M6-2: Proposed Five Year Supply Methodology for Melton Borough – 19th February 2018

1.1 One of the fundamental objectives of any local plan is to deliver the housing requirement specified in the plan to meet the identified needs over the plan period. Paragraph 47 of the National Planning Policy Framework (NPPF) also requires authorities to boost significantly the supply of land for housing, in the short term by requiring the provision of a rolling five year supply of deliverable sites. The NPPF and the Planning Policy Guidance (PPG) provide a framework for assessing the five year requirement and supply. However, the Courts have emphasised that the practical task of calculating the five year requirement and supply is a technical exercise to be carried out by decisions makers including the examiners of local plans and is not to be fettered by an overly legalistic approach to either source of guidance. Therefore, it is open to the decision maker to interpret the NPPF and the PPG in a flexible way that tailors the principles of paragraph 47 of the NPPF to the particular circumstances of a local planning authority, so that in an appropriate case, it is entirely proper to introduce bespoke approaches such as Liverpool and stepped trajectories.

1.2 For Melton Borough the use of Methodology 7 set out in Table M6-2A of this note is proposed. Table M6-2A compares seven different approaches, and methodology 7 is further broken down and presented in Table M6-T1 and Graph M6-G1 below. This approach sees a three step phasing of the requirement based on a residual approach to the shortfall, spreading it across the remainder of the plan period.

1.3 In preparing this approach, further assessment of Methodology 4 which was initially set out as the preferred approach in the Five Year Land Supply and Housing Trajectory Update December 2017 and also Methodology 5 (set out in M6-1) which provides a stepped approach to delivery were also analysed as to the realism of the delivery rates needed to be achieved to meet the requirement, particularly in the first five years. These two other approaches are set out in more detail below both in Table M6-2A in the comparative information and in further depth in Table M6-T2 and Graph M6-G2 for Methodology 4 and Table M6-T3 and Graph M6-G3 for Methodology 5. These other two approaches were chosen to analyse further due to them providing a more gradual step change in delivery in the next five years compared with the other methodologies set out in table M6-2A. A more gradual step change in delivery is recognised as being an important factor in making sure the plan remains realistic whilst still achieving a significant boost to the housing supply.

1.4 Methodology 7 provides an annual requirement in the first five years (including proportion of shortfall and 20% buffer) of 268 dwellings per annum in the first five years. In comparison, Methodology 4 would require 358 dwellings and Methodology 5 would require 305 dwellings. Methodology 7 results in a requirement that is more in line with the highest delivery rates achieved in the Borough historically, with 257 in 1994/95, 309 in 1997/98, 236 in 1998/99, 237 in 2007/08, 284 in 2008/09 and 237 in 2009/10. These specific six monitoring periods are the only years since 1994/95 where the delivery rate has been above 200 dwellings in one year.

1.5 The combination of the residual approach to the shortfall and the stepped phasing to the requirement of Methodology 7 allows for a more gradual step change in delivery in the first five or six years. This will enable the delivery of the sustainable neighbourhoods to come on stream and underpin higher housing delivery in the later years of the plan period from Year 6 onwards, at which point it will provide roughly two thirds of the dwellings. The remainder of the housing delivery will flow from sites in Melton Mowbray and the more sustainable villages, coupled with windfall development allowed under Policy SS3 of the plan. The trajectory set out in Graph M6-G1 demonstrates that it is realistic to plan on this steady build up of delivery from an estimated 129 dwellings in 2017/18 to 310 dwellings in 2022/23 and then reaching a peak, which we believe can be sustained of around 320-325 dwellings per annum for the remainder of the plan period.

1.5 The approach identified in Methodology 7 is the preferred approach taking account of all the factors set out in paragraphs 3.8 – 3.20 of the Five Year Land Supply and Housing Trajectory Update December 2017[1], and paying particular attention to previous delivery rates, the highest of which give an indication of what can

[1] MBCHS1A – 5 Year Land Supply and Housing Trajectory Update 20th December 2017

realistically be expected to be delivered moving forward [2]. Secondly, the evidence also takes into account cautious assumptions about the estimated lead in times between gaining consent and delivering dwellings on site over the next five to six years[3]. Given the significant number of sites with outline planning permission now and the relatively short lead in time to the commencement of the sustainable neighbourhoods, the expected delivery rate set out in the trajectory identified in table M6-T1 and M6-G1 are considered to be the most realistic option for Melton Borough. Notwithstanding the calls of others to support the use of the Sedgefield Approach, 320-325 dwellings delivered after 2024 under Methodology 7 is a very significant boost to housing supply in this Borough which is aspirational but realistic for Melton and meets the objectives of the NPPF.

1.6 In conclusion, the steady build up from 2017 to 2024 justifies a stepped requirement in combination with the Liverpool approach to the shortfall. This is justified by practical realism as to which sites can be delivered and when, and the fact that sustained high levels of delivery depend on the sustainable neighbourhoods which will not deliver a significant amount of housing in the first six years. The sustainable neighbourhoods however, will sustain peak delivery (including an element to address entirely historic shortfalls) over the whole of the remainder of the plan period.

[2] Paragraphs 3.8-3.9 - MBCHS1A – 5 Year Land Supply and Housing Trajectory Update 20th December 2017
[3] Appendix B (b) - MBCHS1A – 5 Year Land Supply and Housing Trajectory Update 20th December 2017

Table M6-2A: Melton Comparison of Five Year Land Supply Calculation Methodologies 19th February 2018

	Methodology 1	Methodology 2	Methodology 3	Methodology 4	Methodology 5	Methodology 6	**Methodology 7**
	Sedgefield Approach as set out in Five Year Land Supply Update December 2017	Alternative Sedgefield Approach taking into account points raised in representations[4]	Liverpool Approach as set out in Five Year Land Supply Update December 17	Alternative Liverpool Approach taking into account points raised in representations[5]	Melton Stepped Approach A – Two Step phasing to requirement[6]	Melton Stepped Approach B – Three Step phasing to requirement[7]	**Melton Stepped Approach C – Three Step phasing to Residual requirement[8]**
Requirement							
Housing Requirement over plan period to March 36	6,125	6,125	6,125	6,125	6,125 (Two phases: 2040 and 4085)	6,125 (Three phases: 1190; 1000 and 3935)	**6,125 (Three phases: 1700; 1225 and 3200)**
Average per annum	245	245	245	245	Step 1: 170 for initial 12 years until 31st March 2023; Step 2: 314 for remaining 13 years until 31st March 2036	Step 1: 170 for initial 7 years until 31st March 2018; Step 2: 200 for next 5 years until 31st March 2023; Step 3: 302 for remaining 13 years until 31st March 2036	**Step 1: 170 for initial 10 years until 31st March 2021; Step 2: 245 for next 5 years until 31st March 2026; Step 3: 320 for remaining 10 years until 31st March 2036**
Basic Five Year Requirement	1,225	1,225	1,225	1,225	850	1000	**1000 (170pa for first 3 years followed by 245pa for remaining 2 years)**
Completions 1st April 2011 to 31st March 2018[9]	768	768	768	768	768	768	**768**
Target Delivery for period 1st April 2011 to 31st March 2018 (7 year period)	1715	1715	1715	1715	1190	1190	**1190**
Shortfall from 1st April 2011 to 31st March 2018	947	947	947	947	422	422	**422**
Total Five Year Requirement including shortfall	2172	2172			1272	1422	
Total Five Year Requirement including proportion of shortfall (947/18 years = 53 per annum or 265 in 5 years or 422/18 years = 23 per annum or 115 in 5 years)			1490	1490			**1115**
Annual Requirement for first five years including basic requirement and shortfall	434	434	298	298	254	284	**223**
20% Buffer Applied	245	434	298	298	254	284	**223**
Total Five Year Requirement including basic requirement, shortfall and 20% buffer	2417	2606	1788	1788	1526	1706	**1338**
Annual Requirement including basic requirement, shortfall and 20% buffer	483	521	358	358	305	341	**268**
Supply							
Identified Supply in first five years	2563	2563	2563	2563	2563	2563	**2563**
Lapse rate (9%) applied to planning permissions (not including those on allocated sites = 632 dwellings)	57		57				
Lapse rate (9%) applied to planning permissions including those on allocated sites = 2235 dwellings		201		201	201	201	**201**
Total Supply taking into account Lapse Rate	2506	2362	2506	2362	2362	2362	**2362**
Five Year Supply Calculation							
Five Year Supply Calculation +/- compared with requirement	+89	-244	+718	+574	+836	+656	**+1024**
Number of Years Supply	5.2 years	4.5 years	7 years	6.6 years	7.7 years	6.9 years	**8.8 years**

[4] Alternative Sedgefield Approach addresses the methodological criticisms raised in the representations and therefore includes the 20% buffer applied to the basic requirement and the shortfall rather than just the basic five year requirement. In addition, the lapse rate is applied to all consents including those on allocated sites

[5] Alternative Liverpool Approach addresses the methodological criticisms raised in the representations and therefore includes the lapse rate applied to all consents including those on allocated sites

[6] Stepping from the established OAN of 170 dwellings per annum in the initial 12 years until 31st March 2023, increasing to 314 dwellings per annum for remaining 13 years

[7] Stepping from the established OAN of 170 dwellings per annum in the initial 7 years until 31st March 2018 followed by an increase to 200 dwellings per annum for 5 years to 31st March 2023, followed by a final step up to 302 dwellings per annum for the remaining 13 years until 31st March 2036

[8] Stepping from the established OAN of 170 dwellings per annum in the initial 10 years until 31st March 2021, increasing to 245 dwellings for the next 5 years until 31st March 2026 and increasing to 320 dwellings per annum for the final 10 years until 31st March 2036

[9] Completion figures are estimated for 2017/18 period

Table M6-T1 -Methodology 7 - Melton Stepped Approach C – Residual Stepped Approach Trajectory

Monitoring Period	Melton Mowbray Sustainable Neighbourhoods	Melton Mowbray Allocations	Service Centre Allocations	Rural Hub Allocations	Large Sites with Planning Permission (not allocated)	Small Sites with Planning Permission (not allocated)	Windfall Sites (from Year 4 onwards)	Completions	Total Supply Identified	Planned Housing Delivery Trajectory	Stepped Requirement
2011/12								157	157	157	170
2012/13								64	64	64	170
2013/14								52	52	52	170
2014/15								78	78	78	170
2015/16								141	141	141	170
2016/17								147	147	147	170
2017/18		3	7	4	86	29	0		129	129	170
2018/19		36	66	0	86	54	0		242	170	170
2019/20		36	154	36	167	153	0		546	190	170
2020/21	61	26	243	70	89	53	0		542	240	170
2021/22	147	69	276	81	30	0	29		632	280	245
2022/23	210	69	246	47	0	0	29		601	310	245
2023/24	210	48	78	47	0	0	29		412	325	245
2024/25	215	77	111	11	0	0	29		443	325	245
2025/26	215	52	58	12	0	0	29		366	325	245
2026/27	215	19	36	25	0	0	29		324	325	320
2027/28	215	0	4	0	0	0	29		248	325	320
2028/29	215	0	23	0	0	0	29		267	325	320
2029/30	215	0	0	0	0	0	29		244	325	320
2030/31	215	0	0	0	0	0	29		244	320	320
2031/32	215	0	0	0	0	0	29		244	320	320
2032/33	215	0	0	0	0	0	29		244	320	320
2033/34	215	0	0	0	0	0	29		244	320	320
2034/35	212	0	0	0	0	0	29		241	320	320
2035/36	210	0	0	0	0	0	29		239	300	320
								Total	**7091**	**6133**	**6125**

Graph M6-G1 for Methodology 7

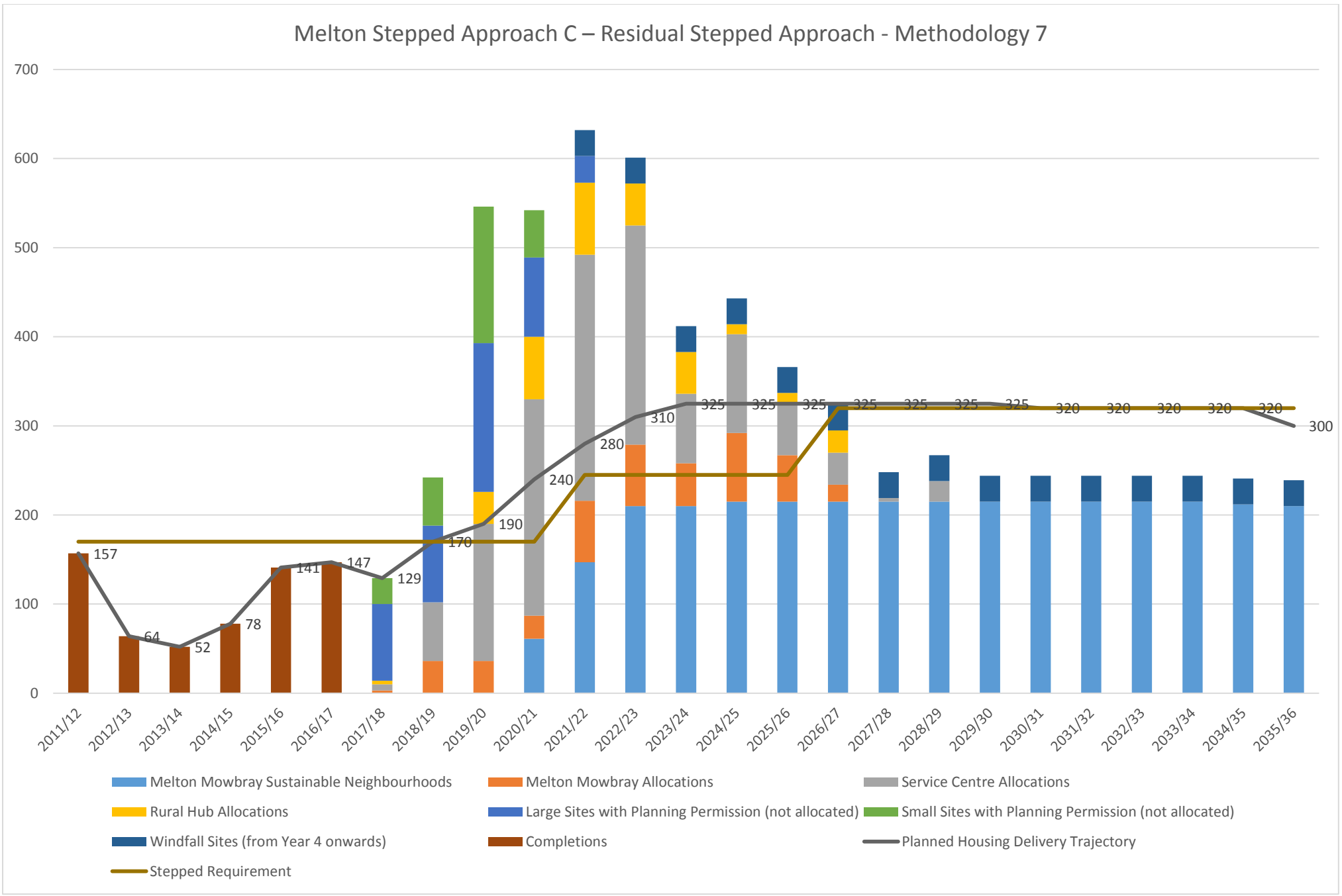

Table M6-T2 -Methodology 4 - Alternative Liverpool Approach taking into account points raised in representations

Monitoring Period	Melton Mowbray Sustainable Neighbourhoods	Melton Mowbray Allocations	Service Centre Allocations	Rural Hub Allocations	Large Sites with PP (not allocated)	Small Sites with PP (not allocated)	Windfall Sites (Year 4 onwards)	Completions	Total	Planned Housing Delivery Trajectory	Requirement
2011/12								157	157	157	245
2012/13								64	64	64	245
2013/14								52	52	52	245
2014/15								78	78	78	245
2015/16								141	141	141	245
2016/17								147	147	147	245
2017/18		3	7	4	86	29	0		129	129	245
2018/19		36	75	0	86	54	0		251	220	245
2019/20		46	231	41	167	153	0		638	300	245
2020/21	61	57	247	130	89	53	0		637	380	245
2021/22	147	69	269	60	30	0	29		604	440	245
2022/23	210	69	194	25	0	0	29		527	450	245
2023/24	210	48	69	36	0	0	29		392	390	245
2024/25	215	77	101	0	0	0	29		422	390	245
2025/26	215	52	46	12	0	0	29		354	350	245
2026/27	215	19	36	25	0	0	29		324	320	245
2027/28	215	0	4	0	0	0	29		248	245	245
2028/29	215	0	23	0	0	0	29		267	245	245
2029/30	215	0	0	0	0	0	29		244	245	245
2030/31	215	0	0	0	0	0	29		244	245	245
2031/32	215	0	0	0	0	0	29		244	245	245
2032/33	215	0	0	0	0	0	29		244	245	245
2033/34	215	0	0	0	0	0	29		244	245	245
2034/35	212	0	0	0	0	0	29		241	245	245
2035/36	210	0	0	0	0	0	29		239	245	245
								Total	6364	5574	6125

Graph M6-G2 for Methodology 4

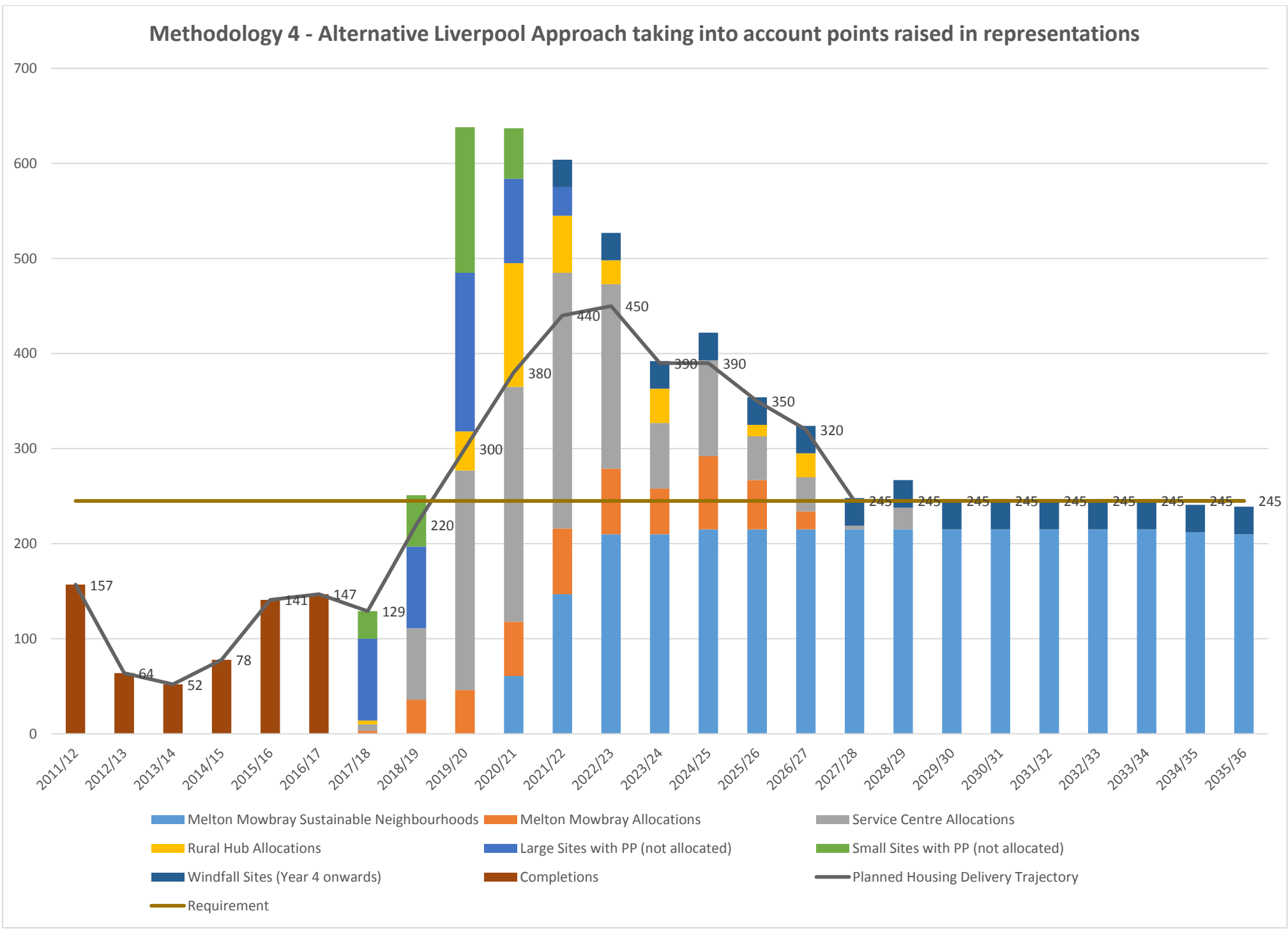

Table M6-T3 - Methodology 5 - Melton Stepped Approach A – Sedgefield with stepped approach

Monitoring Period	Melton Mowbray Sustainable Neighbourhoods	Melton Mowbray Allocations	Service Centre Allocations	Rural Hub Allocations	Large Sites with Planning Permission (not allocated)	Small Sites with Planning Permission (not allocated)	Windfall Sites (from Year 4 onwards)	Completions	Total Supply Identified	Planned Housing Delivery Trajectory	Stepped Requirement
2011/12								157	157	157	170
2012/13								64	64	64	170
2013/14								52	52	52	170
2014/15								78	78	78	170
2015/16								141	141	141	170
2016/17								147	147	147	170
2017/18		3	7	4	86	29	0		129	129	170
2018/19		36	66	0	86	54	0		242	175	170
2019/20		36	154	36	167	153	0		546	195	170
2020/21	61	26	243	70	89	53	0		542	265	170
2021/22	147	69	276	81	30	0	29		632	305	170
2022/23	210	69	246	47	0	0	29		601	335	170
2023/24	210	48	78	47	0	0	29		412	325	315
2024/25	215	77	111	11	0	0	29		443	325	315
2025/26	215	52	58	12	0	0	29		366	325	315
2026/27	215	19	36	25	0	0	29		324	325	315
2027/28	215	0	4	0	0	0	29		248	325	315
2028/29	215	0	23	0	0	0	29		267	325	315
2029/30	215	0	0	0	0	0	29		244	325	315
2030/31	215	0	0	0	0	0	29		244	320	315
2031/32	215	0	0	0	0	0	29		244	320	315
2032/33	215	0	0	0	0	0	29		244	320	315
2033/34	215	0	0	0	0	0	29		244	320	315
2034/35	212	0	0	0	0	0	29		241	320	315
2035/36	210	0	0	0	0	0	29		239	300	315
								Total	**7091**	**6218**	**6135**

Graph M6-G3 for Methodology 5