

1 EXECUTIVE SUMMARY

Background and Scope

- i. This report sets out and considers factors which are relevant in setting a housing requirement for Melton Borough in the Local Plan. It considers the evidence of objectively assessed housing need, as set out within the 2017 Leicester and Leicestershire Housing & Economic Development Needs Assessment (HEDNA), alongside other influences which may inform the Council's decision on the appropriate housing requirement to include within the Plan. These include:
 - a. The alignment of the plan's housing and economic strategy;
 - b. Issues of unmet housing need from other parts of the Housing Market Area; and
 - c. The role which higher housing provision – above Melton's objectively assessed housing need - can play in supporting economic growth, delivering affordable housing, and new infrastructure, including in particular the Melton Mowbray Transport Strategy.
- ii. The HEDNA, published alongside this report in January 2017, provides a consistent, 'policy-off' assessment of housing need for authorities across Leicester and Leicestershire for the period to 2036. It identifies an objectively assessed need in Melton Borough of 4,250 dwellings (170 dwellings per annum). This is based on an assessment which considers demographic trends, economic growth and affordability, and is part of a consistent joint evidence base for strategic planning for local authorities across Leicester and Leicestershire. The HEDNA's conclusions for Melton Borough point to a lower level of housing needs than previous evidence studies.
- iii. There are however a set of wider considerations which Melton Borough Council needs to take careful account of in determining the housing requirement (the level of housing provision which is planned for) within its Local Plan. These are summarised in Figure 1. They provide the focus for this report which is published and intended to be read alongside the HEDNA.

Figure 1: Considerations in Setting the Housing Requirement in the Local Plan



Aligning Housing and Employment Strategy

- iv. Government requires the planning system to do everything it can to support sustainable economic growth¹ and national policies for plan-making emphasise the alignment of strategies for housing and employment within local plans.
- v. Evidence from the Borough Council's Employment Land Study (BE Group, June 2015), the latest data which points to strong recent growth in the manufacturing sector, and the potential for new infrastructure investment to unlock new employment land allocations as part of strategic urban extensions at Melton Mowbray and to support additional employment growth. Infrastructure delivery, in particular delivery of the Melton Mowbray Transport Strategy, can be expected to support additional employment growth and the report concludes that it would be realistic to expect (policy-on) growth of 3,420 jobs over the plan period (2011-36).
- vi. The relationship between jobs growth and housing need is sensitive to a range of factors including commuting patterns and the degree to which people in older age groups (such as those in their 60s) will remain in work for longer, as life expectancy improves and state pension age increases. Because of the Borough's population age structure, workforce growth is particularly sensitive to the proportion of people in their 60s who will remain in work. Melton Borough has a strong manufacturing sector, which accounts for almost 20% of all jobs in the Borough. Of this almost 50% is in food manufacturing which includes physically-demanding roles. The nature of the Borough's employment base may thus influence to what degree people work longer. This report includes a sensitivity analysis which explores the implications on the level of housing provision required to support 3,420 jobs if there were no changes to economic activity rates; and if improvements to economic activity were assumed to be half of those projected within the HEDNA (which are based on Experian's forecasts). This sensitivity analysis shows a need for between 5,750 – 6,850

¹ National Planning Policy Framework, Para 19

dwellings over the 2011-36 plan period (230 – 274 dpa), supporting the case for considering higher housing provision above the Objectively Assessed Housing Need.

- vii. The report also sets out evidence that some local companies are finding difficulties in recruiting locally. This would support the case for considering housing provision above the Objectively Assessed Housing Need, and highlights the positive role which housing provision could play in supporting local businesses, and helping people to both live and work locally

Supporting Local Services in the Borough

- viii. The Council's Pre-Submission Draft Plan outlines key strategic issues facing the Borough. It identifies that the Borough's population is ageing to such an extent that if trends continued unchecked, it would become increasingly difficult to meet the need and demand for services. The sustainability of villages and the ability to support local services, including schools and public transport, would be at risk.

Delivering the Melton Mowbray Transport Strategy

- ix. The Draft Plan also highlights the impact of road traffic and congestion on the attractiveness and the vitality and viability of Melton Mowbray Town Centre. Addressing these issues are key objectives of the Plan. The Melton Mowbray Transport Strategy, including delivery of an Eastern Distributor Road, and northern and southern distributor roads as part of the northern and southern sustainable urban extensions are central to this – supporting town centre regeneration, to attracting economic investment, to addressing congestion and rat running and to delivering new employment sites and economic investment.
- x. This report highlights that significant housing growth will be vital in contributing to delivering infrastructure in its widest sense. Developer contributions from new housing are critically important to the funding and delivery of the Melton Mowbray Transport Strategy. Housing growth is thus essential to delivering new infrastructure for the Town.

Boosting Significantly Housing Supply

- xi. Paragraph 47 in the NPPF emphasises boosting significantly the supply of housing. Provision of 170 dpa – in line with the OAN – would not achieve this. It would see a level of housing provision consistent with past delivery. This provides a clear basis for considering higher housing provision.

Delivering Affordable Housing for Local People

- xii. The HEDNA identified an affordable housing need for 70 dwellings per annum across the Borough. Affordable housing delivery is however influenced by residential development viability, after funding for improving infrastructure has been taken into account. If 25% of new homes were delivered as affordable housing, 280 dwellings per annum would be needed to meet affordable housing needs in full.
- xiii. Higher housing provision relative to the OAN thus has clear benefits in enhancing affordable housing provision to meet identified local needs and potentially getting towards fully meeting the local need for affordable homes in the Borough.

Contributing to Meeting Unmet Needs from Other Areas

- xiv. As set out in the HEDNA Report, if Melton Borough plans for housing provision above its proportion of the HMA-wide housing need, there is potential for it to contribute to meeting unmet needs from other areas through the Duty-to-Cooperate. If one authority is meeting unmet housing needs from another, this will contribute to population and workforce growth within the recipient local authority. On this basis, it is important not to double count unmet needs and provision to meet economic growth. In a plan-making context, the HEDNA identified that provision above the demographic based need (with affordability adjustment) of 154 dpa² could therefore be available to contribute to meeting unmet needs of neighbouring authorities or those elsewhere in the HMA in the event that it is required. Making some provision to meet unmet needs now would represent positive planning, as required by national policy. The analysis undertaken in this report indicates that additional population growth in Melton Borough resulting from additional in-migration would be unlikely to result in a shortage of workers in other parts of the HMA needed to support economic growth in those areas.

Conclusions

- xv. This report thus demonstrates that there are a range of factors which are relevant considerations for Melton Borough Council in setting a housing requirement within the Local Plan. There are clear economic and social benefits from delivering higher housing provision arising from:
- Positively supporting sustainable growth in the Borough's economy and aligning with the evidence in the Employment Land Study. The evidence indicates that between 230 – 274 dwellings per annum might be needed to support this.
 - Delivering the Melton Mowbray Transport Strategy, including the eastern, northern and southern distributor roads, which will positively support town centre regeneration, address congestion and rat running, deliver new employment sites and support economic investment;
 - Boost significantly the supply of housing, with positive impacts in terms of both improving overall housing affordability and meeting the need for affordable homes in the Borough. 280 dwellings per annum would be needed to meet the affordable housing need in full at 25% affordable housing delivery;
 - Making a positive contribution to meeting the potential unmet needs arising from other local authorities within the Housing Market Area.
- xvi. **The evidence thus provides a clear justification for planning for between 5,750 – 7,000 dwellings over the 2011-36 period (230 – 280 dpa).**
- xvii. Without housing growth, the needs and demands of the Borough's ageing population for services, such as schools, shops and public transport, would become increasingly difficult to meet. Significant housing growth will be vital in contributing to funding and delivering the Melton Mowbray Transport Strategy, particularly the Melton Mowbray Distributor Road.
- xviii. The conclusions above provide a strong case for the Melton Borough's housing requirement to be significantly uplifted from the OAN set out in the HEDNA, subject to this level of housing growth being capable of being delivered sustainably, as would be established through Sustainability Appraisal.

² Calculated as the demographic need (130dpa) plus affordability adjustment (24dpa)