

Nicholas Rushton CC
Leader of the Council
Leicestershire County Council
County Hall
Glenfield
Leicester. LE3 8RJ

email: jorson@melton.gov.uk

Date: 15 December 2020

By email : nicholas.rushton@leics.gov.uk

Dear Nick

LCC MMDR (South) and Melton Northern sustainable Neighbourhood Draft Masterplan Supplementary Report

Having received a copy of the above report, which was shared with my officers' yesterday evening, I am extremely concerned to read that you are intending to make acceptance of the HIF conditional of reaching an unrealistic risk share agreement with us.

Melton Borough Council fully understands the significant financial risk being placed on the County Council by these infrastructure needs and the extreme pressure on your Council at this time. Whilst you hold the statutory responsibility for the provision of highways and education, we are prepared to support this risk and on 3rd December, made an offer to do so, but were also very clear on the limits of that offer. We have reiterated our position a number of times and are disappointed that your report suggests that our proposed cap is too low and that acceptance of the HIF would be contingent of transferring a 'substantial' amount of the £95m risk to Melton Borough Council which is clearly an untenable position.

As your Cabinet considers whether to accept the HIF grant at your meeting this afternoon I wish to reiterate the position of my Council in this matter and request that this letter is shared with your Cabinet in advance, published online and tabled at the meeting.

Melton Borough Council has a duty to act lawfully and take account of (amongst other things) its fiduciary duty to its council tax payers and cannot put its own financial sustainability at risk.

Taking these pressures into account Melton is prepared to consider entering an agreement which creates a reasonable financial imperative for us to secure the

required contributions, but this would have to be limited and capped and with regard to this fiduciary duty.

In recognition of this we are willing to underwrite a portion of any shortfall either through a one off or an annual contribution, however this must be with an affordable cap. As reflected in the supplementary report to your Cabinet a one-off contribution with a cap of £1m would be the affordable limit and for an annual amount this should be commensurate with the annual revenue costs of borrowing, as such a maximum sum of £50k. Whilst the benefits of this growth and infrastructure to Melton are clear, we are unclear as to the 'significant benefits' to Melton Borough Council that your report refers to. Previous financial growth incentives are no longer available and any contribution our Council makes will be an erosion of our core and statutory service offer for something which is ultimately your responsibility. I feel I should also remind you that our annual budget is nearly 100 times smaller than your own.

I have consulted with my Cabinet and my Group and they are in agreement with this position and this will be ratified by my Cabinet when it meets tomorrow on 16th December. As such I wish to make it clear that this position is a final one, not a starting point for negotiations.

Alongside any financial considerations we are also looking into policy options available to us as planning authority to ensure the risk of not achieving the required developer contributions is reduced.

I trust this makes my Council's position clear and that your Cabinet are fully aware of the limitations of our support when making their decision this afternoon. We have also written to Homes England to ensure they are clear on our position too.

Given the extremely productive work undertaken over recent weeks, and the progress made in relation to the development layout and viability, we request that you remove the financial stipulation set out in your report, accept our capped offer and proceed to accepting the HIF grant on this basis.

Yours sincerely



Councillor Joe Orson
Leader
Melton Borough Council