Leicestershire County Council

Melton Mowbray Transport Strategy

Workstream 3 –

Bus Network Report

January 2024

itp

a company of Royal HaskoningDHV

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Bus Network Report

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1. Introduction

1.1 ITP was commissioned by Leicestershire County Council to design a future bus network for Melton Mowbray, which was identified as a required 'future workstream' within the Interim Melton Mowbray Transport Strategy[1] (IMMTS). Specifically, 'Workstream 3' of the IMMTS recognised the need for a holistic plan for future passenger transport services within the town to accommodate and maximise the benefits of the town's planned growth. This study has been undertaken to better understand and evidence the ambition of the Strategy and provide a basis for funding such a network. This document forms an addendum to the IMMTS document and should therefore be read in conjunction with the IMMTS.

1.2 The adopted Melton Local Plan (2018) outlines the considerable growth which is proposed to take place in and around the town up to 2036. This commission required the preparation of proposals for an optimal public transport network, which will meet the travel needs of the town as the population expands over the Local Plan period and beyond.

1.3 The proposed public transport network should be attractive to existing and potential users and is intended to be predominantly funded by developer contributions and fares revenue. The proposed network should also be designed to be commercially viable after an initial 'pump priming' phase.

1.4 Following this introduction, Section 2 provides a summary of the existing public transport network in and around Melton Mowbray and the challenges faced in achieving and maintaining a stable network in the town. Section 3 summarises the proposed residential and employment growth to be delivered in Melton Mowbray from now until 2037, its form and location.

1.5 Section 4 summarises the proposals for an optimal public transport network for the town which will meet travel needs as the population expands over time.

1.6 Section 5 outlines the gross and net costs of providing the proposed network per year until 2037 and discusses the relative commercial viability of different aspects of provision.

[1] Interim Melton Mowbray Transport Strategy, 2021

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1.7 Section 6 explains how the network will be funded and proposes a methodology for securing financial contributions from developers, as well as making recommendations for procuring the bus services. Section 7 discusses the supporting measures which are likely to be required to make the network deliverable on the ground and attractive to users.

1.8 Finally, Section 8 provides some key learning points to assist in the roll out of the approach outlined within this report to other areas of significant growth in the County.

2. Existing Public Transport Network

2.1 Previous work to investigate Melton Mowbray's passenger transport network was undertaken by ITP in 2020 to inform the preparation of the Interim Melton Mowbray Transport Strategy (IMMTS), which was subsequently published and approved by the County Council's Cabinet in 2021. This work highlighted the challenges of operating public transport services on a commercial basis in rural market towns. Relatively short travel distances and lower density development, coupled with available car parking, makes car travel an attractive option. This means that the demand for local bus travel is limited. As such, buses tend to be infrequent and fares relatively high. The inability to generate sufficient revenue means that local town services are often unattractive in terms of frequency, duration or directness. Indeed, local needs may sometimes be met by diverting longer distance rural or inter-urban services, which also reduces their attractiveness.

2.2 Since publication of the IMMTS in 2021, the provision of local bus services in and around Melton Mowbray has further declined. The current level of bus service provision in the town is shown in Figure 2-1 with service routes and frequencies summarised in Table 2-1.

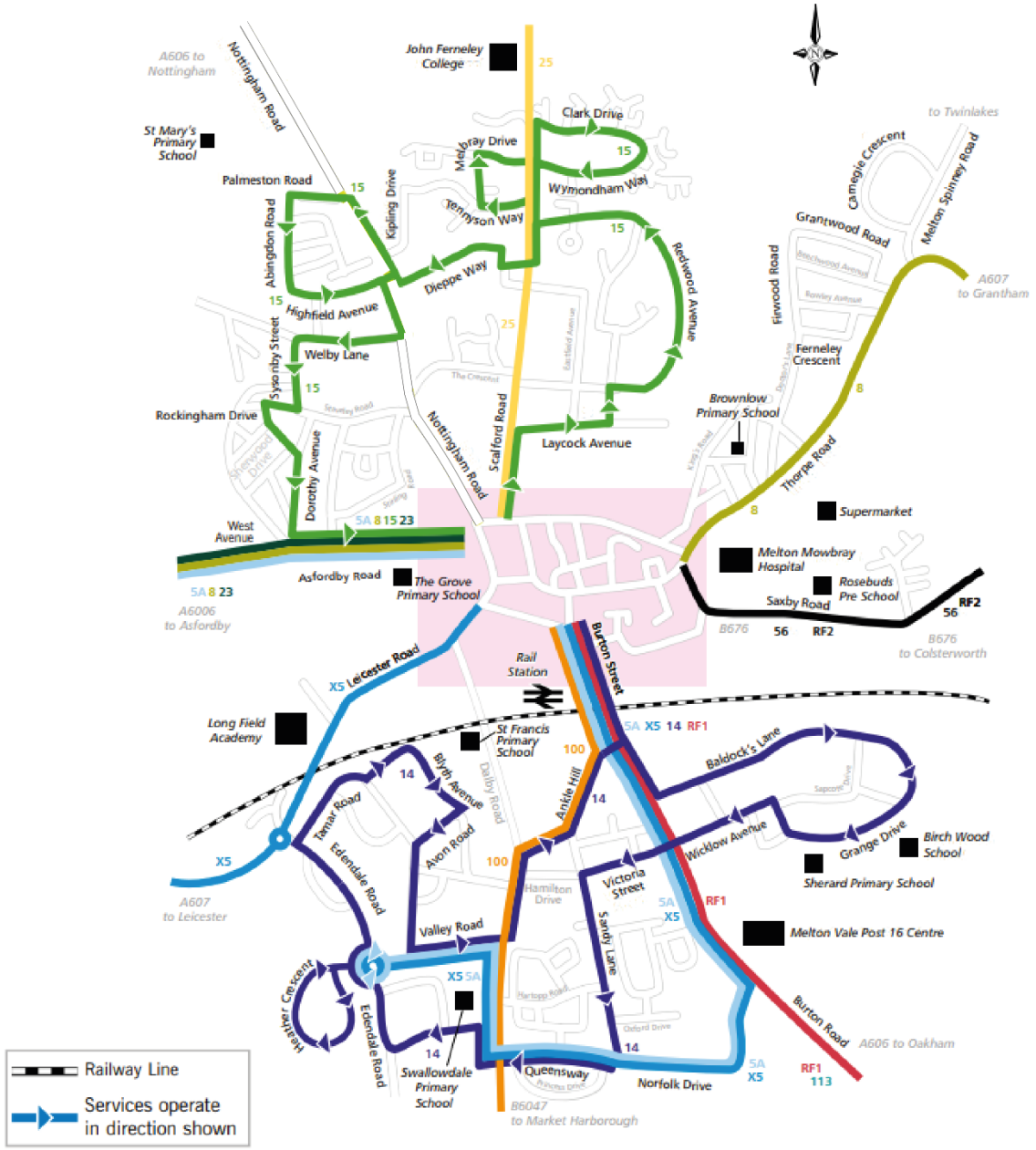
2.3 Prior to the Covid-19 pandemic, much of the public transport network in and around the town was financially supported by the County Council. The frequency of those supported services is limited, with services between the town and the surrounding villages being two-hourly at best, making them unattractive, particularly to anyone who has access to an alternative mode of transport.

2.4 The Melton Mowbray town services (14 and 15) operated by Centrebus were predominantly commercial pre-pandemic, albeit with some de minimis funding to support Saturday journeys and first and last weekday journeys. Centrebus recently secured additional de minimis support from the County Council for these services, whose long-term future remains in the balance. The services largely cater for concessionary travellers to access the town centre and the one-way loops offer unattractive journey times for passengers.

2.5 Inter-urban services have also declined as a consequence of the pandemic. The commercial Service 19, operated by Centrebus between Melton Mowbray and Nottingham, was terminated earlier in 2022 as patronage and revenue fell to a level such that it was no longer viable. Similarly, Service 8, operated by Centrebus between Melton Mowbray and Loughborough, which was commercial on an hourly basis, was recently reduced in frequency to two-hourly to assist it to remain commercial. Such a

reduced frequency will make the service less attractive for the travelling public and patronage can be expected to decline further over time.

Figure 2-1 Map showing recent Melton Mowbray bus network



Source: Melton Mowbray Area Guide from www.choosehowyoumove.co.uk/area-guides

2.6 Prior to the pandemic, Arriva services 5 / 5A / X5, provided a 20-minute frequency service between Leicester and Melton Mowbray. The service currently operates a half-hourly service into Melton Mowbray in response to reduced demand and driver shortages. Discussions with Arriva indicated that there are no plans to further reduce

the frequency of the service into Melton Mowbray and, subject to patronage growth, the frequency could return to a 20-minute or even 15-minute frequency in the future.

Table 2-1 Current local bus service provision in Melton Mowbray (October 2022)

Service	Operator	Route	Monday to	Monday to	Sunday
5 / 5A	Arriva	MELTON MOWBRAY (Queensway & Town Centre) - Rearsby - Syston – Leicester	Half-hourly	no service	no service
X5	Arriva	MELTON MOWBRAY - Rearsby - Syston – Leicester	infrequent	no service	no service
8A	Centrebus	MELTON MOWBRAY - Asfordby - Wymeswold - Burton-on-the-Wolds - Loughborough	hourly	no service	no service
8	Centrebus	MELTON MOWBRAY – Grantham	two-hourly	no service	no service
14	Centrebus	MELTON MOWBRAY Town Service: (Grange Drive - Queensway – Tamar Road - Valley Road)	hourly	no service	no service
15	Centrebus	MELTON MOWBRAY Town Service: (Melbray Drive – Dieppe Way – Welby Lane)	hourly	no service	no service
23 / 25	Centrebus	MELTON MOWBRAY – Bottesford via Old Dalby, Long Clawson & Stathern	infrequent	no service	no service
56	Centrebus	MELTON MOWBRAY - Grantham via Buckminster	infrequent	no service	no service
100	Centrebus	MELTON MOWBRAY, Great Dalby – Somerby-Twyford - Syston	two-hourly	no service	no service
R1	Blands	MELTON MOWBRAY – Whissendine - Oakham - Uppingham – Corby	hourly	no service	no service
R2	Centrebus	MELTON MOWBRAY — Oakham	infrequent	no service	no service
R4A	Vectare	MELTON MOWBRAY - Whissendine -Langham - Oakham - Uppingham	infrequent	no service	No service

Source: http://www.choosehowyoumove.co.uk/everyday/public-transport/ *(Leicestershire County Council)*

2.7 Against this background of unstable and declining service provision, the County Council is undertaking a review of all the local bus services it supports across the county, in light of its revised Passenger Transport Policy and Strategy, with a view to

providing transport services which better meet levels of demand in different types of area. The supported network in Melton Mowbray will be affected by this review and it cannot be assumed that the supported network will remain in its current form. Similarly, it cannot be assumed that the County Council will step in with financial support should current commercial services in and around the town be deemed unviable by their operators in the future.

3. Planned Growth in Melton Mowbray

3.1 The Adopted Local Plan for Melton Borough (October 2018) seeks to expand and accelerate strategic housing and employment growth across the Borough through to 2036 and to concentrate growth within Melton Mowbray. Almost 4,000 dwellings and over 6,000 jobs are to be delivered, which represents a net growth of over 35% in the town's size. Over 3,500 dwellings have either been approved or are actively being promoted by developers through the planning process.

3.2 Most of the housing growth currently planned for the town (up to 3,700 new homes) will be delivered across two new 'Sustainable Urban Extensions' – the 'Melton Mowbray North Sustainable Neighbourhood' and the 'Melton Mowbray South Sustainable Neighbourhood'. Additional houses are proposed on a number of smaller sites across the town.

3.3 Table 3-1 summarises the housing growth trajectory for Melton Mowbray from 2024 through to 2037. Between 2024 and 2037, 2380 dwellings are expected to be completed. Section 106 (S106) funding has already been secured for 1094 dwellings, bringing the total number of dwellings to 3474 by 2037. A further 1649 dwellings are to be completed from 2037.

Table 3-1 Housing growth trajectory for Melton Mowbray, 2024 – 2037 and beyond

Year	Completions	Completions	Completions
2024	109	64	173
2025	121	130	251
2026	165	163	328
2027	141	105	246
2028	119	144	263
2029	75	175	250
2030	83	183	266
2031	83	217	300
2032	83	208	291
2033	48	208	256
2034	33	208	241
2035	33	208	241
2036	32	208	240
2037	25	159	184
2038 Onwards	283	1336	1619

3.4 Over 6,000 planned jobs are to be delivered across four 'Manufacturing Zones' in and around the town, comprising up to 160 hectares of employment land, of which 80 hectares is allocated through the Local Plan (see Table 3-2). The zones are:

- Leicester Gateway to the south-west of the town
- Melton Commercial Park and Holwell Works to the north-west
- Crossfield Drive and Saxby Road Employment Area to the east
- Melton Mowbray Livestock Market on the northern edge of the town centre

Table 3-2 Expected employment land development trajectory

Site	Allowed use	Size	Total	Status
Leicester Gateway (Including 21/01280/OUT)	B1[2]/B2/Limited B8	10ha	20ha	First application received
Melton Commercial Park (Asfordby Business Park)	B2 or B8		10ha	No known proposals/timescale
Holwell Works	B1/B2/B8		20ha (approx)	No known proposals/timescale
Crossfield Drive	B1/B2/B8 (assumed)		11ha (approx)	No known proposals/timescale
Saxby Road Employment Area	B1/B2/B8		9.21ha	No known proposals/timescale

3.5 All these developments will generate demand for travel, which the prevailing public transport network would struggle to meet. As such, it is recommended that all new residential and employment development in Melton Mowbray is required to contribute to the provision of an integrated and coordinated public transport network for the town, which meets the needs of a growing population.

[2] B1 in Table 3-2 also covers equivalent planning use class E(g) as per the changes to Land Use Classes by Government (2020)

4. Proposals for an Optimal Bus Network

4.1 The incremental nature of housing and employment site completions across the town between 2024 and 2037, coupled with uncertainty surrounding timescales for completion of access roads through the two new Sustainable Neighbourhoods enabling them to be traversed by big buses, lends itself to a phased approach to the provision of a bus network for the town. A two-phased approach is proposed, commencing with enhancements to existing scheduled bus provision and an on-demand service prior to extending scheduled fixed route provision.

Phase 1 – Enhanced Local Bus and Digital Demand Responsive Transport

4.2 It is recognised that there is existing scheduled bus provision in the town (Service 14 / 15), which was previously operated on a commercial basis, but which the Council now part-subsidises via de minimis payments. As part of the previous future bus network research, the operator confirmed that if the Council withdrew its de minimis subsidy for the service, the service would be withdrawn in its entirety as no elements were considered to be commercial.

4.3 There is potential for the town service (service 14 /15) to return to commerciality by rationalising the routes and making them more direct into the town centre, which would reduce journey times. It is proposed that a revised town service is operated, whether it is negotiated with the incumbent operator or tendered as a completely new service, with new DDRT vehicles picking up any areas that would be left beyond walking distance of the services The town services should be actively marketed and promoted to new residents and employers / employees to encourage usage. It is recommended that these changes are made from year 1 (2024) until year 5 (2028) using conventional diesel buses.

4.4 In addition to the town service improvements, the Council could consider using other funding sources, such as the Department for Transport's Bus Service Improvement Plan Plus (BSIP+) funding, to 'pump prime' a new service to replace the discontinued commercial bus service between Melton Mowbray and Nottingham (service 19). Such a service would be attractive to new and existing residents of the town, reintroducing a lost link into Nottingham, as well as expanding the public transport catchment area for new employment sites in Melton. The intention would be for such a service to achieve commercial viability within two years or be revised following the end of any BSIP+ funding to a level of provision which could be operated commercially.

4.5 All incoming residents of the new housing developments and employees of the new employment zones will be entitled to become members of the DDRT scheme. All trips will originate and terminate within the town. Where appropriate, trips will feed into scheduled bus services to avoid abstraction. All trips must be booked in advance via an app or booking website, ideally with options for integrated ticketing with other local bus services.

4.6 Operating a fully on-demand service for a period of five years from 2024 – 2028 inclusive will enable low-level demand to be met for travel into the centre of Melton Mowbray and to other locations, such as the main employment zones, particularly during the early development stages when estate roads are less likely to be accessible using larger vehicles. It will also allow for onward travel via conventional bus (and rail) services from the town centre. Ongoing monitoring of DDRT usage will enable popular trip origins and destinations to be identified to inform the final detailed design of scheduled bus services in the future.

4.7 In order to provide an attractive alternative to the car, deliver access to essential facilities, services and employment zones during and outside office hours, the DDRT should operate seven days per week between 05:30 and 23:00.

4.8 Once scheduled bus services are expanded in Phase 2 in response to growing demand, the requirement for DDRT is expected to reduce, but it is likely that certain locations will remain difficult to serve by conventional bus. A reduced level of DDRT provision will ensure that those areas which are still in development with incomplete road construction or areas with restricted road widths continue to be served. The proposal retains this reduced level of DDRT provision in Phase 2 from year 6 (2029) to year 14 (2037).

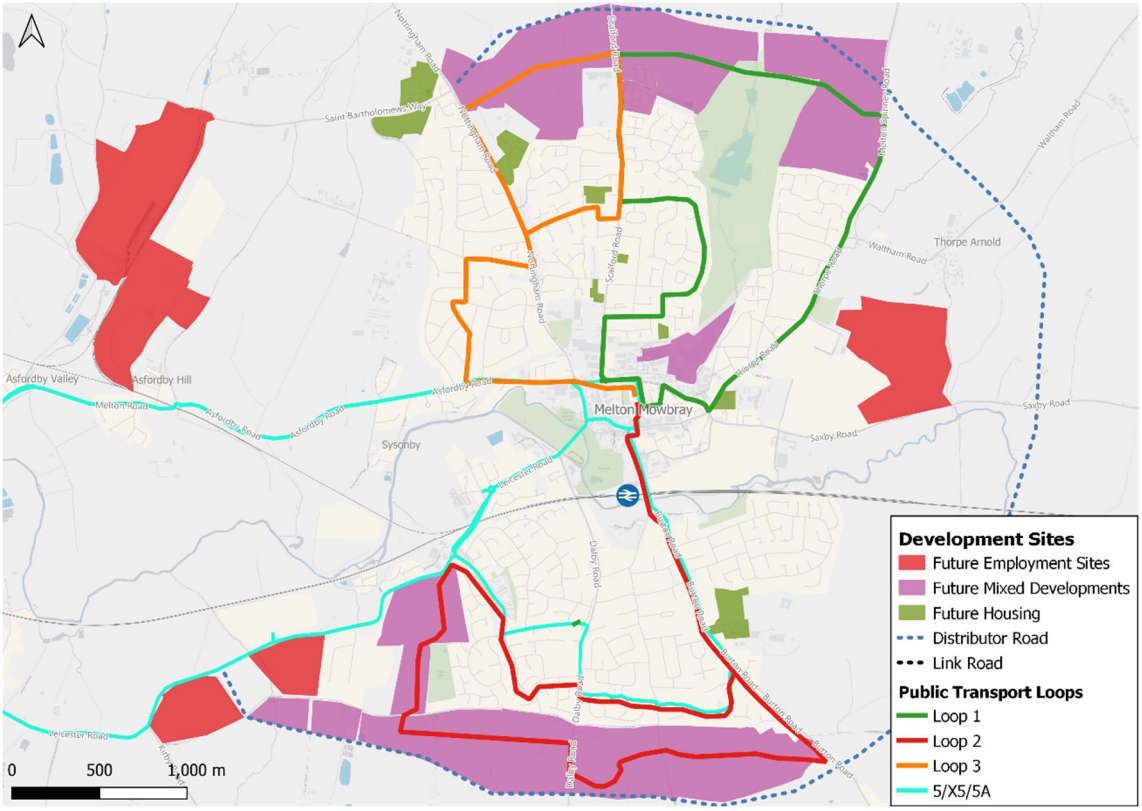
Phase 2 – Scheduled Fixed Route Bus Services

4.9 By the start of year 6, (2029), the cumulative number of completed new dwellings (circa 1000 dwellings) in the town begins to support more penetrative scheduled bus provision. This assumption is based on link roads through the Sustainable Neighbourhoods being largely complete and wide enough to enable through access for full size single- or double-deck buses. At the time of writing, the schedule for completion of those roads is unknown.

4.10 A network of bi-directional loops is proposed to meet the travel needs of the town (see draft routing in Figure 4-1). The map also shows the route of service 5 / 5A / X5 (in pale blue). It is assumed that this existing commercial service, operating at least a 30-

minute frequency service into Melton from Leicester will continue, serving some of the new growth proposed for the western side of the South Sustainable Neighbourhood.

Figure 4-1 Proposed network of scheduled bus services in Melton Mowbray (also showing Service 5 /X5/5A route)



4.11 Each new loop provides a 30-minute frequency service into the centre of Melton Mowbray as follows:

- Loop 1 will provide a route from the town centre via Scalford Road, travel through the North Sustainable Neighbourhood and back into town via Thorpe Road
- Loop 2 will provide a route from the town centre via Burton Road to serve the South Sustainable Neighbourhood before returning to the town centre via Edendale Road, Dalby Road, Queensway and Burton Road
- Loop 3 will serve the western section of the North Sustainable Neighbourhood, travelling in via Nottingham Road and back to the town centre via Scalford Road

4.12 The exact routing of the loops and timescale for implementation will be determined in relation to building and link road completions. It is anticipated, however, that as Loop 1 reaches its destination, it could continue as Loop 2, enabling passengers from the

north to access the train station for onward travel and other destinations south of the town centre.

4.13 Planning of the final routing for each of the loops will adhere to the principles contained within the County Council's Passenger Transport Policy and Strategy, which dictates that residents should be within 800m walking distance of a bus stop if they do not have access to another service that they can use, or they live beyond walking distance of a settlement centre.

5. Costing the Proposed Network

5.1 The following assumptions have informed the operational cost calculations:

- DDRT is estimated to cost £150,000 per vehicle per annum to provide, including the back office, app (and website) booking[3]
- DDRT will operate for five years with three minibuses (at least Euro VI or equivalent) and for a further eight years with one (zero-emission) minibus. It is assumed that the cost of leasing a zero-emission minibus by 2029 will be broadly equivalent to Euro VI 2023 diesel minibus leasing prices.
- The conventional bus network will be operated with zero-emission vehicles from 2029, before which time diesel buses will be used.
- The costs for zero-emission buses include service operation and provision of charging infrastructure.
- From 2029, each scheduled bus loop will operate for 13 hours per day Monday – Saturday daytime (05:30 – 18:30), five hours Monday – Saturday evening (18:30 – 23:30) and eight hours on Sunday (08:00 – 16:00). An additional two hours per day have been included in the costs to cover driver breaks and dead mileage driving time.
- Scheduled bus frequencies will be half-hourly Monday – Saturday daytime, reducing to hourly in the evening and hourly all day on Sunday.
- Each loop is assumed to be approximately 7km in length, with a running time of less than 30 minutes.
- Three conventional buses (referred to as 'big bus' in the tables) will operate the scheduled services on the three loops – these may be single or double deck vehicles.
- Bus driver costs are approximately £13.50 per hour in 2023[4]
- An annual inflation uplift is applied to all costs in line with DfT's Webtag data book[5] figures (see Appendix 1 'Inflation Uplift' percentages in 'Service Definition' worksheet)

5.2 In addition to the operational costs of the proposed network, there will be delivery costs incurred in providing charging infrastructure and procuring the services, as well

[3] Based on a ballpark cost of £135,000 per vehicle per annum provided by a leading DDRT supplier in 2020 and factored up to account for inflation increases in the interim
[4] Bus Driver salary in United Kingdom (indeed.com)
[5] https://www.gov.uk/government/publications/tag-data-book

as managing contracts and monitoring their performance on an ongoing basis. It is assumed that:

- It will cost the County Council £30,000 in 2024 to procure a DDRT supplier and operator (and potentially a new 'big bus' operator for the town service) and award contracts.
- It will cost the County Council £30,000 to procure the scheduled bus services in 2024 and again in 2028 and to award contracts.
- The County Council will require additional resource, equivalent to £10,000 per year for 13 years, with an annual inflation uplift in line with DfT's Webtag data book figures, to manage the DDRT contract and monitor performance.
- The County Council will also require additional resource, estimated to be £10,000 from 2028 to manage the conventional bus services, with the same annual inflation uplift.
- Charging infrastructure costs are a one-off project payment in 2029 to support the conventional bus (and potentially electric DDRT) contracts. They have been calculated based on zero-emission bus financing guidance[6]

5.3 The costs outlined are best estimates, based on industry good practice, and reflect the state of the economy and the local bus market at the time of writing this report.

5.4 It is recognised that there are proposals for growth beyond the current Local Plan period from 2037. The proposed network may be revised as appropriate to meet the travel needs of this additional growth from 2037 onwards. The funding model may be extended to include developer contributions for any growth from 2037 onwards.

5.5 Figure 5-1 summarises the level and type of public transport provision between 2024 and 2037.

Figure 5-1 Funding timescale and level of PT provision

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
DDRT - Number of vehicles in operation	3	3	3	3	3	1	1	1	1	1	1	1	1	1
Big Bus - Number of vehicles in operation	2	2	2	2	2	3	3	3	3	3	3	3	3	3

5.6 **Error! Reference source not found.** shows the gross cost of providing the proposed network is **£10,711,976**. The gross cost includes the operating costs for DDRT and big bus, the installation and operation of vehicle charging equipment, as well as the cost of procuring the services, monitoring and managing the contracts.

[6] Zero Emission Bus Financing Ideas Pack, Transport Scotland, March 2021 (pg 19) PowerPoint Presentation (cpt-uk.org)

Table 5-1 Gross cost of the proposed network

PT Provision	Cost
DDRT	
Gross operating costs	£3,992,005
Project costs	£191,556
Total costs of DDRT	£4,183,561
Big Bus	
Gross operating costs	£5,602,096
Project costs	£926,319
Total costs of fixed bus	£6,528,415
Total network cost	**£10,711,976**

Net cost

5.7 The net cost of delivering the network is **£5,362,294** (see **Error! Reference source not found.**). This covers the period from 2024 to 2037 inclusive for DDRT and conventional bus (see '**Error! Reference source not found.**' section below for details of the funding period).

Table 5-2 Net cost of PT network provision

Gross cost 2024 - 2037	£10,711,976
Funds already agreed	£2,006,000
Fare Revenue for Fixed Bus	£2,194,383
Fare Revenue for DDRT	£1,149,300
Net Cost	**£5,362,294**

5.8 It is recognised that £2m of S106 funding has already been secured from four planning applications to deliver 850 dwellings in the town. For three of the four applications planning consent was conditional on a 'Sustainable Travel' contribution to be used towards delivery of bus services and walking/cycling measures. For the fourth application,

It has been assumed that the full £2m from these four applications will be subtracted from the net cost.

5.9 Table 5-3 shows the spend profile in relation to the £2m of Section 106 funding that has been secured to date. The net costs would enable the provision of the proposed network for approximately four years, beyond which point additional funding - whether Section 106 or other sources - would be required.

Table 5-3 Spend profile for £2m of secured Section 106 funding

	DRT			Big Bus			
Year	Costs	Revenue (from new trips)	Net Cost	Costs	Revenue (from new trips)	Net Cost	Combined Cumulative Net Cost
2024	£498,786	£61,152	£437,634	£225,982	£9,465	£216,517	£654,151
2025	£473,780	£119,192	£354,588	£197,877	£30,280	£167,596	£1,176,335
2026	£478,706	£120,432	£358,274	£197,136	£55,592	£141,544	£1,676,153
2027	£486,412	£181,289	£305,122	£197,562	£80,781	£116,781	£2,098,057
2028	£497,599	£245,733	£251,866	£197,825	£112,671	£85,153	£2,435,076

Fare revenue

5.10 To determine likely fares revenue for use of the DDRT service, it has been assumed that the average number of trips per vehicle per hour will increase from one trip in 2024, to two trips per vehicle per hour in 2025 and 2026, increasing to three trips per vehicle per hour in 2027 and peaking at four trips per vehicle per hour in 2028. From 2029 onwards, the number of minibuses will reduce from three to one, at which point it is assumed that most trips will be made on the new scheduled bus services. The average number of trips per DDRT vehicle per hour from 2028 reduces to two and remains constant until 2037. An average single fare of £3.50 has been assumed, with an annual inflation uplift. This would generate approximately £1.149m over the 14 years of operation.

5.11 To determine anticipated fares revenue generated from new developments on scheduled bus services, a growth factor was applied to the Office for National Statistics 2020[7] calculation of the Melton town population (the most recent dataset available). Growth was based on the anticipated number of housing completions according to the five-year housing supply and assumed an average occupation per new dwelling of 2.36, based on average UK occupancy calculations for 2022[8].

5.12 The population was then used to determine total revenue taken on board. This was calculated by using the average number of trips per head of population made by local bus per year in Leicestershire (17.3) based on National Travel Survey data for 2019/20[9] and multiplying by 0.67 on the assumption that two thirds of all bus trips made by residents of the new dwellings will be made on the new Melton Mowbray bus network.

[7] ONS (2020)
[8] Statistica (2022)
[9] Table NTS0303 Average number of trips (trip rates) by main mode: England, from 2002
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1016889/nts0303.ods

A 67% reducer was applied in recognition that some trips are also taken outside of Melton by residents e.g. Park and Ride, holidays, etc. This trip rate was then multiplied by a £2 single fare to give total revenue generated by the whole population of Melton Mowbray. This generated a baseline revenue for bus services currently operating in Melton Mowbray. For each year, the revenue for the new fixed route bus services was calculated based upon the revenue uplift that population growth would provide. This would generate approximately £12.55m in revenue, of which £2.64m is additional revenue between 2024 and 2037.

Commercial viability

5.13 The starting assumption for the DDRT service, based on experience from other similar services across the UK and beyond, is that it will not achieve commercial viability during the Local Plan period or beyond. Based on a one-bus operation from 2029 onwards, an annual operating deficit of approximately £134,000 could be expected from 2029, rising each year after that with inflation.

5.14 The County and Borough Councils would need to determine whether to remove the DDRT service at some point once the fixed route network is in place, or consider other means of financial support. Those might include, for example, future S106 funding from other development sites in the town, which may come forward in the next Local Plan.

5.15 The estimated revenue figures for the Big Bus services from 2029 indicate that they are unlikely to reach commercial viability by 2037, at which point funding for the three buses could end. The fact that after 15 years of section 106 funding, a fully sustainable transport network cannot be provided commercially, may mean that service provision needs to be amended to reflect demand for travel, potentially alongside revisions to fare levels, to deliver services which are broadly commercial. The Borough Council may also wish to consider other policy levers in the future to drive patronage up and reduce reliance on private vehicles, such as through increased parking charges or limiting access to some streets.

6. Funding the Network

6.1 A funding formula has been developed which calculates the amount of funding that developers submitting planning applications for development sites in the town will be required to pay towards the provision of the proposed network. The formula includes different assumptions and levels of support for residential and employment development, based on the principal that payment should be made towards public transport based upon all trips generated from each of the sites, rather than being split by modal share, in the recognition of the social and economic value a strong public transport service brings to all.

Trips generated – residential

6.2 The figure for the number of conventional bus trips to be generated by residential growth was calculated by multiplying the total number of new dwellings to be built from 2024 to 2037 (2380) by the average household size (2.36 people). This then gave the new population added to Melton each year.

6.3 Based upon the new population each year, the additional trips generated is calculated by multiplying the new population figure by 953. This is the number of trips undertaken per person per year on average in 2019 according to the National Travel Survey[10]. The 2019 figure was taken in recognition that travel behaviour was still returning to normal in 2022, which is the most recent trip figure at the time of writing. The sum of all new trips added to the network each year was then summed to give the total additional trips generated, and this was used to determine the proportion of payment required from housebuilding.

Trips generated – employment

6.4 To obtain an estimate for the number of trips on the conventional fixed route bus likely to be created by proposed employment developments, data was collated on the size and anticipated use of the six large proposed employment sites in the town: Leicester Gateway, Melton Commercial Park (Asfordby Business Park), Holwell Works, Crossfield Drive and Saxby Road Employment Area.

6.5 Using the size of the site, a figure of 3500m^2 of floorspace per hectare of development site was applied to determine a floorspace figure. This figure was based on published

[10] National Travel Survey (2023)

research on the ratio between site size and floorspace[11]. The likely share of land allocated to B1[12], B2 and B8 uses was determined. If not otherwise specified, this was divided into 10% for B1[13] use, 40% for B2 use and 40% for B8, based on the Housing and Employment Needs Assessment[14] and on discussions with Melton Borough Council officers.

6.6 Finally, estimates on the number of jobs were determined using the third edition of the employment densities guide[15], which provides the number of m^2 allocated to each employee for different use classes. This guide states that B1[16] activity requires 13m^2 per employee, 36m^2 per employee for B2 and 70m^2 per employee for B8. This gives a total expected employment figure of just over 6,700 (6,772); which broadly corresponds with the estimate of 6,000 jobs referenced within the Melton Local Plan.

6.7 To arrive at a figure for the total number of public transport trips to be generated by the employment sites, different trip rates were generated for each use to reflect the likelihood of office workers working from home for part of the working week, part time working and the need for at least 6 weeks holiday per year including bank and public holidays.

- B1[17]: (Number of employees) x ((2 trips per day x 3 days per week)) x 45 weeks)
- B2 and B8: (Number of employees) x ((2 trips per day x 4.5 days per week) x 45 weeks)

6.8 The total additional trips generated by the employment site each year was then summed to give the proportion of employment trips.

Proportion

6.9 Using the calculations discussed above, the share of payments required from employment is **23.9%** and the share from housing is **76.1%**.

Developer contributions

6.10 Contributions for residential growth have been calculated based on the total number of housing completions proposed for the period 2024 - 2037. The proportion of the

[11] Kirklees Council (2010)
[12] B1 also covers the equivalent planning use class E(g) as per changes to Land Use Classes by Government (2020)
[13] Ibid
[14] Leicestershire County Council (2022)
[15] Housing and Communities Agency (2015)
[16] B1 also covers the equivalent planning use class E(g) as per changes to Land Use Classes by Government (2020)
[17] Ibid

total cost applied to residential growth (76.1% of the net cost) has been divided by the total number of housing completions to arrive at a **cost per dwelling of £1,715.59.**

6.11 The contribution for employment growth (23.9% of the net cost), has been calculated on a per hectare basis, to arrive at a figure of **£5.02 per m²**.

Table 6-1 PT network funding contributions for residential and employment growth

Gross cost 2024 - 2037	£10,282,365
Funds already agreed	£2,006,000
Fare Revenue for Fixed Bus	£2,194,383
Fare Revenue for DDRT	£1,149,300
Net Cost	**£4,932,683**
Funding required from dwellings	£3,696,368
Funding required from employment	£1,236,315
Total Expected Dwellings	2380
Total Per Dwelling	**£1,715.59**
Expected Employment Area (m2)	254862
Total Per m2 of Employment Land	**£5.02**

Securing the funding

6.12 The funding to provide the proposed network should be secured via Section 106 agreements between Melton Borough Council and the developers. A generic agreement should be prepared – one for residential applications and one for employment applications. These generic agreements would then be tailored to reflect the scale of growth proposed in the planning application.

6.13 The agreements would outline the principles and key features of the proposed public transport network in the town, and how a holistic approach is being adopted to fund the network, reflecting the total growth proposed for the whole town to 2037.

6.14 The agreements should stress the phased nature of the proposed network's implementation to reflect the low level of initial demand which is expected to increase considerably over time as growth accelerates. The use of smaller vehicles on an on-demand basis upfront should also reduce the importance of early completions of estate roads to commence provision of the network.

6.15 The agreements should also emphasise the requirement to contribute towards the network as a whole, in order to deliver truly sustainable neighbourhoods through suitably attractive levels of bus service. The agreement should detail the formula for

funding the network per dwelling or per hectare as appropriate, which determines the size of contribution required from the developer in relation to each specific application.

6.16 To avoid any legal requirement to repay unspent S106 monies, it is advised that agreement nomenclature makes reference to the funding comprising a contribution towards the complete public transport network for the town, to support the planned residential and employment growth in totality. There should be a requirement for payment of the contribution in instalments and the agreements should avoid reference to completion milestones to release sufficient funds when they are needed to support the network.

6.17 Should it be determined that the requirement to provide an end date for spending S106 monies cannot be avoided, the end date should be the end of the Local Plan period (2036), by which time it is anticipated that the network should be reaching commercial viability.

6.18 Delivery of the proposed network to 2037 will be reliant on securing appropriate levels of funding through determination of future planning applications. Any reductions in funding secured due to planning considerations regarding economic viability of development sites or other factors will require the proposed network to be adapted in future years and reflected in network delivery plans.

Procuring the proposed bus network

6.19 Whilst the intention is for funding of the bus services to be pump priming, to enable the network to reach commerciality, provision of the services should be subject to competitive tender. This would enable the service requirement to be provided by extending a commercial service, implementing a new service or by extending a supported service. Although tenders could be invited on a minimum subsidy and minimum cost basis for comparison, it is advised that the services should be awarded on a minimum subsidy basis to encourage operators to take action to generate patronage with a view to reaching commercial viability as soon as possible.

6.20 By providing an indicative routing for the big bus loops (as shown in Figure 4-1) rather than being overly prescriptive about the service to be provided, operators will be motivated to consider how they might best serve the new growth to complement existing provision. Tenders for fixed route provision should emphasise the intention that the conventional bus element of the network will be fully commercial by the end of the funding period. The invitation to tender could also include an expectation that

in the event that the full network is not viable by the end of the funding period, that operators will devise a network which can be delivered commercially going forward.

7. Measures to Support the Network

7.1 A number of measures would be beneficial to improve the operation of bus services in the town and provide a more coordinated network of services and better enable interchange between services.

Town centre bus hub

7.2 The main bus stops in the centre of Melton Mowbray are located on St Mary's Way and Windsor Street. The Interim Transport Strategy recognises that "whilst conveniently located for the town centre, these bus stops are sited in low-key, generally uninviting locations, with limited bus shelter facilities that are inadequate to accommodate demand at peak times". The bus stops on Windsor Street are particularly problematic, as the width of the footpath can cause conflict between pedestrians and passengers queueing for buses.

7.3 The Interim Transport Strategy identifies the potential for a new bus hub to accommodate all the town's bus stops and improve passenger waiting facilities. There are several options for such a hub, some of which would be more beneficial than others for travelling passengers and the smooth provision of services.

7.4 Although the St. Mary's Way and Bell Centre car parks are hidden away from activity in the town, these adjacent sites provide the opportunity for an integrated waiting environment for all services operating in the town. The routing of all buses via these locations would be facilitated by making Windsor Street two-way buses only. Use of the car parks would facilitate bus turning and provide more space for passenger waiting and bus layover. This option would require the traffic signals on Norman Way to prioritise access in and out. It could, however, be difficult for buses arriving from Burton Road to turn left from Sherrard Street into Windsor Street, but this option would facilitate service movements through the town rather than via Wilton Road.

Local Bus Depot

7.5 Centrebus operates its Melton Mowbray bus services from its Grantham or Leicester depots, having previously closed its depot in Saxilby. Discussions with Centrebus indicated that consideration had been given in the recent past to a small out-station in or around Melton Mowbray. The fact that the majority of its services are supported by the County Council and therefore dependent on renewal of local bus contracts resulted in the decision not to pursue this option. Centrebus was also of the view that out-

stations are difficult to manage and as such focusses its options on larger, fewer depots.

7.6 There was some interest in overnight layover space in the town to reduce dead mileage to and from the Grantham and Leicester depots. Such a facility would not need to be in a central location and a site such as Wilton Road car park could provide a useful edge of centre option. The provision of layover space for the DDRT minibuses at that site would also be beneficial for the town-focussed services.

Vehicle charging arrangements

7.7 As outlined above, it is intended that the bus network in the town is provided with zero-emission vehicles to assist the Councils in achieving their net zero emission aspirations. Although vehicles could be battery electric or potentially hydrogen fuel cell going forward, the availability of local charging facilities would be beneficial to support the efficient operation of the network. Incorporating overnight and rapid charging options, potentially within the Wilton Road car park site, would help to ensure the efficient provision of services throughout the lengthy operating days.

Car parking charges and availability

7.8 There are six Melton Borough Council-owned short stay car parks in the centre of Melton Mowbray with a total of 482 available spaces. In addition, there are three long stay, Council-owned, car parks providing a further 376 spaces. Parking charges are relatively low, although they have increased since 2019. The combination of plentiful supply and low cost makes driving into the town an attractive alternative to the bus.

7.9 The Borough Council may wish to review the availability and cost of spaces in the town, particularly the scope for a change of use for St. Mary's Way car park as a bus hub and repurposing part of Wilton Road car park, to facilitate the operation of the proposed network.

8. Future Application of the Approach

8.1 In support of the wider Melton Mowbray Transport Strategy, implementation of this strategy for improving passenger transport for the town is expected to commence in 2024, with a view to launching services in late 2024, in collaboration between Leicestershire County Council, passenger transport operators and Melton Borough Council, to provide a passenger transport network that supports sustainable local plan growth in Melton Mowbray.

8.2 The approach proposed for Melton Mowbray is readily applicable to other areas of significant planned growth in the county which may be seeking to achieve sustainable neighbourhoods. Based on the experience of undertaking this work for Melton Mowbray, the following are key learning points:

- Liaise with the Borough Council to determine as much detail as possible as early as possible about planned growth, both residential and employment, including anticipated timescales for completions.
- Liaise with bus operators at the earliest opportunity to obtain their operational intelligence regarding routing of services and assessment of future viability.
- Consider existing bus provision in the town but ensure that the proposed bus network is sufficiently attractive, in terms of frequency, hours of operation, vehicles deployed, etc. for new residents to choose to use it from the outset.
- Aim to develop and maintain a stable bus network, on which users can rely on and have confidence in.
- Aim to award contracts on a minimum subsidy basis to incentivise operators and maintain contact with operators to vary provision as appropriate to respond to emerging patterns of growth.
- Prepare standard Section 106 agreements to be tailored in relation to specific applications, which are not time-limited (if possible) and which refer to the provision of the coordinated public transport network.
- Consider a phased approach to implementation which is tailored to the scale of growth in the early years of development with potential to be scaled up going forward.
- Design a zero-emission bus network and include ballpark costs for charging infrastructure, although the exact technology to be deployed may not be known.

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