



CABINET – 24 OCTOBER 2023

**MELTON MOWBRAY DISTRIBUTOR ROAD SOUTH
SUPPLEMENTARY REPORT**

**JOINT REPORT OF THE DIRECTOR OF ENVIRONMENT AND
TRANSPORT AND THE DIRECTOR OF CORPORATE
RESOURCES**

Purpose of the Report

1. The purpose of this supplementary report is to provide the Cabinet with amended recommendations regarding the Melton Mowbray Distributor Road South (MMDR S) project.
2. This supplementary report is also intended to clarify the position of Homes England regarding the MMDR S project and its approach to the provision of grant funding in connection with that scheme.

Recommendations

3. It is recommended that:
 - a) The County Council's ongoing commitment to Melton Borough Council's (MBC) Local Plan strategy be confirmed;
 - b) Homes England (HE) be informed that despite the best efforts of the County Council it is unable to meet the terms and conditions within the Grant Determination Agreement in order to draw down any further grant monies from the Housing Infrastructure Fund (HIF);
 - c) It be noted that in the absence of further grant funding the County Council will be unable to proceed at present with construction of the Melton Mowbray Distributor Road South (MMDR S) and that MBC and other stakeholders be advised accordingly;
 - d) The County Council's Capital Programme 2023-27 be amended as set out in paragraph 20 of the Original Report, noting that this will include funding for development of an alternative delivery strategy (£0.5m), costs incurred on programme which will be unrecoverable (£1.3m), and

withdrawal of the existing strategy (£1.7m) for the MMDR S at a likely total cost of £3.5m;

- e) The MMDR North and East scheme be amended as required; and
- f) The Director of Environment and Transport and the Director of Corporate Resources following consultation with the relevant Cabinet Lead Members, be authorised to pursue discussions to seek additional funding, including with MBC, the local Member of Parliament, the Department for Transport and developers.

Reason for Recommendation

4. The published Report to Cabinet explained the up-to-date financial position regarding the MMDR S scheme and the Council's options in light of that position. This supplementary report revises certain references to the position of Homes England following the publication of the report.
5. Homes England wrote to the Council on 16 October 2023 advising that it was of the view that it would be incorrect to state that it had withdrawn from the MMDR S project.
6. Statements to the effect that Homes England had withdrawn the grant were set out paragraphs 2 c), 5 and 36 of the Original Report.
7. The Council accepts that Homes England has not communicated an intention to withdraw from the Grant Determination Agreement (*in the sense of being unwilling to perform its obligations under the Grant Determination Agreement*) and the published report should be read in light of that.
8. Homes England also pointed out that the position under the GDA is an issue for Homes England and the County Council and did not extend to Melton Borough Council and recommendation (b) above has been amended to reflect that.

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