

## EXTRAORDINARY MEETING OF FULL COUNCIL

4TH JULY 2017

### REPORT OF THE HEAD OF REGULATORY SERVICES

#### DRAFT MELTON LOCAL PLAN: HOUSING REQUIREMENTS

##### 1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to consider of the implications of two recent reports addressing the housing requirement figure that is set out in the draft Local Plan. It sets out the issues arising from the reports and the relative merits of three possible housing requirement figures that could be agreed arising from their content.

##### 2.0 RECOMMENDATIONS

2.1 It is recommended that Council :

- (i) **Accept the following evidence documents as evidence to inform the production of the Local Plan and that they are published alongside a proposed 'Addendum of Focussed Changes':**
  - **Leicestershire and Leicester Housing and Economic Development Needs Assessment (January 2017)**
  - **Towards a Housing Requirement for Melton Borough (GL Hearn, Jan 2017) and its associated Addendum (GL Hearn, June 2017)**
  - **SA Addendum (LUC, February 2017)**
- (ii) **Note the contents of this report and agree the conclusions set out;**
- (iii) **Agree that the housing requirement within the Local Plan of 245d.p.a. remains unchanged from the Pre Submission Draft Plan;**
- (iv) **Authorise the preparation of revised 'reasoned justification' for inclusion in a proposed Addendum of Focussed Changes;**
- (v) **Agrees to adopt the Joint Statement of Co-operation Relating to Objectively Assessed Needs for Housing (Appendix 4).**

##### 3.0 KEY ISSUES

3.1 Several representations on the draft Local Plan felt that it was not sound because it was not based on up to date evidence of housing needs. This was because the draft Local Plan was based on the 2014 Housing Market Area-wide Strategic Housing Market Assessment (SHMA), and many representors were aware that this was being reviewed and replaced, in the form of the Housing and Economic Development Needs Assessment, January 2017

(the HEDNA).

- 3.2 The SHMA calculated the objectively assessed housing need for Melton Borough and went on to indicate that the average annual housing requirement should be set from within a range (195 to 245 dwellings per annum). This range reflected different scenarios of economic growth. In December 2015, the Council agreed an overall housing requirement of 6125 for the plan period (245 per year) and presented this within its 'Emerging Options' Local Plan for consultation in January–April 2016. This was the top of the range possible, and reflected the Council's ambitions to support economic growth and the long term sustainability of the Borough, including infrastructure provision and local services. The sustainability appraisal of the alternative options at the time also suggested this number could be delivered sustainably. Various representations were received which were considered in July 2016, and 6125 new homes (245dpa) formed the basis for the provision within the Pre Submission Local Plan for consultation in November and December 2016.
- 3.3 Since the Pre Submission Local Plan was published, two reports have been published prompting a reconsideration of whether the plan's housing requirement is still appropriate. The NPPF requirement is that local plans are based on the most up to date evidence available, so it important that these documents are considered, understood, and that their implications are taken into account in producing the Local Plan. It is also important that those with an interest in the plan have the opportunity to make representations on the new evidence and the Council's conclusions on it.
- 3.4 The documents, about which Members have been briefed, are:
- i) Housing and Economic Development Needs Assessment, January 2017 (the HEDNA), prepared on behalf of the Leicester and Leicestershire Authorities and the Leicester and Leicestershire Enterprise Partnership; and
  - ii) Towards a Housing Requirement for Melton Borough, January 2017 (the Housing Requirement Report), prepared for Melton Borough Council. And its associated addendum June 2017).

Executive summaries of each report are at Appendix 1, 2 and the Addendum as Appendix 3 of this report. The full text of each report can be accessed as follows:

[http://media.wix.com/ugd/d246bd\\_9b37b76ea6c5411ea7d25400e60fa3ab.pdf](http://media.wix.com/ugd/d246bd_9b37b76ea6c5411ea7d25400e60fa3ab.pdf)

[http://media.wix.com/ugd/d246bd\\_3e27aa3141044994b7b52f7cd626caec.pdf](http://media.wix.com/ugd/d246bd_3e27aa3141044994b7b52f7cd626caec.pdf)

- 3.5 By taking account of this more up to date evidence, it is considered that the Council can adequately answer the representations regarding reliance on out of date evidence.
- 3.6 There is also a Joint Statement of Co-operation Relating to Objectively Assessed Needs for Housing (SoCop) that relates to item 3.4 above, and is at Appendix 4 of this report. The SoCop sets out how the Local Planning and Highway Authorities in the HMA will collaborate further to ensure that the necessary joint evidence is in place to support subsequent local plans (of which Melton's is one of the first, after North West Leicestershire, whose local plan has progressed through Examination and is awaiting its Inspector's report). It also sets out a commitment that the question of any 'unmet need' will be addressed through the Strategic Growth Plan to which all Authorities have committed,

and that any departure from exiting Local Plans will achieve this through their review processes.

3.7 To be afforded greater weight, the SoCoP should be formally agreed by each constituent Council. All other Councils within the Housing Market Area have already subscribed to the SoCoP.

### 3.8 Key conclusions from HEDNA

3.8.1 National Planning Policy indicates that local plans must meet the full objectively assessed needs (FOAN) for market and affordable housing in the housing market area and that this should include a range of factors, including economic trends and forecasts, affordable housing requirements and market signals. The HEDNA sets out the overall housing and economic needs of the housing market area (HMA) as a whole and then identifies the objectively assessed housing need for each Local Planning Authority area for market and affordable housing. It is based on a statistical analysis of the applicable demographic, economic and affordability trends and extrapolates these forward to 2031 and 2036 to identify a ‘need’, which is the minimum that should be met in the Local Plan (NPPG ref 001 Reference ID: 12-001-20140306). A summary of the key findings for the HMA and Melton Borough is set out in Table 1:

**Table 1: Key findings of HEDNA for the housing market area and Melton Borough (annual; 2011- 2036).**

|   | HMA    | Melton Borough housing need | Melton Workforce growth |
|---|--------|-----------------------------|-------------------------|
| Demographic Need  | 4265   | 134                         | 1,286                   |
| Adjustment to respond to market signals                 | 4716   | 154                         | -                       |
| Economic Need (Planned Growth Scenario)                 | 3608   | 170                         | 2,400                   |
| Employment land needs (ha)                              |        |                             | 53-66ha                 |
| Affordable housing need                                 | 2238pa | 70                          |                         |
| Housing Need to deliver Affordable Housing Need in full | 9293   | 280*                        |                         |

\*if identified affordable housing needs were to be met in full and an average of 25% of all new housing was affordable homes

3.8.2 The HEDNA concludes that the objectively assessed need for housing (OAN) for Melton Borough is 170dpa (4,250 dwellings overall, 2011- 2036) to ensure that there is sufficient workforce available to support economic needs. This includes an allowance for a 15% upward adjustment from demographic needs to improve affordability. This is justified by market signals indicating more expensive housing and an ‘affordability gap’ (relationship between earnings and house prices) greater than most other parts of the HMA.

3.8.3 The HEDNA makes parallel conclusions about employment land needs – 53 to 66ha needed in Melton Borough under the ‘Planned Growth’ Scenario. This scenario is based on an assumed 2.1% GVA growth, which would match the expected regional average, but would still be below the expected HMA-wide or national level. The HEDNA also makes it clear that above trend net in-migration is necessary to support economic growth.

### 3.9 Key findings of the Housing Requirement Report

- 3.9.1 The HEDNA itself does not set policy targets for housing or employment land provision but focusses on the amount of housing needed if expected trends were to persist without intervention, i.e. its assessment of OAN is intended to be 'policy off'.
- 3.9.2 The Council commissioned the Housing Requirements Report to help inform the setting of its housing requirement (sometimes referred to as a 'target') in the light of the findings of HEDNA. As the housing requirement is part of the Local Plan, it should encompass policy considerations, i.e. be 'policy on'. The policy considerations outlined in the report reflect the vision, strategic objectives and priorities of the Local Plan and the requirements of national planning policy objectives. These policy considerations are set out in Table 2:

**Table 2: Policy issues to consider alongside HEDNA evidence**

| <b>Issue</b>   | <b>Link to Local Plan and/or National Planning Policy Framework</b>   |
|--|---|
| Meeting the Borough's housing needs.   | LP Strategic Issue No 2: Amount and type of new housing, Objective No 1: help provide a stock of housing accommodation that meets the needs of the community, including the need for affordable housing   |
| Delivering affordable housing for local people                                 | LP Strategic Issue No 2: Amount and type of new housing, Objective No 1: help provide a stock of housing accommodation that meets the needs of the community, including the need for affordable housing   |
| Delivering the Melton Mowbray Transport Strategy, and other new infrastructure | LP Strategic Issue No.4: Impact of road traffic and congestion in Melton town centre<br>LP Strategic Issue No. 5: Poor effective road connectivity through and across the town.<br>LP Strategic Objective No. 10: Reduce traffic congestion in Melton Mowbray<br>LP Strategic Objective 13: Improve access to services and facilities   |
| Aligning economic and housing strategies                                       | NPPF para 158: Local planning authorities should ensure that their assessment of and <b>strategies for housing, employment and other uses are integrated</b> , and that they take full account of relevant market and economic signals.<br>LP Strategic Issue No. 3: Insufficient available local workforce.<br>Objective 2: Develop a housing stock to provide for the future aspirations for the local economy. |
| Supporting local services in the Borough                                       | LP Strategic Issue No. 1: Ageing population – arising from this, difficulties meeting the need and demand for services, including in local areas like villages.<br>Objective 13: Promote sustainable communities.   |
| Contributing to meeting unmet housing needs from other areas.                  | NPPF Para 14..."local plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change"   |
| Boosting significantly housing supply.   | NPPF Para 47: To boost significantly the supply of housing,   |
| Overall  | NPPF Para 19: planning system required to do everything it can to support economic growth.  |

3.9.3 The report concludes that:

- *"The evidence thus provides a clear justification for planning for between 5,750 – 7,000 dwellings over the 2011-36 period (230 – 280 dpa).*
- *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.*

- *The conclusions above provide a strong case for 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"*

3.9.3 An addendum to the 'Towards a Housing Requirement' Report has also been more recently commissioned, to consider if the findings of the updated Whole Plan Viability Study (**see item 3K of this Agenda**) would cause a change to any of the recommendations within the Towards a Housing Requirements' document. The draft report indicates no changes are necessary to the recommendations to the Housing Requirements Report, but it does update the commentary about the levels of affordable housing that could be provided under different housing requirement scenarios, affecting Section 3.12 below.

3.9.4 As it was not the purpose of the 'Towards a Housing Requirement' report to indicate the precise housing requirement for Melton, (that is a policy decision for the Council), the remainder of this report considers how each of the policy considerations would be supported by adopting one of three alternative housing requirement figures:

- i) the HEDNA OAN figure of 170dpa (low)
- ii) the existing draft Local Plan housing requirement of 245dpa (medium)
- iii) the highest housing requirement figure (280dpa) suggested within the housing requirements report (high)

### 3.10 **Assessment of the 'Towards Housing Requirement' Report and Other New Evidence**

#### 3.10.1 **Aligning economic and housing strategies**

The 'Towards a Housing Requirement' report highlights that the HEDNA uses only one of several available economic forecasts and that the forecast was based on national factors that do not fully reflect the more locally derived experience and prognosis for rates of growth. The Council's Employment Land Supply Study (BE Group, 2015, available on [www.meltonplan.co.uk](http://www.meltonplan.co.uk)) – which was more closely informed by existing employers in the Borough rather than a broader trend based approach - produced a much higher jobs growth forecast : 3,420 jobs compared to 2,400 in HEDNA. The report also reflected on evidence of recent strong local manufacturing employment, local businesses struggling to recruit staff, and businesses looking for expansion/ intensification of land/premises. It also highlights the additional jobs growth opportunities that will arise from the opening up of new employment land when the Sustainable Neighbourhoods and associated transport infrastructure are implemented, and the increase in attractiveness of the town for new town centre and other businesses that will derive from better connectivity, accessibility and local environmental improvements. It concludes by indicating that 3,400 jobs would be just above the jobs growth rate achieved in 2005-2015 but less than the growth over 1993-2010 cycle. As such, it is not considered unreasonable, or undeliverable.

3.10.2 The housing requirement report includes modelling to understand what amount of housing

would be required to support 3,420 jobs. The methodology for this modelling was consistent with that used in the HEDNA as far as possible, and can therefore be considered similarly robust. The analysis identifies that an increase of 3,374 economically active residents would be needed, if unemployment remains at 2015 levels, and that this is not very sensitive to changes in commuting. The analysis goes on to address the effect of the ageing population on economic activity, taking into account the high percentage of physical jobs associated with manufacturing, particularly food manufacturing which is a large employer in the Borough.

3.10.3 The report concludes that between 230 and 274 new homes per annum might be needed to house local working people and to provide capacity for those who fill jobs (i.e. new jobs and those vacated by the existing workforce as it retires) in the Borough, to also live in the Borough.

3.10.4 **Conclusion: A local plan housing requirement of 230- 274 dpa would achieve the necessary amount of new housing to support jobs growth of 3,420 that is necessary to sustain the Borough's economy at the level forecast in the Council's employment land supply study.**

### 3.11 Delivering the Melton Mowbray Transport Strategy

3.11.1 Developer contributions from new housing are critically important to the funding and delivery of this, particularly the Melton Mowbray Distributor Road (MMDR) elements integral to the north and south 'sustainable neighbourhoods'. Whole plan viability work suggests that 1500 and 1700 houses are necessary in the north and south Sustainable Neighbourhoods (SNs) respectively in order to deliver key sections of the Melton Mowbray Distributor Road, and that the level of funding needed for the MMDR could only be achieved if affordable housing provision in each Neighbourhood was reduced to 15%, compared with up to 40% that could be secured elsewhere (see separate **affordable housing item, 3D of this Agenda**). Any lower level of planned housing across the SNs could affect their ability to deliver sections of the road and other planning objectives associated with the approach of sustainable neighbourhoods.

3.11.2 Therefore, in order to deliver this key objective of the Local Plan, the existing allocations must be maintained at their overall amounts. Adopting the 170 dpa OAN identified in HEDNA (a total of 4250) would mean that all other allocations would need to be made up from the 1050 houses remaining after the SN allocations of 3200 have been accounted for. This would mean that a minimum proportion of some 75% of all new housing would be on the edge of Melton Mowbray and taking into account that there are other good housing sites within the town, including some with planning permission, this would represent a significant departure from the 65/35% approximate balance proposed in the draft Local Plan to date.

3.11.3 This would also have implications for housing choice, and would move the spatial strategy towards a concentration of similar proportions to that promoted in the Core Strategy in 2013 (80%), and which contributed to that plan being withdrawn. It would also undermine deliverability, particularly in terms of the initial 5 year period which is subject to most scrutiny, as there generally needs to be a high proportion of deliverable smaller sites, because delivery of the SN's is more complex and longer term.

3.11.4 The alternative of reducing the allocations in the SN's could jeopardise the delivery of the Melton Mowbray Distributor Road (MMDR) and the achievement of sustainable neighbourhoods for the town, whilst a housing requirement at around 280dpa would still allow their delivery, could assist with the issue of affordable housing described above, and still be within the design capacity of the MMDR as currently modelled. Council is also referred to **item 3F of this Agenda** which provides new information about the delivery of the MMDR and recommends a proposed 'focussed change' to strengthen the Plan's commitment to delivery of the whole of the MMDR.

3.11.5 **Conclusion: A housing requirement of 245dpa or 280dpa could be chosen to help ensure the MMTS is deliverable.**

### 3.12 Delivering affordable housing for local people

3.12.1 The HEDNA identified affordable housing needs across the Borough of 70dpa. The HRR indicated that whilst the plan target for affordable housing is 37%, taking into account schemes for which affordable housing cannot be sought, such as those less than 10 dwellings (Policy C4) and those that already have planning permission, and taking into account those where these levels are not likely to be viable (such as in the Sustainable Neighbourhoods - see para. 3.11.1 above) then closer to 25% affordable housing delivery overall is a more likely outcome, suggesting 280 dpa of overall housing provision would be needed to meet affordable housing needs of 70 per annum in full. At this rate the existing draft Local Plan target of 245 dpa would notionally deliver 61dpa (or 87% of all affordable housing needs), whilst adopting the HEDNA OAN of 170dpa would only notionally deliver about 42% of affordable housing needs.

3.12.2 The addendum to the 'Towards a Housing Requirement' report (Appendix 3) considers the revised viability study findings and the proposed change to Policy C4 (**see Item 3D of this Agenda**). It points out that these suggest about 18% of all new housing overall would be affordable, taking into account that some small sites will deliver none at all and the rates already secured cannot be re-negotiated on sites that will already have planning permission. **So to meet needs of 70 dpa in full, the Council would need to plan for 390 dpa (70 divided by 18%). This level of overall housing delivery is considered to be unrealistic, so this option should be discounted.**

3.12.3 The affordable housing delivery forecast to arise from the proposed site allocations, taking into account the 'value area' it falls within (**see Items 3D and 3K of this Agenda** for details of the Value Areas and their impact on securing affordable housing), suggests that a housing requirement of 245 dpa would deliver about 75% of all new the identified needs. This is a significant proportion of overall needs and is considered to be at the 'lower end' of what could still be regarded as in accordance with the Local Plan's strategic priorities and objectives.

3.12.4 **Conclusion: The right amount and type of housing is one of the 10 strategic issues that the local plan says it will address, and affordable housing is a strategic priority of the plan. This suggests that a housing requirement that delivers a significant proportion of all identified needs should be chosen. Of the realistic options considered, only 245 dwellings per annum would achieve this.**

### 3.13 Supporting local services

3.13.1 The 'Housing Requirements' Report highlights the issue of an ageing population and its effect on the viability of local communities, particularly in the villages, and identifies more generally that additional housing can improve the sustainability and viability of local services, and help to bring about investment in improved infrastructure. The proposals for new primary schools, local shops and part of the distributor road are examples of what 245dpa or more dwellings could deliver, but could not be delivered in full if the amount of development proposed was reduced proportionately to fit the 'low' housing requirement option.

3.13.2 **Conclusion: Higher amounts of population growth would enhance the ability to support local services within the town and surrounding villages. The higher housing requirement options of 245 dpa or 280 dpa would offer greatest support to local services.**

### 3.14 Boosting significantly housing supply (NPPF para. 47)

3.14.1 Long term average annual dwelling completions run at around 170dpa. Provision at the level indicated by HEDNA (170dpa) is at the same level, so it would not "boost significantly housing supply", a primary Government objective for the planning system set out in NPPF. Both the existing draft local plan housing requirement and a housing requirement at around 274-280dpa would support a 'step change' in housing delivery in comparison to recent and historic trends, boosting supply as the Government expects.

3.14.2 The 'Housing Requirements' Report's analysis of past housing completions shows that at least 245 dpa were achieved for successive years in the late 1990s and again in the late 2000's, but completions at 274dpa or above have only been achieved in two years in the last 20. Furthermore, the Council's own housing land supply data (reported in more detail to at **item 3H of this Agenda**) indicates that 245 dpa is deliverable, and includes sufficient delivery in the first five years to satisfy other national planning policy objectives (e.g. a continuous 5 years housing land supply: NPPF para 47), and is achievable, but with a much lower margin of flexibility than at 280dpa. 245dpa would deliver 1% growth in housing stock per year, similar to levels achieved in Charnwood and Harborough, and significantly above the 0.8% growth that has been achieved over the past 15 years, including a period of deep recession.

3.14.3 **Conclusion: A housing requirement of 245 dpa gives the best prospects of achieving a realistically deliverable significantly boosted housing supply, and would be consistent with national policy, a key test of a local plan's soundness.**

### 3.15 Meeting the Borough's housing needs and contributing to meeting unmet housing needs from other areas

3.15.1 The HEDNA provides the figures for the level of housing provision that would be needed to meet the Borough's housing needs (see Table 1 above). Setting the housing requirement at this level would not provide any flexibility in the local plan for it to adapt to rapid change, as national policy expects, and as such, could result it being out of date very quickly and so be much less valuable in guiding new development to the places required to deliver the local plan's objectives. Flexibility gives resilience to the local plan and will help its



longevity.

- 3.15.2 National planning policy is clear that areas such as Melton Borough that are part of a wider housing market area need to contribute towards meeting any unmet housing needs arising within the HMA as a whole. Some other LPAs in the HMA have indicated that they are likely to have housing needs that they cannot accommodate within their own boundaries, and in the case of Leicester City, these are likely to be substantial. However, these are not yet fully quantified yet and even when they are, agreement will need to be reached across the HMA, through the Strategic Growth Plan (SGP), about how those unmet needs can be best accommodated. This work is ongoing and an initial distribution is expected to be included in the draft SGP, programmed for publication in Summer 2017
- 3.15.3 Planning to meet the 170 dpa OAN identified in HEDNA would provide very limited flexibility (16 dpa above market adjusted demographic needs; 400 dwellings over 25 years) in the Local Plan to meet any unmet needs arising in the HMA. This would not be consistent with the national policy expectation (para 14, NPPF) that plans should be drawn up with sufficient flexibility to adapt to rapid change. The existing draft local plan target of 245 pa would provide significantly more flexibility to do so (91 dpa, or 2275 dwellings), whilst a housing requirement of about 274 dpa would provide even more flexibility: 120 dpa, or 3000 dwellings of headroom above meeting the demographic needs, taking account of affordability). This flexibility would be operable in advance of the 'review triggers' built into the plan (Policy SS6) and would provide a degree of 'insulation' against the need for review, particularly early review if the factors described above emerge in the shorter term
- 3.15.4 **Conclusion: a housing requirement of 245 dpa achieves a deliverable housing requirement with flexibility to accommodate a considerable amount of unmet needs from elsewhere in both the short and over the longer term and offers reasonable prospects of avoiding the need for early review.**

### 3.16 Sustainability Appraisal

- 3.16.1 A Sustainability Appraisal was carried out on the options considered in preparing the draft Local Plan. This tested new housing provision at 195, 220 and 245 dpa – the range suggested by the evidence at the time. Further sustainability appraisal work has been undertaken to establish if there are any significant sustainability considerations that should guide the choice of housing requirement. Testing was carried out on low (170dpa), medium (245dpa) and high (280dpa) options.
- 3.16.2 This further work, in the form of an addendum to the published draft SA report prepared by LUC earlier this year (copy available in the Members Room), has found that all options have both positive and negative sustainability effects. The highest growth option exacerbates some of the negative effects associated with more development, such as use of greenfield land, effect on biodiversity and cultural heritage, whilst the lowest growth option still has some of these negative effects, but also has negative social and economic effects. There is a key 'tipping point' on sustainable transport, with the mid and higher growth options delivering positive results, arising from their ability to support delivery of the associated MMDR, whereas the lower 195 dpa scenario is insufficient to do so.

**3.16.3 On the basis of the findings above, it is considered that a housing requirement of 245dpa would achieve the best balance of positive and negative sustainability effects.**

### **3.17 Representations Received to consultation on the 'Pre Submission' Draft Plan**

3.17.1 Under the Duty to Co-operate, the Council notified its HMA partners and other Local Planning Authorities adjoining the area of the publication of HEDNA and the Council's accompanying Housing Requirement Report, and invited comments on it. Responses have been received from Charnwood Borough Council, Leicester City Council and others and are also referred to in Items 4 and 6 on this agenda.

3.17.2 Charnwood are concerned that the report uses different assumptions to those used in the HEDNA, consider that the OAN already contains an increase to support economic growth, and think that planning for 245 homes per year, well above the OAN and therefore assumes significant in migration, is likely to have wide-reaching implications and should be agreed through the strategic planning process. Leicester City confirm that the scale of the need set out in the HEDNA is of such magnitude that there will be an unmet need arising in the city, and that it will be working with HMA partners through the Strategic Growth Plan to address this. It wants to work closely with Melton to ensure the emerging plan is flexible enough to respond to addressing any unmet need.

3.17.3 The comments received do not indicate what housing requirement the Council should set, only indicating a process that should be followed.

3.17.4 The HMA partners anticipated that some form of unmet need would arise from the receipt of HEDNA and the SoCoP set out how its results will be responded to. Within this it recognises that Local Plans need to proceed in advance of the conclusions to be made on accommodating unmet need through the Strategic Growth Plan as follows: *"In terms of determining housing targets to be included in their Local Plans, local planning authorities should take account of the requirements of both national policy and local circumstances, including the need to base Local Plans on a strategy that seeks to meet the OAN for housing. In this regard, it is recognised that all authorities are at different stages of plan preparation and that this situation must be accommodated. In determining their housing target over the relevant plan period, therefore, each authority will take into account the HEDNA and other relevant evidence."*

**3.17.5 Conclusion: It is considered that the Housing Requirement Report and this exercise fulfils the provision made within the Statement of Co-Operation by taking into account HEDNA and other relevant evidence.**

### **3.18 Other considerations**

3.18.1 **Timetable:** As Members are aware, the Pre Submission Plan was based on a figure of 245 dwellings p.a. (6125 in total). Any significant deviation from this would be regarded as a significant amendment to the Plan, giving rise to a very different proposition to that currently or previously published and consulted upon. This would require the production of an alternative Plan, relevant evidence updates and sustainability appraisal testing and at

least another full round of Regulation 19 (pre-submission draft) consultation, and possibly more if previously considered alternatives are generated. It would be impossible to proceed to Examination with a sound plan based on anything other than about 245 dpa. To do otherwise would delay submission for far longer than the recent delay, during which time further changes to the evidence and policy landscape may occur, possibly adding to the work necessary before a plan can be submitted for examination. It would put the achievement of any up to date adopted local plan in the short to medium term in serious jeopardy.

3.18.2 Without an up to date plan, development proposals will continue to come forward and will need to be determined, but control would be limited to that provided by the NPPF in a similar way to recent years. This means that the Council's ability to deliver its key aims (the strategic objectives of the plan), the more sustainable pattern of development proposed by the Plan (including the greater focus on Melton Mowbray) and to secure the infrastructure funding to do so from developers will be much reduced.

3.18.3 Members will be aware of the emphasis the Government has placed on getting an up to date plan in place as soon as possible, and the intervention 'regime' that exists where progress is deemed inadequate. Whilst not rehearsed in full here, the implications of further delay are well known and the change in direction discussed above can only increase the likelihood of such measures being applied.

3.18.4 **Housing White Paper:** The Government's recently published Housing White Paper 'Fixing our Broken Housing Market' reaffirms the scale of national housebuilding that is needed to meet housing needs and to support sustainable economic growth, and indicates that, subject to there being no change in Government or Government Policy (it was published before the General Election was called), changes will be made in April 2018 to standardise how housing needs are assessed. As this is likely to be based on nationally published datasets, it is likely to be closer to the demographic need figure used in the HEDNA, than to the draft Local Plan housing requirement. However, proceeding on this basis leaves no scope for flexibility if the methodology is not as industry observers expect. At the higher levels of planned provision, there is less risk that any new methodology will produce housing needs higher than the requirement in the draft Local Plan and result in the need for its early review.

3.18.5 **Conclusion: The analysis in this section indicates that maintaining a requirement of 245 dpa is the best approach allowing the possibility of securing a new adopted Local Plan in place without substantial delays.**

### 3.19 Overall Conclusion

**Taking as the starting point that there are no proposals to significantly amend the Local Plan's aims and objectives, the analysis outlined above, taken alongside the findings of the HEDNA, indicates that of the three options investigated, a housing requirement of 245 dwellings per annum will deliver the best outcomes overall against the considerations outlined in this report.**

## 4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 The Melton Local Plan Pre Submission version sets out the Council's preferred approach to addressing the issues and challenges which need to be dealt with through the Local Plan, to deliver the development the Borough requires and to deliver the vision and objectives of the Plan, which themselves reflect Corporate Priorities.

4.2 It is considered that the securing of adoption of a Local Plan is essential for the achievement of these objectives and that a level of housing provision the same as, or similar to, that presented in the Pre Submission Draft Local Plan in November 2016 (245 d.p.a) is the best approach to achieve this.

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

5.1 There are no significant unknown financial or resource implications arising from this report. The Local Plan publication and consultation are core elements of the existing budget provision. Whilst will have a significant resource implication on the staffing resources and expenditure relating to statutory notices and publicity, this will be met through the existing Local Plan budget provisions.

## **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 31 on this agenda would be in fulfilment of requirements under Regulation 19 of these Regulations.

6.3 The Town and Country Planning (Local Planning) (England) Regulations 2012 and the NPPF require that plans are prepared based on the most up to date evidence.

## **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 pre submission Local plan has been the subject of an EIA which is now published in accordance with the Council's policy.

## **9.0 RISKS**

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

**IMPACT**

| Risk No | Risk Description  |
|---------|---|
| 1       | Scale and nature of representations received through consultation demonstrate the plan is unsound |
| 2       | Evidence is challenged 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   |

**10.0 CLIMATE CHANGE**

10.1 There are no direct climate change issues arising from this report.

**11.0 CONSULTATION**

11.1 The evidence referred to in this report and modifications to the content of the Plan will be published alongside the ‘Focussed Changes’ proposed (**see item 3A of this Agenda**) in accordance with Regulation 19 of Town and Country Planning (Local Planning) (England) Regulations 2012 as amended.

**12.0 WARDS AFFECTED**

12.1 All.

Contact Officer J Worley, Head of Regulatory Services

Date: 24<sup>th</sup> June 2017

Appendices :           1 HEDNA Executive Summary  
                              2: 'Towards a Housing Requirement' Executive Summary  
                              3: Addendum to 'Towards a Housing Requirement'  
                              4: Joint Statement of Co-operation Relating to Objectively Assessed Needs for Housing

Background Papers:   MBC Employment Land Supply Study (BE Group, 2015)  
                              Addendum to the published draft SA report