CABINET – 9 MAY 2016

PROGRESS WITH THE DEVELOPMENT OF A MELTON MOWBRAY TRANSPORT STRATEGY

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. In September 2015 the Cabinet considered a report setting out proposals for the development and eventual delivery of a Melton Mowbray Transport Strategy, including plans for an outer relief road for the town. The purpose of this report is to advise the Cabinet of further transport study work that has since been undertaken and seek agreement to the way forward, including prioritising the development of a preferred route for the eastern part of an Outer Relief Road (ORR) and establishing a Transport Strategy Fund for the MMTS.

Recommendation

2. It is recommended that:

(a) The development of the Melton Mowbray Transport Strategy (MMTS) is continued as outlined in the report, including the prioritisation of a preferred route and business case for the development of the eastern section of an Outer Relief Road (ORR);

(b) An MMTS Transport Strategy Fund be established for the purpose of supporting the MMTS including funding already allocated and developer contributions arising from planning permissions granted by MBC;

(c) The Director of Environment and Transport be authorised to undertake the necessary consultations and negotiations as required to enable the definition of a preferred route for the ORR, which will be subject to further consideration by the Cabinet once the necessary study work has been completed;

(d) All appropriate opportunities to secure funding should be explored such as submitting a bid via the Leicester and Leicestershire Enterprise Partnership to the Department for Transport for the Large Local Major Scheme Fund;

(e) Where the MMTS identifies minor works that could provide immediate benefit for the town these will be supported by the Transport Strategy Fund provided that this would not be detrimental to achieving funding for an ORR;

(f) Further reports are made to the Cabinet on the MMTS including the development of the eastern ORR business case.
Reason for Recommendations

3. The reason for this work is to enable the ongoing delivery of growth in Melton Mowbray, supported by an effective transport strategy, in line with the requirements and timetable of the new Melton Local Plan which includes provision for the delivery of the north and south sections of the ORR, funded by developers.

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

5. An MMTS Transport Strategy Fund would allow the money secured from public sources to be added to developer contributions to ensure best use of both, as guided by the Melton Mowbray Transport Strategy.

Timetable for Decisions (including Scrutiny)

6. Melton Borough Council (MBC) will consider a report at its next full council meeting in June 2016.

7. Continued work to develop a Strategy as soon as possible will assist MBC in its consideration of planning applications for developments in the town and in the preparation of its new Local Plan, minimising the risk of ‘unplanned’ development.

8. Subject to the Council’s approval, preliminary discussions with funders will commence immediately and an initial Large Local Major Schemes fund bid will be submitted in July 2016.

9. Having published the Preferred Options for the Local Plan for consultation in January 2016, MBC is currently working to a timetable which now includes the final “Publication Plan” being published for consultation in November 2016, with the aim of having the plan adopted by the end of 2017. The MMTS and supporting evidence will inform this process.

Policy Framework and Previous Decisions

10. 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 approved by the Cabinet on 5th March 2014.

11. The Enabling Growth Action Plan, approved by the Cabinet on 16th March 2015, identifies supporting the development of employment land in Market Towns 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.

12. 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.

13. The Environment and Transport Interim Commissioning Strategy, approved by the Cabinet on 19th April 2016, contains an action to take forward work to identify and
cost a preferred scheme to address Melton Mowbray’s transport problems.

**Resource Implications**

14. The development of a MMTS was initially estimated to cost in the region of £1.5m. The Cabinet agreed on 11th September 2015 that up to £0.5m would be funded by the County Council; subject to match funding being available. MBC has allocated £0.4m. The LLEP has been approached to support this project and a bid is included within its current pipeline of projects for Local Growth Fund 3. By pooling the funds already allocated together with the developer contributions an MMTS Transport Strategy Fund can be designated.

15. Melton Borough Council approved a planning application for up to 520 houses off Leicester Road on the 21st April 2016 and this development includes a contribution of up to £4.5m towards strategic transport infrastructure, the availability of which is dependent on the progress of the development. The MMTS will ensure the best use of this funding.

16. This means that the MMTS, including development of the eastern ORR business case, can begin immediately using the available funds.

17. In the 2016 budget, the Chancellor announced a Large Local Major Schemes Fund. Funding bids to this must to be submitted through the LLEP. Schemes must be valued in excess of £52m. Initial bids need to be submitted by July 2016. This fund could be a source of both detailed design and construction funding for the ORR.

18. 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) although every effort will be made to bring this forward if possible.

19. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

**Circulation under the Local Issues Alert Procedure**

A copy of this report has been sent to the following members - Mr. J. T. Orson JP CC, Mr. J. B. Rhodes CC, Mrs. P. Posnett CC, and Mr. A. E. Pearson CC

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PART B

Background

20. Melton Borough Council’s draft Local Plan suggests a potential level of growth that will significantly increase development levels in the town beyond that which has been delivered in recent years.

21. Despite previous investments in highway improvements, there continue to be some significant traffic problems in the town which are already acting as a constraint on the town’s growth.

22. A number of separate, but inter-linked, studies have been undertaken by transport consultants Jacobs, on behalf of the County Council, using the Leicester and Leicestershire Integrated Transport Model (LLITM). The latest report, completed in April 2016, considered in principle the routing for options to the East and West of the town, and the findings of this are summarised below.

23. In summary, the studies confirm the extent to which the town is affected by existing traffic volumes and at peak times a number of main routes into the town are shown to have delays in excess of 3 minutes per mile, an indicator of severe congestion.

24. 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.

25. It is considered that a Transport Strategy is therefore needed to support the strategic growth of the town and to fulfil the dual aim of facilitating the introduction of an ORR, but also helping the town to temper some of those interim negative impacts through the introduction of more modest transportation measures.

26. As indicated in the previous report to the Cabinet (15th September 2015) the ‘do nothing’ option is not considered tenable. The town makes an important contribution to the economy of Leicester and Leicestershire and it is an important service centre for those who live in its rural hinterland.

27. The Cabinet agreed that the County Council would work with MBC to develop a Transport Strategy, which would focus initially on identifying a preferred corridor for an ORR. It agreed also that new developments in the vicinity could be supported in the interest of obtaining developer contributions, accepting that these might cause a temporary deterioration in traffic conditions until such time as the scheme was completed.

28. Developer contributions will be provided through section 106 planning agreements linked to planning permissions granted by Melton BC. Accordingly Melton BC will need to be satisfied that the Highway requirements recommended (including financial contributions towards the funding of the ORR) comply with Regulations governing what contributions can be required and the number of them that can be pooled and used for the ORR.
Progress

29. As shown at Appendix B, ORR links to the north and south of the town will be an integral part of any proposed development as set out in the Melton Borough Council’s Local Plan and as such these ORR sections have a high likelihood of proceeding without depending on either council or bid funds. Further development of these will be subject to discussions and negotiations between developers and the Local Planning Authority (MBC) with support from the County Council as the Highway Authority as part of the MMTS.

30. Since September 2015, further work has been done by County and Borough Council officers supported by Jacobs consultants which considered broad routing options and a link to the east and the west of the town. Jacobs were engaged to provide expert input to the appraisal process and a full report was prepared in April 2016, the results of which are summarised in paragraphs 30 - 37 below. The draft report is available at [www.leicestershire.gov.uk/roads-and-travel/road-maintenance/transport-studies](http://www.leicestershire.gov.uk/roads-and-travel/road-maintenance/transport-studies) Whilst its content maybe subject to ongoing presentational refinement, it is not anticipated that key findings will alter as a result. Any variance from this will be reported to the Cabinet.

The Options

31. Jacobs prepared a comparison of ORR options to the east and west of the town, which involved an assessment of relative strengths and weaknesses of each option through transport modelling and a government approved Early Assessment and Sifting Tool. (E.A.S.T)

32. It was concluded that both options to the east and west had similar benefits. The western option directly serves employment sites but must cross a river and a railway line. The eastern section, albeit with a lower contribution to economic development, by virtue of being shorter, provides greater transport benefits at lower costs.

33. A summary of the modelling outputs is given below. These represent indicative amounts used for testing options and are not as yet definitive estimates.

<table>
<thead>
<tr>
<th></th>
<th>West</th>
<th>East</th>
</tr>
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<tbody>
<tr>
<td>Construction Cost</td>
<td>£107. m</td>
<td>£83.m</td>
</tr>
<tr>
<td>Cost to Traffic Benefits Ratio</td>
<td>0.6 – 1.0</td>
<td>1.1 – 1.9</td>
</tr>
<tr>
<td>Annual Economic Benefit *</td>
<td>£109m</td>
<td>£102m</td>
</tr>
</tbody>
</table>

*Economic benefit defined as Gross Value Added. Normally considered over 10 years

34. Transport models can only estimate based on statistics and algorithms. Local knowledge and discussions with local businesses regarding their expansion requirements, suggests that existing businesses in the west of Melton would still gain significant economic benefit from the east option.

35. More detailed research with businesses will be needed to establish exact employer requirements. Early indications are that the east option enables changes in access patterns to the central area that could help expansion and relocation plans and facilitate a balanced supply of employment sites including valuable 'incubator' units.
36. The eastern ORR has a higher cost benefit ratio. This is not the only factor influencing the chance of bid success but it is one of the first things that scheme funders look for. It is highly unlikely that a scheme with a cost benefit ratio below 1 will be successful in securing funding bids under current Department for Transport guidance. Given this, and considering the overall costs and benefits, it is sensible to make the eastern option the priority to take forward for seeking funding.

37. By focussing MMTS resources on a single corridor to the east, best use of resources can be made. A corridor study can identify the broad route, and this will enable the creation of an outline business case suitable for funding applications.

38. Whilst it is not proposed to pursue the western route at present it is possible that this might be reviewed in the future if, for example, the funding situation changes. The modelling work could then be used to support a business case.

39. The options for allocating resources to highway design will need to balance the requirements for:
   i. A route sufficiently developed to engage with funding agencies
   ii. Preliminary surveys to help a scheme become ‘shovel ready’
   iii. Avoiding blight whilst providing reassurance on progress.

40. This will be kept under review in order to take maximum opportunity of every relevant potential funding opportunity as these might arise at short notice. This may require the Director of Environment and Transport to enter into discussions with interested parties and stakeholders.

41. Further study work and detailed modelling needs to be carried out to help support strategic growth across the County and Melton Mowbray is included in this work. The MMTS will continue to use the LLITM transport model and detailed junction analysis to identify future and current problem areas and alongside specialist input, to support town centre management and study how the demands of housing, jobs and growth can be accommodated.

42. For the avoidance of doubt, this report does not determine the line of the ORR or the eastern link. The definition of a preferred route will be subject to, amongst other things, further study work; public consultations and (as required) negotiations with property and land owners; and further consideration by the Cabinet.

Consultation

43. 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.

44. 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.

45. As part of the development of the Melton Mowbray Transport Strategy, public consultation will be undertaken at the appropriate time, including on the Eastern
ORR. It will also be necessary for officers to engage with relevant local landowners.

**Equality and Human Rights Implications**

46. 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.

**Background Papers**

Cabinet - 11 September 2015 Development of a Melton Mowbray Transport Strategy

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)

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

**Appendices**

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