

Topic Paper 1

Melton Local Plan Update

Plan Period to 2036

January 2025



Introduction

1. This Topic Paper provides more detailed background information in support of the 'Introduction' section, and more specifically, the 'Local Plan Period' subsection in the Pre-Submission Local Plan Update document. It is intended to expand upon and provide the rationale for the approach taken in the Local Plan Partial Update, retaining and aligning with the adopted Local Plan period to 2036.
2. The Local Plan Update, as drafted, does not fully meet the objectives of paragraph 22 of the National Planning Policy Framework (NPPF¹) where it states that 'strategic policies should look ahead over a minimum 15 year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure'. Assuming adoption in 2025, the Local Plan would cover 11 years, or 10 if the Plan is adopted in 2026.
3. This Topic Paper concludes that it is reasonable to mirror the plan period of the adopted Plan. There are several reasons supporting this approach, including the period over which unmet needs are due to be met, in line with sub-regional agreements over the timeframe. This approach aligns with national policy expecting the planning system to be genuinely plan-led with up-to-date plans providing a positive vision for the future of the area (see NPPF paragraph 15) and the Government's goal for a quick universal

¹ Unless stated differently, this document will implicitly refer to the 2023 version of the NPPF

coverage of local plans². This approach also aligns with paragraph 31 in the NPPF which indicates that local plan updates ‘should be adequate and proportionate’, focusing ‘tightly on supporting and justifying the policies concerned’, and by no means is there a requirement to undertake a full update. Furthermore, this was set out in the [paper to Council in September 2023](#) which set out the review of the policies, concluding on a partial update.

4. Whilst the Topic Paper does not form part of the Local Plan Update, it provides an important narrative that supports the policy and Local Plan position. It therefore should be read in conjunction with the Pre-Submission Local Plan Update draft policies, the adopted Local Plan and the outcomes of the Local Plan Review. The paper also addresses Issues and Options representations related to the plan period.
5. The main background information for this Topic Paper is provided by:
 - The Pre-Submission Local Plan Update (content to be uploaded in the [Melton Local Plan website](#)).
 - Council Decisions: [Decision to Review the 2018 Melton Local Plan](#), [Decision to approve the Outcomes of the Melton Local Plan 5-Year Review](#), [Decision to Start the Regulation 18 Consultation](#) and [Decision to Start the Regulation 19 Consultation](#)
 - The [Adopted Local Plan](#)
 - [Five-Year Housing Land Supply and Housing Trajectory report 2023/24](#)
 - [Statement of Common Ground relating to Housing and Employment Needs 2022](#)
 - [Housing and Economic Needs Assessment 2022](#); and
 - [Local Housing Needs Assessment 2024](#) (latest evidence)
 - [Issues and Options Representations](#) and [Statement of Consultation](#)

² [Building the Homes We Need](#) – Written Ministerial Statement July 2024

Justification

Plan performance

6. Throughout the Framework, the national policy provides several indicators to identify when a local plan is underperforming. These indicators include (a) significant changes to the local housing need figure (paragraph 33), (b) lack of five-year supply of deliverable sites (paragraph 11), or (c) poor Housing Delivery Test performance (paragraph 11). This section provides a detailed analysis of these and other indicators to expand, and in this case, reinforce, the outcomes of the Local Plan Review in relation to the Local Plan Period by concluding that the policies underpinning the overall strategy remain effective.

Housing Needs (Background Information)

7. The justification behind the figure agreed in the [Statement of Common Ground to address Leicester City's unmet needs](#) is explained in the [2022 Housing and Economic Needs Assessment](#). Here it is clarified that the unmet needs are added to Melton's housing needs, and then adjusted again to match the residual requirement (approximately 300 dwellings per annum), explaining the relation between housing need and requirement in the adopted local plan. This is again explored and reinforced in the [2024 Local Housing Need Assessment](#), with baseline in 2021, where it states that 'if unmet need is added on, the resultant housing need is for 266 dwellings per annum over the plan period to 2036. This falls below the residual requirement from the adopted Local Plan (299 dwellings per annum)', noting that this included a phased housing trajectory.
8. Some representations in the Issues and Options consultation refer to a significant change in the housing needs. For the avoidance of doubt, the new standard method calculation, which also includes an anomaly in the 2021 Affordability Ratio figure for Melton and could be potentially changed³, is not significantly different to the residual housing requirement. Among other implications, this conclusion has led to the use of the 2023 NPPF based on the transitional arrangements in Annex 1 of the 2024 NPPF.

Five-year Housing Land Supply

9. The [2023/24 Five-year Housing Land Supply and Housing Trajectory report](#) shows the Council's latest position. The report and the [technical data](#) underpinning its findings

³ Paragraph 014, [Planning Policy Guidance, Housing and economic needs assessment](#)

indicate that there are 7.6 years' worth of housing supply against the housing requirement. This is a healthy position considering that:

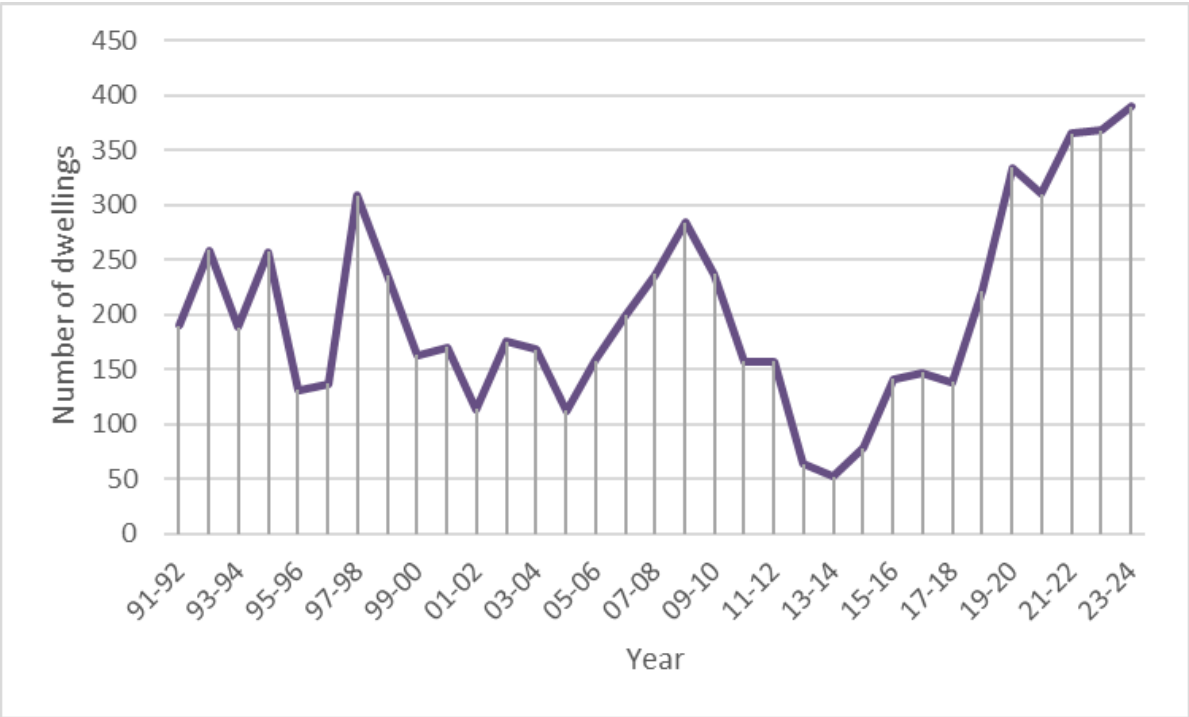
- The calculation does not include a current oversupply/surplus of 331 dwellings;
- the lapse rate continues to be applied;
- the windfall allowance has not been revised, but the average since 2017/18 has increased to 32 dwellings per annum (dpa);
- the housing requirement is higher towards the end of the local plan period (explained by the stepped trajectory);
- The calculation is more conservative than in previous years, which explains the reduction from 9.1 to 7.6 years' worth of housing supply when compared to 2022/23; and
- An extreme conservative scenario still shows 6.1 years of supply (whilst an extreme optimistic scenario shows 10.2 years of supply).

10. The trajectory informing this report has been produced in consultation with land promoters. As indicated above, the trajectory shows a healthy position in the first five years, while also showing a strong position for the whole of the Local Plan Period, with a supply of 5,738 dwellings (2024-2036), against a requirement of 3,690 dwellings. This represents a 56% buffer against the requirement to 2036 (discounting oversupply).
11. Equally, the trajectory shows delivery from the Sustainable Neighbourhoods beyond 2036 (see [Appendix 2 in the report](#)), meaning that unlocking the deliverability of these large sites (which is under the scope of the Local Plan Update) will have an impact beyond those 15 years stated in the NPPF without a need to alter the overall strategy. In some respects, this approach for a Local Plan Update addresses a realistic and deliverable longer plan period for some critical strategic policies.

Housing Delivery Test

12. The latest Housing Delivery Test results (2022/23) show that 214% of the housing requirement over the past three years has been delivered. These numbers reinforce the Council's positive housing delivery position.
13. For 2023/24 the expected result is 153% as indicated in Section 2 of the [2023/24 Five-year Housing Land Supply and Housing Trajectory report](#), a reduction primarily explained by the higher requirement in our adopted stepped trajectory (explained in more detail under the 'Stepped Trajectory' heading below).

14. When it comes to the impact of adopting the Local Plan, the housing completions in the last 6 years show an average of 332dpa; whilst in the 10 years preceding the adoption of the Local Plan show an average of 146dpa. In the last four years we have also seen consecutive delivery records of 310, 365, 368 and 390 dwellings with the previous peaks being registered in 2019/20 (also part of the adopted Local Plan period) with 334 and 1997/98 with 309 dwellings.



15. This information shows the positive impact of the Local Plan on our housing delivery rates not only in the short term covered by the Housing Delivery Test, but also in the longer term. Altering a well-functioning Local Plan would not be recommended given the fragile socioeconomic situation addressed in later sections in this report.

Spatial Distribution

16. The spatial distribution underpinning the overall strategy in the adopted Local Plan indicates that Melton Mowbray is the priority location for growth where approximately 65% of the Borough’s need will be accommodated, with the other 35% being accommodated in the rural area.

17. The [2023/24 Five-year Housing Land Supply and Housing Trajectory report](#) shows how the current distribution of completions and commitments covering the period 2011 to 2036 is 63% in Melton Mowbray and 37% in the rural area, which broadly aligns with the objectives in the Local Plan.

18. As covered under the ‘Stepped Trajectory’ section below, the completions since 2011 show an equal distribution between the town and the rural area so far. This is in line with the purpose of the stepped trajectory.

Stepped Trajectory

19. The adopted housing trajectory is divided into three phases. A delivery of 170dpa in the first 10 years since 2011, followed by 245dpa during five years and followed by 320dpa in the last 10 years.

20. The [Inspector’s Report](#) for the adopted Local Plan examination explores the justification behind a stepped trajectory. The report indicates that ‘the market will need time to adjust to the Plan’s proposals for a step change in growth, and the economic stimulus arising from the development of the sustainable neighbourhoods at Melton Mowbray and the significant improvement in transport infrastructure through the MMTS and MMDR will take time to come forward’ (paragraph 28). This justification is also covered at paragraph 4.2.4 in the [adopted Local Plan](#).

21. In other words, housing delivery in the first years was expected to come from small and medium size developments, and these were based on commitments and allocations located, primarily, in the rural area. This explains the current 47%-53% housing completions split between the town and the rural area.

22. Using the positive housing delivery and housing supply position covered in earlier paragraphs, alongside the appropriate spatial distribution expected by 2036, it would not be reasonable to allocate further housing in the rural areas at this stage based on the current requirement.

23. A local plan covering a longer plan period as suggested in paragraph 22 in the Framework would also need to address the suggestions in paragraph 70 where it is indicated that 10% of the housing requirement needs to be accommodated on small sites (less than one hectare). Our current trajectory shows 0.5% (or 3% considering commitments from windfalls) of the requirement on small sites, 1.6% in total considering non-permissioned sites in the brownfield register (or 4.1% considering commitments from windfalls). In any case, this is below the 10% suggested in the 2023 NPPF.

24. Allocating small sites, which, due to land availability, are likely to be allocated in the rural area, would defeat the whole purpose behind the stepped trajectory in the adopted Local Plan. Moreover, a local authority would not be able to aim for the minimum 10% on small sites over a 15-year period if the overall strategy is continually updated on a 5-year cycle.

25. Considering the above, it seems pragmatic and proportional to focus on a less than 15-year Local Plan Update with the benefit of reinforcing a well-performing stepped trajectory. A longer period would require the allocation of small sites in the rural areas, which seems contrary to the aims of the adopted Local Plan which sets up an 18-year strategy with a first short-term focus on the delivery of smaller sites and a second, medium and long-term focus on the delivery of the Melton Mowbray Sustainable Neighbourhoods.

Addressing potential undersupply and the role of Reserve Sites

26. It should be also noted that the adopted Local Plan has alternative mechanisms (other than allocating new housing at this stage) to address potential undersupply, with the most obvious of these mechanisms being the adopted Policy C1(B) Reserve Sites.

27. The role of Reserve Sites is to address local under delivery (for example, allocations not delivering as they become unavailable). In response to the land promoted as part of some Issues and Options representations, it seems unreasonable to argue that a Local Plan strategy is failing, and additional land is required when ‘emergency’ tools to address undersupply have not been actioned yet. Policy C1(B) is not being updated as part of this Local Plan Update, meaning that these Reserve Sites are still serving the same purpose as that identified in the adopted Local Plan.

Employment

28. The NPPF gives special weight to housing delivery and supply as indicators to measure local plans’ performance; however, adopted Policy SS2 also covers the employment needs on a strategic level.

29. The Local Plan Update addresses some undersupply of employment land. For the avoidance of doubt, the level of undersupply that needs to be addressed as part of the Local Plan Update is not significant enough to alter the overall strategy, and as identified in the Local Plan Review, there is no need to update that element in Policy SS2. The updated version of Policy EC1 addresses this matter instead.

Unmet Housing Needs

30. The Leicester City Local Plan examination has recently concluded, and Leicester City Council is currently navigating their way towards the adoption of the Local Plan. Leicester City’s Local Plan covers a Local Plan period to 2036. This is not only relevant as a precedent but also raises the question about unmet needs after 2036. These unmet housing needs have not been quantified and a common approach to tackle this matter has not been agreed yet across districts in the Housing Market Area.

31. The [2022 Statement of Common Ground](#) provides the framework to address Leicester City's housing and employment unmet needs to 2036, but it is relatively silent on the post-2036 period given the timeframe covered by the Leicester City Local Plan. This could lead to the adoption of diverse approaches by different local authorities (for example, by extrapolating unmet needs after 2036 or by waiting to address these needs once they are confirmed). A level of complexity has now been added with the publication of a new Standard Method that distributes housing needs towards the rural area and the potential use of the new (2024) NPPF by some districts.
32. Addressing this uncertainty is work in progress but this work is likely to go beyond the submission date for this Local Plan Update. Therefore, it seems reasonable to address the unmet needs over a longer period once there is more certainty about these and the approach taken by local authorities towards the transitional arrangements and the new standard method.
33. At this stage, partners in the Housing Market Area have shown their support to Leicester City in a [Statement of Common Ground](#) (final version to be published in due course) that addresses their plan period and indicates that progressing with the adoption of the City's Plan would also help districts advance with their respective Local Plans. Most of the reasoning covered in this Statement of Common Ground applies to Melton's situation.

Engagement with other districts

34. The Council intends to pursue explicit support from other districts within the Housing Market Area in relation to the period covered by the Local Plan Update. This is expected to be covered in a Statement of Common Ground prior to submission. This intention was covered on a Duty to Cooperate meeting on the 22nd of October 2024 (see Duty to Cooperate Compliance Statement) and no concerns about the plan period or the general approach were raised as part of this informal consultation.
35. Prior to this meeting in October 2024, the plan period has been covered on several occasions at different weekly and monthly meetings with other districts, using existing forums such as the Strategic Planning Group, the Planning Officers Forum or the Task & Finish Group, and again, no concerns have been raised by other districts.
36. There is an expectation from the partnership for the Council to continue with their collaborative approach to address cross-boundary matters, including housing unmet needs arising from authorities in the Housing Market Area. Given the limited scope of this partial Local Plan Update, no concerns have been raised in relation to the local

plan period as long as a new local plan starts to be produced (with a longer plan period) after concluding this Local Plan Update.

New Local Plan

37. Following the above narrative, it is important to highlight the Council intends to start a new Local Plan after the conclusion of this Local Plan Update. This will give enough time for some of the uncertainties covered in this paper to settle while producing longer term evidence that addresses a post-2036 Plan period without undermining the existing strategy.
38. This intention has been reiterated to other organisations in the past few years by addressing it as part of the [Local Development Scheme](#), covering it as part of the [Council report](#) to launch the Regulation 19 consultation (see paragraph 6.5) or mentioning it in Duty to Cooperate meetings as documented in the Duty to Cooperate Compliance Statement.
39. Most importantly, this commitment to start a new Local Plan is covered as part of Policy SS6 in the Local Plan Update. As mentioned above, there is also an expectation to produce a Statement of Common Ground between Melton and other local authorities in the Housing Market Area prior to submission of the Local Plan to explicitly address the Local Plan period and the commitment for an immediate update/new Local Plan after adoption.

Other factors

Changes in Planning

40. There is a need for some general stability to be able to promote a successful long-term strategy in a Local Plan, and in our professional opinion, the planning system is not at that point yet. The adopted Local Plan was based on the 2012 NPPF and incorporated some elements of the 2018 NPPF in its final form. Since then, five different iterations of the NPPF have been published (2019, 2021, two in 2023 and 2024), with the last one being published one month prior to the publication of this paper. This has also been accompanied by numerous changes to the Planning Policy Guidance (PPG).
41. While these changes and other planned changes (for example, the introduction of Spatial Development Strategies in 2025) unfold; it seems reasonable, given the stage of the Local Plan Update, to reinforce an already well-functioning framework for decision-making rather than try to anticipate some of these planned changes leading to further uncertainty in the development industry.

42. Some Regulation 18 representations consider that, if other Local Authorities can plan beyond 2036, Melton Borough Council could do the same. However, we consider that each authority has its own circumstances leading to the decision to pursue different objectives, including the fact that Melton is currently pursuing a partial update and not a full update or a new local plan. Equally, progress made by other authorities needs to be materialised.

Legislative changes

43. The simple inclusion of Biodiversity Net Gain duties for small local authorities such as Melton Borough Council have a substantial impact on the teams' capacity and Authority's resources. Similar to the reasoning above, some stability is needed to be able to produce a sound long-term strategy.

44. Under the context of incoming regulations, it seems reasonable to undertake a lighter touch update of the Local Plan and incorporate and address these legislative changes in a further iteration of the Local Plan once this Update is concluded.

Political changes

45. There have been numerous changes on a local and national level that, again, reinforce the lack of stability to produce a long-term strategy. After two decades of control, the Conservatives lost their majority in the 2023 local elections, and Melton Borough Council is now in no overall control with an agreement between Labour and Independents to lead the Council. This mirrors the National situation where, after 14 years of control, the Conservatives lost control in July 2024 and changes in other authorities in Leicestershire such as Charnwood and North West Leicestershire which Labour control now.

46. These changes involve new political agendas, different priorities, new legislation (in the case of changes in the national Government) and these changes require time to consolidate. Again, this stability was not present at the time the Local Plan Review started, meaning that stability on the Local Plan period would help with the proportionality of an Update focused tightly on justifying the policies concerned and assisting to facilitate decision-making in the area.

Financial situation

47. Local Plans are expensive, and they have a significant financial impact on smaller local authorities such as Melton Borough Council.

48. The Planning Advisory Service (PAS) undertook an evidence base gap analysis of the adopted Local Plan evidence base in 2022. Following this exercise, the Council

categorised the need for evidence as ‘essential’, ‘highly desirable’, ‘desirable’ or ‘optional’ and this was followed by a soft market testing exercise. The estimate for essential, highly desirable and desirable studies was £1m- £500k, which was twice as much considering optional studies. These costs did not include examination, strategic planning evidence, neighbourhood planning duties, consultations or salaries.

49. Recognising the difficult financial situation, the Council decided to follow a pragmatic approach and focus on ‘essential’, ‘highly desirable’ and some ‘desirable’ studies in this Local Plan Update, avoiding the risk of unnecessary and potentially abortive work with the production of “niche” studies.
50. A longer plan period, as explored in previous points, would involve the review of additional evidence studies and there is no guarantee that, based on the instability in planning covered above, these would be required given the publication of Development Management Policies on a national level, and/or new regulations. Therefore, again it seems pragmatic to make a proportional effort to minimise the financial impact for the Council.

Alignment with other strategies

51. The Local Plan is a pivotal document for the Borough of Melton. The adopted Local Plan has informed and has been informed by two key documents in the past years: the Corporate Strategy and the Climate Change Strategy. Both strategies, with an end period to 2036, have used the adopted Local Plan to inform their approach in the same way that the Local Plan Update has been informed by the consultations underpinning the strategies.
52. The positive impact that the Local Plan is having on other initiatives in the Borough would be undermined with a change in the Local Plan period, resulting in the potential need to re-align all these strategies again.

Conclusions

53. The reasons stated in this paper provide a robust justification to mirror the adopted Local Plan period as part of the Local Plan Update, consequently ‘2036’ is retained as the end of the Local Plan period. This reinforces the national aims to have a plan-led planning system and undertake an adequate and proportionate local plan update, focused tightly on supporting and justifying the policies concerned.