

# MELTON LOCAL DEVELOPMENT FRAMEWORK CORE STRATEGY

## PROVIDING A HOUSING REQUIREMENT FIGURE FOR MELTON: TOWARDS SUBMISSION

### 1 INTRODUCTION

- 1.1 The Melton Local Development Framework (MLDF) Core Strategy Local Development Document (LDD) will set out the long-term spatial vision for the Melton Borough and the strategic policies required to deliver that vision to 2026. It will set out the number of houses which should be built in the Borough to meet anticipated housing needs and a trajectory for their delivery over the period. It will also set out broad locations for delivering housing and other strategic development needs such as employment, retail, leisure, community, essential services and transport.
- 1.2 The current housing requirement figure set for Melton Borough is for 3,400 dwellings (170 dwellings per annum (dpa)) between 2006 and 2026, established by the East Midlands Regional Plan (2009), the Regional Spatial Strategy (RSS) for our region.
- 1.3 The Coalition Government has made clear its intention to abolish the Regional Plans (RSS). The duty to determine figures for housing requirements are to be transferred to local planning authorities. This approach has been confirmed in the draft National Planning Policy Framework (NPPF), currently out for consultation. The draft NPPF states that local planning authorities should assess their full housing requirements, working with neighbouring authorities where housing market areas cross administrative boundaries. This assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period which:
  - meets household and population projections, taking account of migration and demographic change
  - addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and
  - caters for housing demand and the scale of housing supply necessary to meet this demand
- 1.4 On this basis Melton Borough Council will in the future be obliged to provide an evidence based housing requirement for the Borough and to reflect that evidence base in planning for future development for the Borough.
- 1.5 On 8th September 2010 the Council's Rural, Economic and Environmental Affairs Committee considered a report on the housing requirement for Melton which included a paper from the Melton Local Development Framework Task Group of 8th July 2010. Those reports noted that Melton Borough Council had not objected to the Draft Regional Plan provision of 160dw pa and at the Examination in Public (EiP) held in 2007 there were no participants objecting specifically to Melton's provision. The small increase in the final provision for Melton was largely due to the availability

of more recent trend-adjusted housing projections. Consequently, the Committee resolved that:

- the abolition of regional strategies and the transfer of regional housing and planning powers to local planning authorities is welcomed;
- in the interim the East Midlands Regional Plan housing provision for Melton of 3,400 dwellings (170 dwellings per annum) between 2006 and 2026 should continue to be used; and
- the Assistant Chief Executive cooperate with other local planning authorities in the Leicester and Leicestershire Housing Market Area on this matter.

1.6 Work on the Melton Core Strategy has advanced on the basis of this resolution. Whilst the intended abolition of the RSS should be noted, Government advice is that local planning authorities should continue to proceed with all due speed towards the introduction of an up to date development plan document for their area. Delays introduced by the removal of the RSS and associated housing figures should not be allowed to introduce lengthy hold-ups in the adoption of Core Strategies; the Melton Core Strategy has been prepared in accordance with this.

1.7 A recent High Court ruling has found it to be unlawful to prepare a Core Strategies without having regard to the housing figure contained within the Regional Plan (RSS). However, it is possible that the Regional Plan will have been abolished by the time the Core Strategy reaches examination and it is also sensible to consider our position on the emerging planning process. In light of these factors we need to consider the housing requirement for Melton and how to proceed with our plans for housing.

## 2 SETTING A HOUSING REQUIREMENT FOR MELTON: BACKGROUND

2.1 The starting point for setting housing requirements are demographic projections. Government household projections for Melton are shown in the table below. Household projections are commonly constructed by multiplying the projected population in an age group by the headship rate. Headship rates describe the proportion of people in specific age groups who are counted as heads of households. From the present, 2011, to the end of the Core Strategy plan period, 2026, an increase of 2462 households is envisaged, 164 households per year. Whilst this is a simplistic approach it does provide an indication that the figure of 170 dpa contained in the Regional Plan closely reflects the number of households likely to be created in the Borough.

Household Projections

Year	Households	Increase	Per annum increase
1991	17923	-	
2001	19627	1704	170
2006	20284	657	131
2011	20863	579	116
2016	21667	804	161
2021	22543	876	175
2026	23325	782	156
2031	24030	705	141

(CLG Household Projections Model (2008 based))

- 2.2 The level of past dwelling completions in the Borough can also be used as a basic indicator of demand and the ability of the Borough to meet housing requirements. The table below shows the yearly completion rates from 2000/01 to present with an average of 183 dwellings being completed per year over the period.

Dwelling Completions 2000/01 to 2010/11

00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	Avg
170	115	175	168	112	157	199	237	284	237	157	183

- 2.3 There are a number of other factors which should be examined to help consider a suitable locally driven housing requirement figure for Melton. These include the need for land supply, having regard to the Coalition Governments drive to see housing land being delivered through the planning system, and priorities to see housing delivery support infrastructure provision.

### **3 PREVIOUS HOUSING REQUIREMENTS FOR MELTON**

- 3.1 Prior to the introduction of the RSS plan system, housing figures for Melton had been set in the Leicestershire Structure Plan (2005) as 210 dpa, based on urban capacity and household projections.
- 3.2 The housing requirement figure which followed was arrived at through the RSS process. The RSS was first published in 2005 and subsequently a review was published in 2009. The 2005 version did not provide district level housing figures but set a requirement for the Leicester, Leicestershire and Rutland Structure Plan area of 3,150 dpa. The RSS review resulting in the 2009 RSS provided more detailed housing figures. The broad principles for this were strengthening the role of Leicester as the PUA through urban intensification and planned urban extensions; strengthening the sub-regional roles of Coalville, Melton Mowbray, Loughborough, Hinckley and Market Harborough; and, meeting affordable housing needs in a way which promotes a more sustainable pattern of development.
- 3.3 A total of nine options for annual housing requirement were considered; with Melton's figures ranged from 170 to 320 dpa depending on the chosen spatial strategy. In the final adopted Regional Plan the total figure allocated to the Leicester and Leicestershire HMA was not revised from the initial options. However, work on the SUEs resulted in a re-distribution of housing numbers across the districts. There was a substantial reduction in the requirement for Melton and, following traffic modelling across the County, a figure of 170 dpa was finalised for Melton in the adopted Regional Plan.

### **4 Leicester and Leicestershire Housing Requirements Project 2011**

- 4.1 Following the Government's stated intention to abolish the Regional Plan (and the housing requirements contained within) the Housing, Planning and Infrastructure Group for Leicester and Leicestershire, of which Melton Borough Council are a member, facilitated a study to develop an evidence base which would assist local communities and authorities in determining future housing requirements.
- 4.2 The resulting Leicester and Leicestershire Housing Requirements Project 2011 has prepared a technical study which sets out a variety of projections for housing requirements taking account of demographic trends and considering how this might

relate to alternative scenarios for employment growth. The Housing Requirements Project Report is attached at appendix 1. It is intended to provide robust evidence of need and demand to support local authorities in Leicester and Leicestershire after the enactment of the Localism Bill and revocation of the Regional Spatial Strategy. In practice it will be used to support the preparation of the next generation of plans unless an authority is not so advanced in the process.

4.2 The approach considers demographic dynamics and assesses changes in migration and how the economy could grow. The different scenarios are based on those considered to provide the best insight into potential housing requirement, and are:

- Main trend-based demographic projection (PROJ 1)
- Zero net-migration (PROJ 2)
- Zero employment growth (PROJ 3)
- 5% employment growth – 2006 to 2031 (PROJ 4)
- 10% employment growth – 2006 to 2031 (PROJ 5)
- Projection linked to past housing delivery (PROJ 6)

4.3 The employment growth scenarios model changes in the size of the workforce to support the changes in employment indicated. The Zero Net Migration projection assumes that levels of in- and out-migration equal one another, but takes account of differences in the age profile of in- and out-migrants. Projections of past housing delivery are based on the average net completions between 2000-2010.

4.4 These various projections have produced a wide range of results which are shown in the table below:-

Main trend-based demographic projection	135 dwellings per annum
Zero net-migration	72 dwellings per annum
Zero employment growth	160 dwellings per annum
5% employment growth	197 dwellings per annum
10% employment growth	235 dwellings per annum
Past housing delivery projection (10yr av)	185 dwellings per annum

4.5 The figures resulting above cover a wide range from 72 to 235 dpa, highlighting the broad range of potential figures which can result from extremes in demographic and economic circumstances.

4.6 As has been identified earlier, the Government believe it is for individual local authorities, in association with their neighbours, to determine housing requirement figures through the planning process. The draft NPPF recognises that, using an evidence base, local authorities should take into account migration, demographic change and housing demand to meet the full requirements for housing in their area.

4.7 Alongside the elements above there are a wider range of factors which need to be considered in determining housing requirements. These include:

- The emerging spatial strategy;

- Evidence of land availability;
- Other elements of the local evidence base, including economic assessments and Employment Land Reviews;
- Infrastructure requirements and delivery;
- Community and stakeholder engagement; and
- Sustainability Appraisal.

- 4.8 These other factors are important and were considered when arriving at previous requirements for Melton in both the Structure Plan and subsequent Regional Plan. The economic development strategy of Melton and the Local Enterprise Partnership can also be considered relevant in identifying what level of employment growth may be realistic to plan for at a local level. This may then inform the potential impact of economic growth on housing demand as planned housing provision should be aligned to the economy and provision of jobs. A recent Experian study has suggested a 2% growth in jobs in Melton from 2010 to 2020 although a 6% increase is forecast for Leicestershire to 2030. Information such as this must be considered when determining housing requirements.
- 4.9 To arrive at a final figure for housing requirements the Housing Requirements Project determined that across Leicester and Leicestershire as a whole, a realistic and defensible assessment of housing need and demand would fall between 3,500 – 4,500 homes per annum over the 2006-31 period. The bottom end of this range corresponds with past demographic trends (PROJ 1) whilst the top end is based on 5% economic growth (PROJ 4).
- 4.10 The Project went on to recognise that housing at the higher end of the range would ensure that housing provision and labour supply does not constrain economic recovery and growth in the longer-term.
- 4.11 In relation to Melton, this approach to determining a housing requirement figure would result in a range of figures from 135 to 197 dpa. A figure of 170 dpa, , falls within this range, and is towards the higher end as recommended by the Project to ensure economic recovery and future growth is not stifled. Therefore, at this time it is considered appropriate to support this figure as a realistic housing requirement for Melton Borough and that the Core Strategy should continue to propose a housing requirement of 170 dpa.

## **5. Conclusion**

- 5.1 The housing requirement figure contained in the Melton Core Strategy must, at present, reflect that of the East Midlands Regional Plan (2009) until the regional level of planning is lawfully removed. Varying from this figure at his time increases the risk of the Core Strategy being found unsound.
- 5.2 The Leicester and Leicestershire Housing Requirements project has provided a good basis for a review of the housing requirement for the Borough. However, any alteration to the figures, following the rescinding of the RSS, should go through a process of extensive consultation to examine the various options for development in the Borough, local opinion, and the housing requirement figures which would result.
- 5.3 Consultation of the various issues and options available to arrive at a suitable figure and preparing an evidence base for employment, retail and transportation associated with a different figure is a time consuming process and would add considerable delay to the production of a development plan for Melton. Government advice, including that within the draft NPPF, states that local authorities should endeavour to have plans in place as soon as possible to deliver development that reflects the vision and aspirations of the local community.
- 5.4 The housing figure contained within the Core Strategy has previously undergone extensive consultation through both the RSS and Local Development Framework process. consequently it can be considered that the vision and aspirations of the local community have been reflected to some extent. Responses to comments on housing numbers resulting from the Melton Core Strategy (Preferred Options) consultation can be found in the How Much Housing Development is Needed: Towards Submission paper.
- 5.5 Whilst the Core Strategy should be progressed with all due speed the Government has made clear their intent that housing requirements are to be set by individual local authorities, in cooperation with other local authorities in their housing market area. To ensure that this intention is met the housing requirement figures contained within the Core Strategy could undergo an early review. This would ensure that the development plan for Melton fully reflected the opinion of the Melton community and truly echoed the localism agenda.
- 5.6 In conclusion, the Core Strategy should continue to propose a housing requirement of 170 dwelling per annum for Melton. This would reflect the RSS and such a figure would also appear a realistic housing requirement for Melton Borough in light of the recent work undertaken by the Leicester and Leicestershire Housing requirements project.