



Melton Local Plan (2011-2036) 5 Year Review

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Lead Member/Relevant Portfolio Holder	Councillor Margaret Glancy - Portfolio Holder for Governance, Environment and Regulatory Services (Deputy Leader)

Corporate Priority:	3: Delivering sustainable and inclusive growth in Melton 4: Protect our climate and enhance our rural, natural environment
Relevant Ward Member(s):	All Members – Borough Wide
Date of consultation with Ward Member(s):	Melton Local Plan Working Group meetings: September 2022, February 2023 and July 2023.
Exempt Information:	No

1 Summary

- 1.1 At the meeting on 26th April 2022, the Council agreed to commence the 5-year review of the Melton Local Plan noting its incumbent risks and impacts upon resources.
- 1.2 The formal review of the Plan is the first stage of the process towards updating the Local Plan. The review takes into consideration how the existing policies perform against the most recent national planning policy (as advised within the National Planning Policy Framework), and whether they are performing and remain fit for purpose.
- 1.3 Officers have been working with the Members Working Group over the last 12 months to inform the outcome of the Review. That review has now been completed and is presented to members in Appendix A to this report.
- 1.4 This report is the first of three reports to Council in respect of the Melton Local Plan Review (and Update). Members will only proceed to considering papers relating to the revised Local Development Scheme and Draft Issues and Options if they are content with the detail within and appended to this report as the issues are intrinsically linked.

- 1.5 There are risks and benefits associated with the Review and its Update. Those risks lie substantially in the areas of either delaying the review (and update) to allow for the Plan Period to be extended beyond 2036 (risking having no up-to-date Local Plan in place due to the 30th June 2025 submission date), or proceeding at pace (meaning that the Plan will only have a period of 11/12 years remaining at submission). These risks are set out in detail in the main body of the report below.

2 Recommendations:

That Council:

- 2.1 **Approves the details as set out in Appendix A of the outcome of the Melton Local Plan (2011-2036) 5 Year Review.**
- 2.2 **Approves the revised Terms of Reference and Membership of the Melton Local Plan Members Working Group (Appendix B).**
- 2.3 **Delegates authority to the Melton Local Plan Members Working Group to scrutinise and publish new evidence relating to the Local Plan on the Local Plans website to inform future policy making.**

3 Reason for Recommendations

- 3.1 Formal decisions relating to the Development Plan for the area (of which the Melton Local Plan forms part) are made through Council.
- 3.2 There is a requirement to maintain an up-to-date Local Plan and for its review every 5 years (maximum). This is derived from national planning policy in the National Planning Policy Framework (NPPF), the latest iteration was in September 2023. The Melton Local Plan was adopted in October 2018 and will be 5 years old next month. The timeframe to complete the Review and Update of the Local Plan is c. 36 months. Following approval at Council in April 2022 to commence the Review, this paper sets out the outcomes of that Review before proceeding to Updating the Plan.
- 3.3 Feedback from the Members Working Group has been fundamental to the detail now presented to Council. It is considered that it is now necessary to expand the membership of the group to ensure resilience and that a greater range of experience and knowledge can be considered going forward. It is therefore proposed that the membership of the group is expanded to 9 members with immediate effect.
- 3.4 The evidence base that will inform the Update of the Local Plan does not in itself make policy, it informs future policy development. To ensure updated evidence is transparent, is published in a timely manner and can be used to inform policy creation going forwards it is proposed that the Local Plan Member Working Group can scrutinise and agree to the publication of new/revised evidence to the Local Plans website. Decisions relating to the Development Plan remain with Council.
- 3.5 The Levelling Up and Regeneration Bill (which is likely to become law in Autumn 2023) proposes that the last date for the submission of Local Plans under the current regulations is 30th June 2025. The Review and Update of the Melton Local Plan is working towards this date for submission to ensure that the Council has an up-to-date Local Plan in place, as required by the Government.

- 3.6 The risks of not proceeding with the Review and Update of the Local Plan have been set out in detail below. It is considered the best option now to finalise the outcome of the Review as set out in this report.

4 Background

- 4.1 The Melton Local Plan was adopted formally by the Council in October 2018 and forms part of the Development Plan for the Borough. Formal decisions on the Development Plan are made through Council.
- 4.2 Whilst the requirement to maintain an up-to-date Local Plan derives from the National Planning Policy Framework rather than a legal requirement, the process to be followed for a Review is governed by the Town and Country Planning (Local Planning) (England) Regulations 2012. This determines the stages to be followed, the minimum consultation requirements, and the arrangements for its examination and adoption.
- 4.3 In common with all decision making, decisions at each stage of the process can be legally challenged under Judicial Review, and therefore proper decision making, led by evidence is essential to a successful outcome.
- 4.4 Since its adoption in October 2018 the Local Plan has performed well. The latest position shows that that Council can demonstrate 9.1 years housing land supply against a requirement of 5 years. This is an enviable position, and shows the confidence that having an up-to-date local plan has given to the industry to deliver housing in the Borough.
- 4.5 In 2022/23 368 dwellings were completed, exceeding the target by 123. The cumulative surplus over the Plan Period (2011-2036) is now 186 dwellings, and the Plan has been delivering more homes every year than the target since its adoption in 2018. The Local Plan gives a secure foundation to development in the Borough, and gives the Council a strong position to finalise the Review.
- 4.6 The Local Plan has ensured substantial levels of investment in the Borough to support housing delivery. The Melton Mowbray Distributor Road (MMDR) North and East is now under construction, representing around £120 million of investment in the town. New schools will add to this investment, alongside other planned developments as part of the Sustainable Neighbourhoods to the north and south of the town. The MMDR South remains essential to the delivery of the Local Plan and the South Sustainable Neighbourhood, representing a further c. £60 million investment. Only by having an up-to-date Local Plan can we continue to lever in investment to deliver vital infrastructure to support development and growth of the town.
- 4.7 A letter from Leicestershire County Council (LCC) in general support of the overall strategy of the Melton Local Plan is appended to this report at Appendix C. The letter details LCC's previous involvement in the Local Plan through to its examination and setting out the context in which the Local Plan was adopted in regards to transport infrastructure.
- 4.8 Government has been clear that local planning authorities should not delay the Local Plan process whilst waiting for any changes proposed to the wider planning system nationally to come into force.
- 4.9 Following the publication of the Levelling Up and Regeneration Bill (LURB) in May 2022, the transition period has now been set out for the shift towards new-style Local Plans. The LURB is expected to gain Royal Assent in Autumn 2023.

- 4.10 The Government has stated that the final submission date for Local Plans under the existing legislation will be 30th June 2025, but has yet to announce the regulations that will underpin the creation of new-style Local Plans. If Melton Borough Council cannot submit its Local Plan Review & Update by 30th June 2025 it will not have an up-to-date Local Plan in place and will need to start the process under the new regulations when they are announced.

5 Main Considerations

- 5.1 The Melton Local Plan was adopted in October 2018, following a detailed, extensive period of work by the Local Plans team. It took approximately 5 years from commencement to adoption. As stated above in paragraph 3.2 there is a requirement to maintain an up-to-date Local Plan, and to do so it must be reviewed at least every 5 years, or when it is rendered 'out of date'. The Melton Local Plan has performed well to date, so falls into the former category.
- 5.2 Next month (October 2023), the Plan will be 5 years old. The Review of the Plan commenced in April/May 2022 and this report and its appendices set out the outcome of that Review. Additional papers presented to Cabinet advise the next steps should Council approve the outcomes of the Review.
- 5.3 A Review of the Local Plan does not need to equate to wholesale re-writing of the Plan, and can (and should) be contained only to those elements that require refreshing, updating or changing for a variety of reasons.
- 5.4 Based on the evidence compiled for the Authority Monitoring Review (AMR), the Housing Delivery Test, appeal decisions and various other means by which performance is monitored, it is considered that the Local Plan is not significantly out-of-date in many respects. This includes its overall spatial approach and delivery strategy.
- 5.5 As set out in Appendix A, there are aspects that will require updating owing to:
- Policy and/or legislative changes since adoption.
 - The revised corporate context, i.e. the Climate Emergency etc.
 - Enhancements that can be identified from officer and Member experience of the practical application of the policies through the planning application process.
 - Wider members and Planning Committee aspirations (i.e. housing mix, affordable housing etc.)
- 5.6 Officers undertook desktop analysis whereby each policy of the Plan was assessed against the following criteria:
- Strategic and contextual issues, including Leicester City's unmet needs.
 - Conformity with amendments to legislation, the National Planning Policy Framework and Practice Guidance including changes to the Use Classes Order.
 - Performance and delivery achievements and reliability going forwards (i.e. delivery of the policy objectives)
 - Internally driven desire for change and improvement, including alignment with other strategies.
 - Officer, Member and Applicant useability.
 - Appeal Performance

- The validity of the existing evidence base, and any issues that would be revealed by its updating.
- 5.7 Planning Policy Officers also ran detailed consultation events with Development Management Officers to further understand issues relating to the day-to-day usability of policies, highlighting issues and how policy could be clearer.
- 5.8 Under the Duty to Cooperate (DtC), Planning Policy Officers engaged with prescribed bodies and relevant authorities during two consultation periods that were held in June/July 2023 and July/August 2023. Work under the DtC will continue as the Update goes through various consultation stages.
- 5.9 Work has commenced on the update of the evidence base, and Members of the Working Group will shortly be presented with the updated Playing Pitch Strategy and Indoor Sports Facilities Strategy which was commenced c. 12 months ago. Work is currently underway to gain up-to-date Local Housing Needs Assessment (following the Leicester and Leicestershire Housing & Economic Needs Assessment, 2022). Work has also commenced on the Sustainability Appraisal and Strategic Environmental Assessment and Habitats Regulation Assessment work which will run alongside the Local Plan Review and Update until its adoption, and a new Employment Land Study.
- 5.10 Finalisation of the Local Plan Review presents various risks (elaborated upon below at 15), however it also presents a significant range of benefits from the exercise to both the Council and our communities. Primarily, the Council is being proactive and dealing with the issue of the legal status of the Plan ‘head-on’. By finalising the Review, the Council is taking control of its course and can therefore be better prepared to manage the risks.
- 5.11 There are a significant number of Neighbourhood Plans that have been ‘made’ prior to and since the adoption of the Melton Local Plan in 2018. Those Neighbourhood Plans are not directly affected by the outcome of the Review, however as new evidence is produced and the policies of the Melton Local Plan are updated there may be elements of Neighbourhood Plans which become out of date.
- 5.12 Neighbourhood Plan groups will be informed of new evidence as it is published. They will need to decide if the evidence demonstrates that their policies are out of date and require update. Neighbourhood Plans are not required to be updated in a similar way to Local Plans, but can be updated when communities consider that an update is required. It may be pertinent for those Neighbourhood Plan groups to wait until the entire evidence base has been updated to prevent abortive work, in addition to monitoring the changes proposed by government under the Levelling Up & Regeneration Bill.
- 5.13 The Review and Update is considered to be a positive work stream for career development for staff in the Local Plans team, which will assist with career progression, retention and development. The Review has provided a good opportunity to listen to the views of Members, applicants and colleagues to understand what is not working well for them within the current version of the Plan and to note where changes will be necessary.

6 Options Considered

- 6.1 Option 1 – Delay the finalisation of the Review: It is an option for the Council to not finalise the Review now and wait for further guidance and/or changes to the planning legislation. The main risk with this option is that the Plan will be 5 years old next month, and the Council has a duty to review the Plan within 5 years of the date of its adoption.

- 6.2 Option 2 – Council could conclude that the adopted Local Plan is still up-to-date and therefore an Update is not required at this stage. This option is not recommended as officers, the Planning Advisory Service and members have identified areas that may benefit from an update. Updating the Local Plan represents an opportunity to enhance its relevance to decision-makers.

7 Consultation

- 7.1 Full public consultation does not form part of the Local Plan Review. Formal consultations will commence to formally update the Plan should Members agree with the recommendations of this report.
- 7.2 Internal consultations have taken place with Development Management Planning Officers for the reasons as set out above.
- 7.3 External consultations have commenced with prescribed bodies and neighbouring local authorities and county councils under the Duty to Cooperate (DtC) which is a legal requirement continuing for the entire plan-making process.
- 7.4 The Local Plan Members' Working Group has met three times since the Review commenced and have informed the outcomes of the Review to date.

8 Next Steps – Implementation and Communication

- 8.1 Should Members approve this paper, the Local Development Scheme set out in the next paper outlines the future stages of the preparation of the Local Plan Review & Update. The Local Development Scheme sets out the work plan for the Local Plans Team, and was last approved by the Cabinet in December 2022. Its update is intrinsically linked to the outcome of this report, hence it will be presented to Council on this occasion.

9 Financial Implications

- 9.1 The Local Plan budget has a reserve which is used to smooth the financial impact of the local plan over the medium term. It is expected at the present time (based on soft market testing for the required evidence) that there may be insufficient funding in the reserve to fund all the work required and that between £80-£100k may be needed to cover the work over a 3 year period which will leave a funding shortfall which as a revenue cost the council would not be able to borrow for.
- 9.2 Officers will continue to work with finance and procurement colleagues to ensure best value for money in the procurement of the evidence base and will advise Members accordingly to ensure that the scope of the Local Plan Review & Update remains carefully managed to minimise financial risks.
- 9.3 Officers will continue to investigate income streams (such as grant funding) to assist with the preparation of the evidence base but ultimately if there is funding shortfall this will need to be found from savings elsewhere or use of reserves.

Financial Implications reviewed by: David Scott, Assistant Director for Resources

10 Legal and Governance Implications

- 10.1 Formal decisions on the Development Plan (of which the Local Plan forms part) are made through Council.
- 10.2 The requirement to maintain an up-to-date Local Plan and for its review every 5 years (maximum) derives from National Planning Policy in the NPPF rather than a legal requirement. However, the process to be followed is governed by the Planning and Compulsory Purchase Act 2004 (as amended) and the Town and Country Planning (Local Planning) (England) Regulations 2012 which determines the stages to be followed, minimum consultation requirements, arrangements for Examination etc.
- 10.3 Government has been clear that local planning authorities should not delay the Local Plan process whilst waiting to see what changes may be proposed to the wider planning system. The last date for the submission of the Local Plan under the current regulations has been advised as 30 June 2025.
- 10.4 In common with all decision making, decisions at each stage of the process can be legally challenged under Judicial Review and therefore proper decision making, led by evidence, is essential.

Legal Implications reviewed by: Assistant Director for Governance & Democracy (Monitoring Officer)

11 Equality and Safeguarding Implications

- 11.1 EIA's will be undertaken as policy is formed, taking into consideration the evidence and responses from consultees. Also, closer to submission, an EIA will be produced for the whole of the local plan update. There is no EIA required in reviewing policies to assess which require update.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessment (DPIA) has not been completed for the following reasons:
- There are no data protection implications involved in the review of the existing Local Plan

13 Community Safety Implications

- 13.1 None as a result of this decision.

14 Environmental and Climate Change Implications

- 14.1 The Local Plan is directly affected by government targets related to climate change (and its impacts). The Local Plan is also directly affected by the Council's 2019 declaration of a Climate Emergency, and is one of the reasons for the recommendations within this Council report (see Appendix B). The Local Plan should have positive impacts on the environment, in direct relation to natural resources, pollution, biodiversity, heritage, archaeology etc. This forms part of Sustainability Appraisals that take place alongside the production of the Plan, and any harms are proposed to be mitigated through policy.

15 Other Implications (where significant)

- 15.1 All interested parties will have the opportunity to comment on the Local Plan Review & Update to inform future policy through formal, public consultations.
- 15.2 The Local Plan fully assesses environmental and health & wellbeing implications in its evidence and examination of evidence and policy development.

16 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Acceptance of the findings of the Review and proceeding to Update will mean a weakened policy position, affecting the weight that can be attributed to the existing Local Plan at various stages of the Update period.	Low	Marginal	Low
2	The impact of elections on the decision making process (national and local)	Very High	Marginal	Moderate
3	Further uncertainty of Government announcements regarding ongoing changes to planning legislation	Low	Critical	Moderate
4	The changed constituency boundaries (Melton & Rutland will no longer exist once the next general election is called)	Very High	Marginal	Moderate
5	Missing the deadline for Plan submission of 30 June 2025	Significant	Critical	Moderate
6	Pressure from interested parties for a wider reshaping of the Local Plan beyond the limited scope proposed.	Very High	Critical	High
7	The Review & Update itself has a significant impact on the Council's finances. If due to external reasons, the work becomes abortive, it could cause financial challenges.	High	Critical	High
8	Exposure to legal challenges that could cause delays and could be costly	Low	Critical	Moderate
9	Staff capacity for the work considering it is a sizeable (and long term) exercise, and the team will be unlikely to contribute to wider corporate activities whilst undertaking the Update	High	Marginal	Moderate
10	Increasing the base budget mid-year could lead to savings having to be made from other service areas when the 2024/25 budget is set in order to achieve a balanced budget	High	Critical	High

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High		2, 4	6	
	5 High		9	7, 10	
	4 Significant			5	
	3 Low		1	3, 8	
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	As at July 2023, the Council can demonstrate 9.1 years housing land supply. It is unlikely that this will have diminished to such an extent in 2024 that the Plan could be considered out of date. The conclusions of the Review are being presented to Council before the 5 th anniversary of the adoption of the Local Plan. Therefore the Council is being proactive in dealing with the status of the Plan 'head-on'.
2	To ensure more input from Members, the Working Group is proposed to be expanded to 9 members to mitigate for the risk of any changes post-election. The calling of a general election (unknown timings, but needs to be before December 2024) may impact the work plan going forward depending upon when the election is called.
3	The LURB is expected to receive Royal Assent in autumn 2023. The date has been set for the last submission of plans under the existing regulations of 30 June 2025. The Government has stated that work on Local Plans should be continued. We will continue to monitor for any legislative changes and advise members at the appropriate time of their impact.
4	The Members' Working Group will be able to provide steer and direction.
5	Keeping the scope of the Update narrow and shallow to ensure that we can stay on track for submission.
6	The Members Working Group should lead to consensus being reached in the approach and help managing the scope with clear understanding of implications.
7	Regularly reviewing budgets and requirement for evidence base will be undertaken throughout the process. The scope of the works will need to consider financial implications.
8	Legal support will be sought at every stage of the review process to manage this risk. Any changes to the scope of works will need to consider any legal implications.

9	Staff capacity will be monitored through the process and retention, incentives and motivation for the staff will be prioritised to ensure optimum resource levels.
10	This will be considered as a priority in the budget setting process for the year 2024/25.

17 Background Papers.

17.1 None

18 Appendices

18.1 Appendix A – Melton Local Plan Review Conclusions

18.2 Appendix B – Melton Local Plan Working Group Terms of Reference

18.3 Appendix C – Letter from LCC September 2023