

**CABINET – 20 JULY 2021****MELTON MOWBRAY DISTRIBUTOR ROAD SOUTHERN SECTION –  
HOUSING INFRASTRUCTURE FUND GRANT****REPORT OF THE CHIEF EXECUTIVE, DIRECTOR OF CORPORATE  
RESOURCES AND DIRECTOR OF LAW AND GOVERNANCE****PART A****Purpose of the Report**

1. The purpose of the report is to advise the Cabinet of the latest position in regard to the Housing Infrastructure Fund (HIF) grant offered by Homes England (HE) in respect of the southern leg of the Melton Mowbray Distributor road (MMDRS). 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 in regard to the Council's response to the HIF grant offer.

**Reason for Recommendations**

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

**Timetable for Decisions (including Scrutiny)**

4. The extended deadline set by HE of 31 March 2021 has passed but discussions continue.

**Policy Framework and Previous Decisions**

5. In November 2019 the Cabinet was advised of a successful HIF bid of £15m for the MMDRS.
6. In March 2020 the Cabinet considered a report on Melton Borough Council's master planning for the Melton South Sustainable Neighbourhood (MSSN). This detailed possible implications for the County Council, including financial risk connected to the acceptance of the grant offer from the Ministry of Housing, Communities and Local Government (MHCLG) and HE towards the cost of the MMDRS.

7. In June 2020 the Cabinet considered a report on the latest position with regard to the HIF grant offer and the decision by Melton BC to approve a masterplan for the MSSN. The Cabinet raised a number of concerns, most notably that the masterplan did not demonstrate the financial viability of the MSSN. The Cabinet also noted that the masterplan was approved despite it containing unresolved errors and inaccuracies which had been raised by the County Council.
8. In December 2020 the Cabinet was advised of work led by the County Council in collaboration with landowners and developers, which showed the MSSN was capable of being financially viable. That was dependent on the previously approved masterplan for the MSSN being revised. The Cabinet resolved inter alia that, subject to an agreement with Melton BC on mitigating the financial risk to the County Council and to the completion of other necessary agreements, authority could be given for the County Council to enter into a Grant Determination Agreement (GDA) with HE in respect of the HIF grant. The Cabinet also noted that Melton BC was seeking to cap any agreement at an amount which was not considered substantial enough.
9. A report to the Cabinet at its meeting on 22 June 2021 was withdrawn from the agenda.

### **Resource Implications**

10. The implications for the County Council in respect of funding the two legs of the MMDR and related education infrastructure are significant and will be set out in the supplementary report.

### **Circulation under the Local Issues Alert Procedure**

This report has been circulated to members representing electoral divisions in the Melton area: Mr. M. Frisby CC, Mr. B. Lovegrove CC, Mr. J. T. Orson CC, Mrs. P. Posnett MBE CC.

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## **PART B**

### **Background**

11. Melton Mowbray is identified as a 'Key Centre for Regeneration and Growth' in the 2018 Leicester and Leicestershire Strategic Growth Plan. The Melton Local Plan (formally adopted in October 2018) and which the County Council supports sets out that the majority of the housing development for Melton will be delivered within two new large-scale sustainable neighbourhoods, south and north, known as the MSSN (Policy SS4) and the MNSN (Policy SS5). The MMDR has been seen as an orbital road which alongside a Melton Mowbray Transport Strategy (the subject of a separate report on the agenda for this meeting) would facilitate the development of both sustainable neighbourhoods.
12. In successive Cabinet reports, however, it has been made clear that there would be a significant financial risk to the County Council, particularly in forward funding the high cost of the required infrastructure to ensure the success of the sustainable neighbourhoods as new communities.

### **Equalities and Human Rights Implications**

13. The MMDRS 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.

### **Environmental Impact**

14. An environmental impacts study was carried out as part of the HIF bid development process to inform the WebTAG assessment.
15. An environmental impact assessment has been carried out in respect of the Northern and Eastern sections of the MMDR.

### **Background Papers**

Reports to the Cabinet on the following dates -

22 November 2019: Melton Mowbray Local Plan Delivery Partnership - HIF Bid Update - <https://bit.ly/2Vn50Fm>

24 March 2020: Melton Mowbray Distributor Road - <https://bit.ly/2zogPiT>

23 June 2020: Melton Mowbray Distributor Road - <https://bit.ly/3wsZ4Y2>

20 November 2020: Melton North Sustainable Neighbourhood Draft Masterplan - <https://bit.ly/2TSnD3r>

15 December 2020: Melton Mowbray Distributor Road (South) and Melton Northern Sustainable Neighbourhood Draft Masterplan - <https://bit.ly/3wxlS9q>

22 June 2021 "Melton Mowbray Distributor Road Southern Section – Housing Infrastructure Fund Grant" - <https://bit.ly/3hS4tTt>

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