



CABINET – 10 MARCH 2017

**MELTON MOWBRAY TRANSPORT STRATEGY
AND DISTRIBUTOR ROAD - DEVELOPMENT OF A BUSINESS CASE
AND IDENTIFICATION OF A PREFERRED ROUTE**

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the revised timetable for the development of a business case for the Melton Mowbray Distributor Road (MMDR), to seek approval to undertake further collection of evidence and, subject to Cabinet's approval, to note the next steps in the process for the development of the business case for the MMDR.

Recommendation

2. It is recommended that:
 - (a) A revised indicative timetable for the development of a business case for the Melton Mowbray Distributor Road (MMDR) is approved in order to enable
 - (i) Further evidence gathering and consultation to be undertaken; and
 - (ii) The business case to be submitted to the Department of Transport, in accordance with the timeframes set out in the report;
 - (b) The Director of Environment and Transport, following consultation with the Cabinet Lead Member, be authorised
 - (i) To undertake further evidence gathering during Spring/Summer 2017 to enable the ongoing development of the MMDR business case and the identification of a preferred route for the scheme;
 - (ii) To undertake consultation in late Summer/early Autumn 2017 to inform a 'preferred route' decision;
 - (c) A further report is submitted to the Cabinet in late 2017 seeking approval for a preferred route, so that the business case can be submitted to the Department of Transport in December 2017.

Reason for Recommendations

3. The recommendations are made in order to enable the County Council to meet a recently revised Government timetable for the preparation of a business case for the MMDR.

Timetable for Decisions (including Scrutiny)

4. A report will be submitted to the Environment and Transport Overview and Scrutiny Committee as part of the consultation to inform a preferred route decision.
5. The outcome of consultation will be included in the report to Cabinet in late 2017.

Policy Framework and Previous Decisions

6. Supporting the economy of Market Towns and rural Leicestershire is a priority of the Leicester and Leicestershire Enterprise Partnership's (LLEP) Strategic Economic Plan, which was approved by the Cabinet on 5th March 2014.
7. The Enabling Growth Action Plan, approved by the Cabinet on 16th March 2015, includes a specific action to work with Melton Borough Council to plan for the future growth of Melton Mowbray.
8. The third Leicestershire Local Transport Plan (LTP3), approved by the County Council in March 2011, contains six strategic transport goals. Goal 1 is to have a transport system that supports a prosperous economy and provides successfully for population growth.
9. Pursuant to its earlier resolution on 11th September 2015 that strategic growth within Melton Mowbray should be supported in principle through transport investment, on 9th May 2016 the Cabinet considered a report concerning proposals for the development and eventual delivery of a Melton Mowbray Transport Strategy, which included plans for an outer relief road (now referred to as a distributor road, the MMDR).
10. In May 2016 the Cabinet agreed inter alia continuation of the development of the Melton Mowbray Transport Strategy (MMTS) and authorised the Director of Environment and Transport to undertake the necessary consultations and negotiations as required to enable the definition of a preferred route for the eastern section of the MMDR.

Resource Implications

11. In July 2016 a bid for funding to develop an outline business case for the northern and eastern sections of the MMDR (A606 Nottingham Road to A606 Burton Road) was submitted to the Department for Transport's (DfT) Large Local Major Schemes Fund. The fund was announced in the 2016 budget, to fund the development work for local transport schemes with a value in excess of £52m and longer-term could be a source of both detailed design and construction funding for the MMDR.
12. On 28th November 2016 the DfT announced that this bid had been successful and £2.8m was awarded for the development of a business case for the MMDR. As outlined in paragraph 28 it is potentially possible that further funding could be

required, although officers are confident that this could be contained within existing/future budgets should this prove to be the case.

13. The successful bid was predicated on a timetable that would have potentially have seen delivery on the ground of the *northern and eastern sections* starting in 2022-23 (subject to construction funding). But, as set out in paragraph 22, the DfT has since indicated that it wants to see an acceleration of the programme to the point where construction of these sections could potentially start by Spring 2020 (subject to construction funding). The development and full completion of a MMDR (from the A607 Leicester Road to A606 Nottingham Road, including developer led sections) *could* potentially take the lifetime of Melton's new Local Plan to deliver i.e. to 2036.
14. Failure to accelerate the timescales is likely to lessen significantly the chances of securing future public funding for the construction of the MMDR.
15. The accelerated timescales requested by the DfT and associated resourcing are currently being investigated and a revised programme is being developed, with a broad outline of the likely programme set out in paragraph 25. The revised programme will affect timeframes and resources for producing the MMDR outline business case and developing the scheme to the point of delivery.
16. The Director of Corporate Resources and the Director of Law and Governance have been consulted on this report.

Circulation under the Local Issues Alert Procedure

17. A copy of this report has been sent to the following members who represent divisions in the Melton Borough: Mr. J. T. Orson JP CC, Mr. A. E. Pearson CC, Mrs. P. Posnett CC and Mr. J. B. Rhodes CC

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PART B

Background

18. A transport strategy for Melton Mowbray is currently being developed jointly by the County Council and Melton Borough Council to help secure and coordinate a package of future transport investment that will support the future growth aspirations for the town set out in the Melton Local Plan and to help ensure the town remains an attractive place to live, work and visit.
19. Initial work on the transport strategy found that a package of minor improvements within the town would not be sufficient on its own and that the transport strategy would need to include the provision of a Melton Mowbray Distributor Road (MMDR) around the outside of the town.
20. Subsequent investigations suggested that an eastern distributor road would be more beneficial than a western distributor road and correspondingly would be most likely to succeed in winning Government funding for its delivery. The construction of such a road is estimated to cost in the excess of £80m and so will be reliant on Government (or other external) funding, which is most likely to be secured through a successful future bid to the DfT Large Local Major Schemes fund.
21. In July 2016 the Council made a bid to the DfT Large Local Major Schemes fund for funding to develop an Outline Business Case (OBC) for the delivery of an eastern distributor road. On 28th November 2016 the DfT announced that the bid had been successful and £2.8m was awarded for the development of an OBC for a MMDR.
22. On 20th January 2017 officers met with the DfT to discuss the commencement of work. It became apparent that, whilst the DfT considered that strategic case for the scheme was very strong, it wanted to see an acceleration of the programme for its delivery, to the point where construction could potentially start by Spring 2020.
23. Accelerating the timetable in line with the DfT's request will place the Authority in the best possible position to secure funding for the construction of the scheme. Even if construction money does not become immediately available after the business case has been submitted to allow construction to begin in 2020, the work will not have been abortive and will place the Council in a strong position for any future bidding opportunities.

Proposal for accelerated timetable

24. To achieve this new timescale, clarification will be sought from the DfT on the scope/extent of the scheme covered by the OBC and a revised programme will be produced for both the business case and scheme delivery in order to condense the timescales and, where possible, reduce the costs.
25. The scheme development programme could be accelerated by undertaking further evidence gathering, scheme design, preparation of planning documents and Compulsory Purchase Orders (CPO) and associated activities in parallel with the development of the OBC rather than waiting until the business case has been completed and approved. The revised programme is currently being finalised, but in very broad terms is likely to comprise the following key timescales/milestones:

Date	Activity
Spring 2017	Further evidence gathering, including in preparation for use of CPO powers should that be necessary.
Spring 2017 – Summer 2018	Transport modelling (to support OBC).
Spring – Summer 2017	Preliminary design.
Late Summer / early Autumn 2017	Consultation to inform a 'preferred route'.
Late / end 2017	Seek Cabinet approval for preferred scheme.
End 2017	OBC complete.
Summer – Autumn 2018	Seek planning permission for preferred scheme.
Autumn 2018	Publish orders, including in relation to CPO as required, followed by public inquiry up to 12 months later.
Spring 2020	Earliest potential start of construction, subject to funding.

Proposed evidence gathering

26. It is intended that further evidence gathering will take place during Spring 2017 to inform the choice of route, including:
- Liaison with local land and property owners
 - Discussions with local representative groups, for example those formed by Melton Borough Council to inform the development of its Local Plan
 - Initial geotechnical and topographical surveys around the east of Melton
 - Environmental surveys across the broad corridor of the route (i.e. covering all route options).

Impact and risks

27. The revised programme will affect timeframes and resources for producing the MMDR OBC and developing the scheme to the point of delivery.
28. It is currently expected that the £2.8m DfT funding will be sufficient to cover both the OBC and the accelerated scheme development work to be pursued in parallel. However, at the time of preparing the report, discussions are still ongoing with the DfT around the agreement of the accelerated programme. Subject to the outcome of these discussions, further funding may be required. Whilst it is not possible to be specific, at the time of writing it is considered that any additional amount could be provided for out of the monies previously committed to the development of a Melton Mowbray Transport Strategy by the County Council and Melton Borough Council and/or future Environment and Transport budgets.

29. As a consequence of accelerating the scheme development work, the earliest dates for scheme construction could potentially be brought forward by several years, compared to the timeframes previously envisaged.
30. In order to facilitate earlier delivery of the scheme in line with DfT requirements, a decision about a preferred route needs to be brought forward as described below.

Consultation to inform a preferred route

31. An essential step in the development of a scheme such as the MMDR is to identify a preferred route; the preferred route forms the basis for the business case and planning and CPO processes.
32. The evidence gathering outlined in the previous section will help officers to focus on identifying what appears to be, from perspectives such as technical, environmental and value for money, the most likely deliverable route(s) in practice.
33. However, officers are proposing that a formal public consultation exercise should be undertaken prior to the Cabinet making a preferred route decision. (The exercise will also involve consulting the Environment and Transport Overview and Scrutiny Committee.)
34. It is planned to undertake the consultation in late Summer / early Autumn 2017. The primary purpose will be to seek views as to what the preferred route for the scheme should be.
35. A further report, including the outcome of the consultation, will be brought to the Cabinet in late 2017, with a view to deciding the preferred route of the MMDR to be taken forward in the business case and for planning and CPO purposes.
36. At this stage it is envisaged that the consultation could be held over 6 weeks, to include appropriate parish and town councils, local communities and businesses and other stakeholders. A consultation survey would be placed on the County Council's website, with copies available on request. The County Council, in partnership with Melton Borough Council, will also hold a public exhibition in the area. The Environment and Transport Overview and Scrutiny Committee will receive a report as part of the consultation.

Conclusion

37. There is a strong need to continue pursuing the MMDR scheme in order to support the future growth of both Melton Mowbray and Melton Borough as a whole.
38. The DfT has acknowledged that there is a strong strategic case for the scheme, but wants to see the timeframes for delivering the scheme brought forward significantly.
39. In itself, facilitating earlier delivery of the scheme would be very good news, but creates challenges in terms of timeframes that can only be addressed by adopting the revised programme described (including undertaking key scheme development tasks in parallel with the OBC). This represents a departure from the Department's previous approach to schemes of comparable scale (e.g. Loughborough Inner Relief Road, Earl Shilton Bypass).

40. Depending on the outcome of subsequent discussions with the DfT, there is also a potential financial risk to the Authority if the DfT is unwilling to fund certain elements required to accelerate scheme development but not directly connected to the OBC. It is considered that any additional amount could be provided from out of the monies previously committed to the development of a Melton Mowbray Transport Strategy by the County Council and Melton Borough Council and/or future Environment and Transport budgets.
41. However, pursuing this approach is considered on balance to be worthwhile and necessary to put the Authority in the best possible position to seek and secure future funding for construction of the MMDR. Even if construction money does not become immediately available after the business case has been submitted, the work will place the authority in a strong position for any future bidding opportunities.

Background Papers

11th September 2015. Report to the Cabinet - 'Development of a Melton Mowbray Transport Strategy':

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4230&Ver=4>

9th May 2016. Report to the Cabinet - 'Progress with the Development of a Melton Mowbray Transport Strategy':

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4602&Ver=4>

11th October 2016. Report to the Melton Highways Forum – 'Melton Mowbray Transport Strategy update:

<http://politics.leics.gov.uk/documents/s123013/6e.%20Melton%20Transport%20Strategy%20update.pdf>

Relevant Impact Assessments

Equality and Human Rights Implications

42. Proposals are aimed at tackling congestion both now and in the future and helping to provide more reliable journey times. In turn, this will facilitate strategic growth that should help to meet the social and economic needs of Melton Mowbray's current and future residents. No detailed assessment has been done at this early stage but if a MMDR scheme were to be taken forward an Equality and Human Rights Impact Assessment will be completed at an appropriate point.

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