



**HIGHWAYS AND TRANSPORT OVERVIEW AND SCRUTINY
COMMITTEE - 3 MARCH 2022**

**MAJOR ROAD NETWORK -
IDENTIFICATION OF THE NEXT PRIORITY CORRIDOR**

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

Purpose of Report

1. The purpose of this report is to seek comments, prior to a report being presented to the Cabinet on 26 April 2022, on:
 - a) The study work carried out to identify the County Council's next priority Major Road Network (MRN) corridor;
 - b) The County Council's next recommended priority MRN corridor, which, will provide the focus for further proposed investigation work, including the development of conceptual solutions and a strategic narrative for future investment.

Policy Framework and Previous Decisions

2. On 19 April 2017, the Cabinet approved the Environment and Transport Interim Commissioning Strategy Action Plan, which included an action to identify an MRN for the County.
3. In July 2017, the Government's Transport Investment Strategy (TIS) set out the Department of Transport's (DfT) priorities and approach for future transport investment decisions. This included proposals to consult on a draft national MRN network and initial ideas as to how funding may be distributed and made available.
4. In March 2018 the Cabinet approved the Council's response to the DfT's consultation on the creation of the MRN.
5. On 23 November 2018 the Cabinet approved the Strategic Growth Plan "Leicester and Leicestershire 2050: Our Vision for Growth", which provided an agreed local framework for considering the longer-term needs of the area. This Plan was prepared and approved by the County Council and nine other partner organisations (the City Council, the seven district councils and the Leicester and Leicestershire Enterprise Partnership (LLEP)), following extensive consultation.

6. In March 2019 the Cabinet approved the Environment and Transport 2019/20 Highways Capital Programme and Highways Transportation Work Programme, and agreed the development of a Strategic Outline Business Case (SOBC) for the A50/A511 Growth Corridor, confirming the A50/A511 as the Authority's first MRN priority corridor.

Background

7. In July 2017, the Government's TIS included a commitment to create a new national road tier, called the 'Major Road Network' comprising the busiest and most economically important local authority 'A' roads in England.
8. Originally proposed by the Rees Jeffrey's Road Fund study, the MRN sits between the national Strategic Road Network (motorways and trunk roads) managed by National Highways and remaining local road network managed by local authorities.
9. It includes local authority 'A' roads which:
 - a) have an annual average daily traffic flow (AADF) of more than 20,000 vehicles;
 - b) carry 5% HGVs traffic (if the AADF is lower than 20,000 vehicles);
 - c) link current or future economic centres and key transport hubs.
10. The Rees Jeffrey's study recognised that the Government had created an effective and well-resourced regime for planning and delivering successive five-year investment programmes for the Strategic Road Network (SRN) through its Roads Investment Strategy.
11. However, it also highlighted that no such arrangements existed for the most important local authority 'A' roads which are also heavily trafficked, and which often carry a large proportion of commercial vehicles. The performance of these roads is therefore considered to be critical to supporting the local and national economy.

DfT consultation - creation of a Major Road Network (MRN)

12. In early 2018, DfT undertook consultation on the creation of the MRN, to define the network, and to establish key principles and a framework for programme development.
13. In defining the MRN, the Government set out five central policy objectives, which built on the commitments made in the 2017 TIS:
 - a) **Reducing congestion** – alleviating local and regional congestion, reducing traffic jams and bottlenecks.

- b) **Support economic growth and rebalancing** – supporting the delivery of the Industrial Strategy, contributing to positive economic impacts across all regions.
 - c) **Support housing delivery** – unlocking land for new housing developments.
 - d) **Support all road users** – recognising the needs of all users, including cyclists, pedestrians and disabled people.
 - e) **Support the Strategic Road Network (SRN)** – complementing and supporting the existing SRN by creating a more resilient road network in England.
14. As part of the consultation, DfT also provided an indicative national MRN plan as a starting point for discussion and invited Sub-National Transport Bodies (STBs) such as Midlands Connect (MC), (the representative STB for East and West Midlands), to work with Local Highway Authorities (LHA) and submit a recommended MRN for their region.
 15. Based on criteria specified by the Rees Jeffrey's Road Fund, with regards to volume and composition of traffic, and a roads role in providing strategic connectivity to and wider network resilience for the SRN, DfT asked each STB to develop a suitable regional appraisal framework, in order to assess the relative performance and economic importance of local authority roads put forward for consideration by LHAs.
 16. Working with MC, the County Council put forward a proposition for a Leicestershire MRN, which was slightly larger than the Government's consultation proposal but one which formed a coherent network, with a strong case for each individual link.
 17. MC accepted the County Council's proposition and in March 2018, MC submitted its proposed MRN to DfT, for the wider Midlands area.
 18. In December 2018, following consideration of DfT's consultation results and more detailed discussion with STBs, the Government published its response:
 - a) Confirming the objectives of the MRN programme and the scheme eligibility criteria for investments.
 - b) Providing new Investment Planning Guidance for proposed MRN and Large Local Major (LLM) programmes.
 - c) Providing all LHAs with a map of the MRN, confirming which roads would form part of the network. The network map has since been agreed by the Secretary of State for Transport and published by DfT in December 2020, as shown in Appendix A.

The confirmed network – Leicestershire's MRN

19. For Leicestershire the confirmed network includes the following roads: A50, A6, A607, A47, A563, and parts of the A5630 (Anstey Lane), A5460 (between M1

J21 and Fosse Park), A426 and A4304 (Lutterworth) and A6004 (Loughborough), as shown in Appendix B.

20. Whilst covering a relatively extensive network within the County, this was a disappointing outcome in some respects. The County Council had made the case, which was accepted by MC, for inclusion of the A447, A606, B4114, B582 and A453. However, the Government determined that these roads did not meet the criteria for MRN inclusion, with regards to volume and composition of traffic, and role in providing strategic connectivity and wider network resilience for the SRN.
21. The exclusion of these roads from the MRN means that any potential schemes along them are ineligible to be considered for MRN funding unless future revisions of the MRN result in the inclusion of such routes.

Funding - eligibility and investment scheme assessment criteria

22. In the Autumn Budget 2018, the Government confirmed its commitment to create the MRN and to provide a long-term funding stream for local roads and increased funding certainty for Local Highway Authorities (LHA).
23. The Government announced a £28.8bn National Roads Fund, £3.5bn of which would be allocated to local roads including the MRN, over an initial five-year period (2020-2025).
24. MRN funding would be targeted at significant interventions which offer transformative solutions to the most economically important local authority 'A' roads, as well as providing value for money for the taxpayer.
25. The types of scheme (as a single scheme or a package of measures) eligible to bid for MRN funding included:
 - a) **Bypasses or new road alignments** which alleviate congestion on the MRN and make through journeys quicker, safer, and more reliable.
 - b) **Missing Links** – new roads that link existing stretches of the MRN or SRN.
 - c) **Widening of existing MRN roads** where there is a known congestion point or safety risk.
 - d) **Major structural renewals** on roads, bridges, tunnels, and viaducts on MRN roads, where significant work needs to be done to renew the carriageway or prevent closure or weight restrictions.
 - e) **Major junction improvements** such as a grade separation that would improve the safety, performance, or flow of an MRN road.
 - f) **Technology** such as variable message signs, traffic management and the use of smart technology and data to raise the performance of the MRN.
 - g) **Packages of minor improvements** to the MRN which may include elements of safety, widening, junction improvements and new alignment.

26. Large public transport and active travel schemes were not included and were expected to be funded from existing programmes. However, DfT expected LHAs to take opportunities to support these modes of travel when considering eligible MRN scheme designs.
27. MRN schemes were expected to fall within the £20m to £50m range and attract a local contribution of at least 15% towards total costs. Schemes seeking a contribution of more than £50m would be dealt with as potential LLM Schemes.
28. LHAs would also be expected to fully fund the initial stages of scheme identification and development with funding only available in the latter stages of scheme development, following SOBC submission.

Investment planning - roles for local, regional, and national bodies

29. DfT's Investment Planning Guidance identified STBs, as being best placed to coordinate the five-year MRN and LLM investment programme, providing the interface between national and local transport authorities, and ensuring planning and prioritisation of investment is coordinated at a regional level.
30. Although all future MRN schemes would need to follow the standard DfT business case appraisal process (supported by a suitable assessment model), the guidance stated that STBs would be responsible for identifying MRN and LLM regional priorities for submission to DfT.
31. STBs would be expected to work with Local Highway Authorities (LHAs) to develop a Regional Evidence Base (REB) of schemes, so that around 10 priority scheme business cases from each region could be submitted to DfT and considered as part of a competitive bidding process.
32. LHAs would be responsible for initially identifying suitable MRN schemes for REB inclusion and for any subsequent development and delivery of successful schemes taken forward.
33. Recognising the links with the SRN, the Government also identified a role for National Highways, to support local and regional bodies involved in the MRN programme and to ensure road investment programmes were aligned.

Identifying our first priority MRN corridor (2020- 2025)

34. Identifying and developing priority schemes in preparation for the first MRN period was challenging for both LHAs and STBs due to the timescales set by DfT, which were governed by the need to identify deliverable ('shovel ready') schemes for the MRN funding period 2020 to 2025.
35. The requirement for schemes to be 'shovel ready' meant that schemes needed to be reasonably well-developed or, at least, at the optioneering stage with existing policy and/or political support and a demonstration that the local funding contribution was secured.

36. In March 2019, the County Council's Cabinet considered a report on the 2019/20 Highways Capital Programme and Highways and Transportation Work Programme. In considering that report, the Cabinet resolved to confirm the A50/A511 as the Authority's first MRN priority corridor and approved the submission of an SOBC for the A511/A50 Growth Corridor scheme to MC, for REB inclusion.
37. The A511/A50 Growth Corridor scheme represented the Council's only eligible MRN scheme that was sufficiently developed and could realistically be progressed within the timescales set by the DfT.
38. In Summer 2019, the A511/A50 Growth Corridor scheme was put forward by MC to DfT, as one of only seven credible schemes from its REB. In October 2019 the Government approved the SOBC and announced that scheme development funding had been awarded to help develop the scheme. A full business case is now scheduled for 2024.

Identifying our next priority MRN corridor

39. To ensure that the Authority is again in a position to put forward a sufficiently developed MRN scheme, should a future second (2025-2030) MRN delivery period be announced by the Government, officers have started early strategic study work during the current financial year (2021/2022), in order to gather the evidence to help inform consideration of the Council's next priority MRN corridor for potential investment.

Study work carried out to date

40. The study work carried out to date consists of a 'network-level' assessment of the relative performance and economic importance of Leicestershire's MRN corridors. An *Evidence and Corridor Identification Report*, detailing the assessment methodology used and the study outcomes, is included in Appendix C.
41. In summary, the study:
 - a) Considers the full extent of the County's MRN.
 - b) Utilises a regional appraisal and scoring framework to rank the relative priority of the County's MRN corridors. This scoring framework is aligned to the Government's five central MRN policy objectives and is based on the transport and economic criteria used previously by MC (to determine the Midlands' MRN).
 - c) Represents the most robust evidence base we have at present, making use of data and intelligence (evidence) held or accessible by the Council and MC, including:
 - Traffic Master journey time data,
 - the Council's traffic counts database,

- development locations from the Council's development map, land use model,
- model and district websites,
- Natural England, Sites of Scientific Special Interest locations,
- DEFRA – Air Quality Management Area locations.

Study recommendations and wider strategic considerations

42. Based on the findings set out in the report, it is recommended that the A6 North (N) corridor between the Leicester boundary and Kegworth (including A6004/Epinal Way in Loughborough), is the County Council's next priority MRN corridor.
43. The A6(N)/A6004 corridor links Loughborough, the largest County town, to Leicester and to East Midlands Airport, and will become a key link to:
 - a) a 73ha Science and Enterprise Park at Loughborough,
 - b) the HS2 station at East Midland Parkway,
 - c) East Midlands Development Corporation and Freeport proposals at Ratcliffe-on-Soar Power Station,
 - d) the continued expansion of East Midlands Gateway SRFI.
44. The corridor is also a focus for significant housing growth. The adopted Charnwood Plan (2011 to 2028) allocates substantial growth to sites along (or close to) the A6(N)/A6004 corridor, most notably through two major 'sustainable urban extension' sites at Garendon Park in Loughborough (3,200 homes) and Broadnook 'Garden Suburb' to the north of Birstall (1,950 homes) respectively. Both sites will be either partially or wholly accessed off the A6.
45. The pressure and reliance on the A6(N)/A6004 corridor is expected to increase further as a result of the emerging Charnwood Local Plan (2021 to 2037), which proposes substantial extra growth within Loughborough (2,200 homes) and the Soar Valley (1,300 homes).
46. In addition, the A6(N)/A6004 corridor:
 - a) Is a key commercial bus corridor, presenting opportunities to explore delays to enhance services (supporting the delivery of the Council's Bus Service Improvement Plan).
 - b) Suffers from issues of flooding in and around the Soar Valley, presenting opportunities to explore improved management of traffic through use of technology.
 - c) Gives rise to severance issues (for pedestrians & cyclists) between Loughborough University campus and Loughborough town centre, presenting opportunities to align investment with the Council's Local Cycling and Walking Plan (currently in development).

Funding considerations

47. The funding position nationally for large local highways schemes is likely to be very uncertain going forward due to the anticipated costs of the pandemic. The affordability of such schemes also remains a major issue for the Council given the increasingly tight financial position coupled with scale of potential infrastructure requirements emerging from district councils' local plans. It will therefore be important for the Authority to maximise its ability to seek additional investment from as many sources as possible, including the Government, MC, and private sector funds.
48. Taking into account the wider strategic considerations set out above, the A6(N)/A6004 corridor could potentially attract and open up a number of opportunities to maximise DfT funding including risk funding and other potential (non-MRN) future funding streams. At present, this could include:
 - a) Levelling-Up Funding - a strong strategic case could be made for investment in the route and this is something that the Government is now increasingly focused on as part of its 'Levelling-Up' agenda (as opposed to sole reliance on a scheme benefit cost ratio).
 - b) Housing Infrastructure Funding and developer contributions - evidence work underpinning Charnwood Borough Council's emerging Local Plan, highlights the need to improve the corridor to enable growth. Further work with Charnwood could help to maximise and de-risk developer contributions before scheme business case submissions are considered.
 - c) Other funding streams including Business Rates generated from future employment sites, although this could require cash flowing in advance of those funds being available which is difficult in the current financial climate.

Midlands Connect MRN Preparation Fund

49. While ministers are the ultimate decision-makers for the MRN programme, the Government have asked STBs to start considering priorities for a potential second MRN period (2025-2030).
50. In response, MC have set aside an annual £300,000, Preparation Fund, over a three-year period (from 2020) to refresh its REB, with the intention of building a sizable 'pool' of credible LHA business cases, which can be prioritised on a regional basis for submission to DfT, should the next MRN fund and REB process be called. The date for which is unknown at this stage, but it could possibly be in 2023 (if the same programme lead-in times for the first MRN period are adopted).
51. MC have encouraged LHAs to apply for this funding (up to a maximum award of £50,000 per project, subject to match funding, which has been found from within the Advanced Design Budget) and have offered services of their technical team to help with business case development.

52. The Preparation Fund is available to LHAs to develop eligible MRN schemes to a minimum of the 'Pre-SOBC' level of detail required by DfT; or preferably to SOBC level. The fund is also available to authorities undertaking early-stage strategic studies with the intention of seeking more specific investment opportunities at a later date.
53. After submitting an expression of interest, the County Council have been successful in securing a maximum funding award of £50,000 from MC to support further investigation of the County's MRN.

Next steps

54. Subject to Cabinet approval, the A6(N)/A6004 corridor would provide an immediate focus (next financial year - 2022/2023), for further investigation, at a corridor-level, to enhance the A6(N)/A6004, and to use it to identify potential conceptual solutions and a strategic narrative for future investment.
55. This would represent the next step in the development of the County's MRN and would better enable the Authority to:
 - a) Focus its limited resources (including the funding secured from MC's Preparation Fund) into a recommended priority corridor to support long-term growth requirements.
 - b) Develop a greater understanding of the causes of identifiable weaknesses on the A6(N)/A6004 corridor and allow the formulation of potential ways in which they may be addressed.
 - c) Provide an enhanced evidence base for future individual scheme business case development, to demonstrate how a future scheme may reduce congestion, support housing and employment growth, encourage more people to walk, cycle and use public transport, or provide better links to the SRN.
 - d) Identify and put forward (subject to securing additional sources of funding) a future pipeline of transformational MRN schemes to inform MC's refresh of its MRN REB and project pool in advance of future submissions to DfT.
 - e) Develop credible scheme business cases at a later date, (subject to securing additional sources of funding) that meets local and regional desired objectives and is in accordance with MC and DfT timeframes for business case development.
 - f) Identify the possible scale of local contributions and plan for and maximise the ability to seek investment from as many sources as possible including the Government, MC, and private sector funds.

Resource Implications

56. The network-level MRN assessment, evidence gathering, and corridor identification work carried out to date, has been funded from the existing Authority budgets.

57. Funding has been identified in the Authority's budgets for 2022/23, supplemented by an additional £50,000 contribution from MC's MRN Preparation Fund, for further investigation of the A6(N)/ A6004 corridor. This should be sufficient to enable work to develop a further understanding of issues along the corridor; potential conceptual solutions; and to develop a strategic narrative, which would ultimately form the basis for business base development.
58. Beyond 2022/23, any continued work associated with the development of a potential future scheme business case (SOBC and beyond) would be dependent on securing additional sources of funding. This is likely to be in the region of many millions of pounds, based on business base development costs for the A50/ A511 Growth Corridor scheme and Melton Mowbray Distributor Road. (It is important to note that business cases require transport modelling work, preliminary scheme design work, etc., in order to provide the evidence required to underpin them. Hence, the magnitude of cost.)
59. DfT funding has previously been available to fund business case development work for the A50/A511 and Melton Distributor Road. In terms of potential sources of funding for any future scheme, aside from MRN Round 2, they could include: Levelling Up Fund; Housing Infrastructure Fund; developer contributions; and Business Rates (Freeport).
60. It is worth noting, that there will be an element of joint funding from wider evidence work by Charnwood Borough Council (i.e., their Local Plan transport evidence), with the likely prospect of further Charnwood funding to develop and deliver the transport infrastructure and measures necessary to support the emerging new Local Plan.
61. The County Council will also continue to encourage MC, alongside all STBs to lobby the Government to provide funding to support LHAs carrying out initial scheme identification and development work, pre-SOBC submission.
62. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Timetable for Decisions

63. A report setting out the County Council's next priority MRN corridor for potential investment will be considered by the Cabinet on 26 April 2022. The Committee's comments will be reported to the Cabinet.

Background Papers

DfT- '*Proposals for the creation of a Major Road Network*', (consultation document),
Published on 23 December 2017:

<https://www.gov.uk/government/consultations/proposals-for-the-creation-of-a-major-road-network>

Report to the Cabinet on 9 March 2018, 'Creation of a Major Road Network':

<https://politics.leics.gov.uk/documents/s136077/Major%20Road%20Network%20report%20final.pdf>

Report to the Cabinet on 5 March 2020 'Leicester and Leicestershire Strategic Transport Priorities:

<https://politics.leics.gov.uk/documents/s151726/Leicester%20and%20Leicestershire%20Strategic%20Transport%20Priorities.pdf>

Circulation under the Local Issues Alert Procedure

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Equality and Human Rights Implications

63. There are no equality or human rights implications at this point arising from the work carried out to identify the Authority's next priority MRN corridor. Appropriate equality and human rights impact assessments will be undertaken as and when schemes that the County Council is responsible for are identified and taken forward.

Appendices

Appendix A - DfT Major Road Network map

Appendix B - Major Road Network in Leicestershire

Appendix C - MRN evidence and corridor identification report (February 2022)

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