



Melton South Sustainable Neighbourhood: Masterplan and Housing Infrastructure Fund update

Corporate Priority:	Corporate Strategy 2020 to 2024: Delivering sustainable and inclusive growth in Melton
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No
Key Decision:	Yes
Subject to call-in:	Yes

1 Summary

- 1.1 On 17th June 2020 Cabinet approved the Melton South Sustainable Neighbourhood Masterplan. Specifically the aim was to guide the development in the area concerned and also to meet requirements associated with Leicestershire County Council's decision as to whether to accept the Housing Infrastructure Funding (HIF) award offered by Homes England. This fund would support early delivery of the Melton Mowbray Distributor Road 'southern leg' forming part of the Sustainable Neighbourhood.
- 1.2 Based on a decision taken by the County Council's Cabinet in June 2020, the Council had understood that the HIF award had been declined by the County Council in the summer. However in November 2020 Melton Borough Council was approached and advised that Homes England had extended the period for its acceptance and that the County Council were actively taking steps to meet the pre-contract conditions with a view to accepting the funding.
- 1.3 In the limited period since, officers of the Borough Council have been heavily and proactively engaged with colleagues at the County Council, their consultancy team, and with the key stakeholders representing landowner and developer interests.

- 1.4 The purpose of this report is to provide an update to Cabinet regarding the prospect of the County Council accepting the HIF award, the expectations they have placed upon Melton Borough Council including with regard to risk sharing and development of the revised Masterplan as a key element of the supporting information required by Homes England.
- 1.5 The decision of the County Council's Cabinet taken on 15th December 2020 is included as Appendix B to this report. The majority of the stipulations in respect of a risk sharing agreement placed upon the Borough Council have been met, but the County Council have indicated that the affordable level of the cap proposed by Melton Borough Council has been declined on the basis that it is insufficient. Having made acceptance of the HIF conditional on reaching an agreement on risk sharing, the County Council have indicated they will not proceed unless the Borough Council increases the cap level.

2 RECOMMENDATION(S)

That Cabinet:

2.1 Notes

- a) the progress made towards acceptance of the Housing Infrastructure Fund (HIF) award and the positive and collaborative work undertaken between Melton Borough Council, Leicestershire County Council and developers.
- b) the significant efforts that Melton Borough Council has undertaken to support infrastructure delivery within Melton.
- c) that the decision as to whether to accept the Housing Infrastructure Funding rests with Leicestershire County Council and the risk associated with the delivery and funding for Highways and Education is a statutory function of the County Council which the Borough Council is committed to support.

2.2 Approves the proposed development layout included in Appendix A which will further develop the Masterplan to guide the consideration of future planning applications in the South Sustainable Neighbourhood area and support the County Council's intention to accept the Housing Infrastructure Fund award.

2.3 Approves in principle that the Borough Council enters into a risk sharing agreement on the basis of the principles set out in this report, specifically at section 5.10 which limits its financial liability as proposed i.e. up to £1m cap (capital) or £50k cap (revenue).

2.4 Subject to 2.3 and the County Council agreeing to proceed with the Borough Council's proposed cap, delegate authority to the Director for Corporate Services in consultation with the Leader of the Council to negotiate the practicalities, parameters and terms of the risk sharing agreement before seeking approval from Council.

3 Reason for Recommendations

3.1 On 15th December 2020 Leicestershire County Council's Cabinet resolved to accept the Housing Infrastructure Fund award by means of a 'Grant Acceptance Agreement' with Homes England, subject to a number of conditions being met. Amongst these are acceptance by Melton Borough Council of the principle of a risk sharing agreement comprising, in summary:

- Approval of an updated Masterplan for the area based upon the development framework presented (Appendix A to this report);
- Appropriately resource the project with regard to its scale and complexity;
- Prioritise developer contributions for education and highways in particular when handling planning applications;
- Underwriting any shortfalls in developer contributions for infrastructure sought by the County Council that the Borough Council fails to secure through s106 agreements ;
- Aim to secure delivery of 150 homes in land currently outside the MSSN area.

Their report stipulated their expectation that underwriting also extends to ‘market failure’ should development not occur as anticipated for whatever reason.

- 3.2 A revised Masterplan is necessary in order to meet the requirements placed upon the County Council by Homes England to accept the HIF. It is one of a number of key documents required by Homes England in order to meet circa 20 pre-contractual conditions in order to secure the funding. At this stage a broad framework has been produced and agreed to provide a baseline for future planning work which would include a full revision of the approved Masterplan, which in turn would then provide the framework for the consideration of future planning applications.
- 3.3 Its key purposes are to demonstrate how the objectives of the HIF award would be realised in terms of the quantity, location and acceleration of development. Alongside the newly proposed development layout, a viability assessment, a ‘planning strategy’ (the approach to be taken to secure planning permission for both the MMDR and the development in the area), and a Housing Delivery Strategy (timetable, phasing and progress of the housing) have been developed. These are required to demonstrate the achievement of the HIF objectives relating back to the initial application, and to demonstrate viability of the overall project including the recovery of ‘forward funded’ infrastructure provision to enable recycling of the funds to other projects in future. Through the effective work of officers and the collaborative approach taken, it is proposed that these documents are approved and used as a basis for establishing an updated masterplan which can be agreed by all parties.
- 3.4 Any agreement with the County Council regarding the potential for any shortfall of recovered infrastructure costs is a requirement introduced by the County Council in order to protect their financial position. It is a worst case scenario whereby infrastructure investment is not recovered via s106 agreements associated with future development. This could be because the recovered funding is not secured through section 106 agreements and/or the developments do not proceed to a point where the payments are due. Whilst the former may be a consequence of the Council being unable to require developers to sign a suitable S106 agreement, the latter could be considered a market failure to deliver which is outside the Council’s control.
- 3.5 Given their statutory responsibilities, this risk rests with the County Council, nevertheless, Melton Borough Council has indicated its willingness to agree to such an approach and as such is prepared to meet this expectation in principle. However the extent of any underwriting needs to remain within affordable limits and the Council has clearly and repeatedly advised the County Council that exposure to a maximum sum of £1 million at any one time (or its equivalent in annual revenue terms) is its affordable limit. This is to ensure the Council does not jeopardise its financial sustainability and its fiduciary

responsibilities. Through its Cabinet decision on 15th December, the County Council has indicated that the level of the proposed cap is insufficient but has not indicated what scale of underwriting is requested. Any increase to the proposed cap has the potential to impact the Council's core service provision and ultimate financial viability.

- 3.6 The Borough Council has previously embarked on several Masterplanning exercises and has engaged significantly with County Council colleagues and developers on this project. The Council is confident it can meet with the request to adequately resource and maintain its commitment to the subsequent masterplanning project work going forward.
- 3.7 The Council has a strong record of securing developer contributions requested by the County Council, and recognises that those for essential infrastructure should be afforded the highest priority. Over a 5 year horizon the Council has secured over 99% of the requests submitted and has resisted claims made by developers for concessions based upon viability. The current Masterplan for the area reiterates this priority and it is anticipated that the future impending Developer Contributions SPD will similarly recognise the importance of their priority.
- 3.8 The revised development framework (Appendix A) identifies additional land for the provision of c.150 dwellings, and the utilisation of some 9ha of allocated employment land for housing, with its partial replacement to the north across Leicester Rd. The recommendations above provide for the development of a Masterplan on this basis and the status of this, and how it may develop in future is addressed in greater detail in section 5 below.

4 Background

- 4.1 The Local Plan adopted in October 2018 established the requirement for a Masterplan for the Melton South Sustainable Neighbourhood in order to co-ordinate its content and delivery. The ambition at that time was that developers would construct the MMDR in this area in a piecemeal fashion commensurate with the pace of their developments.
- 4.2 Work commenced on development of the Masterplan in 2019 and a complete masterplan was approved by Cabinet in June 2020. Subsequently, the Masterplan was viability tested in August 2020 at the County Council's request. Sensitivity analysis which considered alterations to affordable housing tenure mix, and percentage amounts, as well as additional land for homes, indicated an improved proposition in terms of viability and an opportunity to proceed.
- 4.3 The Melton Mowbray Distributor Road 'southern link' was the subject of a bid made by the County Council for forward funding under the Homes England Housing Infrastructure Fund in 2019. It was viewed as an opportunity to accelerate and maximise delivery beyond that anticipated by the Local Plan. The bid did not make any reference or incorporate any conditions requiring Melton Borough Council to underwrite any financial risks associated with the development, nor is it a condition of the award of the grant by Homes England. The County Council had introduced this expectation subsequently, owing to the evaluation of their own risk exposure, described elsewhere in this report. Confirmation of the award was received in late 2019, however due to difficulties reaching an agreed position, it was understood that the offer of the award had expired, until the Borough Council was advised in November 2020 that the deadline had been extended by Homes England to a revised date of mid December 2020.

- 4.4 The County Council has been undertaking significant work to meet the pre-contractual conditions of the HIF award, and Melton Borough Council has been involved in those relevant to its function as Local Planning Authority. These include a delivery strategy demonstrating how the development facilitates the funding of the Distributor Road 'southern link' and how it would come forward.
- 4.5 The Borough Council has a duty to maintain a deliverable five year housing land supply (including any required buffer) in accordance with paragraph 73 of the NPPF, to prevent the presumption in favour of sustainable development being applied. In the Summer 2020, Melton Borough Council confirmed that it could demonstrate 11.6 years of deliverable housing land. This establishes a sound basis and strong evidence to provide partners with confidence that the sites allocated within the adopted Local Plan will come forward.

5 Main Considerations

- 5.1 The Masterplan was approved by Cabinet in June 2020. It draws upon much groundwork that was carried out in 2019. However whilst effective for the land comprised in the South Sustainable Neighbourhood it does not fulfil the ambition of the HIF award which has a wider ranging and longer term ambition beyond the Local Plan.
- 5.2 The development framework included as Appendix A relates to the full extent of the HIF application and award. This is a wider area than the South Sustainable Neighbourhood as defined in policy SS4 of the Local Plan, comprising greater quantity of development which reflects the HIF ambition to secure 'additionality' to planned growth and to maximise the effectiveness of the infrastructure it is funding.
- 5.3 The main features of the spatial layout are as follows:
- Definition of the alignment of the MMDR 'southern link' from Burton Road (A606) to Leicester Road (A607).
 - Identification of development parcels amounting to 1975 houses and 17.7. ha employment land (excluding sites that already have planning permission), including additional land for the provision of c.150 dwellings, and the utilisation of some 9ha of allocated employment land for housing. In total, including sites that already have planning permission, the South Sustainable Neighbourhood would eventually accommodate c. 2500 homes.
 - Identification of sufficient land and appropriate locations for both primary and secondary education for this wider site
 - Identification of land for other key elements of the South Sustainable Neighbourhood, the local centre and extra care facility
 - A broad indication of locations for drainage, main connectivity routes and green infrastructure provision.

The appended document represents 'baseline' document for the purposes of establishing key principles and further work which will follow to develop it into a full Masterplan, so as to guide individual proposals and applications, which inevitably will draw on work previously undertaken during the summer.

- 5.4 Clearly the scale and geographical extent shown on the spatial layout extends beyond the development land allocated in the Local Plan by virtue of Policy SS4. This is because its principal intention is to support the HIF award which was a larger entity than the development anticipated under SS4. This proposed new development layout, or indeed

any result masterplan, cannot allocate land for the purposes indicated as that would be a function for either a new/updated Local Plan and/or positive determination of a planning application, neither of which are currently present.

5.5 We are asked to approve the development framework as agreement, as Local Planning Authority, that the development as shown is a practical and reasonable approach to fulfilling the requirements of the HIF award, and forms the basis of ongoing collaborative work between land owners, developers, the Council and County Council. It is considered that this is acceptable as the basis to form an evolved or revised masterplan going forwards, building on that approved in the summer.

5.6 Ultimately the allocation of land is a matter for the Local Plan process and/or planning application(s). These will need to be determined in accordance with due process and it is impossible to commit to their outcome in advance.

5.7 **Viability**

a) A further requirement of the HIF pre-contract conditions is to examine viability, and a study has been developed alongside the spatial layout to demonstrate viability including contributions to infrastructure. This assumes the quantity of development shown on the spatial layout and will also benefit from funds already secured from s106 agreements generating funding towards the MMDR from sites further afield. However it has concluded that viability may be marginal and raises the question of reduced affordable housing in order to generate financial 'headroom'. Policies SS4 and C4 of the Local Plan require 15% within the boundary of the Sustainable Neighbourhood, but outside this (other areas within Melton Mowbray) the requirement is between 5 – 10%. The viability assessment sensitivity analysis undertaken by Cushman & Wakefield suggests a reduction to 7% may be necessary; further sensitivity analysis will be undertaken looking into different tenure types also. It is considered that this is within sufficient tolerance in relation to the policy background to be acceptable, and broadly compares with the Council's own viability assessment undertaken in August 2020 by Avison Young referred to above at 4.1.

b) It is recognised that viability assessments are a representation of the economic inputs at present and the current exercise is seeking to demonstrate viability in the current climate. Several factors will change over time so findings now will not be binding upon all future decisions. The normal practice of examining viability (if required) through individual planning applications will continue, undertaken in the context of the prevailing conditions.

c) The Council is in the process of developing a Developer Contributions SPD to set out its priorities for the allocation of funds required to support infrastructure provision. Consultation is intended to commence early in 2021, with the intention that strategic transport and education are considered 'critical' priorities for funding. It is intended that this document should provide assurance to the County Council that these items will be prioritised above any other requests for funding.

5.8 **'Planning Strategy'**

a) A separate document has been developed setting out the approach for obtaining planning permission for the road itself, the early stages of development and ultimately the whole area within the spatial layout. This proposes a 'hybrid' planning application comprising full details of the road and very early phases of housing development, with 'outline' sought for the remaining land.

- b) Whilst no comment can be made on the merits of such an application at this stage (the Planning Committee would determine it on its own merit under the relevant legislative framework of the Planning Acts), it can be concluded that this would be an appropriate vehicle to seek the desired permission(s). It should be noted however that this would represent the largest single planning application in the Council's recent history, and will be complex, requiring significant officer time which the County Council are keen to ensure that the Borough Council will be able to support.

5.9 **Housing Delivery Strategy**

- a) Working with key stakeholders, a delivery strategy has been developed which sets out the trajectory for house building based upon developers build out rates and aspirations. This is intended to show that the anticipated development has strong prospect of delivery and, in turn, funding/recovery of investment in infrastructure.

5.10 **Financial agreement (underwriting / risk sharing)**

- a) Leicestershire County Council has understandably highlighted the risk associated with forward funding the required infrastructure within Melton. This is something long since acknowledged by Melton Borough Council and an ongoing commitment has been made to do what we can to help mitigate it where possible, within our capacity as local planning authority. In their recent Cabinet report the County Council rightly highlight that whilst recent work has been undertaken to improve and confirm viability, they cannot guarantee that housing will actually come forward. They note that this 'market risk' is outside the County Council's direct control and whilst mechanisms under the Highways Act and set out in the 'planning strategy' referred to above have the potential to decouple payments from development and mitigate some of that risk, their proposal is to transfer a 'substantial' amount of any residual risk to the Borough Council. This being a prelude for similar agreements which they would wish to see replicated across Leicestershire with other districts.
- b) Although the County Council are the highways and education authority, in seeking to support our partners and secure delivery of this important infrastructure, Melton Borough Council has made a significant and proportionate offer whereby it would underwrite any shortfall in developer contributions up to a cap of £1m at any one time. As the County Council has already established, the market risk is beyond the control of local authorities and the Borough Council cannot similarly expose itself to that risk, particularly for something for which it has no statutory responsibility for and given its relative financial means when compared to the County Council. If the County Council consider that the level and risk of exposure to the Borough Council is so small then it is unclear why they consider it necessary to transfer it in the first place.
- c) At their December Cabinet meeting, and as set out in Appendix B, the County Council have rejected Melton Borough Council's offer as insufficient and below that required for them to proceed with the Housing Infrastructure Fund. It is unclear on what basis they would be prepared to proceed but there appears to be no reasonable basis upon which Melton Borough Council could accept a 'substantial' transfer of the total £95m risk, albeit in a phased way, which appears to be expected.
- d) Crucially, one justification for expecting a greater contribution is the suggestion that Melton Borough Council will accrue 'considerable benefits' from any subsequent developments. Whilst the benefits to Melton are clear and the Borough Council as a place leader will do

what it can to deliver them, there is no longer significant financial benefit to the Council from housing growth. Mechanism like New Homes Bonus which previously incentivised growth have been diluted and now have little impact on Council finances. Accordingly, any contribution the Council makes would have to be met through borrowing, the revenue impact of which would directly impact on core service provision. Any increase in contribution to this project would result in either further erosion or cessation of other services. Ultimately, without appropriate limitation the financial sustainability and viability of Melton Borough Council would be jeopardised.

- e) The County Council has sought to reassure the Borough Council by acknowledging the need for a cap (albeit at a higher level) and proposing deferral mechanisms and phased payments, however it has offered no explicit concessions or safeguards which would protect the Borough Council from unaffordable financial exposure. The Borough Council remains open to explore options and alternatives with the County Council but whilst the risk of any agreement creating an unlawful position remains, the Council cannot proceed further than that which has been offered.
- f) Whilst the current offer represents that which is affordable at this time, the Borough Council accepts that future funding arrangements and the implications arising from the Planning White Paper may change the position and enable a return to the previously agreed approach and the potential to share growth related income. The Borough Council is content to revisit the proposed cap should this result in a position where growth related finance, rather than core budget finance, is being shared.
- g) The County Council's proposition also creates an expectation that the Borough Council should commit to making up any shortfall in developer contributions arising from the decisions it makes on planning applications. It is understood why this is perceived as a risk despite the strong record of Melton Borough Council in securing over 99% of requested contributions to date. However the Planning Committee (or other decision-maker) has absolute discretion over decision making and the weight assigned to material considerations including where they 'compete' with developer contributions, should that arise.
- h) Whilst the Council is prepared to explore Policy options, the financial significance of this expectation could, theoretically at least, result in very substantial financial consequences for the Borough Council, bearing in mind the magnitude of the contributions associated with key infrastructure.
- i) The Council is not able to prejudice the future consideration of the Planning Committee, and it needs to be borne in mind that it may not always be the decision maker, for example in the event of an appeal, Secretary of State 'call in' etc. Further discussion with the County Council is required on this point in order to develop an approach that is adequate to address the risk of concern whilst not inappropriately or unduly fettering the Planning Committee's discretion.
- j) Melton Borough Council's position in terms of the offer made has been consistent since the request was first made in early December. Unfortunately, despite requests to agree the principles which should underpin any agreement in advance, the Borough Council was unaware of the County Council's formal response to our offer until the release of their Cabinet report less than 18 hours before their Cabinet considered their position. Having identified that County Council had chosen to reject the proposed offer the Borough

Council's position was reiterated through a letter from the Leader of the Council sent prior to the County Council's Cabinet on 15th December (appendix D). Regrettably despite the clarity provided, at their Cabinet meeting on 15th December, the County Council chose to proceed with their original recommendation to make acceptance of the HIF conditional on the Borough Council agreeing a cap above that which it has previously confirmed is affordable and reasonable. Ultimately, given the relative difference in financial means and the statutory responsibilities of each, there is little more Melton Borough Council can do to assist the County Council with the risk they face and the decision to accept the Housing Infrastructure Fund award ultimately rests with them. Further details of the financial implications associated with this position are addressed in section 9 below.

- k) Through its Cabinet report of 15th December, the County Council has confirmed its intention to utilise the principles proposed for the MMDR risk share agreement to form the basis of a policy which would shape similar risk share agreements being reached with all other District Councils. The report indicates that District Councils will be consulted prior to confirmation of the new policy in February 2021. It should be noted that no formal consultation with district councils on this approach has as yet been undertaken, and given the timescales indicated, it is unclear how meaningful dialogue will be possible particularly given the scale of risk transfer being proposed. In response to the County Council's Cabinet decision to proceed with this policy, six of the Leaders of Leicestershire District Councils have written to the Leader of Leicestershire District Council expressing significant concerns regarding the proposed approach and confirming that they would not support such a policy. The letter sent from the District leaders is included as Appendix C to this report and sets out their view that such a transfer of risk is inappropriate due to the County Council's own statutory responsibilities, the financial challenge already faced by Districts and the significant differences in scale of our respective budgets.

6 Options considered

- 6.1 Issues of the 'status' of the development framework document are as discussed above and it will be noted that the content of the Masterplan has deviated from the Local Plan Policy in order to meet the requirements of the HIF conditions and infrastructure provision.
- 6.2 Whilst the County Council aspiration for the document to achieve SPD status is understood in terms of weight attracted in planning decisions it is not considered this will be readily achieved because of the deviation from Development Plan policy. SPD is most commonly used to articulate and provide greater detail on Development Plan policy requirements and it is considered we will need to undertake further work with County Council partners to establish whether this can be achieved.
- 6.3 Notwithstanding the above, whether or not required as part of the process of achieving SPD status, we are free to undertake publicity and consultation and consider this would be of benefit to the robustness and legitimacy of the final Masterplan document and the confidence it can command.
- 6.4 As explained above, only the Development Plan process and planning permissions can effectively allocate land use purposes. However, the Development Plan includes Neighbourhood Plans (NP) and a potential option to be explored is whether a NP could be pursued. NP's are capable of making site allocations and a firm principal of NP's is that they cannot allocate less development than the relevant Local Plan, but they are able to allocate more to satisfy local needs and priorities. This could however take a significant

amount of time as there are due processes that would need to take place to enable an adopted NP for the area.

7 Consultation

- 7.1 The Melton South Sustainable Neighbourhood was formulated by the Melton Local Plan (2011-2036) and was subject to significant engagement with statutory consultees and interested parties at its various stages of development, in accordance with statutory requirements over the period from 2014-2018.
- 7.2 Over the course of the Spring and Summer of 2019, various stakeholder engagement sessions were undertaken with developers, representatives of the landowners and statutory consultees, and the approved Masterplan was subject to further stakeholder engagement in Spring 2020 prior to its adoption in June 2020. Viability work was undertaken in August 2020 following its adoption, which is discussed above.
- 7.3 Further engagement has been carried out on this wider exercise and this will need to continue should this 'baseline' document be developed into a comprehensive master plan. As discussed at paragraph 6.2 above, further consultation would be of benefit to the final masterplan document regardless of whether it is to achieve SPD status.

8 Next Steps – Implementation and Communication

- 8.1 The Cabinet's deliberations on this issue will be communicated immediately to the County Council in order that they can consider whether they are in a position to proceed with the pre-contract conditions 'package' as part of the HIF award.

9 Financial Implications

- 9.1 Invocation of the proposed risk share agreement referred to above is considered to be a last resort in the event of a worst case scenario. Suggestions have been made that shortfalls in funding will be assessed and levied in regular (say 5 year) tranches against expectations derived from build out trajectories linked to payment trigger points.
- 9.2 It is considered imperative that any such agreement is and remains affordable within the context of the Council's MTFs, and as such needs to be capped. Members will be aware that reserves are significantly constrained and in reality contributions to any such shortfall would require borrowing with the debt serviced from the revenue account. This will have a direct bearing upon resources available for delivery of services. It is calculated (based on current economic conditions) that £1 million borrowed to support such a shortfall would result in a call upon the revenue budget of £35k per annum based on a 50 year term and current low interest rates. It is also worth noting that the dynamics of the development may be irregular, influenced by a whole host of external factors. Whilst this may be the cause of the shortfall in funding receipts referred to here, it could also result in volatile rates of recovery including potential for 'catching up' initial shortfalls.
- 9.3 The impact on the revenue budget should be taken in the context of the severe financial pressure on the revenue budget alongside future financial risks not yet quantifiable of ongoing Covid impact and the outcome of the review of business rates and fair funding. Previously the council was rewarded for growth through New Homes Bonus however this is being phased out and the details of any replacement growth incentivised funding is not yet known. Ultimately any costs incurred by the council in underwriting the shortfall in s106

agreements will mean the council would have to make savings elsewhere, potentially impacting its own statutory service offer and ultimately, its financial sustainability. .

9.4 Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

10.1 Adoption of the Masterplan is an executive function.

10.2 The legislation relating to Supplementary Planning Guidance status is found in the Town and Country Planning (Local Planning) (England) Regulations 2012 as follows:

8.—(1) A local plan or a supplementary planning document must—

(a) contain the date on which the document is adopted; an

(b) indicate whether the document is a local plan or a supplementary planning document.

(2) A local plan or a supplementary planning document must contain a reasoned justification of the policies contained in it.

(3) Any policies contained in a supplementary planning document must not conflict with the adopted development plan.

(4) Subject to paragraph (5), the policies contained in a local plan must be consistent with the adopted development plan.

(5) Where a local plan contains a policy that is intended to supersede another policy in the adopted development plan, it must state that fact and identify the superseded policy

10.3 Planning law requires that applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise (Section 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990). Any decision made by the Cabinet in relation to the proposed development framework attached at Appendix A will not alter the Local Planning Authority's ability to assess each application on its individual merit and will not pre-determine the outcome of any planning application.

10.4 Legal Implications reviewed by: Monitoring Officer

11 Equality and Safeguarding Implications

11.1 No equality or safeguarding issues have been identified to date.

12 Community Safety Implications

12.1 No community safety issues have been identified to date.

13 Environmental and Climate Change Implications

13.1 This report is significant to environmental impact and climate change. The Sustainable Neighbourhood and Melton Mowbray Distributor Road are both important elements of the approach to sustainable development particularly in terms of travel patterns and traffic flow. The Local Plan, and the allocation of the Sustainable Neighbourhoods has been

sustainability appraised prior to its adoption, and the Development Plan has been considered to be the most sustainable approach to development in the Borough.

14 Other Implications (where significant)

14.1 None

15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Developers oppose fundamental content, including the approach to viability assessment	Significant	Critical	Medium Risk
2	HIF bid is not accepted by Leicestershire County Council	High	Critical	High Risk
3	Development does not proceed as suggested by the developers, leading to the County Council implementing the 'risk sharing' strategy	Low	Critical	Medium Risk
4	Risk sharing agreement / strategy between the County Council and Melton Borough Council is not agreed	High	Critical	High Risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/definition	1	2	3	4
	6 Very High				
	5 High			2,4	
	4 Significant			1	
	3 Low			3	
	2 Very Low				

	1 Almost impossible				
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Risk No	Mitigation
1	The document does not affect the core principles of the development strategy as set out in the Local Plan. Whilst the content of the Sustainable Neighbourhood differs as a result of requirements of the LEA its relationship to existing residential areas and the town overall remains consistent.
2	The Masterplan takes account and provides the assurances requested by the County Council.
3	Maintain ongoing dialogue with the developers and landowners, ensure sufficient flexibility is written into any agreement for risk sharing to cater for market / economic shocks which neither Council can mitigate
4	Continued collaboration and discussion with County Council colleagues, and investigation of other methods of risk mitigation.

16 Background Papers

16.1 Melton Local Plan Policy SS4

17 Appendices

17.1 A: Proposed development layout

17.2 B: Leicestershire County Council Cabinet Decision 15.12.2020

17.3 C: Letter from District Council Leaders on proposed risk sharing approach

17.4 D: Letter from the Council Leader to the County Council Cabinet 15.12.2020

Report Author:	Jim Worley , Assistant Director for Planning and Delivery
Report Author Contact Details:	01664 502359 JWorley@melton.gov.uk
Chief Officer Responsible:	Pranali Parikh , Director for Growth and Regeneration
Chief Officer Contact Details:	077954 75769 pparikh@melton.gov.uk