

**CABINET – 23 JUNE 2020****MELTON MOWBRAY DISTRIBUTOR ROAD****REPORT OF THE CHIEF EXECUTIVE, DIRECTOR OF CORPORATE
RESOURCES AND DIRECTOR OF ENVIRONMENT AND
TRANSPORT****PART A****Purpose of the Report**

1. The purpose of this report is to advise the Cabinet of the latest position with regard to acceptance of the Housing Infrastructure Fund (HIF) grant offer for the southern section of the Melton Mowbray Distributor Road (MMDR). A supplementary report will be circulated to members.

Recommendations

2. The Cabinet is asked to have regard to the information in this and the subsequent supplementary report and consider the Council's response to Melton Borough Council and Homes England concerning the HIF grant offer.

Reason for Recommendations

3. To agree the position to be adopted by the County Council.

Timetable for Decisions (including Scrutiny)

4. No firm information can be given at this stage.

Policy Framework and Previous Decisions

5. The report to the Cabinet in November 2019 advised of a successful HIF bid for the southern section of the MMDR and discussions with Melton Borough Council.
6. On 24 March 2020 the Cabinet considered a report regarding concerns that Melton Borough Council had not undertaken the necessary work on masterplanning to provide assurance that the County Council could accept the grant offer from the Ministry of Housing, Communities and Local Government (MHCLG) and Homes England towards the cost of the southern section of the MMDR.

Resource Implications

7. The level of transport investment required to support growth across Melton is substantial. The County Council's potential financial exposure to deliver the scale of infrastructure required to support growth in Melton is currently estimated to require around £160m gross investment - roughly £100m for roads and £60m for schools. Those are 2019 and pre-Covid costs and will increase. They can be reduced due to the funding awarded from the Local Authority Majors Fund (£49m for the northern and eastern sections of the MMDR) and the HIF grant offer (£15m for the southern section). Most of the remaining costs would have to be recouped in later years through developer contributions. There are evidently significant financial risks to the Authority.

Circulation under Local Issues Alert Procedures

8. This report has been circulated to members representing electoral divisions in the Melton area: Mr. J. T. Orson CC, Mr A. E. Pearson CC, Mrs P. Posnett MBE CC, and Mr J. B. Rhodes CC.

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PART B

Background

9. The known infrastructure costs to build the whole of the MMDR (northern/eastern and southern sections) and provide appropriate schools are in the region of £160m at 2019 and pre-Covid estimates.
10. The HIF bid towards delivery of the southern section of the MMDR has potentially secured £15m, but this still leaves an estimated balance of around £100m to be identified.
11. The offer of HIF funding from the Government (MHCLG/Homes England) for the southern section of the MMDR requires the County Council as the bidder to meet a range of pre and post contract conditions. The County Council has to provide a detailed programme and strategy to secure planning permission for the housing applications as well as a procurement strategy for the delivery of housing and the road.
12. The County Council has to be in a position where it can accept those conditions in the context of significant financial risk. In that context and with a view to the financial viability of the Southern Sustainable Neighbourhood (as per Melton Borough Council's Local Plan) whose development is reliant on the MMDR southern section, the Cabinet at its meeting on 24 March 2020 resolved to undertake a fresh masterplanning exercise on the Borough Council's behalf. That was rejected by Melton Borough Council.

Equality and Human Rights Implications

13. The MMDR Southern section was identified in the Melton Local Plan as essential for the delivery of the planned growth in the district. The Plan itself was subject to an Equality and Human Rights Impact Assessment. Any future scheme will be subject to further assessment in line with the County Council's policy and procedures, and more detailed assessments of specific proposals will be undertaken as they come forward through the planning process.

Environmental Implications

14. An environmental impacts study was carried out as part of the HIF bid development process to inform the WebTAG assessment. In accordance with relevant regulatory requirements, more detailed assessments of specific proposals would be undertaken through the planning process.

Background Papers

Report to the Cabinet on 22 November 2019: Melton Mowbray Local Plan Delivery Partnership - HIF Bid Update - <https://bit.ly/3fc69UP>

Report to the Cabinet on 24 March 2020: Melton Mowbray Distributor Road - <https://bit.ly/2zogPjT>

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