

AGENDA ITEM 3B

SPECIAL MEETING OF FULL COUNCIL

24TH SEPTEMBER 2015

REPORT OF THE HEAD OF REGULATORY SERVICES

MELTON LOCAL PLAN : DEVELOPMENT OF A MELTON MOWBRAY TRANSPORT STRATEGY

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to invite consideration of the next steps to be taken towards a highways solution for Melton Mowbray.
- 1.2 This report seeks approval for a contribution to support work being undertaken jointly by this Council and Leicestershire County Council to progress work towards a highways solution to enable the long term strategic growth of Melton Mowbray.
- 1.3 It also seeks approval of a Highways Contributions Position Statement relating to the approach that will be taken by the Council in order to facilitate desirable development in the shorter term, whilst retaining its ability to contribute to the preferred Highways solution.

2.0 RECOMMENDATIONS

2.1 It is recommended that:

- (i) Council approves the approach towards the work to developing a Melton Mowbray Transport Strategy, including defining the route of an Outer Relief Road as set out in the report below and evidence reported elsewhere on this agenda.
- (ii) A supplementary estimate of £400,000 be approved, to be funded from the New Homes Bonus Reserve to support the Strategy's development and design work for this link.
- (iii) Council notes that the work is dependent upon securing contributions to the overall cost from Leicestershire County Council and other sources (see paras 3.10 and 5.1 below)
- (iv) Council approves the Interim Highways Contributions Position Statement referred to in paragraph 3.14 and as set out on Appendix A to this report, which explains how the Council will utilise the provisions of the Planning Acts to move forward on this issue.

3.0 KEY ISSUES

- 3.1 In partnership with Leicestershire County Council, this Council has commissioned detailed studies considering the highways infrastructure in and around Melton Mowbray and its implications for achieving growth. The most recent of these is reported elsewhere on this agenda.

- 3.2 These have established that the existing network cannot accommodate the level of growth anticipated as necessary for the future needs of the town, without severe increases in congestion resulting in delays to journey times, and therefore significant strategic infrastructure investment is required in order to facilitate overall growth.
- 3.3 Up to date evidence prepared for the new Melton Local Plan, including the Leicestershire Strategic Housing Market Area Assessment 2014 (SHMA) and the Melton Employment Land Study (2015) (ELS) establish an Objectively Assessed Need for 245 homes per annum 2011-2036 (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 ha of additional employment land.
- 3.4 Whilst no final decisions have been made, the distribution of this development will require a significant proportion of the housing development to be developed on the edge of Melton Mowbray. The ELS identified need for 20 ha of prestige employment site at the Leicester Road Industrial estate (for B1, B2 and B8 uses); 1 ha of land within the town for office and start up business space; and for 10 ha of employment land to be identified at Asfordby Business Park and Holwell Works.
- 3.5 Despite previous investments in highway improvements, there continues 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.
- 3.6 If such circumstances were to continue unaddressed, 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 associated risk that an ad-hoc, dispersed, pattern of development will emerge, which would be poor in sustainability terms and bring with it a related set of infrastructure, transport and social issues. This is currently reflected in a significant number of applications in and around villages as well as the town.
- 3.7 The new study examines the impact that two potential relief road options could provide: an 'inner' and an 'outer' option, and examines the impact that the options would deliver in terms of the following measures:
- Flow Changes;
 - Changes in Volume/Capacity ratios;
 - Changes in delay per vehicle;
 - Changes in Journey Times; and
 - Changes in route speeds and delay per mile.
- 3.8 The modelling suggests that a relief road option would form a sensible, proportionate backbone to an integrated package of measures for Melton. However, an Inner option would accommodate a cumulative development impact of only up to 2500 dwellings, which is significantly less than the town requires. The overall benefits of the Inner option are restricted to town centre junctions and to delivering traffic relief in the short term. An 'Outer' option would provide additional benefits to all routes in the town, to a significantly greater extent, i.e. meeting the impact of the current levels of growth anticipated and providing additional capacity for future demand.

3.9 The Outer option thereby offers an appropriate and longer-term solution to the town, and is therefore a more strategic solution. Delivery of this option does however require either significantly higher levels of growth, or external and multidimensional funding being realised.

3.10 The cost of a Transport Strategy that would include a definitive corridor for an 'outer' route is currently estimated in the region of £1.5m. This work is composed of the development of a preferred corridor for an outer relief road which is likely to cost in the region of £1m, with the cost of developing a full Melton Mowbray Transport Strategy, including other supporting transportation measures, likely to cost a further £0.5m. The County Council resolved on September 11th 2015 to commit up to £0.5 million for this exercise, subject to receiving commitments for funding from other parties. This includes Melton BC and the Highway Authority investigating other possibilities for the balance including:

(a) Approaching the Leicester and Leicestershire Enterprise Partnership (LLEP) 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 Outer Ring Road (ORR) is made in accordance with its Local Assurance Framework.

In this context an outline bid has been submitted to the LLEP jointly by the Highway Authority and MBC.

(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 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.

3.11 The next stage after identification of the preferred corridor is the development of a full outer relief road scheme, including the completion of all necessary planning and Compulsory Purchase Order procedures, and this is currently estimated to cost an additional £2m to £2.5m over a period of 36 to 48 months. The total cost of delivering an outer relief road is estimated to be in excess of £50m. Clearly it would not be possible for the County Council and MBC to fund it this without support from developers and other funding partners.

3.12 Interim Measures

This evidence is being 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. The production of a scheme and securing of funding will take several months and in the meantime development pressures continue and land supply,

particularly in terms of housing, will continue to be restrained. It is therefore desirable to 'unlock' development opportunities that are desirable in other respects and to do so in advance of publication of the local plan and/or the Transport Strategy addressed above.

- 3.13 The development and full completion of an outer relief road is subject to the availability of necessary funding and is likely to take the lifetime of Melton's Local Plan, bearing in mind that part of it is likely to be provided as part of, or by, the development it will promote over the whole period up to 2036. In the light of this, there may be circumstances where, in the meantime, it might be appropriate to support in principle a proposed development that was able to make a contribution towards delivery of the traffic relief scheme, even where that development might result in a severe residual transport impact in the interim.
- 3.14 Based on the highways evidence and its conclusions, it is therefore proposed to adopt an approach to the use of provisions of the Planning Acts that enables development that is desirable in other respects but restrained by the Highways position, to proceed by contributing to the overall solution whilst awaiting its full delivery. This approach is attached as Appendix A.
- 3.15 This approach will provide the means of ensuring development can take place by providing a meaningful contribution to the outer relief road in advance of strategic allocations being made in the local plan. This approach should help to address the increasing shortfall in housing supply and the emerging trend of a dispersed pattern of poorly co-ordinated housing sites, and the risks of unsustainable patterns of development with an absence of significant developer contributions towards the highway solution.
- 3.15 As is made clear from the Highways evidence, one aspect of this approach will be the need to recognise that the acceptance of developments will inevitably mean that traffic conditions may worsen in the short term, until a solution (or coherent parts of a solution) have developed to a stage where they have connected and start to impact in terms of mitigation/relief, i.e. that a single development's contribution may, in itself, not provide any mitigation but will do so once it links to a similar approach on adjacent or 'downstream' site(s).

4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 The Highways evidence has developed our understanding of the key challenges facing the development of the Town and how the Local Plan may be able to guide development to address them.
- 4.2 Further work is required to draw upon this evidence and to select the preferred route. The work will be complemented by the strategies included in the Preferred Options (Draft Local Plan).
- 4.3 These studies are not only relevant to the Melton Local Plan; they provide an evidence base to inform all of the Borough Council's activities and are already providing evidence to inform decisions on planning applications.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 The development of a Transport Strategy is currently estimated to cost in the region of £1.5m. It is estimated that the development of a preferred corridor for an outer relief road is likely to cost in the region of £1m, with the cost of developing a full Melton Mowbray Transport Strategy, including other supporting transportation measures, likely to cost a further £0.5m. The County Council resolved to commit up to £0.5 million for this exercise, subject to receiving commitments for funding from other parties. Members are therefore requested to consider approving a revenue contribution of £400,000. It is anticipated that this work will be undertaken by the County Council and therefore this funding will be passed to them for this purpose when it is required.
- 5.2 It is considered that the New Homes Bonus (NHB) Reserve is the most appropriate source of funding which has a current estimated unallocated balance at 31.3.16 of £405,390. Though not 'ring-fenced', these funds are directly associated with housing growth and were introduced with the express purpose of meeting demands on services and infrastructure associated with such growth, and facilitating growth in the future. It is considered that the investment proposed is closely aligned to these objectives. This fund was created in previous financial years from the balance of the NHB monies that were not utilised to support the revenue budget. Since the 2014/15 financial year the full amount of NHB grant has been utilised to support the revenue budget, meaning this fund once utilised is unlikely to be reinstated without substantial additional reductions in revenue spending over and above that required to balance the budget from central government spending cuts.

6.0 LEGAL IMPLICATIONS/POWERS

- 6.1 The Highways evidence updates are now material considerations in determining planning applications for development and will play a key role in developing policy and site allocations in the Local Plan.
- 6.2 The approach set out in Appendix A engages s106 of the Town and Country Planning Act 1990 and both limitations and requirements imposed by the Community Infrastructure Levy Regulations 2010 (as amended), particularly Regulation 122 and 123 which regulate the use of powers under s106.
- 6.3 Regulation 122 requires that a planning obligation secured under s106 may only constitute a reason for granting planning permission for the development if the obligation is—
- (a) necessary to make the development acceptable in planning terms; .
 - (b) directly related to the development; and .
 - (c) fairly and reasonably related in scale and kind to the development.
- 6.4 Regulation 123 imposes a limitation that planning obligations may not constitute a reason for granting planning permission to the extent that five or more separate planning obligations provide for the funding or provision of the same project, or type of infrastructure.
- 6.5 Appendix A has been drafted to take account of these requirements.

7.0 COMMUNITY SAFETY

- 7.1 There are no direct community safety implications as a direct result of this report.

8.0 EQUALITIES

8.1 The Local Plan is being subject to a detailed equalities impact assessment through each stage of preparation.

9.0 RISKS

9.1

L I K E L I H O O D	A	Very High				
	B	High			2. 3	
	C	Significant			1	
	D	Low		4		5
	E	Very Low				
	F	Almost Impossible				
			Negligible 1	Marginal 2	Critical 3	Catastrophic 4

IMPACT

Risk No	Risk Description
1	Further funding for the Transport Strategy is not secured
2	Decisions on planning applications are made that undermine the approach.
3	Developers fail to make contributions towards highways solutions.
4	The approach set out in the Position Statement impacts on the viability and delivery of desirable developments
5	The housing and infrastructure needed to enable Melton Mowbray to prosper is not achieved.

10.0 CLIMATE CHANGE

10.1 There are no direct climate change issues arising from this report.

11.0 CONSULTATION

11.1 The approaches set out in this report have been developed in close liaison with the Highways Authority.

12.0 WARDS AFFECTED

12.1 All.

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Date: 15th September 2015

Appendices : A: Contributions Strategy

Background Papers: None