

BY E-MAIL

Mr Edd de Coverly
Chief Executive
Melton Borough Council
Parkside, Station Approach
Burton Street
Melton Mowbray
Leicestershire LE13 1GH

Date: 15 June 2020
My ref: JS/JC/20-088
Your ref:
Contact: John Sinnott
Phone: 0116 305 6000
Email: john.sinnott@leics.gov.uk

Dear Edd

Melton Mowbray Distributor Road

The Cabinet resolution of 24th March 2020 took into account the County Council's wish for understandable assurances that its proposed investment in the MMDR, including significant forward funding, could be financially justified. That was one reason why an offer was made, although rejected by Melton Borough Council, for the County Council to undertake a fresh masterplanning exercise on the Borough Council's behalf and at its expense.

As you know, there have been e-mail exchanges between respective planning colleagues about a draft masterplan for the South Sustainable Neighbourhood, recently prepared by the Borough Council's consultants, ahead of a Cabinet meeting of the Borough Council on 17th June, during which the County Council's position on financial viability has been made clear and many queries raised about the drafts, including errors and inaccuracies. At this time, the County Council is not in a position to comment further on the document in the form presented to the Borough Council's Cabinet.

However, I am now writing ahead of that Cabinet meeting to confirm the County Council's position. It has been formalised under delegated powers in consultation with the Leader and the Deputy Leader and will be reported to the Cabinet for information at its meeting on 23rd June.

The County Council's position is that to date no evidence has been provided by Melton Borough Council in the masterplan or elsewhere to demonstrate the financial viability of the South Sustainable Neighbourhood in its proposed form and for which no timescales are given for the different phases of development. Consequently, the County Council is still not in a position to accept the Housing Infrastructure Fund grant-aid offer towards the cost of the southern leg of the MMDR.

Chief Executive's Department
Leicestershire County Council, County Hall, Glenfield, Leicestershire LE3 8RA
Telephone: 0116 232 3232 Fax: 0116 305 6161 Minicom: 0116 305 6870

Contd/...

John Sinnott CBE, MVO, MA, Dipl. PA, Chief Executive
Lauren Haslam, LLB(Hons), Dip.L.G. Director of Law & Governance

The estimated net costs to the County Council of providing roads and schools to support the development of the North and South Sustainable Neighbourhoods are close to £100m. Translated into a developer requirement per house (1700 for the North, 2000 for the South) that equates to about £23,000 per house taking account of contributions expected from houses to be built in the town centre and in surrounding villages, which would be expected to bear some of the education infrastructure costs. To that minimum figure would have to be added funding from developers required in respect of the Borough Council's and other (Police NHS, utilities) infrastructure requirements. The County Council's figures are also pre-Covid and therefore will increase, as will the developer requirement per house.

At this stage the County Council can only question the financial viability of developments proposed in Melton and ask if changes to the housing mix or additional land take are being considered to improve the viability of the South Neighbourhood development? If the Borough Council believes the development is viable it will be helpful for the County Council to know on exactly what basis.

The County Council remains committed to progressing further the northern and eastern legs of the MMDR but it should be noted that the full business case required by the Department of Transport is not due to be completed until later in the year and before it is finalised will have to take account of the Borough Council's planning decisions. It is noted that there is still no masterplan for the North Sustainable Neighbourhood, nor a commitment or timescale to produce one.

A response from the Borough Council can be considered by the Cabinet at its meeting on 23rd June.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John', followed by a period.