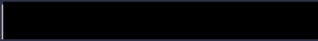


# Representations to Melton Local Plan.

## Regulation 18 Issues and Options Consultation.

On behalf of Davidsons Developments Ltd.

Date: 05 January 2024 | Pegasus Ref: P22-0124





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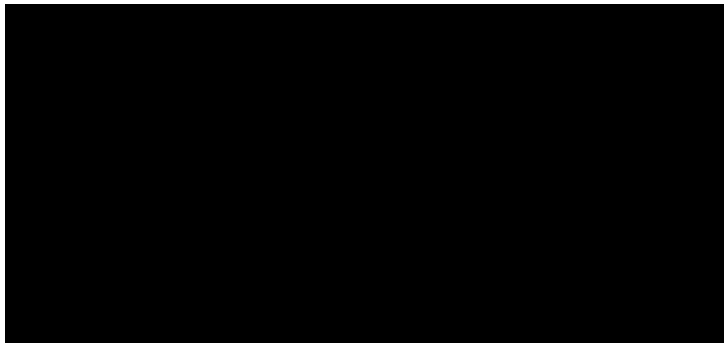
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# 1. Introduction

- 1.1. These representations are submitted by Pegasus Group on behalf of Davidsons Developments Ltd to the Melton Local Plan Partial Review Issues and Options Consultation, in relation to their interests south of Melton Mowbray.
- 1.2. Davidsons has been working with Greenlight Developments Ltd, who also have an interest in land in the Masterplan area. Together they have been actively engaged in the preparation of the adopted Local Plan and Masterplan for the Melton South Sustainable Neighbourhood and welcome the opportunity to input into the Local Plan review.

## Consultation Respondent Details



**Organisation:** Davidsons Developments Ltd

## 2. Partial Review

- 2.1. The Issues and Options report outlines that the Council has decided to undertake a partial review of the Local Plan. Davidsons Developments appreciates the rationale behind this decisions, but has concerns about this as set out below.

### Current Scope

- 2.2. The consultation document points to the findings of the Five-Year Review of the Melton Local Plan (September 2023), which found that most policies needed to be updated, but that the spatial strategy and housing targets or housing allocations do not need updating.
- 2.3. On the basis that the current scope of the Local Plan update includes most policies, including employment allocations, many of the development management policies and the two strategic housing allocations, the Council should provide further explanation of why a partial review is being undertaken.

### Plan Period

- 2.4. The Five-Year Review notes that the current adopted development targets of 6,125 dwellings and 51 hectares of employment land cover the period 2011 – 2036. It acknowledges at paragraph 2.2.6 that the policy is silent about growth rates to be delivered beyond 2036 and that this means the Local Plan policies will only be looking ahead over 10 years at adoption, rather than the required 15 years set out in the National Planning Policy Framework (the Framework). This highlights an issue with not updating the plan fully.
- 2.5. The argument made by the Council for not extending the plan period, by the additional five years needed to meet national guidance, is that the Leicester and Leicestershire Statement of Common Ground only covers the period to 2036.
- 2.6. Whilst we agree that the Plan needs to take account of Leicester’s unmet need and there are limitations with the current Statement of Common Ground, this is not preventing other authorities within Leicestershire from moving forward with their Local Plan updates that take their plans beyond 2036, for example North West Leicestershire and Harborough District Councils. The Council will need a robust argument for not choosing this course of action. The Council should also be prepared to take into account the fact that the need to update the Statement may be picked up through the Examination in Public of the Leicester City Local Plan which currently only looks forward over 12 years not the required 15 years.

### Housing Requirements

- 2.7. The current housing requirement in the adopted Local Plan is out of date. Policy SS2: Development Strategy sets out a housing requirement of 6,125 dwellings between 2011 – 2036 with a stepped housing trajectory which increases from 170 dwellings per annum through 245 to 320, averaging 245 overall. This was based on an Objectively Assessed Need of 170 homes a year.
- 2.8. The current Local Housing Need figure for Melton, derived from the standard method is 185 homes a year, 15 homes a year or 9% higher than when the Local Plan was adopted. This is a significant change in circumstance which needs to be addressed through the Local Plan

update. Over an appropriate plan period to 2041, this is equivalent to a shortfall of 270 homes.

- 2.9. Importantly Melton has also signed up to the Leicester and Leicestershire Statement of Common Ground which apportions an element of Leicester's unmet needs to Melton and identifies a need to plan for 300 homes a year. This is 55 homes a year higher than the current Local Plan average requirement, 22%, and the equivalent of 990 homes over a plan period to 2041.
- 2.10. This is a significant change to the housing requirement for the Borough and needs to be addressed through a full update to the plan.
- 2.11. The Five Year Review sets out the level of headroom in the housing numbers when supply is taken into account. At paragraph 2.2.4 the review notes that the forecast housing provision for the plan period is 1,750 dwellings more than the local plan target, which represents a significant headroom. This is only significant headroom over the current Local Plan period and against the current housing requirement.
- 2.12. Once the current housing needs and unmet needs from Leicester are taken into account over an appropriate time horizon to 2041, this is no longer headroom, it is necessary supply.
- 2.13. The required 300 homes a year set out in the Statement of Common Ground to meet Leicester's unmet need over a plan period 2023 to 2041 would suggest a housing requirement of 5,400 homes, an additional 2,215 homes to those required by the current Local Plan plus 10% contingency increasing this to 2,755 homes. This is significantly more than the oversupply within the current plan period of 1,750 homes and needs to be considered against the Council's long term trajectory to establish whether sufficient sites are currently identified.
- 2.14. In order to overcome these fundamental issues, the Council should commit to undertaking a full Local Plan update as soon as the partial review is completed to address the changes in circumstance that have occurred since the previous Local Plan was adopted in 2018 and ensure that the current spatial strategy can be delivered.

## **Spatial Strategy & Housing Allocations**

- 2.15. The current strategy is based on a 65% to 35% split of housing provision in favour of the Main Urban Area, and this is underpinned by the delivery of the two Sustainable Neighbourhoods allocated north and south of Melton Mowbray.
- 2.16. The spatial strategy continues to be supported and whilst both Sustainable Neighbourhoods are progressing, there are significant changes to the circumstances, particularly in relation to the Melton South Sustainable Neighbourhood, which need to be addressed in a Local Plan update.
- 2.17. The Five Year Review notes that delivery has not conformed with the current Local Plan strategy, with more rural areas development than was intended. It will be important for the Council to review this and reaffirm the original spatial strategy to provide the necessary context for the additional allocations that will be needed to meet need.



- 2.18. As with all the points raised above, this suggests a full Local Plan update should be commenced as soon as the partial review is concluded to provide a robust basis for long term development of the Borough.

### **3. South Melton Mowbray Sustainable Neighbourhood**

- 3.1. The consultation document highlights several issues with the existing policy related to changes in the education needs evidence and changes that were needed to secure funding for the Distributor Road. These changes are reflected in the revised Masterplan approved by the Council in 2021.

#### **Option 1 – Delete Policy**

- 3.2. There are two options proposed, the first option is to delete the policy. This is identified in the consultation document as not a feasible option as the delivery of the site is central to the strategy of the local plan.
- 3.3. The allocation of the land for the South Melton Mowbray Sustainable Neighbourhood is fundamental to the overall Local Plan strategy and it is therefore not a reasonable option to delete this policy.
- 3.4. We ‘strongly disagree’ with Option 1, this is not feasible and should not be considered further.

#### **Option 2 – Amend Policy**

- 3.5. The second option is to amend the policy to reflect the 2021 Masterplan, this is the Council’s preferred option.
- 3.6. Whilst the logic of this option is understood, this would fail to deal with the changes of circumstances since the Masterplan was adopted and be a missed opportunity to ensure the policy is deliverable within the current context.
- 3.7. We ‘agree somewhat’ with Option 2, but the amendments need to go further than simply reflecting the 2021 Masterplan. We are committed to working with the Borough and County Council together with Greenlight in respect of the allocation and collaborating in respect of the amendments to the proposed Policy to be included in the Local Plan Review at the Regulation 19 Submission stage.
- 3.8. It is important to stress that the developers and landowners remain committed to delivering the Melton South Sustainable Neighbourhood within the overall context of the approved Masterplan. Amendments are however necessary to reflect the changes in circumstances since the Masterplan was approved.
- 3.9. The consultation document suggests that the Masterplan reflects the latest evidence on delivery, but this is not correct. The national economic picture has changed significantly since 2021, with increasing build costs and decreasing house prices. This change in the economic position is coupled with a change in the funding availability in the public sector, struggling in the same difficult economic climate.
- 3.10. The agreements between key partners on infrastructure matters referred to in the consultation document are now more than two years old and need to be revisited. There is

new data on education needs which need to be considered and taken into account in the required revisions to the Masterplan.

- 3.11. Whilst the consultation document is correct that the Masterplan demonstrated that the MMDR South could be delivered, this was predicated on forward funding from the public sector for the Melton Mowbray Distributor Road South (MMDRS). Whilst Leicestershire County Council and Melton Borough Council remain committed to the construction of the distributor road from Leicester Road to Burton Road, a new delivery strategy needs to be devised and agreed in the absence of public sector funding. This may necessitate a re-alignment or re-grading of the road from that shown on the Masterplan. It is essential that the local plan policy retains an element of flexibility in the highway strategy for the MMDRS. The developers will continue to work with the County and Borough Councils to construct the MMDRS in some form.
- 3.12. It is essential that the policy and Masterplan are revisited through the review of the Local Plan to support the delivery of this site. This allocation is central to the Council's strategy for the growth of Melton Mowbray and meeting the needs of the Borough as a whole. A review of the Masterplan, policy wording, the boundary and infrastructure evidence provides an opportunity to ensure the vision for this neighbourhood is brought back into focus and the key priorities are reaffirmed.
- 3.13. Davidsons Developments Ltd would welcome the opportunity to work with the Borough Council and County Council, together with Greenlight Developments Ltd to review the Masterplan and Policy SS4, taking account of the latest information.

### **Additional Land Available**

- 3.14. The review of the Masterplan and Policy SS4 includes a review of the boundary of the allocation in the adopted local plan. As set out in section 2 above, the council should move to a full review of the local plan at the earliest opportunity. This review should give consideration to the additional land available and within the control of Davidsons as shown in Appendix A. This land has been promoted through the Council's call for sites and the Leicester and Leicestershire Growth Strategy review.
- 3.15. Both Spreckleys Farm (MBC/O29/19) and the balance of the Bowley land (MBC/O19/19) are available and suitable for additional housing which would not only contribute to financing the road, improving the viability of the existing allocation, but would also make best use of existing infrastructure, the MMDR North and East and the future MMDRS. Melton Airfield (MBC/O25/19) is suitable for mixed use residential and employment use, which would also contribute to the required infrastructure. It would be appropriate in the partial review for the council to indicate directions for growth which would be entirely in accordance with the existing spatial strategy for the Borough, concentrating development on Melton Mowbray.



## 4. Housing Mix

- 4.1. The consultation document proposes to amend the current policy to bring the housing mix table into the policy from the reasoned justification, update it with the most up to date evidence and make the policy wording more definitive with less exception clauses, such as removing “having regard to market conditions and economic viability”.
- 4.2. We ‘strongly disagree’ with this proposed amendment to the mix policy and suggest an alternative approach.
- 4.3. This proposed change will have significant impacts on the viability of development and will constrain the ability of developers to respond to the individual circumstances of each site in terms of housing needs, market conditions, design and economic viability. This flexibility to respond to site specifics is essential to the deliverability of the Council’s development strategy.
- 4.4. There will be situations where a site is located in an area where it is not appropriate to deliver the ideal mix identified through the Housing Needs Assessment. For example, there may be a specific local need for a different mix of homes, a need to adjust the mix to achieve efficient use of the site or ensure integration with the character of an area and this will require a different approach.
- 4.5. There will also be situations where delivering the ideal mix will undermine the viability of a site and if the mix policy is made more definitive and includes no flexibility to consider this then the affordable housing offer will be impacted. This will either mean less affordable housing will be deliverable or the tenure of the affordable housing will need to be adjusted i.e. less social and affordable rented homes.
- 4.6. The inclusion of the table into the policy is cautioned against as this is based on evidence at a point in time and will make it harder to use any updated evidence. The current approach of including the table in the supporting text and highlighting the need to refer to this or any update to inform the mix is a better approach which allows new evidence to be used straight away.
- 4.7. The consultation document itself notes that these changes may have unintended consequences such as reducing the viability meaning less or different types of affordable housing and inappropriate development/design in certain situations. It is suggested that an alternative approach is used to update the plan to avoid this.
- 4.8. It is suggested that the current wording ‘having regard to market conditions, housing needs and economic viability, taking account of the site specific circumstances and the housing mix information’ is kept in the policy to avoid the unintended consequences identified above.
- 4.9. It is also suggested that the mix table is updated with the new evidence and referred to as the ‘preferred mix’ to avoid the problems encountered at appeal whilst maintaining the flexibility needed to respond to site specific issues.

## 5. Affordable Housing

- 5.1. The consultation document proposes to amend the affordable housing policy with a new requirement figure based on the most up to date housing need and viability evidence. It is also proposed to update the threshold for the affordable housing requirement to align with the national definition of major development, except in rural areas where the threshold would be reduced to 5 dwellings or more. Finally, it is proposed that the policy is updated to reflect the new national affordable housing definitions.
- 5.2. The proposal to bring the affordable housing policy up to date, taking account of new evidence and the latest national guidance and definitions, is logical and understood. It is essential that the updated policy takes account of both need and viability evidence. It is important that the viability evidence considers the implications of the proposed mix policy on viability along with all other proposed planning obligations.
- 5.3. We agree the amendments are needed but would welcome the opportunity to comment on the proposed changes before the Pre-Submission Local Plan is prepared and published. At this stage the Council will be within the formal process of the Examination, and it is considered important that developers and land promoters are given the opportunity to informally input into the development of this important policy to ensure it is viable.

## 6. Self and Custom Build

- 6.1. The consultation document proposes to reduce the threshold from 100 dwellings, to 20 as long as it is justified, viable and considers local needs. The proposals also include the introduction of a timeframe for the plots to be sold, for example six months, at which point the developer could build out the plots. It is also proposed that community-led self/custom build housing will be supported as long as it is justified and considers local needs.
- 6.2. The Council's preferred option is to also add local-specific criteria:
- Encourage a diverse provision of self/custom builds by supporting smaller and more affordable options.
  - Encourage exemplar sustainable housing options.
  - Require developments above the threshold to allocate suitable plots at the entrance of the scheme, to avoid unnecessary disruption to self/custom builders.
- 6.3. It is considered that Option 1, the proposal to delete this policy and promote self and custom builds through other Local Plan policies, is the most appropriate approach.
- 6.4. We 'disagree strongly' with Option 2 and the proposal to reduce the threshold from 100 to 20 dwellings. The Council does not appear to have an adequate monitoring process for self and custom builds and therefore has no evidence to show that this policy change is required.
- 6.5. The reduced threshold needs to be considered in light of the viability evidence and practicalities or the evidence of need. This will increase the complexity of developments and the current threshold reflects this. Reducing the threshold will have resource implications for the Council at a time when resources are already tight. It is suggested that an alternative approach should be considered of maintaining the current threshold and including a criteria based policy for self and custom build developments.
- 6.6. There is an important role for improved monitoring in relation to self and custom build homes as often these types of developments are being delivered through individual or small housing applications but there is no data collection if the applicant does not identify themselves as a self or custom builder. Could applicants be asked whether they are self or custom building or including an element of this within their development, so this information can be captured, and the full extent of the outstanding demand could be understood.



- 6.7. We 'disagree strongly' with Option 3 and the proposal to include plots at the entrance of a scheme, this part of the site is key to integrating the development with the existing community, setting the tone of a development and securing house sales. This approach would conflict with the principles of good design. The proposed policy change takes no account of the practicality of such a proposal or health and safety requirements for a construction site.

## 7. Employment Growth in Melton Mowbray

- 7.1. The consultation document proposes to revise the definitions of employment land in the policy to include a wider range of Use Classes, such as B2, B8 and E (subject to the sequential and impact tests where relevant) to reflect the changes in the Use Classes Order and support viability.
- 7.2. It is also proposed that employment allocations be reviewed to take account of new evidence, with site-specific decisions to be made about whether to retain allocations and whether any new allocations are needed. Davidsons Developments Ltd controls land to the north of Leicester Road (MBC/O19/19 part) as shown on the Plan at Appendix A which would be available and suitable for employment use.
- 7.3. The existing policy could be separated into two individual policies, one being focused on allocated employment sites, with site specific criteria and the other focused on employment growth within Melton Mowbray.
- 7.4. The proposal for further consultation once the new evidence is available is supported.
- 7.5. We 'agree strongly' with the principle of updating the policy to reflect national flexibility in business uses, the creation of two policies for greater clarity and the proposal to undertake further consultation on changes to the plan to reflect new employment evidence.

## 8. Biodiversity and Geodiversity

- 8.1. The consultation document proposes updating the current policy to reflect the Biodiversity Net Gain legal requirements and new evidence and guidance from the Local Nature Recovery Strategy, reference to the mitigation hierarchy and split the policy into more logical parts.
- 8.2. The amendments are logical in principle, but we would welcome the opportunity to review the proposed policy amendments before the plan is finalised for Pre-Submission consultation.

## **9. Ensuring Energy Efficiency and Low Carbon Development**

- 9.1. The consultation document sets out a preferred option to review each part of the policy considering the revised building regulations, other regulatory changes and wider local plan policies.
- 9.2. The proposal to reduce the complexity and duplication of standards is supported. Building standards should not be dealt with through local plan policies. It is important that the new more focused policy is deliverable, based on the evidence and taken into account in the viability assessment of the plan.

## 10. Melton Mowbray Transport Strategy

- 10.1. The consultation document sets out a proposal to update Policy IN1 to reflect the current position, including agreements with Leicestershire County Council, Homes England and the Department of Transport and elements already delivered.
- 10.2. Additionally, it is proposed that the policy be amended and updated to reflect the area(s) that would be expected to contribute towards the costs of the infrastructure to give additional certainty to both developers and the County Council, which is no longer able to commit to forward funding the infrastructure.
- 10.3. Whilst more certainty is very welcome, the expectations in terms of contributions from developers needs to be evidence based, CIL compliant and viable.
- 10.4. As a key partner in the delivery of the Melton Mowbray Distributor Road South, we welcome on-going engagement with the Borough and County Council on the realistic and viable means of delivering this important infrastructure. This will include considering amendments to the policy and Masterplan for the South Melton Mowbray Sustainable Neighbourhood to facilitate this.
- 10.5. In addition, Davidsons would welcome the review of Policy IN1 reaffirming the Council's commitment to the use of its powers of compulsory purchase if necessary.





## **Appendix A – Additional Land Available at the South Melton Mowbray Sustainable Neighbourhood**

ALLOCATED EMPLOYMENT  
IN ADOPTED LOCAL PLAN

MBC/029/19

APPROVED MELTON SOUTH SUSTAINABLE  
NEIGHBOURHOOD MASTERPLAN 2021

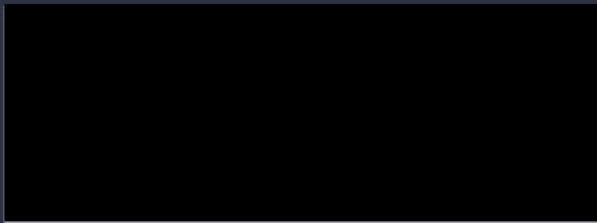
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Town & Country Planning Act 1990 (as amended)  
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