



**EXAMINATION – MATTERS AND QUESTIONS
MELTON LOCAL PLAN EXAMINATION
STATEMENT ON BEHALF OF:**

DAVIDSONS DEVELOPMENTS LIMITED

MATTER 6: Housing Land Supply

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MATTER 6: Housing Land Supply

6.1 Apart from a housing trajectory for the Plan period, what other summary and tabular information about the components of the housing supply, the five year land supply and the implementation strategy for housing should be included in the plan?

6.1.1 The housing trajectory for the Plan period is set out in the Council’s Five Year Land Supply and Housing Trajectory Position Statement as at 30th May 2017 (ref MBC/HS1). This has recently been updated as at December 2017 (MBC/HS1A). Whilst MBC/HS1 included a full plan trajectory with breakdowns for each large site (Appendix A), this is not included in the update report which instead includes a breakdown by settlement hierarchy at Table 4.5. For clarity, it is considered that a full trajectory showing assumptions on delivery from large sites should be included as part of the Local Plan.

6.1.2 The NPPF advises local planning authorities to illustrate the expected rate of delivery for market and affordable housing through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five year housing supply to meet their housing target (para 47).

6.1.3 The full plan period housing trajectory is an appropriate tool to illustrate the expected delivery over the plan period and can include a rolling five year housing supply assessment to demonstrate how a five year supply will be maintained over the whole plan period.

6.2 Is there robust evidence underpinning the calculation of the land supply for the Plan period? In particular:

i) are the allowances for existing commitments and for windfalls adequately justified? Has appropriate consideration been given to lapse rates for planning permissions?

ii) Is there any dispute that a 20% buffer should be added to the supply to address persistent under-delivery?

iii) is it justified to make good the shortfall since 2011 over the remainder of the Plan period (the ‘Liverpool approach’)?

iv) does the evidence indicate that reasonable conclusions have been drawn about site capacities, having regard to any specific viability, infrastructure or other barriers to delivery? [Note: the details of individual sites will be considered under Matters 4 and 5]

6.2.1 In terms of the 20% buffer, there is clear evidence that there has been persistent under delivery in the early part of the plan period against the housing requirement and therefore a 20% buffer should be applied. The Council’s approach to the calculation of the five year land supply as set out in MBC/HS1, accepts the need to apply a 20% buffer.

6.2.2 Table 1 below shows annual delivery rates from 2011-2012 against Submission Draft Local Plan requirement.

Table 1: Performance of completions vs. plan target

Year	Plan Target	Completions	Performance
2011/12	245	157	-88
2012/13	245	64	-181
2013/14	245	52	-193
2014/15	245	78	-167
2015/16	245	141	-104
2016/17	245	147	-98
TOTAL 2011 – 2017	1,470	639	-831

6.2.3 This table provides the evidence that the Council has consistently underperformed against its housing requirements and that a 20% buffer should be applied. This is the approach the Council correctly takes in its calculation of the five-year housing land supply.

6.2.4 Tables 2.3 and 2.4 of the Council’s updated housing land supply position calculate the five year land supply position using the Sedgefield approach, identifying 5.2 years supply. The actual position, applying the 20% buffer to the requirement and shortfall, means a requirement of 2,606 dwellings against a supply of 2,563 dwellings, representing a supply of 4.8 years. It is noted that in calculating the five year supply based on the Liverpool approach at Table 3.1, the Council correctly apply the 20% buffer to both the requirement and the shortfall.

- 6.2.5 The Council's latest published housing land supply position, based on 1st April 2017, identifies a shortfall of 831 dwellings against the expected requirement between 2011 and 31st March 2017 and a total shortfall of 947 dwellings for the period 2011-2018, including assumed completions for 2017/18. The Council applies what it describes as a hybrid of the Liverpool approach in its calculation, looking to spread this shortfall over the remainder of the plan period. This is not appropriate and the Sedgefield approach, which applies the shortfall to the first five years should be applied. The Planning Practice Guidance is clear that local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible (PPG reference ID: 3-035-20140306).
- 6.2.6 Inspectors in a number of appeal decisions have confirmed that the Sedgefield approach should be used in dealing with identified shortfalls. In an appeal decision at Three Pots, Burbage, the Inspector concluded on the application of the Liverpool or Sedgefield method as follows:

"12. The same approach governs the adoption of the Sedgefield approach rather than Liverpool. After all, in the case of this authority, the backlog of houses includes those that should have been built up to seven years ago. To spread that backlog out over the next 13 years is to build in even more delays and to sanction consistent under-provision. That is why the Sedgefield approach has generally been considered by Inspectors to be the correct approach, as any accumulated backlog would be dealt with in the next 5 years.

13. In my view therefore the Sedgefield approach is the most appropriate and if the figures show there has been persistent under-delivery, regardless of economic factors or willingness of the Council to grant planning permissions for housing, then a 20% buffer should be applied."

Three Pots Burbage, Leicestershire (APP/K2420/A/13/2202261

- 6.2.7 In an appeal at Warfield, Berkshire, the Inspector considered the use of the Sedgefield approach and concluded.

"39. In scenario 3, the Sedgefield method is used to address the shortfall over a 5 year period but that shortfall only includes

under-delivery from the current monitoring period and not the shortfall of 359 dwellings from the previous plan period, as required by Policy CS15.....However, that aside, of each of the scenarios presented by the Council, scenario 3 is, to my mind, the most consistent with the guidance within the PPG and the aim of dealing with past under-supply in the next 5 years."

Warfield, Berkshire (APP/R0335/W/14/2228002)

6.2.8 The Planning Advisory Service, Five Year Supply FAQ also advises as follows:

We believe the preferred approach is for the buffer to be applied to both the requirement and shortfall. This is the most appropriate order because it ensures the buffer is applied to the full requirement which represents all the need that exists. The idea is that for every year you underprovide the amount adds onto the requirement to be met in the next five years.

PAS, Five Year Supply FAQ, Question 17 (accessed 28/11/17)

6.2.9 The Council seeks to justify the use of the 'hybrid' Liverpool approach on the basis that historically, the completion rate in the Borough has never been higher than 309 dwellings in 1997-98. On this basis they seek to argue that the annual completion rate implied by the Sedgefield method would not be achievable.

6.2.10 The guidance set out in the NPPF on the need for a step change in the delivery of housing to significantly boost supply is clear. The completion rates historically have largely been as a result of the Council not having a plan in place, which has inevitably restricted supply. Officers have discussed expected delivery rates from proposed allocations with landowners and developers in considerable detail. They should therefore be confident that the uplift in housing delivery is achievable.

6.2.11 Whilst the plan promotes two sustainable neighbourhoods, they are relatively modest in scale at 1,500 dwellings and 1,700 dwellings. In contrast Blaby District Council's Core Strategy allocated a 4,500 home urban extension, and Charnwood two urban extensions of 4,500 homes and 3,000 homes.

- 6.2.12 For the proposed South Melton Sustainable Neighbourhood, Davidsons Developments Limited is confident that the anticipated build rates for the site are achievable.
- 6.2.13 The Council's strategy in providing for a range of sites in the more sustainable villages, along with the proposed Sustainable Neighbourhoods, means that there will be a wide range of sites that will help to ensure the expected delivery rates are achieved.
- 6.2.14 The suggested approach set out by the Council is tantamount to a phasing strategy. Given the key strategic objectives of providing sufficient housing to support key investment in transport infrastructure, this approach is not justified.
- 6.2.15 There is therefore no justification to apply the Liverpool approach to the calculation of the five year land supply and the Council should amend its assessment to apply the generally accepted Sedgefield methodology.
- 6.2.16 Davidsons has some concerns that assumptions on site capacities, in some instances underestimate the potential delivery from proposed allocated sites. Davidsons has interests in proposed allocations on land south of Grantham Road, Bottesford (BOT2) and land at Pasture Lane/Mill Hill, Stathern (STAT1) and land north of Melton (MEL1). The plan assumes the delivery of 65 dwellings on BOT2 and 65 dwellings on STAT1. For BOT2, Davidsons has an interest in part of the site and initial masterplanning indicates the potential for 40 dwellings on this part of the site, suggesting a total capacity of around 100 dwellings. Masterplanning work for STAT1 indicates the scope to provide some 90 dwellings. For the land north of Melton (MEL1) there is additional capacity for some 40-50 dwellings. We deal with this matter in further detail in response to Matter 5.
- 6.2.17 In terms of the South Melton Sustainable Urban Extension, Davidsons Developments has submitted an outline application for the development of up to 1,500 dwellings, a primary school and local centre on land between Burton Road and Dalby Road. Along with the consented development for Gladmans north of Leicester Road, this demonstrates the capacity within the SUE to deliver at least the 2,000 homes identified in Policy SS4. Further details on delivery assumptions for the South Melton Sustainable Neighbourhood are set out in our response to Matter 4.

6.3 Is the housing trajectory as set out in MBC/HS1 (dated 30th May 2017) based on robust evidence about deliverability and achievability of development of the sites over the Plan period? In particular, has it been shown that it is realistic to plan for the delivery of an average of 347 dpa over the five year period starting 2017/18 or an average of 359 dpa over the 5 year period starting 2018/19? Is there robust, credible evidence demonstrating the capacity of the development sector to complete and sell this quantity of housing in the Borough in the next 5/6 years? If not, how should the plan be changed to ensure that it is deliverable and therefore effective?

6.3.1 The Council's updated Five Year Land Supply and Housing Trajectory Position Update, December 2017 (MBC/HS1A), indicates an annual requirement of 358 dwellings a year for the five year period 2018-2023 applying the Liverpool methodology for dealing with the shortfall in supply. We have set out above the reasons why the application of the Liverpool methodology is not appropriate.

6.3.2 Applying the Sedgefield approach with the 20% buffer applied to both the requirement and the shortfall results in an annual requirement of 521 dwellings for the five year period.

6.3.3 At Appendix A to the Council's updated land supply statement, the Council has set out its assumptions on delivery from components of supply. These are based on discussions with landowners and developers and, on the whole provide a robust assessment of likely delivery.

6.3.4 This shows the expected delivery slightly below the five year requirement derived from the Sedgefield approach – a supply of 2,563 dwellings against a requirement of 2,606 dwellings.

6.3.5 It is therefore irrational for the Council to seek to ignore this evidence and argue that build rates at these levels are unlikely to be achieved.

6.3.6 Table 2 below sets out the Council's components of supply for the five year period.

Table 2: Components of Supply

Locations	18/19	19/20	20/21	21/22	22/23	Total	%
Melton Sustainable Neighbourhoods	0	0	61	147	210	418	16%
Melton Allocations	36	36	26	69	69	236	9%
Service Centres	66	154	243	276	246	985	38%
Rural Hubs	0	36	70	81	47	234	9%
Large Site Permissions	86	167	89	30	0	372	15%
Small Sites	54	153	53	0	0	260	10%
Windfalls	0	0	0	29	29	58	2%
Total	242	546	542	632	601	2,563	

6.3.7 This demonstrates that, based on the evidence, an annual rate of 521 dwellings per annum is achievable. This is a step change from previous years housing delivery in Melton Mowbray. However, this is wholly consistent with the government’s aspirations to significantly boost housing supply, and reflects the Council’s strategy of providing for growth through a mix of housing sites of different sizes in a range of locations, including development at two Sustainable Neighbourhoods in Melton, and development in Service Centres and Rural Hubs.

6.3.8 The adopted Melton Local Plan, 1999 made allocations to meet a requirement of 3,250 dwellings over the plan period 1991-2006, an annual rate of 217 dwellings per annum. Since the plan period for this adopted local plan expired in 2006, there has been no local plan that has made allocations to meet housing requirements. This lack of an up-to-date plan has effectively constrained the delivery of housing in the Borough for some time and is largely the reason for the low completion rates in the Borough. This historically constrained housing delivery provides no justification for concluding that a step change in housing delivery cannot be achieved through a plan providing for an appropriate mix of housing allocations to deliver the identified housing need.

6.3.9 There is therefore no justification in applying the ‘hybrid’ Liverpool approach suggested by the Council. There is a critical need to support housing growth in the Borough to help support the delivery of the new highway infrastructure at Melton Mowbray. Applying what appears to be a phasing mechanism to housing delivery will not assist in this respect and would be in conflict with the Council’s overall strategy for growth.

6.3.10 For its part, Davidsons is confident that there is capacity in the development sector to complete and sell the identified quantity of housing in the Borough over the next 5/6 years. The Council's strategy for housing development is robust in providing for development in the Service Centres and Rural Hubs as well as Melton Mowbray. The confidence of the development sector in delivering housing in the Borough is reflected in the number of applications for development on proposed housing allocation sites in the Service Centres, a number of which have been approved by the Council.

6.3.11 Davidsons does have some reservations over the Council's assumptions on the delivery of some proposed allocations in the five years to 2023/24. In its updated Housing Supply Statement, the Council has removed the following sites from the five year land supply – MEL7, MEL10, SOM1, WYM3, GREA1. It is considered that the assumed contribution from the following allocations is also questionable – BOT3, CROX2, HOS2, SOM2, WYM2, ASFH2, THOR2. There is no indication of any substantive progress on these sites that would justify their inclusion as part of the five year land supply. The Council needs to identify and allocate some additional sites to ensure that the plan can demonstrate a five year supply of housing.