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**Hearing Statement on behalf of Jelson Ltd**

**Melton Borough Local Plan Examination**

**Matter 6: Housing Land Supply**

January 2018

## 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 land supply, the five year land supply and the implementation strategy for housing should be included in the Plan?**

To satisfy the requirements of the NPPF (paragraph 47) the Plan must contain trajectories for both market and affordable housing and these must demonstrate how the Council will maintain a 5 year supply of housing throughout the Plan period. The Council has not, thus far, demonstrated (either through the use of a trajectory or otherwise) that the Plan is capable of maintaining a 5 year supply of deliverable housing sites through to 2036. The Council has not produced a trajectory for affordable housing at all.

The Plan should also be clear about when the base date of the document is (for the purposes of calculating residual requirements and assessing forward supply) and should provide simple and clear on completions, and commitments (sites under construction and sites with planning permission yet to be started but where the Council is satisfied that there is a realistic prospect of the development proceeding).

As far as the base date is concerned, the Council is using 31 March 2018 and, for its first 5 year supply, is looking at the period April 2018 to March 2023. This is not robust and is not appropriate, not least because it relies on forecasts for completions in the period April 2017 to March 2018. The appropriate way to proceed is on the basis of actual completions and permissions data which means starting at 31 March 2017.

**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?**

##### **Commitments**

The baseline position, for the purposes of understanding land supply and assessing the residual housing requirement should be calculated as follows:

*Housing Requirement – Completions and Commitments (dwellings with planning permissions on deliverable sites)*

The Borough Council has identified 3 types of sites with planning permission. Large sites that are not proposed to be allocated, small sites that are not proposed to be allocated and large sites that are also proposed to be allocated. In Jelson's opinion, sites that benefit from an implementable planning permission (where the permission covers the whole site under consideration) should not be allocated for development in the Local Plan. These sites should be accounted for as commitments in the above noted calculation. Only sites that do not benefit from such a permission (i.e. sites with no

permission or sites with only partial permissions) should be allocated for development in the Plan. We return to this below.

Details of the Borough's current housing commitments are provided in MBC/HS1a. Large sites with planning permission that are not proposed to be allocated are forecast to deliver 521 dwellings in the Plan period (Table A.2). However, of these: 15 are not deliverable in NPPF terms (Old Dalby); 40 do not actually have planning permission (Long Clawson); and 174 were permitted after 31 March 2017 and so should not be regarded as commitments if the Inspector agrees that the base for land supply calculations should be 31 March 2017. Of the 292 that remain, 63 have already been completed and 229 will be on sites where dwellings have already been completed or work is under way (and so are almost certain to be delivered). Accordingly, assuming a base date of 31 March 2017, 229 dwelling commitments should be provided for in the baseline calculation.

An appropriate allowance should also be made for small sites with planning permission, details of which are also included within MBC/HS1a. These small sites have a combined capacity of 289. However, small sites are a notoriously unreliable source of supply and it is not uncommon for Councils to assume a 20%+ discount for lapse rates in this sector (we note that the Council has not examined historic delivery and lapse rates from small sites in MBC/HS1a). Accordingly, it would be sensible to reduce the small sites allowance by, say, 20%, to 231.

Adding the large sites and small sites allowances together gives total forward commitments on non-allocated sites of 460 as at 31 March 2017.

Amongst the Council's proposed allocations are 13 sites that have 'whole site' planning permissions and appear to be being progressed in accordance with the consents that have been granted (MEL1, MEL2, MEL3, ASF1, HAR2, HAR3, LONG1, WAL1, WAL2, WYM1, EAST1, FRIS1 and GADD1). These sites should not be allocated for development in the Plan and should instead be regarded as commitments. The capacity of these sites totals 667 dwellings.

Overall, therefore, the Borough has commitments totalling 1,127 which, when added to the 639 completions achieved to 31 March 2017, gives a total of 1,766 dwellings that should be deducted from the overall housing requirement to establish what, as a minimum, needs to be delivered in the remainder of the Plan period. In the scenarios discussed in our submissions, the figures are as follows:

<b>Requirement 2011 – 2036</b>	6,125 (245dpa)	7,000 (280dpa)	8,250 (330dpa)
<b>Completions as at 31 March 2017</b>	639	639	639
<b>Commitments as at 31 March 2017</b>	1,127	1,127	1,127
<b>Residual Requirement as at 1 April 2017</b>	4,359	5,234	6,484

## Windfalls

The Council is including within its first 5 years a windfall allowance of 29dpa from April 2021 onwards. It then maintains this allowance for the remainder of the Plan period. Jelson has no objection, in principle, to the Council allowing for a number of windfalls in its forward supply (both the NPPF and the NPPG provide for such a scenario) but it has two concerns about the approach that the Council has taken.

First, there should be no windfall allowance in the first 5 years of the Plan period. On the basis of the available evidence, the Council is capable of putting in place a Plan that allocates more than 5 years' worth of deliverable housing sites and so it should not be necessary to make an allowance for windfalls in this period.

Secondly, the 29dpa figure does not appear to be founded on credible evidence. The Borough has seen relatively high levels of windfall completions in the past (70dpa on average over the last 10 years) but this figure has been massively inflated by the fact that the Council has not had an up to date Local Plan for many years and, to a great extent, has been reliant, in supply terms, on ad hoc proposals being brought forward by the development industry. For reasons explained in other Statements, we do not believe that the Council has identified a robust housing requirement, a justified development strategy or conducted an appropriate assessment of sites that are capable of delivering housing in the Borough. But if the Council is right, its evidence suggests that it has exhausted (by allocation) the capacity of its most sustainable settlements. As a consequence, it will also have limited very considerably the potential for appropriate windfall schemes to be promoted in due course. Accordingly, Jelson considers that either the windfall allowance should be reduced from 29dpa or, better still, the Plan makes site specific allocations that are capable of meeting the full housing needs of the Borough through the Plan period (plus an additional allowance for flexibility – see below) and makes no numerical allowance for windfalls at all. This would not rule out the possibility of planning permission being granted on unallocated sites, far from it, but it would make for a more robust Plan in circumstances where the likelihood of sustainable windfall schemes being promoted is reducing materially.

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

There is no dispute that a 20% buffer should be added to the supply to address persistent under-delivery. Even on the basis of the housing requirement that the Council is promoting, it has failed to deliver an adequate number of new dwellings in each of the last 6 years and is expecting to under-perform again in the present monitoring year. The shortfall against the Council's 245dpa requirement stood at 831 dwellings. If the Inspector agrees with our submissions that the requirement should be set at 330dpa, the present shortfall will be 1,341. If the Inspector determined that 280dpa is the 'sound' requirement, the shortfall will be 1,041 dwellings. Either way, the Council has persistently under-delivered in housing terms and a 20% buffer should, therefore, be applied for land supply calculation purposes.

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

Neither the Liverpool approach, nor a modified version of it (as the Council is now promoting) is sound. There is no support for such an approach in policy or guidance. The NPPF is clear that local authorities should boost 'significantly' the supply of housing and the NPPG provides that:

*“Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the duty to cooperate”.*

There is no contemplation in the NPPF or the NPPG of shortfalls being addressed in the remainder of the Plan period.

In addition, there is plainly no market or land availability justification for adopting anything other than the Sedgefield approach to assessing housing land supply. Delivery rates have only been suppressed in Melton Borough because of the approach that the Council has taken to planning for housing – not because the Borough is short of developable land or because the market cannot deliver housing at substantially higher rates than it has in the past. ID1d and MBC/HS1a confirm that this is the case.

Jelson is satisfied, therefore, that the Borough's housing land supply should be calculated applying the Sedgefield method. Utilising the housing requirement figures referred to above, this gives annual requirements as follows:

<b>Base Requirement 2011 – 2017 (6 yrs)</b>	1,470 (245dpa)	1,680 (280dpa)	1,980 (330dpa)
<b>Completions as at 31 March 2017</b>	639	639	639
<b>Shortfall as at 31 March 2017</b>	831	1,041	1,341
<b>Base Requirement 2017 – 2022 (5yrs)</b>	1,225	1,400	1,650
<b>Buffer (Base Requirement + Shortfall x 20%)</b>	411	488	598
<b>5 Year Requirement (Total)</b>	2,467	2,929	3,589
<b>5 Year Requirement (per annum)</b>	493	586	718

- 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?**

The evidence on which the Council has based its assessment of site capacity and delivery rates is poor. Insofar as the timing and rate of delivery is concerned, the Council's assessment contains a raft of general assertions that, so far as we can tell, are completely without evidence. It uses phrases such as 'site is being marketed' and 'site promoter has confirmed that there is strong housebuilder interest in the site' without understanding or explaining what this means. Given the importance of delivery in the policy context, it is critical that the Plan is underpinned by robust evidence on the process by which sites are being promoted and the stages that need to be worked through before the site will yield completions, the timescales that should reasonably be attributed to the key stages in the delivery process, and exactly where, in the process, each site is at.

We note that the Council has made certain assumptions about how long it might take a land owner or developer to deliver housing on a site, depending on where it's at in the planning process. Jelson agrees with the Council's assumptions, save in a small number of respects where, in Jelson's very extensive experience of the planning system and of delivering housing in the HMA, it considers it more realistic to adopt slightly longer timescales. Jelson's assumptions are below. Where they differ from the Council's the text is italicised:

#### Large Sites

- Obtaining Outline Planning Permission: 12 months
- Negotiation / Settlement of S106 (Post Resolution to Grant): 6 months
- *Negotiation / Completion of Sale: 9 months* (missing from the Council's assumptions)
- Preparation / Submission / Approval of Reserved Matters: 12 months
- *Discharge of Conditions / Obtaining Technical Approvals: 9 months*
- Site Preparation / Commencement of Construction: 10 months

#### Small Sites

- Obtaining Outline Planning Permission: 9 months
- *Negotiation / Settlement of S106 (Post Resolution to Grant): 6 months*
- *Negotiation / Completion of Sale: 9 months* (missing from the Council's assumptions)
- Preparation / Submission / Approval of Reserved Matters: 9 months
- *Discharge of Conditions / Obtaining Technical Approvals: 6 months*
- Site Preparation / Commencement of Construction: 7 months

Having applied its own analysis to the sites that are said to contribute to the Borough's forward supply, there are a number in respect of which Jelson has reached conclusions that differ to the Council's. These are detailed in the table attached at Appendix 1.

After taking account of the adjustments listed in Appendix 1 and bearing in mind also that Jelson considers the appropriate first supply assessment period to be 2017 – 2022, we submit that the supply position in the first five years of the plan period is as follows:

<b>5 Year Requirement (Total)</b>	2,467 (245dpa)	2,929 (280dpa)	3,589 (330dpa)
5 Year Requirement Annualised	493	586	718
Supply from Sites with Planning Permission (Allocated and Unallocated)	1,057	1,057	1,057
Supply from Sites without Planning Permission (or with partial planning permissions) (Allocations and unallocated sites)	132	132	132
Total Supply	1,189	1,189	1,189
Supply in Years	2.4	2.0	1.7

**6.2 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 347dpa over the five year period starting 2017/2018 or an average of 359dpa over the five year period starting 2018/2019? 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?**

A revised housing trajectory has been included within MBC/HS1a. This indicates that the Borough will see completions averaging 418dpa in the 5 year period from 1 April 2017 and averaging 513dpa in the 5 year period from 1 April 2018.

Jelson is satisfied that the development industry is capable of completing and selling this quantum of housing but, as indicated above and in other Statements, it is not convinced that the Council has made robust assumptions about the deliverability or rate of delivery that is achievable in respect of certain sites. The market is strong in the Borough, with significant developer interest, but the Council has failed and continues to fail to identify an appropriate amount and range of sites for housing development, thereby enabling the development sector to significantly boost housing supply. The market, however good it is, will only sustain so much housebuilding in one or two locations (i.e. one or two major SUEs). If the Borough is to grow at the rate that is required, the Council's forward supply of sites needs to contain a good mix of sites (by type and size), in a range of appropriate (sustainable) locations which, overall, provide the capacity for a significant increase in delivery rates.

As indicated above, Jelson is also concerned that: (i) the trajectory does not indicate that the Council will have a 5 year supply of deliverable housing sites on a rolling basis through the Plan period; and (ii) the Council has not produced a trajectory for affordable housing delivery.



## Appendix 1: Sources of Supply

Sites with Planning Permission						
Site Ref and (Capacity)	Address	Issues	5 Year Allowance		Plan Period Allowance	
			Jelson	MBC	Jelson	MBC
MEL1 (85)	Nottingham Road	N/A	85	85	85	85
MEL2 (120)	Burton Road	N/A	41	41	120	120
MEL3 (75)	Hilltop Farm	N/A	20	20	75	75
ASF1 (100)	Station Road	N/A	100	100	100	100
HAR2 (10)	Langar Lane	N/A	10	10	10	10
HAR3 (53)	Colston Lane	N/A	17	17	53	53
LONG1 (10)	Melton Road	N/A	10	10	10	10
WAL1 (26)	High Street	N/A	26	26	26	26
WAL2 (105)	Melton Road	N/A	105	105	105	105
WYM1 (12)	Glebe Road	N/A	12	12	12	12
EAST1 (9)	Green Lane	N/A	9	9	9	9
FRIS1 (48)	Great Lane	N/A	37	37	48	48
GADD1 (14)	Holme Farm	N/A	14	14	14	14
Ankle Hill (88)	Melton	N/A	88	88	88	88
High Street (4)	Melton	N/A	4	4	4	4
Scalford Road (40)	Melton	N/A	40	40	40	40
Leicester Road (97)	Melton	N/A	97	97	97	97
Sandy Lane (30)	Melton	N/A	30	30	30	30

Station Road (15)	Old Dalby	Possibly developable but not deliverable in NPPF terms	0	15	15	15
North of Station Road (39)	Old Dalby	Consent likely to expire resulting in need for fresh application	10	39	39	39
Melton Road (70)	Brooksby	Unrealistic trajectory	36	70	70	70
Hecadeck Lane (25)	Nether Broughton	N/A	25	25	25	25
Main Road (10)	Nether Broughton	N/A	10	10	10	10
Small Sites		Jelson applies 20% lapse rate discount	231	289	231	289
<b>Sub Totals</b>			<b>1,057</b>	<b>1,193</b>	<b>1,316</b>	<b>1,374</b>

#### Sites without Planning Permission

Site Ref and (Capacity)	Address	Issues	5 Year Allowance		Plan Period Allowance	
			Jelson	MBC	Jelson	MBC
MNSN (1500)	Melton North SN	Unrealistic trajectory (assume delivery from 2022/2023)	0	100	1,300	1,500
SMSN (1700)	South Melton SN	Unrealistic trajectory (assume delivery from 2022/2023)	0	108	1,478	1,700
MEL4 (26)	Cattle Market	Possibly developable but not deliverable in NPPF terms	0	13	26	26
MEL5 (16)	Scalford Road	N/A	0	0	16	16
MEL6 (37)	Dieppe Way	N/A	0	0	37	37
MEL7 (16)	Thorpe Road	N/A	0	0	16	16
MEL8 (11)	Silverdale, Scalford Road	Site has potentially fatal technical issues and is not demonstrably achievable	0	11	0	11
MEL9 (20)	Wycliffe House	N/A	0	0	20	20

MEL10 (70)	St Bartholomew's Way	N/A	0	0	70	70
ASF2 (55)	South of Bypass	Unviable	0	26	0	55
BOT1 (41)	Daybell's Farm	Site has potentially fatal technical issues and is not demonstrably achievable	0	6	0	41
BOT2 (65)	Grantham Road	Site has potentially fatal technical issues and is not demonstrably achievable	0	36	0	65
BOT3 (163)	Rectory Farm	Site has potentially fatal technical issues and is not demonstrably achievable	0	0	0	163
BOT4 (88)	Beacon Hill	Unrealistic trajectory	7	88	88	88
CROX1 (39)	West of Saltby Road	Unrealistic trajectory	7	20	39	39
CROX2 (10)	East of Saltby Road	Unrealistic trajectory	5	10	10	10
CROX3 (10)	Main Street	Unrealistic trajectory	5	10	10	10
HAR1 (15)	Boyers Orchard	Outline will expire before site is sold. Longer lead in required.	3	15	15	15
HAR4 (50)	Colston Lane	Unrealistic trajectory	11	50	50	50
HOS1 (41)	Canal Lane	Unrealistic trajectory	15	41	41	41
HOS2 (35)	Harby Lane	Unrealistic trajectory	0	15	35	35
LONG2 (35)	Broughton Lane	N/A	0	0	35	35
LONG3 (45)	Waltham Lane	Unrealistic trajectory	15	45	45	45
LONG4 (49)	Sandpit Lane	Refused planning permission. Not suitable.	0	0	0	49
OLD1 (28)	Longcliffe Hill	Unrealistic trajectory	8	28	28	28
SCAL1 (23)	Melton Road	N/A	0	0	23	23
SOM1 (27)	Football Field	Refused planning permission. Not suitable.	0	0	0	27

SOM2 (42)	High Street	Site has potentially fatal technical issues and is not demonstrably achievable or demonstrably developable	0	19	0	42
STAT1 (65)	Main Street	Unrealistic trajectory	0	29	65	65
STAT2 (17)	City Road	Unrealistic trajectory plus error in MBC estimated yield	5	10	17	17
WYM2 (21)	Butt Lane	Unrealistic trajectory	3	11	21	21
WYM3 (22)	Brickyard Lane	N/A	0	0	22	22
ABK1 (10)	Off A606	N/A	10	10	10	10
ASFH1 (40)	Haughton Close	Error in MBC Calculations. Only 16 remain to be delivered.	16	26	16	40
ASFH2 (47)	Stanton Road	N/A	0	0	47	47
EAST2 (12)	West of Green Lane	Unrealistic trajectory	6	12	12	12
FRIS2 (22)	Water Lane	N/A	0	0	22	22
FRIS3 (48)	South of Village	Contrary to emerging NDP. Holding Direction. Outcome uncertain. No demonstrably deliverable or demonstrably developable	0	48	0	48
GADD2 (11)	Pasture Lane	Unrealistic trajectory	6	11	11	11
GADD3 (11)	North of Pasture Lane	N/A	0	0	11	11
GREA1 (37)	Burdett Close	N/A	0	0	37	37
THOR1 (13)	South East of Thorpe Road	Site has potentially fatal technical issues and is not demonstrably achievable or demonstrably developable	0	13	0	13
THOR2 (11)	West of Thorpe Road	Assume land owner commences process now	5	11	11	11
Pagets End (40)	Long Clawson	Unrealistic trajectory	5	40	40	40

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Windfalls	0	29	0	435
<b>Sub Totals</b>	<b>132</b>	<b>898</b>	<b>3,779</b>	<b>5,119</b>
<b>Grand Totals</b>	<b>1,189</b>	<b>2,091</b>	<b>5,153</b>	<b>6,493</b>

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