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SENT BY E-MAIL AND POST

23rd August 2017

Dear Sir / Madam

MELTON LOCAL PLAN FOCUSSED CHANGES CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following representations and in due course attend the Examination Hearing Sessions to discuss matters in greater detail.

FC1.1 & FC1.2 – Objectively Assessed Housing Need (OAHN) & Housing Requirement

The pre submission housing requirement as set out in **Policy SS2 – Development Strategy** proposed at least 6,125 dwellings (245 dwellings per annum) between 2011 – 2036 but was based on an out of date SHMA. **FC1.1** to the supporting text and **FC1.2** to **Policy SS2** proposes that this overall housing requirement remains unchanged.

The new Leicester & Leicestershire Housing & Economic Development Needs Assessment (HEDNA) Final Report prepared by G L Hearn dated January 2017 calculates a revised Objectively Assessed Housing Need (OAHN) for Melton of 170 dwellings per annum based on :-

- 134 dwellings per annum (SNPP & SNHP demographic starting points with 10 year migration trend adjustment) ;
- Plus 20 dwellings per annum affordability adjustment ;
- Plus 16 dwellings per annum adjustment to support economic growth.

Previously at the North West Leicestershire Local Plan Examination the HBF and other parties have criticised the HEDNA for under estimating the OAHN because of :-

- Not addressing any potential re-distribution of unmet housing needs within the HMA (in particular from Leicester city) ;
- Misalignment of employment and housing strategies ;
- Jobs led growth assumptions in particular economic activity rates and resident workforce / commuting ;
- Use of HFR as mechanism to adjust for worsening market signals ;
- Lack of adjustment to deliver affordable housing.

Clearly the Council have similar concerns so propose to retain the “policy on” housing requirement of 245 dwellings per annum as set out in the Melton Towards A Housing Requirement Report for the reasons of :-

- Supporting economic growth against a declining working population ;
- Delivery of infrastructure in particular the Melton Mowbray distributor road ;
- Delivery of affordable housing to meet needs ;
- Contributing to unmet needs from elsewhere in the HMA.

Overall the HBF is supportive of the Council’s position for a higher “policy on” housing requirement figure but it is noted that the Council’s Topic Paper identifies a range of 5,750 dwellings (230 dwellings per annum) – 7,000 dwellings (280 dwellings per annum). 245 dwellings per annum is towards the lower end of this range and there appears to be little justification for 245 dwellings per annum as opposed to 280 dwellings per annum. The Council has not provided adequate justification for 245 dwellings per annum rather than 280 dwellings per annum other than a statement that it was the figure previously consulted upon in the pre submission consultation (see Full Council Papers). Indeed the Sustainability Appraisal Addendum confirms the greater benefits from 280 dwellings per annum in particular delivery of affordable housing and meeting social objectives of the Local Plan. In the SA Addendum Option 3 performs better than Option 1. As set out in the Full Council Paper a top range figure was previously approved. 280 dwellings per annum could have been chosen (see para 3.11.5). 245 dwellings per annum only delivers 75% affordable housing need and is at lower end of accord with the strategic policies of the Plan (see para 3.12.3). It is contended that the selection of a housing figure towards the bottom end of the range is not in the spirit of positive planning and the NPPF objective to significantly boost the supply of housing.

FC1.2, FC1.3 & FC4.1 - Housing Land Supply (HLS)

Under **FC1.2** the HBF is supportive of the insertion of the word “approximately” in **Policy SS2** regarding the distribution of housing need between Melton Mowbray Main Urban Area (approximately 65%) and Service Centres & Rural Hubs (approximately 35%). **FC1.3** simplifies the housing split at each level of the settlement hierarchy and **FC1.2** amends the Council’s approach to unallocated sites.

FC4.1 adds / deletes allocated and reserve sites. The Council is proposing ten site allocations in Melton Mowbray for 3,646 dwellings of which 3,200 dwellings are located on two sustainable urban extensions (SUEs). The remaining 446 dwellings are allocated on eight sites ranging in site size between 11 – 120

dwellings. 1,600 dwellings are allocated elsewhere in the District of which 1,267 dwellings are allocated on thirty sites in Service Centres and 333 dwellings are allocated on fourteen sites in Rural Hubs.

The HBF would not wish to comment on the merits or otherwise of individual sites proposed for allocation by the Council but it is critical that the Council's assumptions about the deliverability of these sites are correct and realistic to provide sufficient headroom and flexibility in both the overall HLS and 5 YHLS throughout the plan period. In this context it is noted that there is an additional requirement for master planning of SUEs before the granting of any planning permissions. Therefore lead in times both before and after the granting of planning permission should be of appropriate length. It is also noted that delivery rates have been adjusted downwards from 50 dwellings per annum to 36 dwellings per annum for large sites built out by volume house builders. The Council is expecting the SUEs to deliver at the end of the 5 year period in late 2018 and the housing trajectory shows 150 dwellings completed on the SUEs in 2019/20 presumably from multiple outlets offering different products. This housing trajectory should be incorporated into the Plan. As a consequence of these changes for master planning and delivery rates the proposed housing trajectory and 5 YHLS calculation look ambitious. The Council should confirm that its assumptions have the support of the housebuilders responsible for delivery.

The inclusion of reserved sites is welcomed however there is only one reserve site in Melton Mowbray where housing delivery delays are most likely to occur. The Council's proposed restriction on the release of reserve sites by location is also likely to reduce the effectiveness of the inclusion of the reserve site policy. The Council should consider appropriate trigger mechanisms / monitoring whereby if delivery on SUEs falls below X% of the target reserve sites should be released for development and / or the Local Plan reviewed.

It is noted that the Council continues to recoup shortfalls over the plan period (Liverpool) rather than within the first five years (Sedgefield). The Council should provide both calculations. The HBF has estimated using the Council's figures as set out in the latest report that 5 year supply is possible using Sedgefield and therefore there should be no departure from the Government's preferred approach as set out in the NPPG (ID 03-035). If not the Council should fully justify its departure from the approach set out in the NPPG. Any delay in meeting unmet housing needs from earlier in the plan period is failing those households who needed both market and affordable homes since the start of the Plan. It is important to remember that this is not just a theoretical mathematical exercise there are households who need homes now so it is unreasonable and unequitable to expect them to wait until later in the plan period before their current housing needs are addressed.

FC2.1 & FC6 – Affordable Housing & Viability

It is noted that the proposed affordable housing site thresholds of 11 or more are consistent with national policy.

The proposed reduction in affordable housing provision from a District wide provision of 37% to differential rates across Value Areas as set out in **FC6** to

Policy C4 is supported. Likewise the proposed reduction from 37% to 15% affordable housing provision on the SUEs as set out in **FC2.1** is also supported.

However the Council's latest viability evidence set out in the Revised Local Plan & Community Infrastructure Levy (CIL) Viability Final Report dated May 2017 prepared by Cushman & Wakefield shows that at proposed CIL rates of £85 per square metre in Value Area 1 (Southern), £60 per square metre in Value Area 2 (Vale of Belvoir) and £25 per square metre in Value Area 3 (North West) then the proposed level of affordable housing provisions of 40%, 32% and 25% respectively are the maximum achievable. The Viability Report correctly identifies the trade-off between affordable housing provision and CIL and the inverse relationship whereby the higher affordable housing provision then the lower the rate of CIL that is viable. Accordingly the Council will have to balance affordable housing provision and securing funding for infrastructure. The Council is reminded that if the Local Plan is to be compliant with the NPPF development should not be subject to such a scale of obligations and policy burdens that viability is threatened (para 173 & 174). Therefore the HBF object to the word "minimum" in **Policy C4** it is recommended that the word "minimum" is deleted.

FC3.1 – Local Plan Review

A fundamental outcome of compliance with the Duty to Co-operate is the delivery of full OAHN for market and affordable housing in the HMA as set out in the NPPF (para 47) including the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (NPPF para 182). Melton Borough Council is a constituent part of the Leicester & Leicestershire HMA.

The 2017 HEDNA sets out the OAHN for each respective HMA authority without addressing any potential re-distribution of unmet housing needs. The Leicester & Leicestershire Authorities Joint Statement of Co-operation January 2017 shows that in principle full OAHN can be met in the HMA but Leicester City Council and Oadby & Wigston Borough Council are unable within their own administrative boundaries to meet in full their identified OAHN so these unmet housing needs will have to be re-distributed elsewhere in the HMA. The exact quantum and re-distribution of these unmet needs is not yet determined or agreed.

Therefore at this time the meeting of unmet housing needs across the wider Leicester & Leicestershire HMA remains unresolved. So a policy commitment to an early review is essential to the soundness of the Melton Local Plan. Such a policy commitment is not set out in the proposed Further Changes which proposes that the Local Plan review is commenced 12 months after the adoption of the Strategic Growth Plan. The Strategic Growth Plan is a non-statutory document which will not be subject to independent examination.

The Council's proposal is ineffective because it is not addressing unmet housing needs within a specified timescale. The HBF suggest that the Melton Local Plan includes a policy to commit to collaboratively work with the Leicester & Leicestershire HMA authorities to establish the scale and distribution of unmet needs to be accommodated within Melton and to commence a review of

the Local Plan within 12 months of adoption to be submitted for examination within two years from commencement of the review. In the event that the reviewed Plan is not submitted for examination then the adopted Local Plan would be deemed out of date.

FC5 – Housing Standards

It is noted that **FC5** to **Policy C2** becomes the encouragement for M4(2) and M4(3) standards rather than a requirement. This change is supported by HBF.

It is also noted that in **Policy C2 (FC5)** the Council is still seeking to manage the mix of house types and sizes based on Table 9. As previously stated in HBF representations the Council should only be seeking to determine house sizes based on evidence using the criteria set out in the NPPG. It is the HBF's opinion that the reference to house sizes in **Policy C2 (FC5)** and **Policy SS4 (FC2)** should be deleted together with the removal of **Policy C3 – National Space Standards & Smaller Dwellings** which is intrinsically linked to **Policy C2**.

Conclusion

For the Melton Local Plan to be found sound under the four tests of soundness as defined by the NPPF (para 182), the Plan should be positively prepared, justified, effective and consistent with national policy. The Plan is considered unsound because of :-

- Inadequate justification for OAHN ;
- 5 YHLS which defers dealing with existing shortfalls as soon as possible;
- unjustified housing standards for house sizes ;
- an unviable minimum affordable housing policy ;

Therefore the Plan is inconsistent with national policy, not positively prepared, unjustified and ineffective. It is hoped that these representations are of assistance to the Council in preparing the next stages of the Melton Local Plan. In the meantime if any further information or assistance is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**

Susan E Green MRTPI
Planning Manager – Local Plans