Five-years' housing land supply and housing trajectory report

July 2020

Melton Borough Council

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1. Introduction

1.1. This document provides the latest 5-years' housing land supply (5YHLS) position and housing trajectory for Melton Borough Council. This paper considers that the adopted Local Plan (October 2018) and the methodologies associated with the calculation of the 5YHLS as stated in the MBC/HS1c document (Appendix 1) are still relevant for the production of this paper.

1.2. The adopted local plan stepped housing trajectory is a key element to understand the content in this report. This approach splits the housing requirement in three different periods: the first one until March 2021 with 170 dwellings per annum (dpa), then 245dpa until 2026 and finally 320 for the last 10 years of the Local Plan. This approach gives the Council room to adjust to the significant step change in housing delivery that the adopted plan requires. The stepped approach allocates the current shortfall in an identical proportion in each of the remaining years of the Local Plan (until 2036) in the same way as the Liverpool approach. Additionally a 5% buffer is applied to the requirement in order to ensure choice and competition in the market for land and as a consequence of the 2019 Housing Delivery Test results[1]. Finally, a 6.3% lapse rate on sites with planning permission is applied.

1.3. By taking into account all these elements, Melton Borough Council has identified **11.6 years' worth of housing against their housing requirement**. Further details are explored in this paper.

2. Components of the five-year housing land supply

2.1. Basic requirement

2.1.1. The housing requirement is illustrated in **Figure 1** below. As explored during the Local Plan examination, a stepped requirement is the best approach, allowing the Council and developers time to build up to the significant step change in housing delivery that the adopted plan requires. The basic requirement for the next 5 years, without taking into consideration the shortfall, is 170 dpa for the next year and 245 dpa for the period 2021-24, a total of 1,150 dwellings.

[1] https://www.gov.uk/government/publications/housing-delivery-test-2019-measurement

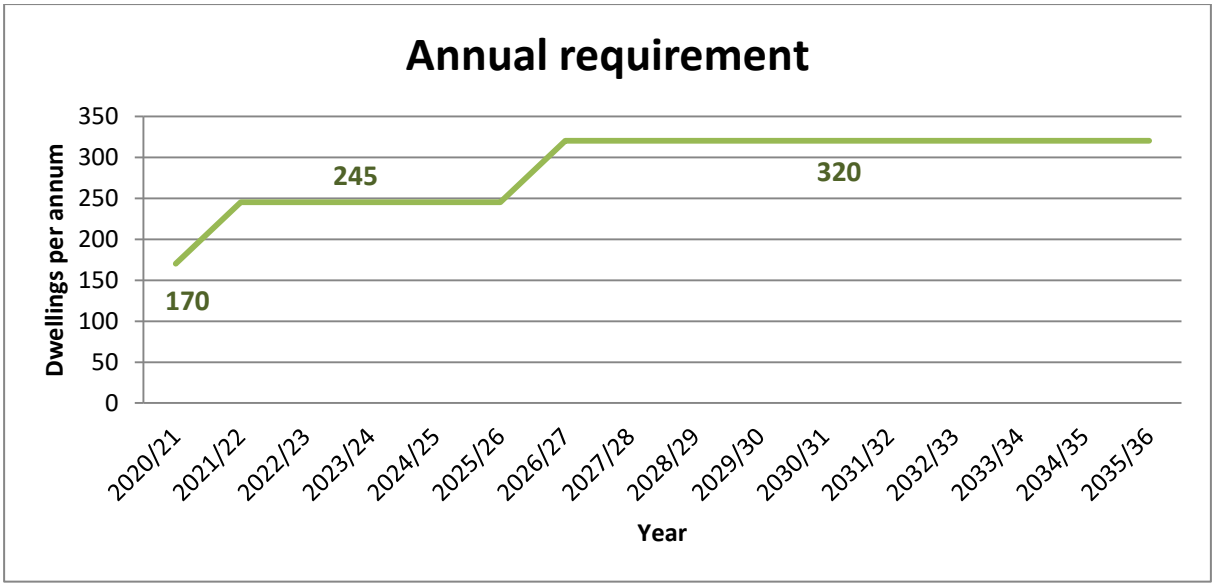


Figure 1. Housing requirement for Melton Borough

2.2. Completions & shortfall

2.2.1. Completions, requirement and shortfall per year and the cumulative sums for each element are shown below in **Table 1** below:

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Completions	157	64	52	78	141	147	138	222	334
Cumulative completions	157	221	273	351	492	639	777	999	1333
Requirement	170	170	170	170	170	170	170	170	170
Cumulative requirement	170	340	510	680	850	1020	1190	1360	1530
Shortfall/surplus	13	106	118	92	29	23	32	-52	-164
Cumulative shortfall	13	119	237	329	358	381	413	361	197

Table 1. Completions, requirement and shorfall per year and cumulative sums for each one

2.2.2. With 334 net completions, 2019/20 is the second year since 2011 with a number of completions exceeding the requirement; in this occasion the number of completions almost duplicates the requirement. This reduces the shortfall to 197 dwellings and reaffirms an optimistic trend started last year.

2.3. Distribution of shortfall

2.3.1. As stated in June 2018 in the MBC/HS1c document (Appendix 1), the cumulative shortfall is distributed in an equal manner amongst the remainder of the years of the Local Plan; in this case there are 16 years to 2036. This means that 12 additional dwellings need to be delivered each year in order to

tackle the shortfall. By using this methodology to distribute the shortfall, also known as Liverpool approach, the Council is being realistic about the time required to move to the much higher level of housing delivery required, which is related to the Council reliance on the Sustainable Neighbourhoods to deliver a significant number of dwellings over the whole plan period. The total requirement for the next 5 years, including their proportion of shortfall is 1,212 dwellings.

2.4. 5% Buffer

2.4.1. With 100% of the requirement being delivered over the past three years, the 2019 Housing Delivery Test (HDT) allows the Council to move from a 20% buffer on supply to a 5% one. The results prove that, according to para 73 of the NPPF (and subsequent guidance), there is not a significant under delivery of housing over the previous three years, and a 5% buffer could be applied instead. This 5% buffer ensures choice and competition in the market for land. The 2020 HDT is anticipated to be published in November 2020, and it is expected that 136% of the requirement would have been delivered according to the completions stated in this document. **Figure 2** below shows the evolution of the HDT results and the thresholds for different actions.

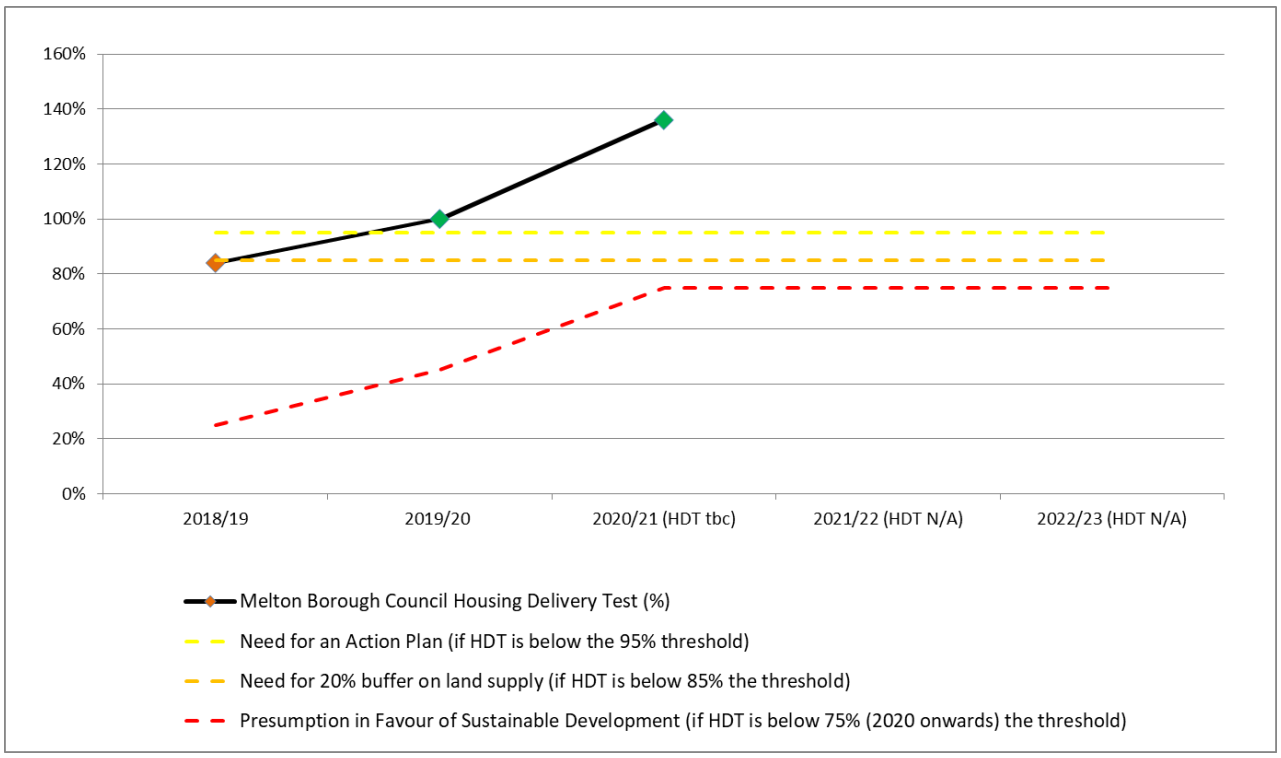


Figure 2. Housing Delivery Test for Melton Borough Council and Housing Delivery Test thresholds

2.5. Lapse rate

2.5.1. The lapse rate calculation is updated in this paper. As show in **Table 2** below, the lapse rate has moved from 7.2% in 7 years to 6.3% in 8 years.

Monitoring Period	Number of applications approved for dwellings	Number of dwellings	Number of these approved applications that expired without implementation	Number of dwellings that lapsed	Lapse rate based on number of lapsed dwellings
2009/10	49	122	8	15	12.30%
2010/11	71	145	9	12	8.28%
2011/12	33	123	4	5	4.07%
2012/13	51	118	4	14	11.86%
2013/14	67	236	6	10	4.24%
2014/15	67	332	7	21	6.33%
2015/16	70	255	4	8	3.14%
2016/17	82	1181	6	6	0.51%
					Average: 6.34%

Table 2. Lapse rate calculation

2.5.2. The calculation takes into account any site (small or large) with planning permission granted for a specific year which have expired three years later without implementation (e.g. 2016/17 permissions that have expired in 2019/20). The new average is 6.34% which is applied to the sites with planning permission in the 5YHLS calculation.

2.5.3. 2,704 dwellings associated with sites with planning permission have been identified. The lapse rate is applied to this figure, meaning that 171 dwellings need to be discounted from the total supply.

2.5.4. It should be noted that despite of having a similar number of lapsed applications, the number of dwellings with planning permission approved in 2016/17 is significantly larger than the ones seen in preceding years. The proximity to the adoption of the Local Plan and the significant contribution of an application for 520 dwellings explain this anomaly.

2.6. Identified supply in the first five years

2.6.1. As identified in the trajectory (see Appendix 2) there are a total of 3,121 dwellings that are expected to be delivered in the next five years. Further information about the trajectory and the identified supply can be found on item 3 below.

2.7. Windfall allowance

2.7.1. To understand the windfall allowance, two different elements need to be addressed: the annual windfall allowance as identified in the Local Plan and the permissions for small developments as identified in the trajectory.

2.7.2. In terms of the annual windfall allowance, this is given in Table 3 of the adopted Local Plan and suggests 29 dwellings per annum from Year 4 (2021/22) for 15 years to 2036. In terms of small sites with planning permission, these are expected to be delivered in the first five years.

2.7.3. When a year shows that small sites with planning permission will deliver more dwellings than the windfall allowance, the windfall allowance (residual) for that year has been amended to zero. If small sites with planning permission are not expected to deliver more than 29 dwellings during a given year, the difference will be shown as “residual” windfall allowance.

2.7.4. The resulting trajectory for windfall sites is shown in **Table 3** below.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025-36
Small sites with Planning permission in trajectory (dwellings)	45	99	166	46	14	0
Windfall allowance	0	29	29	29	29	29dpa
Difference / "residual" windfall allowance	**0**	**0**	**0**	**0**	**15**	**29dpa**

Table 3. Trajectory for windfall sites

3. 5-year's housing land supply calculation

3.1. With all the elements linked to the calculation already discussed, **Table 4** below shows the number of years of housing supply have been calculated.

Reference		May-19	Jul-20	Comments
REQUIREMENT				
A	Housing Requirement over plan period	6125	6125	245dpa * 25 years
A1	Average per annum 2011-2021	170	170	Stepped requirement
A2	Average per annum 2021-2026	245	245	
A3	Average per annum 2026-2036	320	320	
B = (A1*1) + (A2*4)	Basic Five Year Requirement	1075	1150	(170*1) + (245*4)
C	Completions (1st April 2011 to 31st March 2019)	999	1333	999 + 334
D	Number of years (so far)	8	9	(current year - 2011)
E = A1*D	Target delivery (8 year period)	1360	1530	(170*9)
F = E-C	Shortfall (8 year period)	361	197	(170*9) - completions
G = B+(F/16*5)	Five year requirement including proportion of shortfall	1181	1212	16 years to 2036
H = G/5	Annual requirement for first five years inc shortfall	236	242	
I = G*0.05	5% buffer (20% in May 2019)	236	61	
J = G+I	Five year requirement inc shortfall and buffer	1417	1272	
K = J/5	Annual requirement inc shortfall and buffer	283	254	
SUPPLY				
L	Identified supply in next five years (2019/20-2024/25)	2351	3121	
M	Dwellings permitted on sites with planning permission	2411	2704	
N	Lapse rate	7.20%	6.34%	See section 2.5
O = N*M	Lapse rate applied to sites with planning permission	174	171	
P = L-O	Supply identified taking into account lapse rate	2177	2950	
FIVE YEAR SUPPLY CALCULATION				
Q = P - J	Five year supply compared with requirement	760	1677	
R = P/K	Number of years of supply	**7.7**	**11.6**	

Table 4. Five year housing land supply calculation

3.2. The 2019 NPPF and associated guidance tightened up the definition of deliverable sites and this has been taken into consideration when producing the trajectory. Although the Council considers that the above calculation is robust, different alternative scenarios are explored below.

3.3. As identified in Appendix 2 the number of dwellings without planning permission that are included in the first 5 years of housing supply are 654. The inclusion of these sites as deliverable sites is justified and there are realistic prospects that they will deliver within the first 5 years.

3.4. Understanding that this could be an ambiguous element in the calculation, it should be noted that delaying the first completion in all these sites to year 6 or beyond would result in having 9.0 years of supply instead of 11.6 years.

3.5. Perhaps less controversial is the inclusion of outline permissions within the first five years, when there is evidence suggesting realistic prospects that the sites will deliver within this timeframe. There are 215 dwellings in this category. The number of years' worth of housing supply identified by removing sites without permission (see para 3.4) and sites with outline permission as specified in this paragraph would be 8.2 instead of 11.6 years.

3.6. Conversely, there are a number of planning applications associated with housing allocations that are pending consideration. These may impact delivery across the next 5 years. If all the current pending consideration applications were permitted it would result in a net increase of 215 dwellings of which 179 would be expected to be delivered within the next five years (92 in year 1, 15 in year 2, 72 in year 3 and 36 beyond 5 years). Taking into account this additional supply would result in having 12.3 years of supply instead of 11.6 years.

3.7. **Figure 3** below summarizes the scenarios explored in this section.

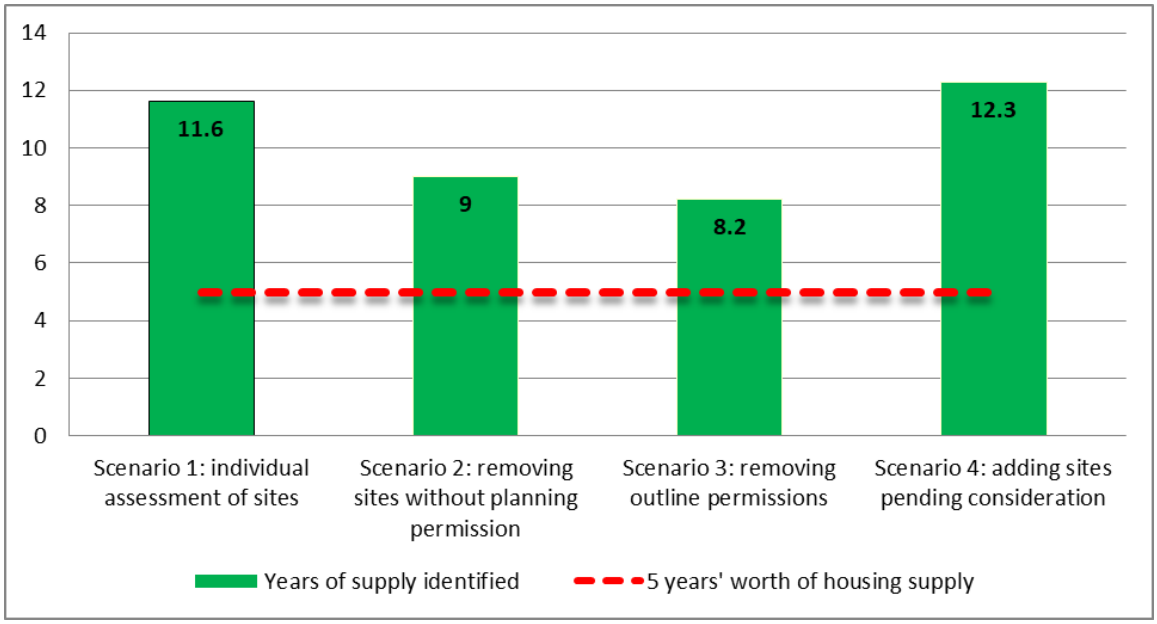


Figure 3. Housing supply identified in different scenarios

4. Housing trajectory and methodology applied

4.1. The detailed housing trajectory can be found in Appendix 2. A site by site trajectory will be published on our website in due course.

4.2. Land promoters, housebuilders, developers or agents promoting large sites were contacted in May, June and July. By the middle of July, an exceptional 97% of the promoters provided information to the Council allowing the production of an accurate trajectory.

4.3. Details provided by site's promoters are a good starting point, but the suggested trajectory has been altered when it was considered too optimistic or when divergent information was received (e.g. input from case officers or other internal information).

4.4. As general rule, sites under construction, with detailed permission or small sites with planning permission have realistic prospect to deliver within the first 5 years and consequently included within this timeframe.

4.5. Outline permissions and allocations without permission for large sites are considered deliverable when there is progress to approve the reserve matters. Also when there is a confirmation about the viability of the site and evidenced site assessment work. Finally, if there is progress towards the submission of an application and the information provided by the developer supports the inclusion of the site within the first 5 years, the site or part of the site is included in this period.

4.6. Finally, it should be noted that the delays to bring forward the South Sustainable Neighbourhood mean that the trajectory of this strategic allocation is now extended beyond the Melton Local Plan period (last completions in 2037/38); however these completions represent a modest fraction of the overall housing supply (less than 100 dwellings). Deliver should remain monitored for the South Sustainable Neighbourhood in particular and may need to be examined more closely at the next review of the Local Plan.

5. New dwellings distribution

5.1. Appendix 3 contains detailed information about specific settlements and the number of completions associated with these settlements. **Figure 3** below shows the distribution of net completions according to the adopted settlement hierarchy.

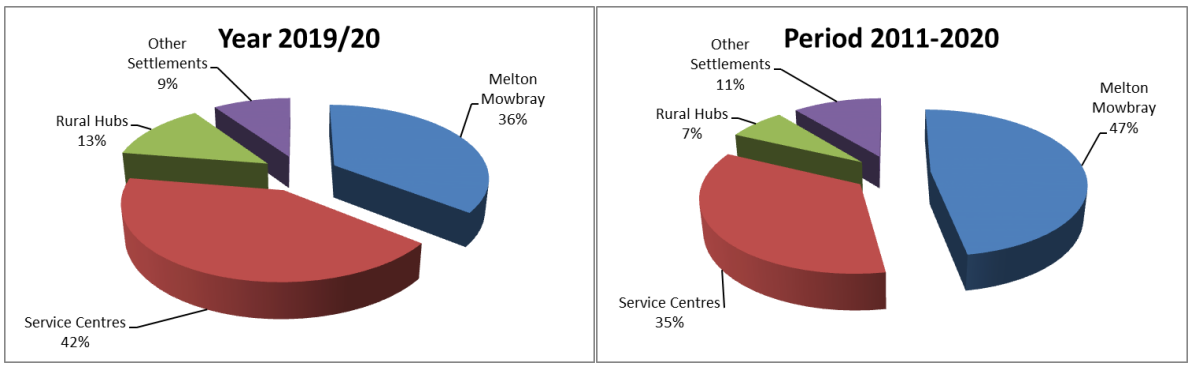


Figure 4. Distribution of dwellings in 2019/20 (left) and for the period 2011-20 (right)

5.2. The Local Plan identifies Melton Mowbray as the priority location for growth where approximately 65% of the Borough's housing need will be accommodated. The remainder of the requirement is to be accommodated in the sustainable settlements (service centres and rural hubs).

5.3. As expected, smaller allocations are delivering earlier than the Sustainable Neighbourhoods, which aligns with the distribution shown in **Figure 3** above.

6. Covid-19 and impact on trajectory and housing land supply

6.1. Context

6.1.1. The global pandemic is having an impact in every aspect of sustainable development. The knock-on effect could be aggravated by a number of factors such as the duration of the lockdown, new restrictions or the rapid adaptation of the market. However, the magnitude of these impacts, and more particularly the repercussions in housing supply and housing delivery, are still unknown.

6.1.2. As consequence of the above, the Council aimed to gain some insights of the perception of risks by the local housing industry. To do this, a survey was sent to promoters of large sites alongside the housing trajectory questionnaire.

6.2. Survey

6.2.1. 65% of development sites surveyed provided some feedback on the impacts of the Covid-19 pandemic on their developments, these responses closely reflected the wide variety of development types expected to be delivered across the Melton Borough over the Melton Local Plan period. The findings of the survey are summarised in Appendix 4.

6.2.2. Three out of four surveyed said that Covid-19 had already had an impact on their developments; with around half of developers stating that the impacts were moderate or significant. Impacts were naturally dependent on the stage of the development, with developments under construction affected by the initial lockdown measures and closure of their sites, on average for 3 months, as well as initially experiencing problems accessing materials. Development sites at a less advanced stage were more likely to experience delays due to the impact of furloughing staff and remote working. This was impacting the ability to prepare, submit and secure planning permissions and included site works such as undertaking site investigations and studies to support their applications during the lockdown period.

6.2.3. There was significant uncertainty about how Covid-19 might impact development moving forwards, just under half said that it was too early to tell or they did not know how Covid-19 might impact them over the next year. Just under a third anticipated that Covid-19 would impact their development plans moderately over the next 12 months, with few thinking that there would be no or a severe impact. Sites under construction expected social distancing requirements to lead to ongoing slower build rates. The main issue cited by most respondents however was ongoing market and economic uncertainty, whether there is a recession and how deep it will be, how long it might last and how it might impact housing demand (its impact on future house sales

values as well as the rate of sales). Housing demand was cited as the key issue that would dictate developers build out rates. Access to finance, in the future, particularly potential tighter lending restrictions to SME's was also a concern.

6.3. Impacts on the housing trajectory

6.3.1. It seems likely that the deliverability of sites is going to be negatively impacted by the global pandemic and associated economic effects; however it is too early to quantify this impact. The bare minimum impact, and perhaps an over simplified and unrealistic approach, is to only take into consideration the closure of sites during 3 months; but even this minimum impact could be mitigated by the ability of specific developers to reverse the situation by increasing build rates during the next few months (e.g. by extending site working hours). Conversely a resurgence in the virus at a national or local level may result in sites being shut down for further periods and impacts around the globe could result in future scarcities of building materials.

6.3.2. The response from the development industry locally was that buyer demand will be the key measure that will dictate the extent of any impacts on future housing delivery. This is likely to be impacted by the scale and length of any economic impacts, house buyer confidence and access to mortgages (lending has recently been tightened by a number of lenders). At the present time, it is also unknown which measures, if any, the government might take to mitigate these impacts.

6.3.3. For the purpose of this report a reasonable approach is to address the potential covid-19 impacts in two complementary ways. First, whether an allowance and adjustment to the trajectory should be made to mitigate the ongoing impacts of the virus and secondly the likelihood of ongoing economic impacts impacting housing delivery.

6.3.4. At this time when the length depth and duration of any economic impacts are unknown and modelling for such impacts is difficult. There are predictions nationally that a full or partial 'V' shaped recovery is likely. Locally, developer confidence remains relatively high but cautious and officers note progress is continuing to be made to bring forward future housing allocations including the Sustainable Neighbourhoods to Melton Mowbray.

6.3.5. The best available comparable to model economic impacts is the 2007/08 'credit crunch' economic crisis. Analysis of the impacts of the 2007/08 economic crisis saw an average 13% fall in housing delivery over the next three year period compared to expected levels (based on the trajectory made at the time). In line with this impact a 13% reduction has been applied to the housing trajectory for the next three years to ensure an allowance has been made to reflect the current economic uncertainty. This reduction will be tackled later in the Plan period.

6.3.6. The trajectory figures have taken into account the recent lockdown measure and their impact on delivery, however it is thought prudent to incorporate a Covid-19 delay allowance to the housing trajectory to mitigate against the potential for delays to housing delivery as a result of any future local lockdown measures, materials shortages or slower productivity as a result of social distancing measures. A 6-8 weeks delay per year would seem reasonable for

such an allowance. This has been modelled by assuming 12.5% of the total housing delivery each year will move forward by one year over the next 5 years. It has not been applied to delivery beyond the next 5 years as it is assumed that it would only affect schemes which are actively undertaking works to bring them forwards for delivery.

6.3.7. **Figure 5** below shows how these elements would work in practice and their impact in the expected housing delivery. The dark green line combines both, the adjustment made to address the economic crisis (yellow line) and the covid-19 allowance. Further details including annual figures are shown in Appendix 2.

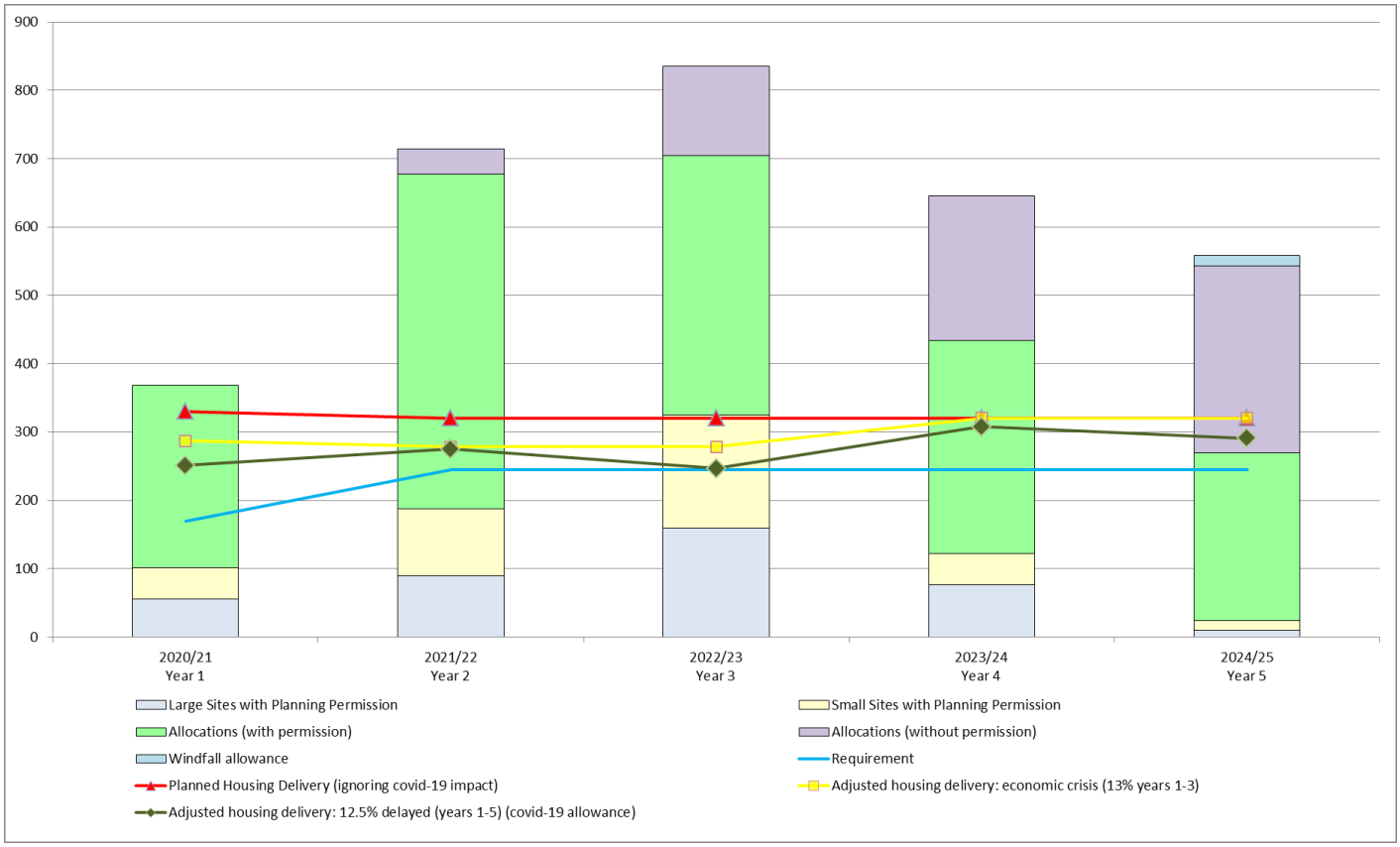


Figure 5. Adjusted expected housing delivery

6.3.8. The resulting housing delivery shows that a total of 1,371 dwellings are expected to be delivered in the first 5 years as opposed to the 1,610 dwellings that were anticipated without the adjustments associated to the pandemic. This is still above the requirement to provide 1,150 dwellings across the next five years.

Appendix 1. Five year housing land supply and trajectory (June 2018)

MBC/HS1c

Five Year Supply Position Relating to the Proposed Stepped Housing Requirement set out in Main Modification MM1
MBC 21st June 2018.

This document sets out the five year supply position relating to the proposed stepped housing requirement set out in Revised Main Modification MM1, dated on 15th June 2018.

It uses housing supply information that is up to date to 31st March 2018.

It comprises of two tables:

1. Five Year Supply Calculation Methodology – this is an update to the Methodology 7 column of Table M6-2A of the examination document M6-1, dated 19th February 2018 which can be found on the following link:
    1. https://www.meltonplan.co.uk/examination . It includes notes and the original Methodology 7 data for ease of reference.
2. Melton Stepped Approach Trajectory – this is an update to Table 6-T1 of the examination document M6-1, dated 19th February 2018, which can be found on the following link:
    2. https://www.meltonplan.co.uk/examination .

Table 1: Five Year Supply Calculation Methodology

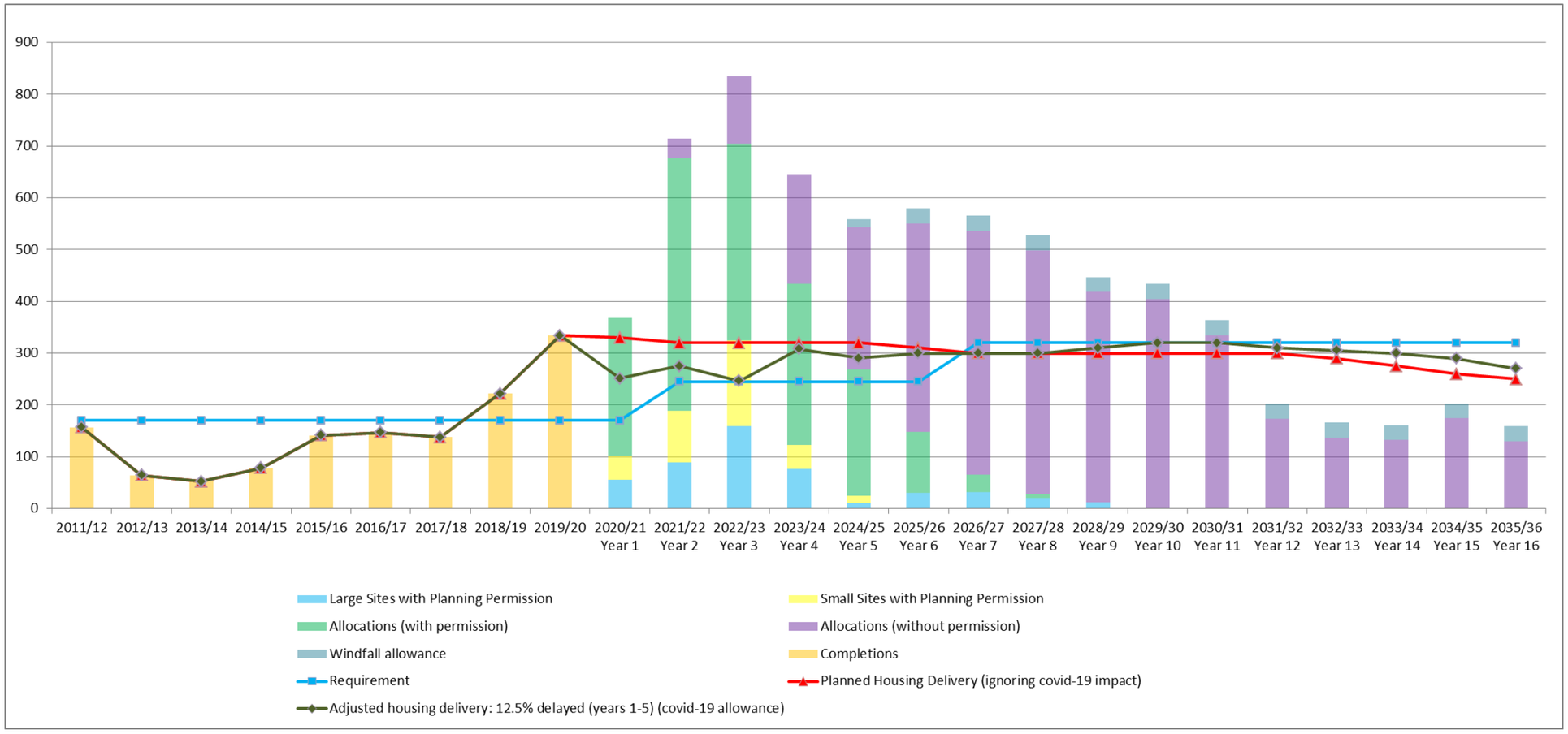
	Methodology 7 - original	Methodology 7 - updated	Comments where changes made
Requirement			
Housing Requirement over plan period to March 2036	6125 (Three phases 1700, 1225 and 3200)	6125 (Three phases 1700, 1225 and 3200)	
Average per annum	Step 1: 170 for initial 10 years until 31st March 2021; Step 2: 245 for next 5 years until 31st March 2026; Step 3: 320 for remaining 10 years until 31st March 2036	Step 1: 170 for initial 10 years until 31st March 2021; Step 2: 245 for next 5 years until 31st March 2026; Step 3: 320 for remaining 10 years until 31st March 2036	
Basic Five Year Requirement	1000	1000	
Completions 1st April 2011 to 31st March 2018	768	777	**1.** Original estimate for 2017/18 updated with actuals.
Target Delivery for period 1st April 2011 to 31st March 2018 (7 year period)	1190	1190	
Shortfall from 1st April 2011 to 31st March 2018	422	413	**2**. To reflect note 1. above
Total Five Year Requirement including shortfall	-	-	
Total Five Year Requirement including proportion of shortfall (413/18 yrs = 23dpa or 115 in 5yrs)	1115	1115	**3.** Due to rounding, updated numbers give the same overall number as the original
Annual Requirement for first five years including basic requirement and shortfall	223	223	
20% Buffer Applied	223	223	
Total Five Year Requirement including basic requirement, shortfall and 20% buffer	1338	1338	
Annual Requirement including basic requirement, shortfall and 20% buffer	268	268	
Supply			
Identified Supply in first five years	2563	2779	**4.** Updated in March 2018 for planning appeals
Lapse rate (9%) applied to planning permissions including those on allocated sites = 2622 dwellings	201	236	**5.** Total of planning permissions on allocated and unallocated sites updated to 2622 (from 2235) in March 2018 for planning appeals
Total Supply taking into account Lapse Rate	2362	2543	**6.** Total supply on allocated and unallocated sites updated in March 2018 for planning appeals.
Five Year Supply calculation			
Five Year Supply Calculation +/- compared with requirement	1024	1205	
Number of Years Supply	8.8 years	9.5 years	

Table 2: Melton Stepped Approach Trajectory

Monitoring Period	Melton Mowbray Sustainable Neighbourhoods	Melton Mowbray Allocations	Service Centre Allocations	Rural Hub Allocations	Large Sites with Planning Permission (not allocated)	Small Sites with Planning Permission (not allocated)	Windfall Sites (from Year 4 onwards)	Completions	Total Supply Identified	Planned Housing Delivery Trajectory	Stepped Requirement
2011/12								157	157	157	170
2012/13								64	64	64	170
2013/14								52	52	52	170
2014/15								78	78	78	170
2015/16								141	141	141	170
2016/17								147	147	147	170
2017/18								138	138	138	170
2018/19	0	36	66	0	82	72	0		256	170	170
2019/20	0	36	154	36	204	147	0		577	190	170
2020/21	61	29	241	70	158	46	0		605	240	170
2021/22	147	69	297	81	66	0	29		689	280	245
2022/23	210	69	282	47	15	0	29		652	310	245
2023/24	210	82	73	47	0	0	29		441	325	245
2024/25	215	84	75	11	0	0	29		414	325	245
2025/26	215	52	58	12	0	0	29		366	325	245
2026/27	215	19	36	25	0	0	29		324	325	320
2027/28	215	0	4	0	0	0	29		248	325	320
2028/29	215	0	23	0	0	0	29		267	325	320
2029/30	215	0	0	0	0	0	29		244	325	320
2030/31	215	0	0	0	0	0	29		244	320	320
2031/32	215	0	0	0	0	0	29		244	320	320
2032/33	215	0	0	0	0	0	29		244	320	320
2033/34	215	0	0	0	0	0	29		244	320	320
2034/35	212	0	0	0	0	0	29		241	320	320
2035/36	210	0	0	0	0	0	29		239	300	320
	3200	476	1309	329	525	265	435	777	7316	6142	6125

Appendix 2. Detailed housing trajectory

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 Year 1	2021/22 Year 2	2022/23 Year 3	2023/24 Year 4	2024/25 Year 5	2025/26 Year 6	2026/27 Year 7	2027/28 Year 8	2028/29 Year 9	2029/30 Year 10	2030/31 Year 11	2031/32 Year 12	2032/33 Year 13	2033/34 Year 14	2034/35 Year 15	2035/36 Year 16	TOTAL	Beyond 2036
Large Sites with Planning Permission										56	89	159	76	10	30	31	20	12	0	0	0	0	0	0	0	483	0
Small Sites with Planning Permission										45	99	166	46	14	0	0	0	0	0	0	0	0	0	0	0	370	0
Allocations (with permission)										267	489	379	312	245	118	34	7	0	0	0	0	0	0	0	0	1851	0
Allocations (without permission)										0	37	131	212	274	402	471	472	406	405	335	173	137	132	174	130	3891	76
Windfall allowance										0	0	0	0	15	29	29	29	29	29	29	29	29	29	29	29	334	29dpa
Completions	157	64	52	78	141	147	138	222	334	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1333	n/a
Total supply	**157**	**64**	**52**	**78**	**141**	**147**	**138**	**222**	**334**	**368**	**714**	**835**	**646**	**558**	**579**	**565**	**528**	**447**	**434**	**364**	**202**	**166**	**161**	**203**	**159**	**8262**	n/a
Requirement	170	170	170	170	170	170	170	170	170	170	245	245	245	245	245	320	320	320	320	320	320	320	320	320	320	**6125**	n/a
Planned Housing Delivery (ignoring covid-19 impact)	157	64	52	78	141	147	138	222	334	330	320	320	320	320	310	300	300	300	300	300	300	290	275	260	250	**6128**	n/a
Adjusted housing delivery: economic crisis (13% years 1-3)	157	64	52	78	141	147	138	222	334	287	278	278	320	320	310	300	300	300	300	300	300	290	280	270	260	**6027**	n/a
Adjusted housing delivery: 12.5% delayed (years 1-5) (covid-19 allowance)	157	64	52	78	141	147	138	222	334	251	275	247	308	291	300	300	300	310	320	320	310	305	300	290	270	**6029**	n/a



Appendix 3. New dwellings distribution

Key

Melton Mowbray	
Service Centres	
Rural Hubs	
Rural Settlements	

Settlement	Completions 2019/20	Completions 1991-2011	Completions 2011-2020
Ab Kettleby	1	11	**16**
Asfordby	50	162	**133**
Asfordby Hill	1	31	**25**
Asfordby Valley	0	31	**0**
Ashby Folville	6	1	**7**
Barkestone le Vale	0	53	**1**
Barsby	3	25	**5**
Belvoir	-1	0	**0**
Bescaby	0	1	**1**
Bottesford	31	320	**109**
Branston	0	8	**1**
Brentingby	0	2	**0**
Brooksby	1	1	**1**
Buckminster	0	1	**0**
Burrough on the Hill	0	5	**1**
Burton Lazars	0	24	**1**
Cold Overton	2	4	**4**
Coston	0	2	**0**
Croxton Kerrial	1	44	**4**

Settlement	Completions 2019/20	Completions 1991-2011	Completions 2011-2020
Easthorpe	3	5	**5**
Eastwell	0	12	**1**
Eaton	3	19	**10**
Edmondthorpe	0	5	**1**
Eye Kettleby	4	2	**10**
Freeby	0	0	**0**
Frisby	37	23	**39**
Gaddesby	0	16	**1**
Goadby Marwood	1	9	**8**
Great Dalby	1	45	**8**
Grimston	0	10	**6**
Harby	4	48	**35**
Harston	0	3	**0**
Hoby	1	21	**3**
Holwell	2	8	**4**
Hose	0	44	**6**
John O'Gaunt	2	0	**2**
Kirby Bellars	2	29	**6**
Knipton	0	0	**-1**
Knossington	0	7	**1**
Little Dalby	0	1	**2**
Long Clawson	2	146	**15**
Melton Mowbray	119	2207	**631**
Muston	0	16	**2**
Nether Broughton	0	21	**17**
Normanton	0	9	**3**
Old Dalby	4	41	**9**
Pickwell	0	18	**8**

Settlement	Completions 2019/20	Completions 1991-2011	Completions 2011-2020
Plungar	0	29	**0**
Queensway	0	0	**0**
Ragdale	-2	7	**-2**
Redmile	0	15	**12**
Rotherby	0	13	**0**
Saltby	1	15	**3**
Saxby	0	0	**0**
Saxelby	0	1	**0**
Scalford	0	31	**11**
Sewstern	2	2	**6**
Shoby	1	2	**2**
Six Hills	0	1	**0**
Somerby	1	41	**17**
Sproxton	0	11	**1**
Stapleford	0	1	**0**
Stathern	6	40	**25**
Stonesby	0	7	**0**
Thorpe Arnold	0	12	**0**
Thorpe Satchville	0	16	**2**
Twyford	4	19	**16**
Waltham	38	75	**75**
Wartnaby	0	1	**0**
Welby	0	0	**1**
Wycomb	0	3	**0**
Wyfordby	0	1	**0**
Wymondham	3	47	**23**
Total	**334**	**3881**	**1333**

Appendix 4. Impact of covid-19 pandemic – Developer Survey

Context

Landowners and developers are contacted annually and asked to provide an update on the progression of their development sites as part of the annual monitoring reporting the Council undertakes. All housing sites allocated in a development plan document are contacted as well as all non allocated large development sites with planning permission (those with 10 or more dwellings), at March 2020 this stood at 88 different development sites. This year developers were also asked about the impacts of CV19 on their development proposals.

There were 46 responses to the CV19 survey (which related to 57 of the 88 sites; a 65% response rate). These responses related to the majority of new dwellings expected to be built in Melton to 2036 (4262). Respondents were a mixture of landowners (contacted largely through their agents) and developers, depending on how advanced the development of the land was. Responses closely reflected the wide variety of development types expected to be delivered across the Melton Borough over the Melton Local Plan period.

Profile of Responses

		Responses relate to development sites which are;		
Development Area	Number of Responses	Local Plan Allocations	Large Sites with Planning Permission	Total
Melton Mowbray	14	16*	5	21
Rural	32	31	5	36
Total	46	47	10	57

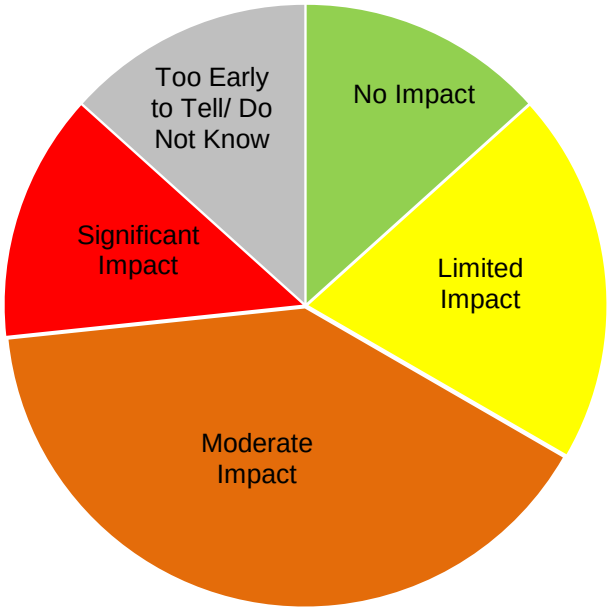
*of which 7 related to the Sustainable Neighbourhoods to the North and South of Melton Mowbray

Responses

There were five questions in the survey on the impacts of CV19, the questions are set out in appendix A and responses are summarised below;

1a. Has the Covid-19 pandemic had any impact on your development to date?

Three out of four of developers surveyed said that CV19 had had an impact on their developments and around half of developers stated that the impacts were moderate or significant.

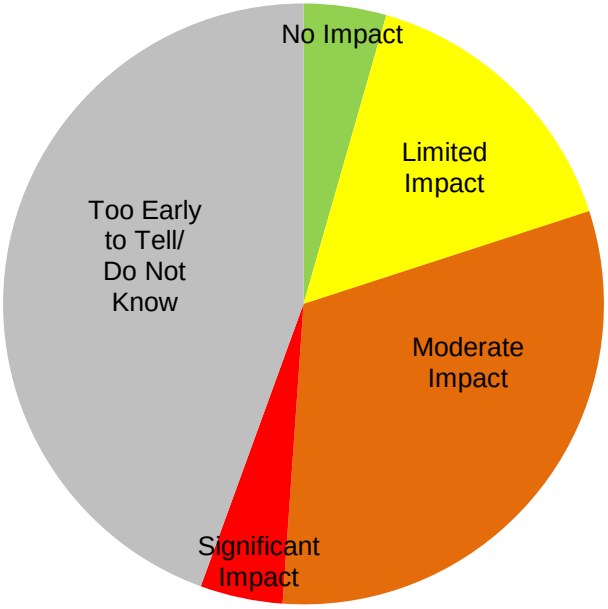


2.a What aspects of development have been effected to date?

Aspect of Development effected	Number	%
Land acquisitions, sale or transfer of land for development	14	30%
Access to finance, capital or loans	6	13%
Planning permission	16	35%
Pre construction site works, site investigations or surveys	14	30%
Construction, e.g. delay to planned start on site date	17	37%
Other: Adoption of Neighbourhood plan	1	2%

1.b. Do you expect the Covid-19 pandemic to impact your development over the next 12 months?

There was a lot of uncertainty about how CV19 would impact development over the next 12 months, just under half said that it was too early to tell or they did not know how CV19 might impact them over the next year. Just under a third anticipated that CV19 would impact their development plans moderately over the next 12 months, with few thinking that there would be no or a severe impact.



2.b what aspects of development do you think will be effected across the next 12 months?

Aspect of Development effected	Number	%
Land acquisitions, sale or transfer of land for development	19	41%
Access to finance, capital or loans	9	20%
Planning permission	5	11%
Pre construction site works, site investigations or surveys	2	4%
Construction, e.g. delay to planned start on site date	11	24%
Other:	3	7%

3. Reasons for impacts

Respondents were asked to explain the reasons for any impacts, a selection of responses are shown below alongside a summary of the main issues highlighted (those listed in bold were the most commonly given responses).

CV19 and lockdown issues

The CV19 pandemic resulted in building sites being closed down, most developers reported that this has been for a period of around 3 months, with most sites now reopened or planned to be reopened during July; there were no reports of sites being mothballed over the longer term. Comments also highlighted the impact on development staff to progress scheme through the planning stages;

Summary of key CV19 and lockdown issues highlighted;

Most Common Issues:

- Access to materials, supply chain issues (initially a major issue for some but improving as lockdown eases)
- Closure of sites and showrooms (average 3 months; range 2-4 months)
- planning applications and decisions taking longer
- Delays to issuing S106 agreements
- Slower build rates due to social distancing of construction staff

Other Issues:

- Delays to obtaining survey data/unable to undertake survey work on sites
- Initial uncertainty around how local planning authorities would be able to progress plan making and decision taking
- Property sale delays – e.g. legal delays; chain collapses; mortgage delays
- Delays to preparing and submit planning applications (due to furloughing of staff and remote working)
- Inability to have face to face meetings with MBC/other professionals – more difficult to resolve issues
- Furloughing of staff and third party suppliers/trades – but coming back slowly
- Impact on Neighbourhood Plan process

Market/Economic uncertainty;

Most felt it was too early to say what longer term impacts will be, that it was unclear whether current circumstances were short term (with a V shaped recovery likely) or longer term. However it was widely recognised that this uncertainty itself had the potential to impact development and investment decisions

Summary of key market/economic uncertainty issues highlighted;

Most Common Issues:

- Uncertainty/confidence around future house sales values and rate of sales/demand
- Access to finance, particularly potential for tighter lending restrictions to SME's

Other Issues:

- Developers ceasing to purchase new land during pandemic and renegotiating agreed land acquisitions even pulling out of agreed land acquisitions
- Landowners holding off marketing land as anticipate offers falling short of pre CV19 levels
- Uncertainty reducing landowners confidence to invest in pre construction investigations
- Availability of mortgages
- Viability issues
- Cash flow problems
- Uncertainty has increased cautiousness around investments, particularly new projects

4. Do you think development in the Melton Borough will be impacted differently compared to other areas?

The majority of respondents said that Melton was not likely to be more or less effected than other areas given the main causes were national and economic and not specific to Melton.

A small number of developers suggested their developments in Melton may fair better than other areas due to stronger post CV19 demand for housing in more rural locations and larger gardens and more spacious homes.

5. Is there any action that Melton Borough Council or the Government could take to help?

Many developers did not identify any actions with several commenting on the good work done by development control team. A common theme from those with suggestions was a need for the Council to be more pragmatic and flexible in order to encourage development to come forward; specific comments were also made in relation to the following issues;

- Make quicker planning decisions including s106 agreements and discharging of conditions
- Allow flexible site working hours to catch up post lockdown and due to socially distanced working going forwards
- Consider the impacts of Covid-19 on viability and developer contributions; review or delay S106 contributions
- Allow extensions of time for permissions to reflect lockdown period
- Government needs to focus on stabilisation of economy and provide stimulus to support industry directly

Summary

There are two clear issues in relation of the current CV19 pandemic, firstly the impact from the pandemic itself and secondly the potential longer term economic fallout.

Impact of CV19 Pandemic

The closure of development sites will have a knock on effect on housing delivery, we should anticipate some of the housing delivery from this year and possibly next moving forwards, the level of movement and ongoing impact on other sites will depend if sites can make up for lost time. However ongoing social distancing requirements mean that construction progress on sites is expected to be slower; this may be mitigated with increased flexibility and longer working hours on construction sites. If lockdown measures are reintroduced in the UK or elsewhere in the world where materials are mined/manufactured it has the potential to further impact development speeds. Flexibility to extend planning permissions where works cannot start due to materials or other issues was suggested as helpful from the industry.

Furloughing of staff appears to be ending slowly across development sector, a number of development staff returned to work in July. Impacts are mixed, largely dependent on the stage schemes where at when the pandemic started. Some scheme report being delayed by up to 4 months, others state that timescales have not been effected. Remote working is expected to continue to present modest challenges in undertaking work to bring planning applications forwards, resulting in minor delays to progressing schemes. The industry asked for the Council to be as efficient as possible in determining applications to help reduce these potential delays, they suggested the main ways the Council could assist were;

- the quicker determination of s106 agreements and speedier discharging of conditions;
- greater flexibility and understanding around viability and developer contribution expectations;
- fast track applications for allocated sites; and
- allow extension of time for permissions to reflect lockdown caused delays

Economic impacts

Most felt it was too early to say what longer term impacts will be, that it was unclear whether current circumstances were short term (with a V shaped recovery likely) or longer term. However it was widely recognised that this uncertainty itself had the potential to impact development and investment decisions.

Significant number of developers reported that the delivery of their sites will be down to house buyer demand; sites will reduce delivery if demand falls, and this may lead to site completions falling and new sites not starting on site as currently anticipated. This was reported by developers across all sites but was particularly an issue raised by SME developers, who may face additional challenges in terms of cash flow and

tighter future lending requirements. Site showrooms and marketing offices that have reopened tended to report encouraging interest, several reported strong sales after reopening, but the general view was it is too early to predict impacts. It is noted that nationally buyer demand is impacted by confidence as well as ability to move and some more restrictive mortgage lending is already evident which could impact demand.

Confidence regarding demand from developers was mixed, with indications that delivery to Melton Mowbray may be more sensitive to market and economic change than rural schemes (which is expected given the weaker house prices and lower overall levels of viability in Melton Mowbray). Some developers of rural schemes felt that CV19 could boost demand for their rural housing scheme; views backed nationally by estate agent reports of buyers prioritising less urban housing with gardens, the countryside and more space for homeworking.

Several larger developers mentioned that they were looking to renegotiate land deals or had paused their plans enter into land deals due to the anticipated economic impacts of CV19 and several landowners also suggest they may not sell if price offered for their land is reduced, that they may wait for more favourable market conditions to return before bringing their sites forwards to market. This may impact planned delivery over the short to medium term, depending on length and nature of any CV19 and economic impacts.

Larger developers tend to be less effected by tighter lending restrictions than SME's, however in the last financial crisis they become much less risk adverse. They maintained a more limited core work programme, to maintain jobs and turn over, prioritising and progressing scheme which were lower risk. The responses suggested that this might be the case again if poor economic conditions persist. This may benefit some schemes in Melton, where viability is strong and risk perceived to be low (small to medium low density rural schemes), however history would suggest higher risk and more complex ventures would be at higher risk of not coming forwards until the economy is on a more stable footing and this could potentially include the Sustainable Neighbourhood developments to Melton Mowbray due to their more complex nature, infrastructure requirements and relatively modest viability. Developers wanted the Council to recognise the economic uncertainty and how this may impact the viability of their schemes and the potential need for flexibility in relation to developer contributions.

Other suggested ways the Council could help maintain development were to promote the area as a good place to live, ensure good digital connectivity throughout the Melton Borough (for homeworking) and help them to identify further potential sites for development, including those owned by the Council.