

**MELTON LOCAL PLAN EXAMINATION  
EXAMINATION STATEMENT OF MELTON BOROUGH  
COUNCIL**

**8th January 2018**

**MATTER 6  
Housing Land Supply**

## **Matter 6: Housing Land Supply**

### **QUESTION 6.1**

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

- 6.1.1 A housing trajectory and other summary and tabular information can help to explain and aid interpretation of housing land supply and how the Council plans to deliver the housing requirement. This is subject to the caveat that it is understood that the housing supply information is a snapshot forecast, and that during the lifetime of the local plan, it will be superseded by annually updated five year housing land supply information.
- 6.1.2 The trajectory is referred to in paragraph 4.2.3 of the submitted Local Plan, and currently appears in graphical form in the Council's updated Five Year Housing Land Supply and Housing Trajectory Position document, [MBC/HS1a](#) (Graph C, page 25).
- 6.1.3 The Plan could usefully contain tabular information setting out how the housing requirement will be met across the whole of the plan period. A table, as set out in the attached **Appendix 1** identifying the key components of the housing land supply the planned delivery and the housing requirement for the periods 2011-2018, 2018-2023 and 2023-236 would do this comprehensively. Graph C referred to above only depicts two of these three elements, so an alternative version of it with the housing requirement also indicated is suggested for inclusion in the Plan by means of a modification to the Plan. This is attached as **Appendix 2**.
- 6.1.4 Appendices 1 and 2 attached will require some proportionate explanation to be introduced sensibly into the submitted plan. The following modification is suggested to do this:
- "4.2.3<sup>1</sup> The planned delivery of this growth, together with the sources of supply and the housing requirement over the whole plan period is illustrated by the a-trajectory set out in Figure 6. The key components of housing supply identified to deliver this are identified in Table 2, together with the planned delivery and the annual housing requirement for different parts of the plan period. ~~published alongside this Plan that will be regularly monitored and updated.~~

[insert Figure 6 and table 2 here]

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<sup>1</sup> As set out in Focused Change 1.1

4.2.4 Net completions for the period 2011-2018, including 129 estimated for the year 2017-18, amount to 768 dwellings. This is a shortfall of 947 compared to the housing requirement of 1715 (245dpa x 7 years). This can only realistically be met through provision across all of the remaining plan period. This is largely because over 50% of all the new housing planned in the Borough will be in sustainable neighbourhoods, and it will take until 2022/23 before these are expected to be delivering at close to their full capacity. It is also because this plan reflects the realistic limits on the capacity of the local housing market to absorb much higher levels of housebuilding, particularly in the first few years after adoption, and the disadvantages of allocating more housing in less sustainable rural locations.

*[note: consequent local plan table and figure numbers would also need to be amended]*

- 6.1.5 Taken, together, the above suggested modifications to the plan would provide the reader with a fuller understanding of the justification for the housing land supply policy of the local plan. Through the phased profiling of the planned housing requirement, the identification of the contribution of key sources of supply and planned delivery on an annual basis, it also gives a fuller understanding of the implementation strategy for delivering the new housing planned.

## **QUESTION 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?**

### **Existing commitment allowance**

- 6.2.1 Existing commitments are taken as being planning permissions for new housing that have not yet been completed, either because they are under construction or have not yet been started.
- 6.2.2 The allowance for them is underpinned by robust evidence. The Council's own research of planning permissions granted identified commitments on both large sites and small sites. Only one large site, for 40 dwellings, is still awaiting the signing of a Section 106 agreement. Updated delivery intentions and/or updated information about planning status was collected for all the sites identified and used alongside the reasonable assumptions set out in Appendix B of [MBC/HS1a](#), to inform the annual delivery forecasts set out for each site in Appendix A2 of [MBC/HS1a](#) (page 16). The assumed timescales to achieve key stages in bringing land forward for development for different sizes of sites set out in Appendix B reflects the cautious end of feedback provided by developers and promoters of sites

both during the preparation of the document and from earlier engagement at a Housing Delivery Workshop and SHLAA Panel.

- 6.2.3 A further adjustment to extend the time period for overall delivery was made to the trajectory in eight villages, to reflect the realistic unlikelihood of several large developments all coming forward at once. This is explained further on page 7 of the Appendix B referred to above.
- 6.2.4 No new information was collected directly from site promoters for the small sites (less than 10 dwellings). The annual delivery forecasts in Appendix A3 of the [MBC/HS1a](#) reflect information supplied and evidence obtained by site visits when the previous exercise was undertaken ([MBC/HS1](#), May 2017), and the application of reasonable but cautious assumptions set out in Table B5 of [MBC/HS1a](#), Appendix B. This is explained further on page 5 of the same Appendix B.

#### **Windfalls allowance**

- 6.2.5 Paragraphs 4.7 to 4.10 of [MBC/HS1a](#) set out the Council's approach to and justification for the use of a windfall allowance. Table 4.2 of [MBC/HS1a](#) indicates that a supply of 70dpa from this source has consistently been available over the last 10 years. However, the allowance that has been used is only for 29 dpa. This reflects on the one hand that many of the past windfalls will have arisen because of a lack of allocations, but on the other that small sites will continue to come forward with the support of Policy SS3 (unallocated sites) of the submitted Local Plan. In addition, the allowance is only applied from Year 4.
- 6.2.6 The Council considers the above to be compelling evidence that this level will continue to be a reliable source of supply.
- 6.2.7 Should the Inspector consider this not to be the case, the Council would be prepared to remove the allowance. But it would point out that in so doing, there is a corresponding increase in non planned capacity that could come forward (435 dwellings, or 7.1% of the overall requirement) to help to ensure the overall requirement of 6125 net additional dwellings is met and provide any flex needed to meet some of the unmet needs from elsewhere, once these are quantified.

#### **Lapse rates**

- 6.2.8 The Council factored in that not all the dwellings on sites with planning permission will actually get built out. A lapse rate of 9% has been applied to large and small sites with planning permission. This figure represents a rounding up of the average lapse rate of 8.1% that was calculated for the Borough (Table 4.6, [MBC/HS1a](#)) and is in line with the amounts accepted

by decision makers in a range of other appeal decisions (see footnote 19 of [MBC/HS1a](#)).

6.2.9 A lapse rate was not applied to allocated sites, because their allocation suggests that even if a current permission lapses, there is a realistic expectation that the site will be developed out during the plan period.

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

6.2.10 There is no dispute that a 20% buffer should be added to the supply to address persistent under-delivery, to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land. The Council's consideration of this is set out in paragraph 2.5 (page 6) of [MBC/HS1a](#).

**iii) is it justified to make good the shortfall in delivery since 2011 over the remainder of the Plan period (the 'Liverpool approach')?**

6.2.11 In paragraphs 3.5 to 3.9 of [MBC/HS1a](#), the Council has set out its justification for making good the shortfall in delivery since 2011 over the remainder of the plan period using a variant of the Liverpool approach. In brief, it is because of the significant contribution that two sustainable neighbourhoods are expected to make to the delivery of the plan's housing requirement, and the general reliance on relatively small scale sites in service centre and rural hubs in the period leading up to the time 2022/23 when the SNs are expected to be delivering sustained quantities of new housing. The nature and location of these rural sites limits the realistic possibilities for delivering very high numbers of dwellings immediately without making greater releases of land in unsustainable locations.

6.2.12 Recognising that national policy guidance indicates that any shortfall of housing delivery against planned targets should be met as soon as possible, the Council did investigate whether an alternative approach (known as Sedgefield) could be applied. This is set out in paragraphs 2.8 and 3.1 of [MBC/HS1a](#). The scale of the step change in housing delivery (247% from the estimated 129 for the current year) that would be needed to meet this was clearly too great to be realistic, in the absence of any factor now that will give the sudden, significant and sustained impetus to the housing market that would be required.

**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]**

6.2.13 Yes. The evidence set out in paragraphs 4.1-4.5 of [MBC/HS1a](#) does indicate that reasonable conclusions have been drawn about site capacities, having regard to any specific viability, infrastructure or other barriers to delivery. Where planning permissions have been granted, the number of dwellings granted has provided the input. Where no planning permission was in place, a formula shared by all Leicestershire authorities in undertaking their SHLAAs was used as the starting point and then reductions applied to the site capacity according to any constraints identified through the site assessment process, and a planning judgement made about the land needed to enable them to be mitigated, e.g. areas of flood risk removed from the net developable area, as at Rectory Farm, Bottesford (BOT3), and the viability/feasibility of converting retained building on part of the site for King Edward VII School (MEL2). The constraints and issues to do with viability and deliverability for each site were recorded systematically in undertaking the site assessments. These, together with the capacity calculation are in the Update to the Site Assessments documents ([MBC/HA1a, b and c](#)).

6.2.14A sense check of the capacity calculations was also carried out (Table 4.1 of [MBC/HS1a](#)) referencing planning permissions granted since the SHLAA 2017; it showed a variance of 4 dwellings or less on all but one of the sites examined, indicating a high degree of accuracy. If anything, the Council consider that the capacity calculations are on the conservative side; much of the recent development permitted has been relatively low density higher value 3,4 and 5 bedroom developments, whereas once the local plan is adopted, through Policy C2, the Council will be seeking a housing mix that includes more smaller (higher density) dwellings, to better match the better needs identified in HEDNA (see also the Council's Matter 7 Examination Statement).

6.2.15 Recognising the special cases presented by the sustainable neighbourhoods (SNs), the whole plan viability study ([MBC/WP5](#)) included specific viability assessments of the local plan proposals for each of them. The modelling took into account the significant highway and other infrastructure requirements, and concluded that it was viable to delivery both, at the proposed capacities included in the local plan.

### **QUESTION 6.3**

**Is the housing trajectory as set out in [MBC/HS1](#) (dated 30 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 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 housing trajectory set out in [MBC/HS1](#) has been updated in document [MBC/HS1a](#), published on the Local Plan Examination webpage and on the Council's 'supporting documents' webpage on 20<sup>th</sup> Dec. The Council considers that [MBC/HS1a](#) provides the most robust and up to date evidence about deliverability and achievability of development of the sites over the Plan period.
- 6.3.2 Document [MBC/HS1a](#) provides updated evidence of the deliverability and achievability for all but four of the sites of 10 dwellings or more that the Council has relied upon to build its housing trajectory; in those four cases, the cautious assumptions referred to in response to Q6.2i above were applied. Detailed information about deliverability and achievability for large sites, small sites and sites with planning permission is presented in Appendix A of document [MBC/HS1a](#).
- 6.3.3 Document [MBC/HS1a](#) deviates from the previous published version ([MBC/HS1](#)). It indicates that the forecast housing delivery for the first five years of the plan period is an average of 290 dpa, falling short of the 359dpa annual requirement for the same period. However, this will be made up in the later years of the plan period, when planned delivery will be 302dpa compared to the annual requirement of 275dpa for the same period (see Appendices 1 and 2 attached). This approach is to ensure that the plan is realistic about its ability to meet the shortfall of housing delivery as soon as possible; the approach in the updated document is a variant of the Liverpool approach, and its robust justification is as outlined in the response to Q6.2iii above.
- 6.3.4 Document [MBC/HS1a](#) (paragraphs 3.16 – 3.17) also references robust housing market intelligence gathered by the Council over the last year which informs its view that there is enough capacity in the development sector to complete and sell this quantity of housing in the Borough in the next 5/6 years. More detailed information on this is provided in the Council's response to the Inspector's Initial Question 4 (Section 4 and Appendix 3 of document reference ID1D on the LP examination webpage). The Council's Matter 4 Examination Statement also provides specific evidence of the confidence of the prospective developers of the northern and southern SNs in the build out rates being proposed there.

6.3.5 As the amended approach still delivers enough housing over the whole of the plan period, the Council does not consider any further modifications are required to the plan, other than the presentation of the trajectory and further tabular and other explanatory information as outlined in response to Q6.1 above.

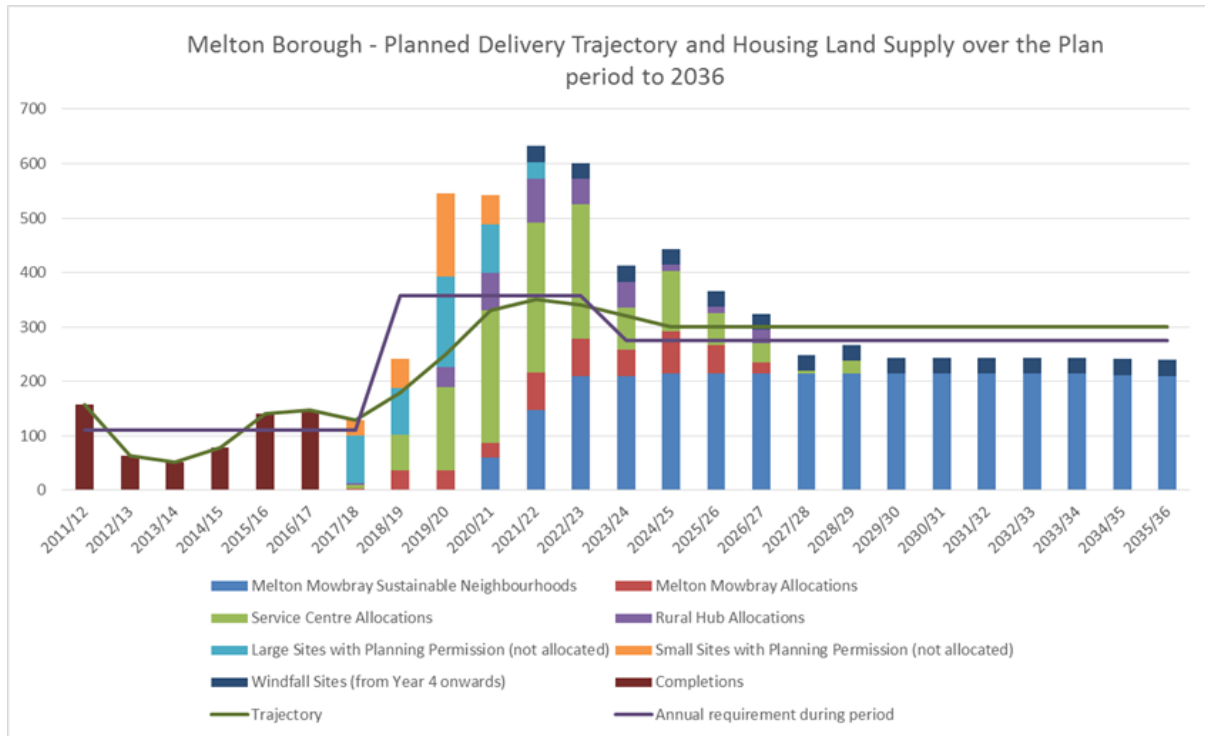


## Appendix 1

**Table 2:**

<b>Breakdown of Land Supply, Housing Requirement and Planned Delivery for Melton Borough 2011-36</b>	<b>2011-18</b>	<b>2018-23</b>	<b>2023-36</b>	<b>Total Plan Period 2011 – 36</b>
Time Period	7 years	5 years	13 years	25 years
<b>Supply</b>				
<b>Planned Supply</b>				
Completions	768	0	0	768
Melton Mowbray Sustainable Neighbourhood Allocations	0	418	2782	3200
Melton Mowbray Allocations	0	236	392	628
Service Centre Allocations	0	985	310	1295
Rural Hub Allocations	0	234	95	329
<b>Commitments</b>				
Large Sites with Planning Permission (unallocated)	0	372	0	372
Small Sites with Planning Permission	0	260	0	260
<b>Windfalls</b>				
Windfall Allowance	0	58	377	435
<b>Total Supply</b>				
<b>Total Supply including Planned Supply, Commitments and Windfalls</b>	<b>768</b>	<b>2563</b>	<b>3956</b>	<b>7287</b>
<b>Requirement</b>				
Basic Requirement for period (245 x number of years in period)	1715	1225	3185	6125
<b>Requirement including Shortfall spread out over remainder of plan period and 20% Buffer applied in first five years</b>	<b>768</b>	<b>1788</b>	<b>3569</b>	<b>6125</b>
Annual Requirement during period	110	358	275	n/a
<b>Planned Delivery</b>				
<b>Planned Delivery of Housing in period</b>	<b>768</b>	<b>1450</b>	<b>3920</b>	<b>6138</b>
Average Annual Planned Delivery for period	110	290	302	n/a
<b>Differences in Supply and Requirement and Planned Delivery</b>				
Difference in Supply and Requirement +/-	n/a	+775	+387	+1162
Difference in Supply and Planned Delivery +/-	n/a	+1113	+36	+1149
Difference in Planned Delivery and Requirement	n/a	-338	+351	+13

Figure 6:



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