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SENT BY E-MAIL AND POST

4 April 2016

Dear Sir / Madam

MELTON LOCAL PLAN EMERGING OPTIONS (DRAFT PLAN) CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following representations.

Duty to Co-operate

The Duty to Co-operate (S110 of the Localism Act 2011 which introduced S33A into the 2004 Act) requires the Council to co-operate with other prescribed bodies to maximise the effectiveness of plan making by constructive, active and on-going engagement. The high level principles associated with the Duty are set out in the National Planning Policy Framework (NPPF) (paras 156, 178 – 181) and in 23 separate paragraphs of the National Planning Practice Guidance (NPPG). In determining if the Duty has been satisfactorily discharged it is important to consider the outcomes arising from the process of co-operation and the influence of these outcomes on the Local Plan. A fundamental outcome is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in the Housing Market Area (HMA) as set out in the NPPF (para 47) including the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (NPPF para 182).

It has been determined that Melton is part of the Leicester & Leicestershire HMA comprising of Melton Borough Council together with Leicester City Council, Blaby, Charnwood, Harborough, Hinckley & Bosworth, North West Leicestershire and Oadby & Wigston District Councils. At this time in signed Memorandums of Understanding the Leicester & Leicestershire HMA

authorities have individually committed to meeting their own OAHN within their own boundaries up to 2028. However beyond 2031 the meeting of OAHN in the HMA is less certain particularly within the city of Leicester thereafter if unmet housing needs arise Melton Borough Council may have to accommodate more than just its own OAHN. The Leicester & Leicestershire HMA authorities will have to work together to ensure that the long term HMA wide spatial strategy meets full OAHN and achieves economic growth ambitions.

It is possible that **Policy SS6 – Alternative Development Strategies and Local Plan Review** will address any unresolved issues arising from the Duty to Co-operate. However as the NPPG recommends that Local Plans are reviewed every 5 years any proposal for an early review must be undertaken sooner within the first 5 years. Moreover if this policy is to be effective specific triggers should be set out.

It is also noted that Melton Borough Council is bordered by three other neighbouring authorities namely Rushcliffe District Council, South Kestevens District Council and Rutland Council which are not part of the Leicester & Leicestershire HMA. When the Melton Local Plan is submitted for examination it is recommended that the Council provides a Statement of Compliance with the Duty to Co-operate including a detailed commentary on the outcomes of the process. At the time the pre-submission Plan is published the HBF may wish to submit further representations on compliance with the legal requirements of the Duty to Co-operate and the soundness of the Melton Local Plan.

OAHN and Housing Requirement

Policy SS2 – Development Strategy proposes at least 6,125 dwellings (245 dwellings per annum) between 2011 – 2036. This housing requirement is based on an OAHN for Melton as set out in the Leicester & Leicestershire SMHA Report by G L Hearn. This calculation comprised of 2011 SNPP data, 5 year migration trends, inclusion of UPC, adjustment of HFR to 2008 based tracking / mid-point to compensate for past housing undersupply and an Experian economic forecast re-distributed on current jobs distribution. Previously at the Charnwood Local Plan Examination the HBF was critical of this calculation of OAHN for the following reasons :-

- 2012 SNHP should be the demographic starting point for the calculation of OAHN subject to sensitivity testing ;
- Any uplifts applied for worsening market signals were overly modest ;
- Economic growth was not aligned with the Leicestershire LEP SEP ;
- No consideration of increasing housing requirements to help deliver affordable housing to meet significant affordable housing needs.

Before publication of the pre submission Local Plan it is recommended that the Council re-considers the calculation of the OAHN.

Housing Land Supply

This emerging options consultation sets out a proposed settlement hierarchy and development distribution comprising :-

- In Melton Mowbray Main Urban Area at least 3,980 dwellings representing 65% of the overall housing need of which 2,000 dwellings (1,700 dwellings in the plan period) (30%) are proposed on the Melton Mowbray South Sustainable Urban Extension (SUE) in **Policy SS4** and 1,700 dwellings (25%) are proposed on Melton Mowbray North SUE under **Policy SS5**. Therefore it is assumed that the remaining 10% (398 dwellings) are proposed on other sites situated within the Melton Mowbray Main Urban Area ;
- In Primary Rural Service Centres of Asfordby, Bottlesford, Long Clawson and Waltam on the Wolds at least 920 dwellings representing 15% of overall housing need are proposed on allocated sites within and adjoining the settlements together with the encouragement of small scale development of 10 or less dwellings on unallocated sites ;
- In Secondary Rural Service Centres of Somerby, Croxton Kerrial, Frisby on the Wreake, Stathern, Asfordby Hill and Wymondham at least 300 dwellings representing 5% of overall housing need are proposed on allocated and unallocated sites of less than 10 dwellings within and adjoining these settlements ;
- In Rural Supporter (yet to be defined) at least 615 dwellings representing 10% of overall housing need are proposed on unallocated sites of less than 5 dwellings ;
- In Rural Settlements at least 305 dwellings representing 5% of overall housing need are proposed on unallocated sites of less than 3 dwellings;
- In the Open Countryside it is proposed that development is restricted.

Although the HBF would not wish to comment on the merits or otherwise of individual sites proposed for allocation by the Council it is critical that the Council's assumptions about the availability, suitability, deliverability, viability and developability of these sites are correct and realistic to provide sufficient headroom and flexibility in the overall land supply throughout the plan period. When allocating sites the Council should be mindful that to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets. Whilst some sustainable urban extensions (SUEs) may have multiple outlets, in general increasing the number of sales outlets available means increasing the number of housing sites. So for any given time period, all else been equal, overall sales and build out rates are faster from 20 sites of 50 units than 10 sites of 100 units or 1 site of 1,000 units. The maximum delivery is achieved not just because there are more sales outlets but because the widest possible range of products and locations are available to meet the widest possible range of demand.

It is also important that the Council recognises the difficulties faced by rural communities in particular due to a lack of housing supply, high house prices and unaffordability. The NPPG emphasises that all settlements can play a role

in delivering sustainable development in rural areas so blanket policies restricting housing development in some settlements and preventing other settlements from expanding should be avoided. One of the core planning principles of the NPPF (para 17) is to “*take account of the different roles and character of different areas ... recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it*”. This principle is re-emphasised in para 55 which states “*to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities*”.

Policy C8 – Self-Build / Custom Build proposes that sites of 100 or more dwellings will supply at least 5% serviced plots for sale to self-builders. The HBF supports self-build / custom build in principle for its potential additional contribution to the overall housing supply where this is based on a positive policy approach by the Council to increase the total amount of new housing development and meet an identified and quantified self-build / custom build housing need. However the HBF is not supportive of a restrictive policy requirement approach for the inclusion of such housing on sites of a specific size in this case 100 or more dwellings as proposed by the Council. This approach provides no additionality to land supply but merely changes production from one to another type of builder. There are also implementation practicalities associated with such a restrictive policy which have to be overcome including health & safety implications, working hours, length of build programmes, etc. Moreover the suggested cascade mechanism contained within the proposed policy will only work in practice if the self-build plots are at the back end of the build programme if not the efficient delivery of the site will be disrupted. The Council should refer to the East Devon Local Plan Inspector’s Final Report which expresses reservations about the implementation difficulties associated with this sort of policy. If however the Council continues to pursue this policy it is suggested that the policy is worded to be subject to viability considerations, specific site circumstances and based on evidence of an identified demand for such housing.

Housing Standards

It is noted that in **Policies SS4, SS5 and C1** the Council refers to policy requirements on energy efficiency and carbon emissions standards exceeding existing Building Regulation requirements. It is accepted that the Council can specify the proportion of energy generated from on-site renewables and / or low carbon energy sources but the Council cannot set a local standard for energy efficiency above the current 2013 Building Regulations standard. The Deregulation Act 2015 specifies that no additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings should be set in Local Plans other than the nationally described space standard, an optional requirement for water usage and optional requirements for adaptable / accessible dwellings. The Deregulations Act removed the power of authorities to require residential developments to exceed the energy performance requirements of Building Regulations therefore the Council should not be setting any additional local technical standards or requirements relating to the performance of new dwellings. It is recommended that these policy requirements are deleted from the pre submission Plan.

Moreover the Written Ministerial Statement (WMS) dated 25th March 2015 confirmed that *“the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG”*. It is noted that **Policy C2 – Mix** and **C9 – Healthy Communities** refer to adaptable homes. If the Council wishes to implement the higher optional standard of M4(2) adaptable / accessible homes of the Building Regulations the NPPG (ID 56-007 and ID 56-003) confirms such a policy requirement should be justified based on need and viability tested. The Council should provide such evidence.

Similarly **Policy C3** and **Policy C9** refer to 50% of dwellings meeting nationally described space standards subject to viability. The NPPG (ID: 56-020) confirms *“where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies”*. If the Council wishes to adopt this standard it should be justified by meeting the criteria set out in the NPPG including need, viability and impact on affordability. At this time the Council has not provided sufficient evidence to justify adoption of the nationally described space standard.

Viability and Affordable Housing

Policy C4 – Affordable Housing proposes 37% affordable homes on sites of more than 6 dwellings subject to viability, infrastructure requirements and market conditions.

If the Local Plan is to be compliant with the NPPF, the requirements of paras 173 and 174 whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened must be satisfied. Under para 174 of the NPPF the Council must properly assess viability. The residual land value model is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on viability. Therefore it is important to understand and test the influence of all inputs on the residual land value as this determines whether or not land is released for development. The Harman Report highlighted that *“what ultimately matters for housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development”*. The Council should be mindful that it is inappropriate to set unachievable policy obligations. It is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. It is recommended that the Council undertakes a Whole Plan Viability Assessment including the implications of the recently announced reductions in social housing rents on affordable housing transfer values and developer profits together with a full assessment of the costs associated with implementing the optional higher housing standards proposed by the Council.

Before the publication of the pre submission Melton Local Plan it is likely that starter homes will have been introduced as a mandatory requirement. However currently many of the details about starter homes are not yet finalised (see latest Consultation document published on 23rd March 2016) therefore it is not considered possible to appropriately address the need for starter homes in the

Local Plan at this time. However when introduced the HBF may wish to submit further comments.

Conclusion

For the Melton Local Plan to be found sound under the four tests of soundness as defined by the NPPF (para 182), the Plan should be positively prepared, justified, effective and consistent with national policy. The Council should consider the aforementioned responses to this emerging options (Draft Plan) consultation in order to avoid preparing a Local Plan which is unsound because it is inconsistent with national policy, not positively prepared, improperly justified and so ultimately ineffective. It is hoped that these representations are of assistance to the Council in preparing the next stages of the Melton Local Plan. In the meantime if any further information or assistance is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



Susan E Green MRTPI
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