CABINET – 11 SEPTEMBER 2015

DEVELOPMENT OF A MELTON MOWBRAY TRANSPORT STRATEGY

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. To advise the Cabinet of the outcomes of transport studies and set out proposals for taking forward the development and eventual delivery of a Melton Mowbray Transport Strategy, which would include plans for an outer relief road for the town.

Recommendation

2. It is recommended that the Cabinet:

(a) Supports in principle the strategic growth of Melton Mowbray;
(b) Agrees that the County Council should work jointly with Melton Borough Council (MBC) to seek to develop a Melton Mowbray Transport Strategy, which would focus at this time on work to identify a preferred corridor for an outer relief road for the town;
(c) Notes that the cost of developing a Strategy and the preferred route of the outer relief road is currently estimated to be in the region of £1.5m;
(d) Agrees to the County Council entering into discussions with MBC to determine how the development of a Strategy is to be funded, including to agree a suitable financial contribution by MBC and to seek to secure funding from other parties as required;
(e) Subject to the outcomes of the discussions and to consideration by the Cabinet of any other funding priorities, agrees to the County Council providing a maximum contribution of £0.5m towards the cost of developing a Strategy;
(f) Agrees that the County Council as Highway Authority will accept a proportionate and reasonable deterioration in traffic conditions in Melton Mowbray as a result of developments being permitted prior to full completion of an outer Relief Road (ORR) on the condition that such developments are contributing to the delivery of the ORR and wider strategy.
Reason for Recommendations

3. Despite previous investments in highway improvements, Melton Mowbray continues to experience some significant traffic congestion problems. Recently available study evidence (see Part B) highlights that further significant housing and economic growth in the town is likely to exacerbate these problems. The County Council (as the Highway Authority) has already advised MBC (the Local Planning Authority) to consider refusing a number of planning applications in the town on the grounds of ‘severe’ residual traffic impacts. (‘Severe’ is as referred to in the National Planning Policy Framework.)

4. Based on recent evidence it is clear that to enable the town’s future growth a significant, coordinated investment in new transportation measures is required. It has also become evident that this will need to include the provision of significant new highway capacity, most likely in the form of an outer relief road (ORR).

5. Developing a Melton Mowbray Transport Strategy would best ensure the necessary coordination of potential future transport investments in the town. It would also provide a robust basis to underpin bids to secure funding from public and private sources.

6. As set out in Part B of this report, the development and full completion of an ORR would be subject to the availability of necessary funding and would likely take the lifetime of Melton’s new Local Plan to deliver (i.e. to 2036).

7. In the light of this, there may be circumstances, as set out in paragraphs 72 to 78 below, where it might be appropriate for the County Council as Highway Authority to support in principle a proposed development that was able to make a contribution towards delivery of the scheme, even where that development might result in a severe residual transport impact in the interim.

Timetable for Decisions (including Scrutiny)

8. MBC will be reporting this matter to its Members later this month.

9. An early commencement of work to develop a Strategy would assist MBC to deal with current planning applications for developments in the town and in the preparation of its new Local Plan, minimising the risk of ‘unplanned’ development.

10. MBC is currently working to a timetable which would see the Preferred Options Melton Local Plan being published for consultation in October 2015 with the aim of having the plan adopted by May 2017.

Policy Framework and Previous Decisions

11. Supporting the economy of Market Towns and rural Leicestershire is a priority of the Leicester and Leicestershire Enterprise Partnership’s (LLEP) Strategic Economic Plan, which was considered by the Cabinet in March 2014.

12. The Enabling Growth Action Plan, approved by the Cabinet in March 2015, identifies supporting the development of Market Towns for employment land as a priority activity for the County Council. It includes a specific action to work with MBC to plan for the future growth of Melton Mowbray.
The third Leicestershire Local Transport Plan (LTP3), approved by the County Council in March 2011, contains six strategic transport goals. Goal 1 is to have a transport system that supports a prosperous economy and provides successfully for population growth. The LTP3 sets out the County Council’s approach to achieving this, namely to improve the management of the road network and continuing to address congestion issues.

The LTP3 Implementation Plan (2015/16), approved by the Cabinet in March 2015, contains an action to take forward work to identify and cost a preferred scheme to address Melton Mowbray’s transport problems.

Resource Implications

It is estimated that the development of a Strategy, including the identification of a preferred corridor for an outer relief road and other supporting transportation elements, is likely to cost in the region of £1.5m over a period of around 18 months; it is proposed that up to £0.5m would be funded by the County Council, subject to certain caveats as set out in paragraph 70 of this report below. The progress of the development of a Strategy would be informed by close working with MBC, as it develops the new Melton Local Plan. (Development of a Strategy would inform development of the Local Plan and ultimately will also need to be a feature of it).

The cost of developing a Melton Mowbray Transport Strategy far exceeded the funding identified in the 2015/16 LTP3 Implementation Plan. This is because at the time that the Implementation Plan was prepared the initial study work on Melton Mowbray was still ongoing.

A report elsewhere on the agenda for this meeting (Review of the Medium Term Financial Strategy and Investment Proposals) seeks approval, inter alia, to allocate £2m for the modelling and advanced design of highway infrastructure schemes and development of potential funding bids across the County, including in and around Coalville and Loughborough. This allocation would provide the source of funding for the County Council’s contribution towards the development of a Strategy for Melton.

In the event that full funding for the development of a Strategy (i.e. the £1.5m as currently estimated) could not be secured a further report would be submitted to the Cabinet.

Further resource implications arising from the development of an ORR scheme and potential funding options for its delivery are considered in paragraphs 63 to 65 of this report.

There are a number of competing demands for capital funding that arise from significant forecast population growth in the County. The MTFS and capital programme will be developed over the Autumn for approval in February 2016. It is expected that the required infrastructure projects will far outstrip available resources.

The Director of Corporate Resources and the County Solicitor have been consulted on this report.
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PART B

Background

Planning

22. Up to date evidence prepared for the new Melton Local Plan, including the Leicestershire Strategic Housing Market Area Assessment 2014 (SHMAA) and the Melton Employment Land Study (2015), has been used by MBC to prepare a development strategy for inclusion in the emerging Melton Local Plan.

23. This evidence establishes an Objectively Assessed Need for 245 homes per annum in the Borough of Melton between 2011 and 2036 (which rises to 300 dwellings per annum when account is taken of significant under-delivery of housing in the Borough since 2011) and the need for around 31 hectares (ha) of additional employment land.

24. MBC’s approved approach to the distribution of this development is to provide for:

- 65% of the housing (3981 homes) within and on the edge of Melton Mowbray;
- a 20 hectare of prestige employment site at Leicester Road Industrial estate (for B1, B2 and B8 uses); 1 hectare of land within the town for office and start-up business space; and for 10 hectares of employment land to be identified at Asfordby Business Park and Holwell Works.

25. The level of growth required by this evidence represents a significant increase in development levels in the town when considered against that which has been delivered in recent years.

Transportation

26. Despite previous investments in highway improvements, there continue to be significant traffic problems in the town. These are already acting as a constraint on the town’s growth; MBC, as the Local Planning Authority, has already been advised by the County Council, as the Highway Authority, to consider refusing a number of planning applications on the grounds of severe traffic residual impacts.

27. Studies have been commissioned jointly between the County Council and MBC to provide evidence to aid understanding of the causes of the traffic problems in Melton Mowbray and of the nature of the transportation measures required to enable its continued strategic growth. These studies have only recently been completed, and the key outcomes are summarised below.

28. This evidence has been used to inform emerging development options for inclusion within the new Melton Local Plan. It is clear that alongside growth proposals, the Melton Local Plan will need to provide a coherent, justified and evidenced transport strategy which links the delivery of new homes, jobs and services within the town to the provision of a package of traffic relief measures, including the provision of a relief route.
Key Outcomes of the Traffic Studies

29. A number of separate, but inter-linked, studies have been undertaken by transport consultants Jacobs using the Leicester and Leicestershire Integrated Transport Model (LLITM). Taken together, these studies have examined:

- existing traffic conditions in the town;
- future traffic conditions, in the light of growth pressures; and
- the nature of transportation measures likely to be required to enable the town’s successful strategic growth.

30. Overall, these studies provide evidence of the key linkages between planned growth, the new Melton Local Plan and the need to increase highway capacity to enable the continued strategic growth of Melton Mowbray.

31. **Existing traffic conditions:** In summary, the studies confirm the extent to which the town is struggling to cope with existing traffic volumes, with high levels of delay (with associated costs, e.g. to businesses) caused to vehicles. At peak times, a number of main routes into the town, including the A607, A6006 and B676 are shown to have delays in excess of 3 minutes per mile, an indicator of severe congestion.

32. The studies also highlight that the main problems appear to be centred on a relatively small number of junctions in and around the town centre (shown in the plan attached as Appendix A to this report). These junctions are at crucial points on the network where the main routes into the town converge and where there are limited alternative routes for traffic.

33. In terms of the make-up of traffic currently using the town’s road network, the studies highlight that the vast majority (around 80% of the total peak hour and daily traffic in the town) is non-through traffic; that is traffic either travelling between origins and destinations within Melton Mowbray or travelling externally to a destination/from an origin within the town.

34. Around 20% of the total peak hour and daily traffic in the town is through traffic, i.e. without either an origin or destination in the town.

35. **Future traffic conditions:** The studies show that the predicted impacts of growth will cause a marked deterioration in traffic conditions in the town.

36. By 2031, most of the main routes into the town are forecast to experience delays of more than 3 minutes per mile at peak times, with many, including the A606, A607 and A6006 predicted to have delays of over 5 minutes per mile. This would be an unacceptable, severe impact.

37. The studies also show evidence of more traffic diverting to less suitable “rat-runs” in order to avoid the most congested town centre junctions.

38. An overall conclusion that can be drawn from the studies is that, in transport terms at least, Melton Mowbray is effectively ‘full’. Given the existing transport network, there is little or no scope for the town to grow significantly.
Options for the Future

39. One option would be to do nothing. Without further investment in transport improvements in Melton Mowbray, it is expected that traffic conditions in the town will continue to deteriorate with potentially unacceptable levels of congestion and delays.

40. Increasing levels of delay can be damaging economically, adding to the operating costs of businesses and causing ever greater disruption to residents as they seek to access services and facilities in the town.

41. Advice from the County Council as Highway Authority would continue to be that MBC consider refusing proposals for significant growth in the town.

42. In such circumstances there is a risk of Melton Mowbray stagnating economically as, due to traffic conditions in the town, developers (including of housing and employment) are (effectively) ‘forced’ to look elsewhere to build in the Borough. This brings the attendant risk that ad-hoc, ‘unplanned’, scattered development in settlements remote from the town will cause transport problems that are no less challenging to resolve, e.g. the accessibility to services other than by car.

43. There is a further risk that should developers choose to appeal against a refusal of planning permission, a planning inspector will make a judgement that the need for growth is so pressing as to outweigh traffic concerns and thus allow development to proceed; in turn this may lead to an acceleration of the issues referred to in paragraph 42.

44. Should Melton Mowbray stagnate economically, this could result in greater pressures on services provided by the County Council and other bodies, e.g. through loss of jobs should businesses choose to move elsewhere or through increasing difficulties of access to facilities should shops close.

45. Thus, ‘do nothing’ is not considered tenable. The town makes an important contribution to the economy of Leicester and Leicestershire and it is an important centre of services for those who live in its rural hinterland.

46. It would therefore appear most sensible and cost-effective for the County Council to work with MBC to plan proactively for Melton Mowbray’s future growth.

47. Accepting this rationale presents three main transport investment options:

   Option (1) - Local Sustainable Transport Fund (LSTF)

48. This would involve the provision of packages of infrastructure improvements and revenue funded initiatives broadly similar to those delivered in Coalville and now being delivered in Hinckley. The focus would be on seeking to maximise travel by walking, cycling and public transport in order to reduce car usage, and in turn congestion levels in Melton Mowbray.

49. However, whilst this option might have some benefits, the studies have shown that levels of walking and cycling in Melton Mowbray are already relatively high, which may limit the scope for further improvement. Further, the scale of existing and
future congestion is such that an LSTF approach alone would not reduce traffic levels sufficiently to enable the town’s strategic growth. It is more likely that this option would form a supporting element of an overall Melton Mowbray Transport Strategy.

Option (2) - Improve Use of the Existing Road Network

50. This would build on previous investments by seeking to improve key junctions and road links within the town.

51. However, like most urban areas, the road network in Melton Mowbray is constrained by building locations; property demolition would certainly be required to implement this option if it is to have any sufficient effect on congestion levels.

52. In addition, the studies suggest strongly that this option would only be a relatively short-term solution in strategic planning terms; it might enable the town to grow to a certain extent but it is very probable that congestion problems in the town would once again increase to levels that impaired its ongoing strategic growth.

53. Once again, it is more likely that this option would form a supporting element of an overall Melton Mowbray Transport Strategy.

Option (3) - Provide Significant Additional Highway Capacity

54. This would involve construction of new road infrastructure to provide relief to the town’s existing highway network.

55. The outcomes of the studies suggest strongly that this is the only viable long-term option to enable the continued and ongoing strategic growth of Melton Mowbray. New road infrastructure would remove some of the existing traffic from the congested town centre (including through traffic) and enable some traffic from new developments to avoid the need to travel through the centre of the town.

56. Whilst not without its delivery challenges, as outlined below, when considered in the wider interests of the Leicester and Leicestershire economy; the potential cost-effectiveness to the Authority; and of the benefits it would ultimately provide for the town’s existing residents and businesses, this would appear to be the most appropriate option to take forward as the key element of a Melton Mowbray Transport Strategy.

Delivering new highway capacity

57. Preliminary assessment work has concluded that some form of outer relief road (ORR) is most likely to be required.

58. An inner route has been considered but ruled out because:
   • it appears to spread traffic congestion further around the centre of the town rather than provide relief;
   • it is likely to have only a limited life in strategic planning terms (as per Option 2 above); and
   • there are likely to be severe delivery constraints – in practice it might not actually be deliverable.
59. As shown at Appendix B an ORR is likely to be formed by a series of individual, but coordinated links, including links to the north and south of the town. A key question that has not yet been resolved is whether they would be linked together by a route to the east or west of Melton Mowbray.

60. A preliminary assessment of a route including a link to the west of the town has been undertaken. This appears to be a viable option as:

- it would provide substantial traffic relief to the town
- it provides sufficient capacity to enable MBC’s ongoing strategic growth;
- there do not appear to be any fundamental barriers to its delivery, subject to the availability of funding.

61. To develop a Transport Strategy that would include a definitive corridor for an ORR is currently estimated to cost in the region of £1.5m.

62. The further development of an ORR scheme, including the completion of all necessary planning and Compulsory Purchase Order procedures, is currently estimated to cost an additional £2m to £2.5m over a period of 36 to 48 months.

63. The total cost of delivering an ORR would be in excess of £50m and might perhaps approach £100m. It would not be possible for the County Council and MBC to fund it. Under present arrangements, another potential source of public funding would be a Single Local Growth Fund (SLGF) bid, via the LLEP, (although under present SLGF arrangements some element of local match-funding would still probably be required). Opportunities could also be explored to secure develop contributions. (paragraphs 68 to 70 refer to further discussions on funding.)

64. The provision of any ORR, whatever its route, would rely on partnership working with MBC and developers. In certain circumstances developers could, rather than make a financial contribution, deliver sections of the scheme as part of their sites.

65. Even assuming the prompt availability of all necessary funding, a scheme of this scale would likely take the lifetime of Melton’s new Local Plan to deliver (i.e. to 2036), bearing in mind that part(s) of it is (are) likely to be provided as an element of, or by, the development it will promote over this period.

Proposed Way Forward

66. Further study work and detailed modelling needs to be done to help support strategic growth across the County, including in and around Coalville and Loughborough. It is considered that there is a clear and compelling case for Melton Mowbray to be included in this work. On the basis that this is accepted, the following way forward is therefore proposed:

67. Seek to develop a Melton Mowbray Transport Strategy:  
a. The County Council to work jointly with MBC to seek to develop a Transport Strategy for the town, which would focus at this time on the identification of a preferred corridor for an ORR, but would also include supporting measures to provide a rounded, comprehensive approach to addressing the town’s transportation issues.
b. Recognising that the Strategy would be both about enabling strategic growth and addressing existing congestion problems, its development costs would be shared between MBC/County Council, unless alternative funding sources could be secured (see below).

68. **Seek to secure funding to develop and deliver a Strategy:**
   a. MBC and the County Council to hold joint discussions with the Leicester and Leicestershire Enterprise Partnership to:
      • seek a financial contribution towards the estimated £1.5m cost of developing a Strategy; and
      • ensure that a robust business case for seeking a SLGF contribution towards the delivery of an ORR is made in accordance with its Local Assurance Framework. (Even if a robust case is made, there is no guarantee that SLGF monies will be secured.)
   b. MBC and the County Council seek public funding from other sources, e.g. the Homes and Communities Agency.
   c. Mindful of the Community Infrastructure Levy (CIL) Regulations and CIL ‘tests’, discussions to take place with MBC to explore whether and how it might be possible to secure developer contributions towards the costs of developing and delivering the Strategy, including from current planning applications.

69. Dependent on the agreement of a suitable MBC financial contribution and, as necessary, that any balance of funding can be secured from other parties to guarantee that the development of a Strategy could be completed, the County Council would make available a maximum contribution of £0.5m towards the development costs of a Strategy.

70. In the event that full funding (i.e. the £1.5m as currently estimated) could not be secured a further report would be submitted to the Cabinet.

**Highway Authority comments on planning applications for Melton Mowbray**

71. MBC as the local planning authority will generally determine planning applications for housing and employment development. The (County) Highway Authority is a statutory consultee. Decisions on planning applications are made by MBC having regard to its own policies and the advice of statutory consultees.

72. Given existing traffic conditions in Melton Mowbray, the “in principle” position of the Highway Authority to date has been to advise MBC to consider refusing planning applications for development proposals that would have a severe residual traffic impact.

73. Subject to the securing of full funding for the development of a Transport Strategy and provided that MBC can put in place a way to secure developer contributions (including from current planning applications) in advance of completing development of a Strategy, it would be appropriate for the County Council, as Highway Authority to review its “in principle” position in respect of development proposals in the town.

74. It is considered that it would be in the long-term interest for the Highway Authority to support a new development prior to the full completion of ORR where that development was able to provide a contribution to an ORR, even if the impact of
that development might be severe until such time as the scheme was completed. Elsewhere, growth options may be able to bring forward parts of the overall Strategy in such a way that they have a ‘neutral’ impact, i.e. they generate traffic but that is alleviated by highway improvements carried out at the same time.

75. This approach would help to facilitate development, but would require the Highway Authority to accept that there could be further deterioration in traffic conditions in Melton Mowbray until such time as an ORR was to be completed, albeit that it might be possible to temper some of those negative impacts through the introduction of more modest transportation measures. Of course, as the Local Planning Authority MBC would also have to accept this premise in order for developments to proceed in these circumstances.

76. Not adopting the approach outlined above would be likely to undermine the delivery of the emerging development strategy for the Borough of Melton and may lead to ‘unplanned’ development across the Borough. It is consider that the transport impacts of such an ‘unplanned’ approach would be more to the wider highway network; this would make it more difficult for the Highway Authority to deal effectively with the residual traffic impacts of development than the above approach.

77. Should the County Council adopt this approach, as the Highway Authority it would continue to advise MBC to refuse developments where there were site-specific highway safety reasons or other robust reasons, e.g. where development might impair the delivery of an ORR.

78. It should be noted that there may still be circumstances where the County Council has no justifiable grounds for advising that a development be refused and/or the development could not reasonably be required to make a contribution to the completion of an ORR.

Public and Political Interest

79. Levels of traffic congestion in the town and the potential traffic impacts of further development have been a long standing issue of concern to local residents.

80. There has previously been a residents’ Action Group that opposed development to the north of the town, including in respect of potential traffic impacts. These concerns were particularly expressed during the development of the proposed Melton Core Strategy, which was not progressed to adoption following a public inquiry in 2013.

Equality and Human Rights Implications

81. Proposals are aimed at tackling congestion both now and in the future and helping to provide more reliable journey times. In turn, this will facilitate strategic growth that should help to meet the social and economic needs of Melton Mowbray’s current and future residents. No detailed assessment has been done at this early stage but if an ORR scheme were to be taken forward an Equality and Human Rights Impact Assessment will be completed at an appropriate point.
Environmental Impact

82. None arising from this report. If an ORR scheme is taken forward a relevant impact assessments will be completed at an appropriate point.

Background Papers

Cabinet – 5 March 2014 Strategic Economic Plan

Cabinet – 16 March 2015 Enabling Growth Plan

Cabinet – 8 March 2011 Third Local Transport Plan (LPT3) (2011-2026)
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=3122&Ver=4

Cabinet – 16 March 2015 Local Transport Plan Draft Implementation Plan 2015-16

Appendices

Appendix A  - Key town centre junctions
Appendix B  - Diagrammatic representation of outer relief road links