

# Minutes



<b>Meeting name</b>	<b>Cabinet</b>
<b>Date</b>	<b>Tuesday, 2 November 2021</b>
<b>Start time</b>	<b>5.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH</b>

## Present:

**Chair** Councillor J. Orson (Chair)

**Councillors** R. Browne R. de Burle  
A. Freer M. Graham MBE (Vice-Chair)  
R. Bindloss

**Officers** Chief Executive  
Director for Housing and Communities (Deputy Chief Executive)  
Director for Corporate Services  
Director for Growth and Regeneration  
Assistant Director for Governance & Democracy  
Assistant Director for Planning and Delivery  
Senior Democratic Services & Scrutiny Officer  
Democratic Services Officer (CR)

Minute No.	Minute
202	<p><b>APOLOGIES FOR ABSENCE</b> There were no apologies for absence.</p>
203	<p><b>DECLARATIONS OF INTEREST</b> Councillor Orson declared an interest in the following item (Staged Payment Agreement with Leicestershire County Council (LCC) to Support Infrastructure Investment), due to his role as a County Councillor.</p>
204	<p><b>Staged Payment Agreement with Leicestershire County Council (LCC) to Support Infrastructure Investment</b></p> <p>Edd de Coverly, Chief Executive introduced the report, the purpose of which was to update Cabinet on the work to support Leicestershire County Council (LCC) in delivering the Melton Mowbray Distributor Road (MMDR) and to seek approval to enter into the Staged Payment Agreement with LCC, subject to a further recommendation to Council to approve the associated financial implications, which would enable the County Council to secure the Housing Infrastructure Funding (HIF) grant from Homes England.</p> <p>Mr. de Coverly highlighted that supporting LCC to deliver the relief road was 1 of the Council's key priorities within its Corporate Strategy. In July 2021, LCC advised that it would accept the grant, subject to reaching agreement with Homes England and providing the Council met a number of conditions. Good progress had been made and the final requirement for the Council was to enter into an agreement with LCC to assist in mitigating the financial risk it faced (up to an agreed cap of £1.75m). Extensive negotiations had taken place in an effort to reach an agreement, which was legally sound and financially affordable to the Council and in early October, LCC advised that due to increasing pressure from Homes England to accept the HIF grant by the end of October, the agreement between the Council and LCC would need to conclude by this deadline. Despite significant time pressure, the negotiations with LCC had concluded successfully and an agreement had been reached, the details and implications of which were set out in the report.</p> <p>Mr. de Coverly advised that following consideration of a number of options, the proposed approach was to enter a staged payment agreement, which would require the Council to contribute £1.75m to support the education expansion programme in 4 staged payments over a 7 year period. The staged payment agreement would create an additional financial burden on the Council, which had the potential to put pressure on its ability to deliver other priorities and may require the Council to make savings elsewhere. This was a matter of judgement as to whether the benefits in securing 1 of the Council's key priorities outweigh the liabilities created by the agreement (without the agreement, LCC would not be in a position to accept the HIF grant and the delivery of the southern section of the road would be jeopardised). Difficult decisions may need to be made but liabilities were considered manageable and indirectly Council finances may benefit from future</p>

local growth incentives attributed to the road.

Mr. de Coverly confirmed that subject to consideration by Cabinet, the financial implications arising from the agreement would be considered at the Special Council meeting later this evening. Should approval be given by both Cabinet and Council, the agreement would be signed and LCC would enter into the Grant Determination Agreement (GDA) with Homes England.

The Leader thanked officers, LCC and LCC Councillor Debbie Taylor for the work they had undertaken. He commented that the agreement was a significant achievement and would help to deliver post Covid recovery and growth for Melton, with investment, employment and traffic easing etc.

During discussion the following points were noted:

- Members thanked the Leader and officers for their work and confirmed their support for the agreement.
- The agreement between the Council and LCC was a significant achievement and it was hoped that closer collaborative working between the councils to the benefit of residents would be an additional outcome.
- The whole borough would benefit from the investment, improved facilities, a healthier environment etc).
- The agreement would help facilitate benefits and opportunities for the community.
- Members thanked the public for their input and engagement and noted that this had helped to achieve commitment from LCC.

[Councillor Freer entered the meeting during discussion and did not vote on the recommendations]

Cabinet (subject to approval from Council to make the necessary provision in the Capital Programme):

- 2.1 **PROVIDED** authority for the Borough Council to enter into a Staged Payment Agreement with Leicestershire County Council, as summarised in this report;
- 2.2 **DELEGATED** authority to the Chief Executive, in consultation with the Leader, to make any final amendments to the agreement arising from any further negotiations with the County Council;
- 2.3 **DELEGATED** authority to the Chief Executive to enter into the agreement as soon as is practicably possible, to enable the County Council to enter into an agreement with Homes England to secure the Housing Infrastructure Fund grant;

That Cabinet **RECOMMENDED** to Council:

- 2.4 To note and endorse the decision taken by Cabinet to enter into a Staged Payment Agreement with Leicestershire County Council (subject to Council approving the necessary provision is made in the Capital

- Programme);
- 2.5 To note that the agreement will fund a contribution by the Borough Council towards the costs incurred by the County Council in the provision of educational infrastructure arising from housing associated with the construction of the MMDR South;
- 2.6 To approve the financial implications arising from the agreement by making provision in the Capital Programme for a number of staged payments to the sum of £1.75m (initially funded by borrowing and subject to indexation as set out in the financial implications of the report).

*Reasons for the recommendations:*

*The Council's adopted Local Plan establishes a commitment for significant housing growth within Melton. To support this growth, substantial new infrastructure is required including the need for significant investment in highways and education.*

*The Council has a long-standing commitment to deliver the Melton Mowbray Distributor Road (MMDR) and has made supporting the County Council in this effort one of its key corporate priorities.*

*Leicestershire County Council previously received commitments of c.£50m grant from the Local Majors Fund for the North and East sections of the MMDR, and in November 2020, c. £15m from the Housing Infrastructure Fund (HIF) for the Southern section.*

*Leicestershire County Council has confirmed that the total anticipated cost of education and highways costs within Melton is anticipated to be in excess of £160m over the life of the Local Plan. Even with the grant funding secured there will be a need to forward fund the costs involved and a reliance on securing the necessary developer contributions to payback the costs incurred.*

*Melton Borough Council has repeatedly acknowledged the significant investment that will be made by Leicestershire County Council. This inevitably carries with it certain risks. The Borough Council has made a clear commitment to assist in mitigating these risks where possible. The Council has already approved a Developer Contributions Supplementary Planning Document which prioritises recovery of highways and education contributions over other infrastructure.*

*In July and September 2021 the County Council's Cabinet received an update on the MMDR and Housing Infrastructure Fund and confirmed that they were prepared to enter in to a Grant Determination Agreement (GDA) with Homes England for the HIF grant, subject to a number of conditions being met. One of those conditions required an agreement between the two councils, whereby the Borough Council would help to mitigate the financial risk to the County Council, up to a cap of £1.75m (subject to indexation).*

*The County Council have made it clear that they will not enter into the GDA with Homes England unless Melton Borough Council enters into the Staged Payment*

*Agreement. If the County Council do not accept the HIF grant then forward funding of the southern section of the road would be in jeopardy and the southern sustainable neighbourhood more challenging to deliver.*

*The Borough Council understands that the County Council will enter the GDA with Homes England once the Staged Payment Agreement has been finalised with Melton Borough Council.*

*Following extensive negotiations on the nature and terms of this agreement, an agreed position has been reached, the specific terms of which are set out in this report.*

*This report seeks authority to enter into the staged payment agreement, subject to Council approval to make the necessary provision in the Capital Programme. This will enable the County Council to sign the GDA with Homes England.*

The meeting closed at: 5.48 pm

Chair