

**FULL COUNCIL**

**4<sup>th</sup> FEBRUARY 2015**

**REPORT OF HEAD OF REGULATORY SERVICES**

**MELTON LOCAL PLAN AND ITS ROLE IN DELIVERING DEVELOPMENT IN THE BOROUGH**

**1 PURPOSE OF THE REPORT**

- 1.1 The National Planning Policy Framework (NPPF) makes clear that the purpose of planning is to achieve sustainable development. It states that development means growth needed to house, employ and serve the needs of a growing population which is living longer.
- 1.2 This report seeks to communicate the challenge faced by delivering high quality sustainable development in the Borough and the risk of not doing so. It seeks to highlight the role of the Local Plan in setting a clear direction of travel and assisting with bringing forward necessary development in the Borough. The report will explain the tests that will be applied by a Planning Inspector in assessing whether the Local Plan is sound.
- 1.3 The report also seeks member direction on the appropriate level of housing development to be planned for in the Borough.

**2 RECOMMENDATION**

- 2.1 It is recommended that Council notes the content of the report.**

**3 BACKGROUND AND CONTEXT**

**Housing and Employment Challenges**

- 3.1 The Strategic Housing Market Assessment (SHMA) 2014 identifies a need for new homes in Borough of between 195 and 245 dwellings a year. This range represents the Borough's most up to date assessment of housing need.
- 3.2 Work is now underway to understand how many jobs are needed to support this need which will translate into a land requirement and inform the strategy for delivering economic development in Borough. The findings of this work may also influence the level of housing needed to be planned for, in that it may be that to realise the Borough's economic aspirations a greater increase in population and skills could be required.

- 3.3 In arriving at the range of 195-245 dwellings per annum, the SHMA starts with Office of National Statistics (ONS) looking back at what has happened in the past in terms of people moving in and out of the area and projecting trends forward on the basis of anticipated natural change in population and how many people on average tend to occupy houses. The underlying principle is that population naturally grows, because:
- Each year more people are being born than are dying
  - People are living longer
  - The number of people living in a single house has reduced
- 3.4 The SHMA then considers the market and the ability of people to access housing either through buying or renting or social housing. Put simply, supply and demand influence price and affordability, where demand exceeds supply the price of housing gets pushed beyond what people can afford to pay. At present there are currently 566 people on the Melton Borough Council waiting list and this will grow year on year.
- 3.5 Perhaps the most compelling factor to consider is the influence of housing supply could have on the economy and vice versa. Here it is necessary to look at the population structure and understand whether there is sufficient people of working age (16-64) to fill existing job opportunities but also the predicted future job opportunities.
- 3.5 By simply looking at the Census 2011 and projecting the age structure of the population forward 20 years Melton Borough could see a 30% reduction in people of working age if no people move in or move out of the area. Whilst this scenario is extreme and is unlikely to be realised in this way, it is highly likely that if trends in the growth of the Borough are allowed to continue, there will be a significant shortage in people of working age which could have serious consequences, which could include:
- Insufficient labour to serve the towns existing businesses which could stifle business growth, lead to businesses moving elsewhere or an increase in commuting and traffic to and from the Borough
  - A limited customer profile for business, this could particularly effect the vibrancy and vitality of the Town Centre and goods and services that may be available
  - Poorly balanced communities which can have negative consequences for mental health and community development
  - Service demands could result in school numbers falling and an increase in demand for healthcare, which could result in pressure on health services but could also result in schools become unviable and closing.

### **The role of the Local Plan in addressing these Challenges**

- 3.6 The NPPF requires Local Plans to set out a clear strategy and target for new homes and jobs. These targets must meet the full need for homes and jobs, as far is consistent with all policies in NPPF. For reasons set out above the housing and economic strategy are directly linked. The Local Plan is required to identify land and a strategy for the delivery of housing and employment proposed. It provides detailed guidance on planning for housing land and states the plan is required to:

- Identify and update annually a supply of specific deliverable sites sufficient to provide five years, worth of housing against their housing requirements with an additional buffer of 20% where there is a record of under delivery
  - Identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15;
- 3.7 The NPPF explains that deliverable sites are sites which could be built now and are expected to be built within 5 years and developable sites may be constrained but it is known when those constraints could be overcome and it is expected the site would be built at the point envisaged in the plan, for example when a piece of infrastructure can be put in place.
- 3.8 The NPPF requires that the Local Plan illustrates the expected rate of housing delivery (all development) from real sites (deliverable and developable) through a housing or development trajectory. As housing delivery is often dependant on infrastructure and also related to jobs growth, best practice suggests that a full development trajectory is included. An illustrative example of what that could look like is included at Appendix A.
- 3.9 The red line represents the cumulative target for growth. The blue line represent how the Local Plan suggests that target will be met over the plan period, with infrastructure coming on stream and unlocking development over the plan period.
- 3.10 It is worth noting that the Local Plan period starts in 2011, therefore where our need is not met between now and Local Plan adoption, the shortfall will need to be met in subsequent years during the plan period. Developers may argue that this should be met in just the first five years of the plan. Between 2011 and 2014, 273 new dwellings have been built in the Borough (approx. average of 90 a year). If this continues between now and the anticipated Local Plan adoption in 2017, this would mean a shortfall of 775 based on an upper need of 245 dwellings per annum. If this was to be made up over the first five years of the plan we would need to deliver 400 new dwellings a year. Delivering 245 dwellings a years is significant uplift, delivering 400 is unprecedented.
- 3.11 It maybe that a clear strategy for making up this shortfall over the plan period could be developed in partnership with developers of large scale development sites. However we know that the process of planning for large scale development sites is lengthy and in themselves they have lengthily lead-in times before development commences. However this sort of work would be essential to support such a case and the work needs to start now to be prepared to the appropriate level for the examination.

### **The test of Soundness Applied by the Planning Inspector at the Examination**

- 3.12 At the Examination in Public an Inspector applies the test of soundness and the defence and challenge will therefore be constructed on soundness. For a plan to be found sound in accordance with the NPPF it needs to be;

- Positively prepared – based on a strategy which seeks to meet the full objectively assessed need for development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
  - Justified – the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
  - Effective – deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
  - Consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.
- 3.13 This report will not go into detail on all tests but it is worthwhile touching on “Positively Prepared” and “Effective” tests.
- 3.14 Positively prepared, means having a positive approach to new development in the area and the benefits it can bring. The tests make clear that to pass the test the plan must seek to meet the full development needs of the area. In terms of housing unless there are significant environmental or infrastructure capacity reasons that outweigh the social and economic need and the benefits of the development then it will be unlikely that a target less than 245 dwellings a year will be acceptable or if a target less than this would have positive effect the Borough.
- 3.15 Effective, is where the Inspector will challenge whether what is suggested in the plan is likely to happen. Previous examination experience suggests this test will focus in a great of detail on the delivery of homes, jobs and infrastructure, particularly in the first 5 years of the plan. Reflecting this, plans are reviewed over their lifetime in order that they can adjusted to adapt to any over or under provision, or changes in circumstances.
- 3.16 Included at Appendix B is an illustrative example of an annualised growth trajectory. An Inspector will expect to see a detailed version of this supported by a table of information based on the deliverability of real sites over the plan period.
- 3.17 As Local Planning Authority it will be necessary to know and broadly agree with developers details of each site proposed to be allocated, specifically having a shared understanding of when development is likely to start how long it take and what is necessary (e.g. infrastructure provision) for the development to be built.
- 3.18 As an illustration the contribution from large scale sites is included on the diagram. As discussed previously it is known that these types of development have long lead in times and would be unlikely to be built out at more than 100-150 dwellings a year at peak and probably much less in the early years. The Local Planning Authority will need to give confidence to the Inspector who will need to understand delivery in a great deal of detail against the background of challenges from promoters of sites which are not included in the plan. Alternative site promoters will argue, among other things that sites proposed for allocation in the plan will not deliver the numbers

suggested and therefore their site is needed in addition, in order to meet the need for development identified.

#### **4 POLICY AND CORPORATE IMPLICATIONS**

- 4.1 This report is for information purpose only. However the issues covered have Policy and Corporate implication at all levels of the Local Authority.

#### **5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 There are no significant unknown financial or resource implications arising from this report. However there are significant financial opportunities associated with delivery the development needed in the Borough and there are also implications of failing to achieve this. These include the impact of the Local Plan being found unsound at examination, but more important the wider economic benefit to the Local Authority of development taking place in the Borough.

#### **6 LEGAL IMPLICATIONS/POWERS**

- 6.1 There are no direct legal implications of this report.

#### **9 COMMUNITY SAFETY**

- 9.1 There are no significant community safety implications arising from this report.

#### **10 EQUALITIES**

- 10.1 Each stage of preparation of the Melton Local Plan is supported by a Sustainability Appraisal of each option has been undertaken in the Sustainability Appraisal based upon a detailed framework which incorporates Equalities Impact Assessment.
- 10.3 Therefore equalities impacts are addressed as a continued thread through the process of preparing the Melton Local Plan.

## 11 RISKS

Probability



Very High A						
High B		1,3			<b>Risk</b>	<b>Description</b>
Significant C			2,4		1	Failure of Local Plan to meet Examination requirements
Low D					2	Failure for delivery of growth required to meet social and economic need
Very Low E					3	Risk of unplanned sporadic development
Almost Impossible F					4	Risk of development taking place with infrastructure not keeping pace
	IV Negligible	III Marginal	II Critical	I Catastrophic		

Impact →

## 12 CLIMATE CHANGE

12.1 Part of the evidence base for the preparation of the Melton Local Plan will be relevant Climate Change Studies concerning appropriate Policies.

## 13 CONSULTATION

13.1 Each of the stage of the process of preparing the Melton Local Plan is informed by extensive consultation.

## 14 WARDS AFFECTED

14.1 This report refers to matters that affect the whole Borough.

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Appendices: Appendix A: Illustrative Cumulative Growth Trajectory  
Appendix B: Illustrative Annualised Growth Trajectory

Background Papers: None