

APPENDIX 1. HOUSING DELIVERY ACTION PLAN (TEXT-VERSION)

HOUSING DELIVERY ACTION PLAN (TEXT VERSION)

JUNE 2019

Internal note (IN) 1: these text boxes are for internal clarification only and they will not be shown in the final document.

IN2: the final report is expected to be a graphic report rather than a technical report. Links to background information are provided at the end of the paper. In order to make a final document that is easy-to-read, I would recommend keeping the text as simple as possible. It seems sensible to consider the section named 'Actions' as the one where further clarification should be provided.

IN3: Notes (i.e. text boxes) in the final document are shown in this paper in green and they provide additional information and context for better understanding of the text above them.

1. Introduction

- 1.1. As identified by the Government in 2017, housing delivery has become a national priority in Britain and a key element to fix the broken housing market and tackle the affordability issues related to housing.
- 1.2. In order to monitor housing delivery in Local Authorities, the Government introduced a new tool, the 'Housing Delivery Test'. This mechanism measures the net number of homes delivered over three year period against the number of homes required over three year period and it is shown as a percentage. There are three different scenarios if a Local Authority does not reach the 95% threshold as stated in the revised National Planning Policy Framework (NPPF). All of them would require the production of an Action Plan. As introduced by the National Planning Policy Guidance (NPPG), an Action Plan should identify challenges and actions to address under-delivery of housing in order to reduce the risk of ongoing under-delivery issues and to improve the housing delivery in an area.
- 1.3. The Housing Delivery Test is an annual measurement of housing delivery in the area of relevant plan-making authorities and its results are published annually in November by the Ministry for Housing, Communities and Local Government

2. Planning Policy Profile in Melton

IN4: This section provides basic information regarding the development plan in the Borough. Any accomplishment done through these documents will be considered in other sections.

- 2.1. Adopted in October 2018, the MELTON LOCAL PLAN is the central piece of the Development Plan in the Borough.
- 2.2. MADE NEIGHBOURHOOD PLANS are Waltham, Wymondham Broughton and Dalby, Clawson, Hose and Harby and Frisby.
- 2.3. Endorsed by all the constituent Local Planning Authorities and approved by Melton Borough Full Council in December 2018, the LEICESTER AND LEICESTERSHIRE STRATEGIC GROWTH PLAN (SGP) is a key document to inform future Local Plans and updates.
- 2.4. HOUSING MIX AND AFFORDABLE HOUSING SPD: The consultation on the draft closed in February 2019, is due to be adopted by the Council on the 9th July.
- 2.5. DESIGN SPD: consultation on the scoping report for this SPD is currently underway.
- 2.6. MELTON SUSTAINABLE NEIGHBOURHOODS SPD: consultation on the scoping report for this SPD is currently underway.
- 2.7. Supplementary Planning Documents (SPDs) are documents that provide further guidance about policies in the Local Plan

3. Housing Delivery Profile in Melton

IN5: This section serves as background information to direct people to our evidence. Its purpose is to show some housing delivery indicators without getting into detail. Further information for specific matters can be given in the '*Issues and challenges*' section.

3.1. Housing Delivery Test:

- 3.1.1. The Housing Delivery Test results were published in February 2019. Local authorities with a percentage below 95% are required to have their Action Plans published by 19th August 2019.
- 3.1.2. The housing delivery test result is 84% for the Borough of Melton. The number of completions in the past 3 years (426 dwellings) was lower than the requirement (510 dwellings). In addition to the publication of an Action Plan, the Council has to apply a 20% buffer on the 5-year land supply. The potential scenarios and the current situation are summarized in the table 1 below.

Table 1. MBC situation regarding the HDT

Scenarios	Publication of Action Plan (if HDT<95%)		Presumption in favour of sustainable development (if HDT<25% in 2018/19, HDT<45% in 2019/20 or HDT<75% in 2020 onwards)
		20% buffer on the 5-year land supply (if HFT<85%)	
Melton Borough (2018/19)	X (<95%)	X (<85%)	>25%

84%

3.1.3. The Council is amongst the 108 (35% of total) Local Authorities that have failed the HDT and amongst the 85 (28%) that have not reached the 85% threshold.

3.2. Five year housing land supply & housing trajectory

3.2.1. For the purposes of this report¹, the latest 5-year housing land supply position was given in [June 2018](#), just before the adoption of the Local Plan. A housing supply of deliverable sites equivalent to 9.5 years’ supply is identified by:

- a) Using a stepped approach, which splits the requirement in three periods: to March 2021 the requirement is of 170 dwellings per annum (dpa), the number goes up to 245dpa until 2026 and finally 320dpa for the remaining 10 years.
- b) Allocating the shortfall in the remaining years of the Local Plan.
- c) Applying a 20% buffer to the requirement in order to mitigate the historic under-delivery in the Borough; and
- d) Applying 9% lapse rate on sites with planning permission.

3.2.2. In terms of completions, the following table shows a poor housing delivery performance in the Borough in the past decade:

Table 2. Past completions and requirement. Source: MBC housing trajectory

	201						
Requirement	170	170	170	170	170	170	170
Completions	157	64	52	78	141	147	138

3.3. Market information

3.4. The average cost of properties in Melton is in a constant positive trend (prices going up). If we take into account the period from January 2011 to March 2019 (latest data available) the prices have increased a 34%. However, if this is compared with the national (40%), the regional (40%) or the county (39%) increases, the change in Melton Mowbray is slightly lower. Although this may deter housebuilders, the current average house price in Melton is similar to the one from Leicestershire.

3.4.1. In terms of sales volumes, and following fluctuating dynamics similar to England, East Midlands or Leicestershire, Melton is in a short term accelerated negative trend. Whilst the Country, the Region and the County had their maximums in March 2016, Melton, with 100 transactions had it in December 2014, but close to this number there are other two peaks (with 98 transactions each) in July 2015, and the most relevant and recent in August 2018 which accentuates the current fall to 44 transactions in January 2019. The statistics for small local authorities like Melton with a reduced number of transactions are strongly influenced by small variations on numbers (absence of a representative sample) which limits the extend a statistical analysis can be done.

¹ An update of the five-year housing land supply was published in [May 2019](#), however the Housing Delivery Test results match more accurately to the June 2018 position.

3.4.2. Notwithstanding this data, the trajectory, shows the following building activity in the Borough with the following developments that are underway:

Table 3. Next year commitments. Source: MBC housing trajectory

Settlement	Site	Capacity
Melton Mowbray	Nottingham Road	66
Frisby on the Wreake	Great Lane	53
Melton Mowbray	Leicester Road	39
Asfordby	Station Lane	100
Old Dalby	Longcliff Hill	36
Bottesford	Normanton Lane	88
Waltham on the Wolds	Melton Road	40

4. ISSUES/CHALLENGES AND ACTIONS

IN6: The graphic report will split *issues/challenges* first and *actions* later in two different sections. For the purposes of this report and in order to have a better understanding of the tandem *issue-action* these are grouped into themes.

4.1. Contextual issues:

It is not the intention of this paper to address national issues that affect in a relatively equal manner to all Local Authorities, but to go in detail to Borough-specific issues. For example the shortage of skills, labour, supplies or finance in the housing sector alongside the uncertainty around Brexit are not going to be assessed in this paper as it would mostly reiterate what it is stated in national-wide reports.

4.2. Foreword:

According to the NAO report [Housing and planning round-up February 2019](#) it should be noted that through the planning system, the Council can only influence housebuilding by identifying land for development, facilitating the provision of infrastructure and considering planning applications.

4.2.1. Having said that, the Council is committed in identifying those issues that have affected housing delivery in the past three years (to match the HDT results) and to set a range of actions to mitigate them. Actions proposed in this paper are categorized in three groups according to their certainty (key in brackets):

- a) Actions that have already taken place during this year. Done (D)
- b) Actions that will be delivered within a year. Current (C).
- c) Intentions that are expected to materialise into specific actions that will be expressed in future Action Plans. Intentions (I)

4.2.2. Six groups of issues/challenges and their consequential actions are identified in this section in priority order as follows: Adoption of the

Local Plan, Deliverability of the sustainable neighbourhoods, Sites that are not delivering as expected and finally, in a similar rank the Delays in the Discharge of Conditions stage (and related delays), the Efficiency to manage planning applications and the Affordable Homes completed.

4.3. (1) Adoption of the Local Plan

4.3.1. Issue:

Identified in several workshops in the past, different stakeholders pointed out that having an outdated Local Plan was not helping to bring their sites forward. The Housing Delivery Test, which refers to the last three years of completions, is within the period without an updated Local Plan in place. The lack of local planning policy guidance is identified as an important obstacle, not only for developers but for officers and members too.

4.3.2. Actions:

- a) (D) As key element in this Action Plan the Council adopted the '[2011-2036 Local Plan](#)' in October 2018. The certainty and guidance provided by the Plan will increase the number of planning permissions at the same time that the aspirational planning for growth, as stated in the Plan, demonstrates a positive attitude from the Council to promote housing delivery beyond the minimum requirement, as an essential tool to boost economic growth in the Borough.

4.3.3. Further information:

- a) The Council adopted the aspirational but realistic target of 245 dwellings per annum (44% more than the minimum of 170 dwellings per annum) to boost economic growth in the Borough.
- b) 56 residential sites (including the two sustainable neighbourhoods) for 5,325 dwellings are allocated in a range of settlements and with a range of capacities which provides with additional flexibility to the Council.
- c) 7 reserve sites for 562 dwellings are identified in order to gain some additional flexibility when allocations do not come forward (e.g. landowner's expectations change) at a local level.
- d) The Local Plan aligned with existing Neighbourhood Plans and now serves as the baseline to provide a housing requirement figure for new ones.
- e) Supplementary Planning Documents for Affordable Housing and Housing Mix, Design and, probably the Sustainable Neighbourhoods Masterplanning, are currently progressing to provide further guidance on implementation of specific Local Plan policies.
- f) Before its adoption, the process of preparing the Local Plan was already increasing the confidence of developers to bring forward sites in Melton and reflected in an increase of residential applications and planning permissions granted.

4.4. (2) Deliverability of Sustainable Neighbourhoods

4.4.1. Issue:

The Local Plan allocates two large scale strategic sites known as sustainable neighbourhoods (SNs) to the north and to the south of Melton Mowbray. They will provide a minimum of 3,200 dwellings in the

Plan period that will help the Council and the Plan in their ambitious plan for growth. The importance of delivering these SNs in a timely manner has been established as a priority for the Council and whilst delivery is not an issue at this stage, the Council needs to take a proactive leadership role.

Already the Council has supported the successful bid for £49.5m of Department for Transport (DfT) for the Melton Mowbray Distributor Road (MMDR), which will accelerate the unlocking of land across Melton North Sustainable Neighbourhood (MNSN). The Council has recently been working with Leicestershire County Council and development partners to submit a bid for £10m of Housing Infrastructure Fund (HIF) funding from MHCLG.

4.4.2. Actions:

- a) (C) Preparation of a comprehensive masterplan that is realistic and deliverable and to facilitate planning applications to come forward.
- b) (C) Preparation of a delivery mechanism identifying phasing, funding and partnerships to deliver the plan.
- c) (C) Preparation of an equalisation agreement that all stakeholders buy into and accommodates all contributions for infrastructure including highways, education, open spaces and community facilities.
- d) (C) It is expected that upon completion of the Masterplan and apportionment / equalisation agreement that it will be adopted as a Supplementary Planning Document (SPD). All planning applications in the SNs will be assessed against the SPD to inform decision making in the future, and all s106 will be expected to be in accordance with the approved equalisation / apportionment agreement.

4.4.3. Whilst the deliverability of the Sustainable Neighbourhoods is a key element in housing delivery in the Borough, the Council is also committed in monitoring and pursuing permission for other sites allocated in the in the Local Plan. These allocations provide to the Borough a considerable range of sites and alternatives, but they also mean that the Council needs to deal with the complexities related to the interdependency of sites such as multiple-ownerships or the limited number of developers dealing with a vast proportion of allocations. These sites are also key elements in the adopted stepped trajectory as it gives the Council room to adjust to the significant step change in housing delivery that the adopted plan requires and that will be primarily delivered by the Sustainable Neighbourhoods.

4.5. (3) Sites that are not delivering as expected

4.5.1. Issue:

The 2018 trajectory shows a number of sites that are expected to start delivering during the year. In work associated to the Action Plan and the annual housing monitoring, three sites are identified as sites at moderate risk of not delivering as expected. This arises because commencement has not taken place yet and they were expected to start delivering during the year. Regard needs to be had of the limited monitoring opportunities that the Council can undertake during the year, which results in a gap between progress on site and having the most updated information for the

Council. Sites at “high risk” (none in this report) would be sites that are expected to deliver and are clearly stalling or where considerable barriers are identified. The evaluation was carried over during winter 2018/19.

Table 4. Potential sites at risk

Reference	BOT4 (18/00874/REM)	16/00577/FUL
Address	Normanton Lane, Bottesford	Main Road, Nether Broughton
Land promoter	Miller Homes and Richborough Estates	Trevor Muir
Capacity	88	10
Issues*	Related to servicing and liaising with Network Rail	No specific issues regarding delivering in the coming year are identified by the contact
Category (issues)	Unexpected circumstances	Expected circumstances
Amended to	+1 year	+1year

*Sites in yellow are at moderate risk, sites in green are not at risk but were initially identified as such.

4.5.2. Actions:

- a) (I) Sites “at risk” will be monitored more regularly by quarterly communication with the site promoters/developers. Barriers identified in these sites will be taken into account in the future in order to determine potential ongoing issues in certain areas or certain type of site.
- b) (D) The Council has contacted the two sites identified “at risk” above in order to address potential obstacles in this document. The issues mentioned by agents do not seem to be significant barriers to stop progress on site and they are expected to start delivering during the year.
- c) (D) Adjustments to the housing trajectory will be made according to this monitoring work.
- d) (I) Future Action Plans, will have more information to analyse and will have an historic record of sites “at risk”, involving an accurate categorization of those type of sites that are stalling. This first year is the basis of a strong evidence base to identify categories of sites that are/are not delivering as expected in the Borough.

4.6. (4) Delays in the Discharge of Conditions stage (and related delays)

4.6.1. Issue:

One of the issues identified in the February 2019 stakeholder workshop relates to the time it takes to statutory bodies to provide a response to housebuilders and developers at the discharge of conditions stage. This issue is also identified in the Planning Review that was directly informed from further stakeholder engagement exercises.

4.6.2. Housebuilders, land promoters, registered providers of affordable housing and developers were represented in the stakeholder workshop. Four key elements affecting delivery were identified by them. Three of them relate to actions that the Council cannot undertake due to the broader nature of the issue: recession on the housing market, landowner's expectations of valuation and unforeseen site conditions. The fourth element relates to the discharge of conditions stage as mentioned above.

Although issues identified with less number of votes are not assessed in detail in this report, they are taken into consideration. For example, the Council is committed to provide regular updated information to utility providers in order to improve their response times.

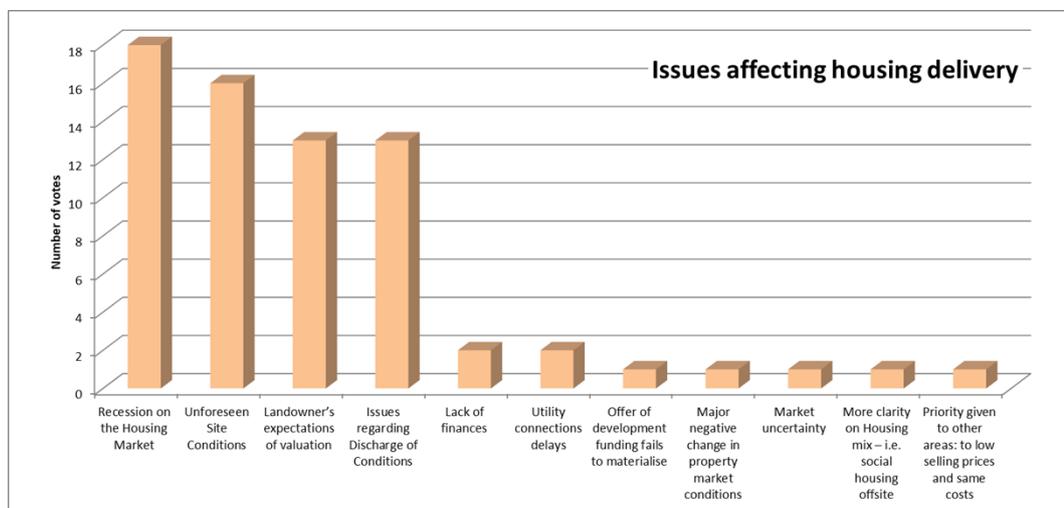


Figure 1. Issues affecting housing delivery (extracted from stakeholder workshop)

4.6.3. Actions:

Unfortunately, the Council is unable to promote specific actions to have a speedier response from statutory consultees (beyond recently agreed regular meetings with some of them); however, we acknowledge that delays may be also related to other stages such as the section 106 agreements and the pre-commencement discharge of conditions.

Improvements in both areas have been recently addressed as follows:

- a) (D) The Council has allocated resources and is committed to continue doing so to monitor section 106 agreements. This should have an impact in future negotiations and availability of information which will have an impact in the quality of the service.
- b) (D) Details at the pre-commencement stage are only requested when needed, and now, with a pre-commencement agreement in place, developers and the Council should be able to progress smoother at this stage.
- c) (I) As part of the Planning Service Review the Council is preparing an Action Plan to deliver its recommendations. This will address some of the issues highlighted during the stakeholder workshop.

4.6.4. The Planning Service Review, which started in autumn 2018, aims to enhance the efficiency of the planning department in the Council. The review, which is in an advanced stage, will recommend a series of actions that will boost the performance of the department, and ultimately will have direct and indirect impacts in housing delivery.

4.7. (5) Efficiency to manage planning applications

4.7.1. Issue:

Feedback received in different events indicates some concern from stakeholders regarding the efficiency of the Council to process planning applications. These concerns have been summarized in four broad areas:

- (i) More resources are needed to support the functions of the planning department. These resources should cover areas such as recruiting and training for officers.
- (ii) Development Management decisions need to be more efficient. Whilst some feedback refers to the need for speedier responses, other refers to the quality element on them instead.
- (iii) The pre-application advice service given by the Council needs to be enhanced.
- (iv) The Council would benefit in changing planning committee procedures.

4.7.2. Actions (a to d below relates to i to iv above):

- a) (D) Although the recruiting process has been particularly challenging, the Development Control and Planning Policy teams are now fully (or about to be) staffed.
- b) (C) Covering all the points above and being particularly relevant for the point (ii) is the Planning Service Review. This action does not intend to duplicate what it is already mentioned in this report about the review, but to highlight it as an action itself. In the past years the department and the Council has proactively sought ways to improve its efficiency in this regard and undertaking this review is a clear example of this commitment.
- c) (I) The Council acknowledges the need for an improved pre-application advice and it is currently studying options through the planning review.
- d) (D) The Council has recently moved to a Cabinet system. The Cabinet considers reports from the Scrutiny Committee and all policy and budgetary framework documents. Additionally, and in order to take the most of these changes in committee procedures, the following actions have been performed:
 - I. Quarterly training sessions with committee members have been agreed.
 - II. Committee reports have been overhauled. The new structure provides further prominence to officer's judgement and, whilst still present, objectors and supporters are now part of the supportive elements of the report (appendices) rather than being part of the main structure.

4.8. (6) Affordable homes completed

4.8.1. Issue:

The percentage of affordable homes completed this year is 48% lower, with 25 completions, than last year. Only one site has provided affordable homes.

4.8.2. Actions:

- a) (C) Affordable Housing and Housing Mix SPD adopted.
- b) (I) Reinforcing the communication with Registered Providers of Affordable Homes and stakeholders with further workshops.

4.8.3. Further information:

Although these actions seem to respond to general concerns regarding affordable housing provision, the following considerations need to be taken into account in order to avoid premature conclusions.

- (i) Affordable homes tend to be built all at once in large schemes (and currently the only one at that is stage is Leicester Road, Melton Mowbray).
- (ii) It is expected that next year contributions will come from sites already underway such as Station Lane (Asfordby), Nottingham Road (Melton Mowbray), Great Lane (Frisby on the Wreake) and Melton Road (Waltham on the Wolds).
- (iii) Registered Provider led schemes are not being advanced to the extent previously seen, as a 1% cap on rent increases until 2021 continues to affect scheme viability.

4.9. Opportunities:

As a consequence of the increasing awareness of the importance of housing delivery in national and local levels, the Council considers that there are new areas that still need to be explored in this regard. To mention a few examples, these are:

- ❖ The possibility to boost housing delivery via Modern Methods of Construction.
- ❖ Revamping the self/custom build register and service.
- ❖ Encouraging Community Led Housing through Neighbourhood Plans.

4.9.1. These would have a positive effect on variety of housing supply rather than a significant effect on housing delivery overall.

4.10. Looking into the future:

- a) Housing supply: the supply identified through the Local Plan and capacities estimate that developers involved in the Sustainable Neighbourhoods are considering at the moment leave at the Council in a strong position in terms of housing supply. The Council has enough flexibility to accommodate further requirement, as for example, the proportion of the unmet need from Leicester as identified in the [Strategic Growth Plan](#). For now, the Borough is in a comfortable situation in housing supply terms, although further SHLAA submissions are always welcomed in order to increase our housing land supply flexibility in the future.
- b) Housing delivery: Even though the number of completions in the past years does not suggest reasons to be particularly optimistic, the projected completions in the following years seem to be more positive. The low requirement at this stage of the stepped trajectory and the boosting effect

of the Local Plan have helped to produce the following Housing Delivery Test projections:

Table 5. HDT projection

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Completions	147	138	222	225*	240*	270*
Requirement	170	170	170	170	170	245
HDT			99%	115%*	135%*	126%*

*Estimate according to the 2019 trajectory projections

- 4.10.1. Although this is a positive scenario for the next few years, we cannot ignore the fact that the Council will face a higher requirement during the 2021-26 period and much higher after than point, which is likely to have a negative impact, in terms of the Housing Delivery Test performance, from 2021 onwards. One of the reasons this Action Plan is identifying a number of challenges/issues and proposing a wide range of actions is because of the likelihood of this negative mid-term trend. This is the reason the deliverability of the Sustainable Neighbourhoods is set as a key priority for the Council.

5. Use of MBC Assets to deliver housing

Alongside other opportunities mentioned in this report, the Council confirms its intention to contribute to the solution to the housing delivery situation in the Borough by using its own assets. A direct contribution from the Council can be encouraged by selling these assets. Alternatively, the assets can be used as investment capital to stimulate other projects, which results in an indirect contribution to deliver economic, and consequently, housing growth in the district.

- 5.1.1. Issue: Council owned assets can be drivers of housing provision and growth, particularly in sectors of the market where the market has been slow or unable to respond.

5.1.2. Actions:

- (I) Review of all Council owned assets to examine their optimum use
- Set up development company arrangement to operate in the private housing market
- Develop build programme of renewal and new Council housing to deliver better quality homes; Programme linked to Affordable Housing SPD which allows for commutes sums and off site solutions in certain circumstances

6. Monitoring

- 6.1. The Council is committed in monitoring any implemented action as a consequence of this Action Plan. A wide range of measures are proposed and monitoring the outcomes will be a significant piece of work for the Planning Policy team, which will be responsible of monitoring outcomes or co-

ordinating it with other departments. [Authority Monitoring Reports](#) (AMR) are one of the main references in terms of policy performance and indicators and it will be a good starting point for future Housing Delivery Action Plans.

7. Consulting and publishing

- 7.1. The production of this document has been informed by a number of activities carried out with different stakeholders such as the December 2016 or the February 2019 stakeholder workshops. Due to the pressing deadlines given to publish the document and the time it needs to go through different governance arrangements, this first Housing Delivery Action Plan has not accommodated a stakeholder consultation before its publication.
- 7.2. The Council are aware that the number of participants that took part of the workshops was only a representative proportion of the overall number of stakeholders related, directly or indirectly, to housing delivery in the Borough. In order to promote a collaborative approach in the production of future Action Plans and to take into account a wider number of views, any comment or suggestion can be sent by email to planningpolicy@melton.gov.uk or alternatively by post to Melton Borough Council, Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH.
- 7.3. The promotion of this constant engagement directly relates to the Council idea of publishing a Housing Delivery Action Plan in an annual basis, independently of whether the Council needs to produce it as a consequence of failing the Housing Delivery Test. Therefore, and assuming that the results of the next Housing Delivery Test are published by November 2019, the next Housing Delivery Action Plan it is expected to be published by May 2020 on the [Housing Delivery Test section](#) of our website.

8. Relevant links

-  [Authority Monitoring Reports](#)
-  [Five year housing land supply and housing trajectory \(June 2018\)](#)
-  [Five year housing land supply and housing trajectory \(May 2019\)](#)
-  [Housing Delivery Test in Melton Borough Council](#)
-  [Housing Mix and Affordable Housing SPD](#)
-  [Melton Local Plan \(appendices only\)](#)
-  [Melton Local Plan \(without appendices\)](#)
-  [Modern Methods of Construction working group: developing a definition framework \(independent report\)](#)
-  [Neighbourhood Development Plans information](#)
-  [Land Registry data](#)
-  [Revised National Planning Policy Framework \(Feb 2019\)](#)

