

# **AGENDA ITEM 3A**

## **EXTRAORDINARY MEETING OF FULL COUNCIL**

**4<sup>TH</sup> JULY 2017**

### **REPORT OF THE HEAD OF REGULATORY SERVICES**

#### **MELTON LOCAL PLAN: PROGRESS, OVERVIEW OF THE ISSUES AND THE NEXT STEPS**

##### **1.0 PURPOSE OF REPORT**

1.1 This report is to update Council on the progress and issues around local plan preparation since consultations were undertaken on the Pre Submission Draft Local Plan In November and December 2016. The report outlines the new evidence and information that needs to be taken into account in finalising the Local Plan for submission. It sets out proposals for the preparation of an Addendum of Focused Changes to the draft Local Plan, and outlines the broad scope of these. Finally, it seeks agreement for the steps that need to be taken up to and including submission of the Local Plan for examination, and sets out the implications of this on the timetable to local plan adoption.

##### **2.0 RECOMMENDATIONS**

2.1 **It is recommended that Council :**

- (i) Notes the progress and issues pertaining around local plan preparation since the Pre Submission Draft Melton Local Plan was published;**
- (ii) Agrees the Addendum to the Community Consultation and Engagement Statement in Appendix 1 of this report**
- (iii) Notes the new information that is being taken into account in finalising the draft Local Plan for submission to the Planning Inspectorate for Examination;**
- (iv) Agrees the steps that need to be taken up to and including submission of the draft Local Plan for Examination**
- (v) Agrees that a Draft Melton Local Plan Addendum of 'Focused Changes' be prepared and subject to 6 weeks of public and other consultations, in accordance with Regulation 19 of the Town and Country Planning (Local Planning)(England) Regulations 2012;**
- (vi) Notes the broad scope of the proposed Addendum of Focused Changes referred to in recommendation (iv) above subject to consideration of the issues described; and**

- (vii) **Notes the implications on the timetable to adoption of the additional step outlined in recommendation (iv) above.**

### 3.0 **KEY ISSUES**

#### 3.1 **Pre-submission Draft Local Plan consultation**

- 3.1.1 Consultations on the pre-submission draft Local Plan were carried out over 6 weeks in November and December 2016. The community engagement that was carried out is documented in an addendum to the Consultation Statement that was published alongside the draft plan. The key elements of that consultation were by means of newspaper advertisements, use of the dedicated Local Plan website social media, drop in sessions in Melton Mowbray and several village locations, distribution of the Plan to 'access points ' with copies to key stakeholders (e.g. Parish Councils and Neighbourhood Plan Groups).
- 3.1.2 At close of consultation, there were 444 responses. 334 respondents identified themselves as residents.
- 3.1.3 A Community Consultation and Engagement Statement Addendum reporting the details is attached as **Appendix 1** to this report.
- 3.1.4 Following the close of consultations, the Melton Local Plan Working Group has been considering the representations made on each section of the draft plan. It has also received and considered new information and evidence that has been prepared. Legal advice on how to proceed to ensure there are no 'showstopping' issues of soundness or legal compliance that might prevent an Inspector in due course concluding the draft plan could be adopted. Close monitoring of the strategic housing issues and challenges being aired at North West Leicestershire's Local Plan Examination Hearings has taken place, as several of these were considered likely to also arise as the Melton Local Plan progresses.
- 3.1.5 The main items of new information and analysis published or completed since the draft Local Plan was prepared in October 2016 are set out in the following documents:
- a) Leicester and Leicestershire Housing and Economic Development Needs Assessment, January 2017 (HEDNA);
  - b) Towards a Housing Requirement for Melton, January 2017 and its addendum, June 2017;
  - c) Joint Statement of Co-operation Relating to Objectively Assessed Need for Housing, Leicester and Leicestershire Authorities, January 2017 (MoU);
  - d) A Government announcement that £2.8 million of funding had been granted for the preparation of the business case for the Melton Mowbray Eastern Distributor Road, and Leicestershire County Council's Cabinet decision of 10<sup>th</sup> March 2017, which sets out and agrees plans to accelerate the delivery of the road so that work can get underway in 2020;
  - e) Melton Infrastructure Delivery Plan, March 2017;
  - f) Melton Local Plan and CIL Viability Study, June 2017;

- g) Melton Local Plan Housing Site Assessments Update, 2017;
- h) Five Year Housing land Supply and overall housing trajectory;
- i) Leicester and Leicestershire Gypsies and Travellers Accommodation Needs Assessment, 2017;
- j) Melton Indoor Sports Facilities Strategy, 2017;
- k) Melton Local Plan Flood Risk Sequential and Exceptions Test Report, 2017;
- l) Melton Local Plan Sustainability Appraisal Addendum, 2017;
- m) Melton Local Plan Habitats Regulation Assessment, 2017.

3.1.6 An Equalities Impact Assessment, and an updated statement outlining activities and agreements reached under the Duty to Co-operate have also been prepared (**see Item 3H** of this agenda).

3.1.7 All the reports listed in paragraph 3.1.5 above are appended to and considered in more detail in later reports on this agenda.

## 3.2 Issues Arising

3.2.1 Consideration of several of the items in paragraph 3.5 above and legal advice taken resulted in the decision to pause the previous Local Plan programme and delay submission. The specific issues that gave rise to this decision were:

- a) Refreshed and updated viability work that indicated the target of at least 1775 new affordable homes set out in draft policy C4 was now undeliverable. The updated viability study concluded that the amount and percentage of affordable housing that could be viable delivered by the 'Melton North' and 'Melton South' Sustainable Neighbourhoods is lower than previously anticipated. As these areas are to provide a significant proportion of the overall housing, this revised finding affected the soundness of the overall affordable housing target in Policy C4 of the draft local plan. This was important because affordable housing provision is a key priority for the local plan (housing objective 1). See **Item 3D** of this agenda for more information.
- b) The HEDNA sets out an objectively assessed need (OAN) for the Borough of 170 dwellings per annum (dpa) and a potential target of 280, compared to 245 dpa that the draft Local Plan is based on. The 'Towards a Housing Requirement for Melton' study published concurrently suggested that the local plan requirement should be in the range 230 to 280 dpa. These documents represent the most recent evidence on housing needs and requirements and supersede the 2014 SHMA on which the draft Local Plan is currently based. As national planning policy requires that Local Plans are based on the most recent evidence available, an amendment to the draft plan to reflect and respond to this evidence was unavoidable. See **Item 3B** on this agenda for more information.
- c) The Leicester and Leicestershire local planning authorities have agreed a Gypsy and Traveller Accommodation Needs Assessment, 2017. Its findings

need be reflected and responded to in revisions to Policy C6 and its reasoned justification. See **Item 3G** on this agenda.

- d) An Inspector suspended North West Leicestershire's Local Plan Examination, to give participants time to consider the implications of HEDNA and the associated MoU. This gave a clear message that plans should not proceed through Examination without all parties having been given the opportunity to comment on the evidence on which it is based, and its implications for the Plan being considered. Those with an interest in the Melton Local Plan have not had that opportunity yet in respect of the evidence documents included in the list in paragraph 3.1.5 above.

### 3.3 Options for Progressing the Local Plan

3.3.1 Several options for moving the local plan on to submission have been considered. The options varied according to the nature and extent of changes proposed, and the risks to plan progress attached to each. The options were:

- a) Undertake a further 6 week consultation on 'focused changes, consider the responses then submit the draft Local Plan, including changes for Examination. Under this scenario, a consultation on proposed changes would take place from early July to mid August and the plan would be submitted in early October. This could mean the Examination hearings would be held around January 2018 and the Council may be able to adopt the plan in Summer 2018.
- b) As above, but consult on all the changes that the Council might want to make to the draft Local Plan before it submits. This would be a much wider schedule of changes and may result in many more consultation responses to process before reaching submission. This would delay further the time to submission, examination and adoption.
- c) Carry out a focused changes consultation in parallel with submitting the plan and its proposed focused changes for examination. Under this scenario, consultation on focused changes would take place from early July to mid August, and the plan would be submitted for Examination on or shortly after the start of consultations on the focused changes.

3.3.2 Legal advice indicated we should pursue Option a). This poses the least legal compliance risks, and is in accord with the Planning Inspectorate's own guidance on what Councils should do in our circumstances. Option c) is potentially quicker, but carries more risk, whilst Option b) carries greater risk in that it may suggest, in that the number of changes that it may encompass infers that the Council is not content overall with the draft Plan it has already consulted on. In addition, adding further delay may introduce the possibility of further policy or evidence changes emerging that would then need to be considered.

3.3.3 The remainder of this report and agenda sets out the details of pursuing Option a), in accordance with the conclusions of the Melton Local Plan Working Group. It should

be noted that this option does not preclude the submission to the Examination of suggested modifications to the draft local plan. Suggested modifications, as well as proposed changes, are proposed in the schedules of responses to representations that are appended to the relevant agenda items that follow. If the 'Addendum of Focused Changes' is agreed by Members, then the responses to that consultation will be submitted to the Inspector alongside as the responses to the Draft Local Plan also received, so s/he will have the suggested modifications to consider, alongside any others that emerge during the Examination.

3.3.4 To summarise, the proposed 'focused changes' would be part of the submitted plan, and will have undergone public consultation prior to submission, whereas any suggested modifications being proposed now will not be consulted on now, but will be submitted alongside the draft Plan for the Inspector's consideration. People will get the opportunity to comment on them if the inspector agrees with them, as part of a proposed modifications consultation that is normally carried out after public hearings and before an Inspectors report is published.

3.3.5 More detail on the revised timetable is set out in **Item 3L** of this agenda, because the addition of the focused changes consultation needs to be reflected in the Council's Local Development Scheme.

### 3.4 **Opportunities Arising**

3.4.1 The pause in progress to submission has provided an opportunity for the evidence base underpinning the housing site allocations and reserve sites to be improved and updated, for example with input from site promoters and developers regarding their actual build out intentions rather than relying on standard assumptions, and with better quality information about site constraints allowing improved estimates of site development capacity. For more information, please see **Item 3E** of this agenda.

3.4.2 There has also been an opportunity to reflect and respond to the new information about the Melton Mowbray Distributor Road which has progressed considerably since the Draft Plan was published in 2016, and to clarify a number of the matters that were raised by the public on it during the consultation. A dedicated policy on the Melton Mowbray Distributor Road is now proposed, including a 'corridor of investigation' within which the preferred alignment of the whole of the Melton Mowbray Distributor Road (MMDR) will fall. More detail on this is set out in **Item 3F** of this agenda

3.4.3 Whilst work to address the issues in paragraph 3.4.1 and 3.4.2 has been ongoing, work on a revised Indoor Facilities Strategy has been completed. The pause has enabled the implications of its contents to be considered and reflected in proposed changes to the Local Plan. **Items 3H and 3I** provide more information.

### 3.5 **Community Infrastructure Levy**

3.5.1 Also during this time, the findings of the revised Local Plan and Community Infrastructure Levy (CIL) Viability Study, together with the publication nationally of a

Government commissioned report into the operation of CIL warranted reconsideration of whether, when and how the Council should pursue CIL. It is proposed to consult on a preliminary draft CIL Charging Schedule and Regulation 123 list alongside the focused changes consultation. More information on this is given in the report at **Item 3K** of this agenda.

#### **4.0 POLICY AND CORPORATE IMPLICATIONS**

4.1 Work to prepare an Addendum of Focused Changes and the time it will take to undertake consultations on it and consider representations received will delay submission of the Local Plan from the date of early March date previously envisaged to October. This should avoid the risk of intervention or New Homes Bonus penalties, because the Government has indicated it will reconsider its intentions to incentivise Councils submission in November 2017.

4.2 However, the approach does allow positive changes to be made to the plan that better reflect local plan, corporate and wider strategic priorities, in particular delivery of the Melton Mowbray Distributor Road which together will produce a more robust Plan with a better prospect of being found sound at Examination.

#### **5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 There financial implications arise from the risks arising from delay outlined in paragraph 4.1 above, and from the need to retain sufficient resources within the local plan and staffing budgets over a longer period than previously envisaged. However, these costs need to be offset against the wider financial benefits that could accrue to the local economy and the Council as a whole if the plan is adopted and successfully implemented (e.g. Council tax receipts, new Homes Bonus, business rates) and it helps secure the very significant infrastructure investment needed for the MMDR.

#### **6.0 LEGAL IMPLICATIONS/POWERS**

6.1 The preparation of the Local Plan is governed by legislation (The Town and Country Planning Act 1990, the Planning and Compulsory Purchase Act 2004 and the Localism Act 2011) and also Regulations (The Town and Country Planning (Local Planning) (England) Regulations 2012).

6.2 The Draft Melton Local Plan Addendum of Focused Changes which Council is being invited to approve at **Item 3I** on this agenda would be in fulfilment of requirements under Regulation 19. It does not yet form Council policy and so is not at risk of legal challenge at this stage.

6.3 Consideration of the legal implications of publishing a draft CIL Charging Schedule and a revised Local Development Scheme are covered in the reports under **Items 3K and L of this agenda.**

#### **7.0 COMMUNITY SAFETY**

7.1 There are no direct community safety implications as a direct result of this report.

## 8.0 EQUALITIES

8.1 The Local Plan is being subject to a detailed Equalities Impact Assessment (EIA) through each stage of preparation. The proposed Addendum of Focused Changes is included in this.

## 9.0 RISKS

L I K E L I H O O D	<b>A</b>	<b>Very High</b>				
	<b>B</b>	<b>High</b>				
	<b>C</b>	<b>Significant</b>		5		
	<b>D</b>	<b>Low</b>			1	
	<b>E</b>	<b>Very Low</b>			2, 3, 4	
	<b>F</b>	<b>Almost Impossible</b>				
			<b>Negligible 1</b>	<b>Marginal 2</b>	<b>Critical 3</b>	<b>Catastrophic 4</b>

**IMPACT**

Risk No	Risk Description
1	Scale and nature of representations received through consultation demonstrate the plan is unsound
2	Evidence does not withstand challenge and scrutiny as part of the Local Plan Examination.
3	Evidence becomes out of date
4	Evidence is challenged as part of the Duty to Cooperate
5	Volume of representations received further delays plan preparation.

## 10.0 CLIMATE CHANGE

10.1 Climate change issues arising from the proposed Melton Local Plan Addendum of Focused Changes are identified and considered through the sustainability appraisal undertaken alongside its preparation. More detail on the SA is given in **Item 3H** on this agenda..

## 11.0 CONSULTATION

11.1 Proposals for consultation on an Addendum of Focused Changes are set out in **Item 3I** on this agenda.

## 12.0 WARDS AFFECTED

### 12.1 All.

Contact Officer V Adams, Local Plans Manager

Date: 26<sup>th</sup> June 2017

Appendices : 1. Addendum to the Community Consultation and Engagement Statement, 2017

Background Papers: The other items on this agenda.