assets which are restricted by statute from being used other than to fund new capital expenditure (or to be set aside to finance historical capital expenditure).

- **Capital Grants Unapplied Reserve**

This reserve holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure.

- 2.3 **Unusable Reserves** are “technical accounting” reserves that support the Council's balance sheet. These reserves can involve contributions of real cash, but this is

mainly to support capital related income or expenditure. As contributions to /from these reserves are strictly controlled by statutory regulation they will not be addressed within this strategy.

3. Principles for Maintaining Reserves

3.1 Risk Management

Reserves will be maintained based upon the risks that the Council faces and its plans for the medium-term. They will be viewed as an effective means by which the Council can address one-off costs of transformation, future local and national funding & policy, environmental impacts, and unforeseen service pressures.

3.2 Prudential Financial Management

Reserves are to be an essential part of the Councils prudential financial management framework, including its ongoing ability to meet the statutory requirement for a balanced budget.

3.3 Medium-Term Financial Planning

Reserves are built up over the long term and their level and use will be a key part of effective medium-term financial planning.

3.4 Funding Source of Last Resort

Although reserves can be viewed as an effective means by which to support the contraction in public expenditure. The Council will view its use of Reserves as the “funding source of last resort” by which the Council will deliver the progressive reductions in government support over the medium term.

4 Level of Reserves

4.1 General Fund Balance

The General Fund Balance includes all revenue reserves, both the General Fund Unallocated Reserve and Earmarked Reserve.

4.2 General Fund Unallocated Reserve

There is no statutory minimum level of reserves that the Council must have available in the General Fund Unallocated Reserve

If this Reserves Strategy is approved, the Cabinet will approve a minimum level of General Fund Unallocated Reserves of 15% of Net Expenditure (Net Expenditure being defined as service expenditure + revenue costs of capital financing).

4.3 Earmarked Reserves

There is no minimum or maximum level for Earmarked Reserves, what will be held is based on prudent estimates of future need. Earmarked Reserves will also include the Budget Surplus Reserve.

4.4 Capital Receipts Reserve/Capital Grants Unapplied Reserve

These reserves will be reactive to what capital receipts or grants have been received in the year and remain uncommitted at the year-end.

5. Governance of Reserves

5.1 the General Fund (Unallocated) Reserve

- 5.1.1 At budget setting and throughout the year the General Fund (Unallocated) Reserve will be actively managed to ensure that it is maintained at 20% of Net Expenditure. This will ensure that the Council has enough reserves to delivery its core services in the event of an emergency.
- 5.1.2 Variations in service spend throughout the year will have either a positive or negative impact on the forecast outturn which will require either a contribution to or from Earmarked Reserves to ensure that the General Fund (Unallocated) Balance is maintained at 20%. This will be actively monitored as part of the Councils routine budget monitoring process with appropriate reporting to members to demonstrate:
- The maintenance of the General Fund (Unallocated) Reserve at 20% of Net Expenditure.
 - The use of a Budget Surplus Reserve (BSR) that will act as a “holding” reserve between the General Fund (Unallocated) Reserve and Earmarked Reserves. Its purpose is to:
 - Either hold onto surplus funds (underspends) before they are allocated to Earmarked Reserves, or
 - Where a contribution is required to support Service Expenditure, then the BSR will be used to demonstrate to members as part of the budget monitoring reporting process the net deficit that needs to be funded by the application of Earmarked Reserves.

Consequently, where specific contributions to/from the General Fund Balance outside of routine service spend are required, these will only be made when approved by Cabinet.

5.2 Earmarked Reserves

- 5.2.1 New earmarked reserves will be established, and old reserves deleted in line with the principles noted above. The Section 151 officer will be able to create reserves, following consultation with the Portfolio Holder for Resources. However, Earmarked Reserves will only be able to be removed with the agreement of Cabinet.
- 5.2.2 Contributions to/from Earmarked Reserves will:

- either be in line with statutory requirements or service need
- only be made when agreed with the Section 151 officer.

5.3 Capital Receipts Reserve

- 5.3.1 The Council will primarily receive capital receipts because of the sale of capital assets that support general service activity; these receipts will only be applied for similar such activity.
- 5.3.2 The first call for the application of such receipts will be to finance in-year capital expenditure, this will have the effect of minimising the Councils statutory obligations in respect of Minimum Revenue Provision.

5.4 Capital Grants Unapplied Reserve

- 5.4.1 This reserve will only hold capital grants that will have been acquired by the Council for a specific purpose. The use of this reserve will be in line with prescribed guidelines/conditions.

Harborough District Council



Report to Cabinet Meeting of November 2023

Title:	Members Development Cabinet Advisory Panel
Status:	Public
Key Decision:	NO
Report Authors:	<i>Liz Elliott</i> <i>Interim Chief Executive</i> l.elliott@harborough.gov.uk
Portfolio Holder:	Corporate ; Cllr Beadle Strategy: Cllr Knowles
Appendices:	A. Terms of Reference (current version) B. Terms of Reference (updated version for approval)

Summary

- i. To nominate councillors to the Cabinet Advisory Panel for Member Development
- ii. Agree revised terms of reference for the Cabinet Advisory Panel

Recommendations

That Cabinet:

1. Appoint members to the Members Development Cabinet Advisory Panel
2. Approve the Terms of Reference as set out at Appendix B of this report.

Reasons for Recommendations

- i. With the commencement of a new administration, the leadership of the Council, and therefore the membership of Cabinet, has changed. The members development Advisory Panel has been in existence for some time but membership and its terms of reference need to be refreshed.
- ii. Cabinet can determine the need for Advisory Panels, and the applicable terms of reference. It considers that an advisory panel for Members development is still needed and that the previous arrangements are continued. The proposed refreshed terms of reference can be found at Appendix B of the report.

1. Purpose of Report

- 1.1. To appoint members to a Cabinet Advisory Panel for Member development, including the adoption of appropriate terms of reference.

2. Background

- 2.1. In October 2014 the then Executive agreed revised governance arrangements for member development and to create an Executive Advisory Panel. Up to this point member development issues had been progressed through more informal routes. The Advisory Panel has been in existence since this time, with changing membership and terms of reference as required.

3. Details

- 3.1. The Advisory Panel has continued to meet since 2014 to progress member development issues and following local elections the induction programme for all members. More recently its terms of reference were expanded to include looking at the dispatch methods for councillor information and reports. The membership of the Advisory Panel prior to the election comprised of the following 5 members;

Cllr P. Dann (Chairman)

Cllr P. Bremner

Cllr R. Mahal

Cllr A. Nunn

Cllr J. Simpson

- 3.2. Following the election of a new administration, Cabinet is invited to :

- 3.1.1 determine the membership and terms of reference of the Advisory Panel in accordance with the provisions of the constitution;

- 3.1.2 appoint members to the panel.

- 3.3. It is proposed that the Cabinet appoint a Cabinet Advisory Panel of five members with one member to be the Corporate cabinet portfolio holder and agree the terms of reference set out at Appendix B of this report.

4. Implications of Decisions

Corporate Priorities

- 4.1. Community leadership to create a sense of pride in our place – ensuring that all members have the skills and training required to under take their roles as community leaders.

Consultation

- 4.2. Consultation is not required for the decisions within this report.

Financial

- 4.3. There are no direct financial implications of this report. There is no dedicated budget for the provision of Advisory Panels but resources will be provided for within the councils current budgets for Democratic Support.

- 4.4. The Council 's constitution provides for the provision of Cabinet Advisory Panels (Article 6 of the Constitution).

Environmental Implications

- 4.5. There are no direct environmental impacts relating to the recommendation of this report.

Risk Management

- 4.6. Providing the necessary training and development for all members will ensure that they can undertake their role correctly and as such this mitigates the risk to the council of members actions creating liabilities or issues for the council.

Equalities Impact

- 4.7. There are no direct Equality impact relating to the recommendation of this report for the Council

Data Protection

- 4.8. There are no direct Data Protection impacts relating to the recommendation of this report.

5. Alternative Options Considered

- 5.1. In the event that Cabinet does not wish to appoint an Advisory Panel, it will need to decide and review the progression of member development plans itself.

6. Recommendation

- 6.1 It is recommended that Cabinet consider the recommendations set out at the start of this report and determine which, if any, to adopt.

7. Background papers

- 7.1 Executive meeting of 2 October 2014 - Establishment of Member Development Executive Advisory Panel

Member Development Cabinet Advisory Panel

Membership:

To be determined

Terms of Reference:

1. Membership

The Working Group will comprise of up to 5 members nominated by the Leader of the Council to assist the Cabinet in the creation of the Member Development Plan, member training and development needs and more broadly on the roll out of electronic working with respect to the despatch of Council documents and information sharing with members.

2. Role

The Working Group will provide guidance on the creation of the Member Development Plan and the training and development needs of all members.. Members of the Working Group would also assist by working with their own groups to encourage attendance at training sessions and to emphasise the risks of not attending training.

The Working Group will work with officers to consider the current process for the despatch of the agenda and reports for Council meetings, specifically working through the requirements for the electronic despatch of agendas and reports, including ICT and Member training requirements. This will also cover off access to information for members.

The Working Group will report to the Cabinet on its findings and views.

3. Chair

The Portfolio Holder for Corporate Services will Chair the Working Group.

4. Frequency of Meetings

The number and frequency of the meetings will be decided by the Chair. The meetings will be supported by officers from Democratic Services and the Corporate Management Team, as required.

5. Quorum

The quorum will be three Members for these meetings.

6. Reporting Process

The notes of the working Group will be presented to the Cabinet for its consideration.

