

**CABINET – 15 SEPTEMBER 2017****MELTON LOCAL PLAN – ADDENDUM OF FOCUSED CHANGES
CONSULTATION RESPONSE****REPORT OF THE CHIEF EXECUTIVE****PART A****Purpose of the Report**

1. The purpose of this report is to seek the Cabinet's approval for the County Council's response to the Addendum of focused changes to the pre-submission draft Melton Local Plan and the Community Infrastructure Levy (CIL) consultation prepared by Melton Borough Council (MBC).

Recommendations

2. It is recommended that;
 - a) The detailed comments on the Addendum of focused changes to the pre-submission draft Melton Local Plan and the CIL consultation as set out in the Appendix to this report, be submitted to Melton Borough Council as the views of the County Council;
 - b) The key comments set out in paragraphs 35 to 52 of the report be specifically drawn to the attention of Melton Borough Council.

Reasons for Recommendations

3. To ensure that the County Council provides appropriate input at this key stage in the Local Plan process, so that issues of importance for the County Council are clearly expressed and the authority influences the content of the Local Plan.

Timetable for Decisions (including Scrutiny)

4. The response to the Addendum of focused changes to the pre-submission draft Melton Local Plan and the CIL consultation needed to be submitted to MBC by the end of the consultation period on 23 August 2017. MBC was made aware that the comments were subject to confirmation by the Cabinet.
5. Consideration of the draft plan and representations by the Secretary of State through Examination is scheduled to take place from late 2017 for the Local Plan and February 2018 for the CIL Charging schedule. MBC anticipates that the Local Plan and the CIL Charging Schedule will be adopted in 2018.

6. The County Council will have a further opportunity to comment on MBC's CIL Charging Schedule before it is submitted to the Secretary of State for examination in January 2018.

Policy Framework and Previous Decisions

7. In formulating the County Council's response, particular consideration has been given to the Local Plan's:
 - Consistency with the provisions of the County's Waste Development Documents and Mineral Development Documents;
 - Consistency with the County Council's Strategic Plan 2014 to 2018 and Enabling Growth Plan (March 2015);
 - Consistency with the Leicester and Leicestershire's Enterprise Partnership's (LLEP) Strategic Economic Plan (2014);
 - Impact on the County Council's ability to implement any service or infrastructure it provides,
 - Impact on the County Council's interests as land and property owner; and,
 - Impact on the County Council's role as Lead Local Flood Authority (LLFA) for Leicestershire.
8. In making comments the County Council has had regard to the National Planning Policy Framework and National Planning Policy Guidance, the sub-regional economic priorities set out in the Strategic Economic Plan, and the work currently taking place with the City Council, district councils and the Leicester and Leicestershire Enterprise Partnership (LLEP) on the Strategic Growth Plan.
9. On 3 April 2012 the Cabinet agreed comments on the Melton Local Development Framework Consultation: Melton Core Strategy Submission version which included key comments on the Melton Sustainable Urban Extension (SUE) and broadband.
10. The Melton Core Strategy was withdrawn from Public Examination in April 2013 by MBC, which undertook to develop a new Local Plan swiftly.
11. A response to the Melton Local Plan Pre Submission Draft Consultation was considered by the Cabinet on 13 December 2016.

Resource Implications

12. There are no direct resource implications arising from this report but it is unclear whether the CIL will generate a sufficient contribution to deliver the infrastructure for which the County Council is responsible, nor is it clear how the County Council will ensure that CIL receipts are spent on infrastructure for which it is responsible.

Circulation under the Local Issues Alert Procedure

13. A copy of the report has been sent to County Councillors representing Electoral Divisions in Melton Borough:

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Mr. J. T. Orson CC
Mr. J. B. Rhodes CC
Mr. A. E. Pearson CC

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PART B

Background to the draft Melton Local Plan

National Context

14. The National Planning Policy Framework (NPPF), published in March 2012, sets out national objectives for the planning system and how it should operate. It is accompanied by National Planning Policy Guidance (NPPG) on a range of topics including the importance of local plans and guidance on Community Infrastructure Levy. Local Plans must be positively prepared, justified, effective and consistent with the NPPF and NPPG, and be prepared in the context of “the duty to do-operate” which applies to all local authorities and a number of other agencies. It provides a mechanism for addressing strategic issues that go beyond individual local authority boundaries.
15. The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Two key pieces of evidence are required to justify the CIL: evidence of an infrastructure funding gap and evidence that the proposed CIL rates will not affect the overall viability of development in the area in which they operate. Charging authorities must consult and should collaborate with County Councils in setting the levy, and should work closely with them in setting priorities for how the levy will be spent in 2-tier areas¹. The Government has been evaluating and reviewing the effectiveness of the operation of CIL since at least 2015 and are currently considering a review report published in February 2017.
16. Work is underway on the preparation of a Strategic Growth Plan to 2050 for Leicester and Leicestershire which will greatly assist joint working with the City Council, the Leicestershire districts and the Leicester and Leicestershire Enterprise Partnership (LEEP) on strategic planning matters. It is anticipated that consultation on the draft Strategic Growth Plan will take place in early 2018, prior to publication of the final Strategic Growth Plan later in 2018.
17. The local planning authorities and the County Council work closely with the LLEP to ensure planning policies and proposals are aligned with sub-regional economic priorities set out in the Strategic Economic Plan (SEP).

Melton Local Plan

18. In late 2016 MBC consulted on its Melton Local Plan Pre Submission Draft Consultation. Key comments from the County Council submitted in December 2016 included:

¹ NPPG Paragraph: 013 Reference ID: 25-013-20140612

- a. welcoming a defined housing growth strategy and the emerging transport strategy for the next 20 years, including the need for a Melton Mowbray Distributor Road (MMDR);
- b. the importance of sequencing growth, particularly from an educational perspective;
- c. the impact on secondary education provision in the Melton Mowbray urban area;
- d. welcoming the inclusion of a new primary school for each of the two Sustainable Neighbourhoods;
- e. the importance of aligning the Community Infrastructure Levy (CIL) with the Infrastructure Delivery Plan alongside the Local Plan;
- f. setting out more clearly the thoroughness of the work undertaken to inform the development strategy;
- g. the need for appropriate mitigation measures for land and development of, or contributions towards, new civic amenity site or waste transfer station;
- h. in the County Council's role as landowner, support for the distribution of housing with flexibility to ensure sustainable sites can be brought forward in lower tiers of the settlement hierarchy, and to note that the Melton Mowbray North Sustainable Neighbourhood which includes County Council owned land could deliver significantly higher than the 1700 dwellings proposed in the Plan period.

Pre- Submission Draft Melton Local Plan – Addendum of Focused Changes – July 2017

19. The Addendum of Focused Changes includes changes which are focused on 13 areas, to the pre-submission draft of the Melton Local Plan for the plan period 2011 to 2036 due to new, updated or revised technical studies and information received during or after the consultation of the pre-submission draft local plan. These focused changes, summarised in the subsequent sections, are considered necessary for soundness and/or legal compliance on the main issues that the local plan seeks to address but will not result in a change to the plan's strategy.

20. In summary the main changes are:

FC1 Spatial Strategy

21. Confirms the provision of 6,125 dwellings in the Plan based on the Housing and Economic Development Needs Assessment (HEDNA 2017) and the Melton TAHR (Towards A Housing Requirement) and the distribution of housing and employment as 65% growth to Melton Mowbray Main Urban Area (instead of Melton Mowbray) and 35% housing need on allocated sites within and adjoining the Service Centres and Rural Hubs with rural settlements accommodating a proportion of the Borough's housing needs through windfall and small unallocated sites. A simplified approach for assessing and redistributing residual housing requirements by level of settlement leading to additional capacity of 197 dwelling (new Table 4) by 12 Service Centres and 7 Rural Hubs, which gives a 12% buffer of capacity in the rural area and adds flexibility in reacting to unforeseen changes in circumstances.

FC2 Sustainable Neighbourhoods

22. North and South Sustainable Neighbourhoods in Melton Mowbray have reduced affordable housing requirements to 15% (from 37%) together with some changes to public transport references and enhanced environmental measures.

FC3 Long term Growth Strategy

23. Agreement to review the Plan if the Leicester and Leicestershire Strategic Growth Plan shows scale and spatial distribution significantly different to what is set in the Borough's local plan.

FC4 Housing Site Allocations

24. A number of preferred housing sites have been changed and amended - 11 site allocations and 3 reserve sites are deleted, 16 site allocation boundaries are amended, 22 site allocations and 1 reserve site capacities are changed, 8 allocated sites and 2 reserve sites are added, 2 allocated sites are extended, and 14 allocated sites and 2 reserve sites are re-numbered.

FC5 Housing Mix

25. Housing mix changed to support retirement, sheltered care homes and wheel chair accessibility.

FC6 Affordable Housing

26. Affordable housing requirement changed from 37% District wide to differential rates based on viability, ranging from 5% to 40% leading to about 475 less (26% less) affordable homes than originally planned.

FC7 – FC13

27. The remaining changes deal with minor policy wording relating to Gypsy and Traveller sites (FC7); an emphasis on proposed housing, employment and transport delivering increased labour supply (FC8); limitations on the use of schools as sources for indoor sports and redevelopment of King Edward VII Community Sports Centre to the 'Melton Indoor Sports Facilities' (FC9); updated Melton Local Plan Infrastructure Delivery Plan (2017) (FC10); strengthening the Melton Mowbray Distributor Road reasoned justification (FC11); inclusions of references to the relationship between CIL and s106 in the new policy (FC12); a new policies map showing Melton Mowbray South Sustainable Neighbourhood and the MMDR corridor of investigation/interest (FC13).

Melton Borough Council's Proposed Community Infrastructure Levy (CIL)

28. MBC, through work completed in aid of the emerging Melton Local Plan has concluded that there is a funding gap between the required infrastructure to

deliver the Melton Local Plan in full, and available likely funding sources. CIL is a mechanism that can be used to mitigate this funding gap and ensure infrastructure delivery matches the growth aspiration contained in the emerging Local Plan.

The CIL Proposals

29. MBC is the first Council in Leicestershire to propose a CIL. The evidence for the CIL is based on the Local Plan and in particular the MBC Infrastructure Delivery Plan and the Melton Local Plan and CIL Viability Report.
30. MBC sets out a number of key features that will benefit the implementation of infrastructure necessary to meet the needs of MBC's growing population over the planning period (2014-2026). In summary, it states that CIL will help fund the infrastructure needed to achieve the objectives of its Local Plan and is justified because most developments put an additional strain on the community infrastructure (e.g. roads, schools). It has to be affordable, simple and transparent; it gives MBC a degree of flexibility to set priorities for spending, is a reasonably predictable funding stream that allows forward planning on infrastructure delivery; and a significant proportion will also be passed directly to local parishes and neighbourhoods.
31. The CIL has to be set at a rate that does not put the overall development of the area at risk by making development unviable.
32. The CIL rate is expressed as a £ per m². Melton's proposed rates are set out in the table below. The zones referred to are identified on a map contained within the accompanying evidence that supports the Preliminary Draft Charging Schedule (PDCS).

PRELIMINARY DRAFT CHARGING SCHEDULE	
Residential – Schemes under 11	CIL rate £/m²
Rural Value Area 1 – Southern rural	235
Rural Value Area 2 – Vale of Belvoir	160
Rural Value Area 3 – North-western rural	100
Rural Value Area 4 – Eastern rural	45
Residential Schemes – 11+	
Rural Value Area 1 – Southern rural	85
Rural Value Area 2 – Vale of Belvoir	60
Rural Value Area 3 – North-western rural	25
Commercial	
Superstore	20

Convenience Store	80
Takeaways	640

33. MBC estimates that CIL revenue in the region of £14 million could be collected on the basis of the above schedule. Net CIL revenue will be less once the administrative charge of 5% has been deducted and the apportionment to the parishes (15% where there is no 'made' neighbourhood plan (with restrictions), 25% where there is) has been made. The Regulation 123 List below identifies six items of infrastructure which could receive funding from CIL revenue. It is reasonable to expect that CIL revenue will not be sufficient to provide the gap funding for all items.

REGULATION 123 LIST		
Item	Cost £million	Funding Gap
Melton Mowbray Eastern Distributor Road (MMEDR)	75.5	75.5
Cemetery Extension	2.5	2.5
Step free access Melton Mowbray Railway Station	2	2
Melton Sport & Leisure Village	8.3	8.3
Melton Mowbray Recycling & Household Waste Site/Waste Transfer Station	6	6
Melton Country park Sports pavilion	Currently unknown	Currently unknown

34. The timetable set out for the adoption of the CIL is aligned to that of the Local Plan timetable. A further consultation process to which the County Council will have an opportunity to respond before the CIL Charging Schedule is submitted to the Secretary of State for examination in January 2018 with an anticipated adoption in June 2018.

Key Comments

35. The comments include a consideration of the effects of the proposals on County Council landholdings and property assets in Melton Borough.
36. Key comments are summarised below, and detailed comments are included in the Appendix.

Education

37. It is noted that whilst the document provides updated information on the proposed pattern and rate of growth it is insufficiently detailed for school place

planning purposes. A housing trajectory for each of the locations would assist in the education planning process.

38. The sequence of housing growth is of particular importance in the Primary and Secondary Rural Centres where a number of individual housing proposals might contribute to the expansion of local primary schools. If such developments are not occurring simultaneously then planning for the provision of additional school places can create significant capital funding risks for the Local Authority (if commitment is given to a particular scheme) and may also lead to inefficient use of public resources.
39. The impact on Secondary provision in the Melton urban area given the lack of clarity around the sequence and size of developments to the north and south of the town and the rural locations that feed to the Melton town secondary schools. Further clarity in this regard will help the Local Authority determine the most appropriate solution for the provision of places.
40. There are two potential options for the provision of additional secondary places in Melton town; to share the additional secondary age pupils across the existing two Secondary Schools of John Ferneley and Long Field Colleges and expand both schools to accommodate the additional pupils, or to build a new 600-place secondary school in the town.
41. Development of the Primary and Secondary Rural Centres will require S106 contributions to meet the cost of expanding the existing schools within the villages named. It is noted that the allocations for certain villages, in particular Long Clawson, Harby, Frisby, and Waltham have increased. Expansion of schools in village locations is problematic and costly, as the schools in these locations occupy very constrained sites, with some located in conservation areas and/or having buildings of architectural value and have limited potential for expansion.

Transport

42. As there is no CIL rate set in the PDCS for the Melton Urban Area, it would be helpful if the relevant local plan policies and the CIL Schedule could be cross-referenced such that it is clearer to readers how and where developments within the Melton Urban Area will nonetheless be contributing to the Melton Mowbray Transport Strategy (including the MMDR).
43. The revised paragraph 4.5.4 states “the development will also provide a new link road connecting the Scalford Road with Nottingham Road and upgrades to Bartholomew’s Way and Welby Road linking to the A6006 Asfordby Road, as part of the wider Melton Mowbray Distributor Road.” However, as Bartholomew’s Way and Welby Road do not form part of the MMDR (as described elsewhere within the Local Plan) this is potentially misleading and it is suggested that the paragraph be rephrased to separate these out.
44. Policy SS5 now refers to the Melton (Country) Park Greenway as part of the Transport Infrastructure to be delivered through the site. In relation to this the County Council interprets that this has been included as a general community

need relating specifically to the site, identified through the Local Plan process. This does not currently form part of the Melton Mowbray Transport Strategy, given that this is still in development and therefore definitive measures for the transport strategy (other than the MMDR) have yet to be identified.

Strategic Assets

45. Whilst the Melton Mowbray North Sustainable Neighbourhood is strongly supported, attention is drawn to the ability of the overall allocation to deliver significantly higher numbers than the 1700 currently proposed.
46. It is essential to adopt a flexible approach to master planning of the Melton Mowbray Northern Sustainable Neighbourhood in order to expedite delivery.
47. Policy *t1A* should also be revised to include a commitment, in so far as it is practical, to align the route of the MMDR to maximise housing delivery from the site and protect the housing numbers that underpin the Local Plan.

Waste Management

48. There needs to be a clear and transparent mechanism whereby sufficient CIL levy funds collected by the Borough Council are re-distributed to the County Council for the delivery of the Household Waste and Recycling Centre (HWRC) (locally referred to as RHWS; recycling and household waste site) and transfer station. Additionally, to facilitate work planning and scheduling, the CIL funding should be provided in a timely manner and be proportionate to the project and properly audited.

Community Infrastructure Levy

49. Experience across the UK has cast some doubt as to whether the CIL regime as currently constituted and implemented is accomplishing what it was implemented to achieve. The power to introduce CIL has been in place since 2010 and there have been amendments to the regulations every year since. There are in the region of 130 local authorities nationally charging CIL with a further 88 working towards adopting a CIL. The County Council supports the principle of a CIL if it leads to a clear, consistent, fair and efficient system of ensuring necessary infrastructure is made available to help provide sustainable growth in the County.
50. The estimated Melton CIL revenue of £14m over the Local Plan period will clearly be insufficient to make a significant contribution towards required infrastructure so reliance will continue to be placed on other funding sources including s106 agreements.
51. It appears that residential CIL will only be generated in rural areas. It is not clear from the PDCS how CIL will be applied within the built up areas of Melton. If the CIL rate is to be £0p/m² for residential development within these areas then that should be made explicit.

52. Clarity is also required as to how development planned within rural areas will contribute to infrastructure requirements, and how this relates to the infrastructure on the Regulation 123 list. National planning guidance states that collaborative working between county councils and charging authorities is especially important in relation to the preparation or amendment of the regulation 123 infrastructure list, bearing in mind the potential impact on the use of (section 278) highway agreements. The County Council would wish to see a clear mechanism for spending CIL receipts on County Council infrastructure and a commitment to involve the County Council in any review of the Regulation 123 list.

Background Papers

National Planning Policy Framework (NPPF) – March 2012

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60777/2116950.pdf

Leicestershire County Council Strategic Plan 2014 – 2018

http://www.leics.gov.uk/leics_strategic_plan.pdf

Report to the Cabinet – 16 March 2015 - Enabling Growth Plan -

[http://politics.leics.gov.uk/Published/C00000135/M00004360/AI00043150/\\$6EnablingGrowthPlan.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000135/M00004360/AI00043150/$6EnablingGrowthPlan.docA.ps.pdf)

Report to the Cabinet – 13 December 2016 – Melton Local Plan – Pre Submission Draft Consultation Response

<http://politics.leics.gov.uk/documents/s125048/Melton%20Local%20Plan%20Pre%20Submission.pdf>

Appendix

Addendum of Focused Changes to Melton Local Plan Pre Submission Draft and comments on the Community Infrastructure Level Preliminary Draft Charging Schedule - Leicestershire County Council response

Equality and Human Rights Implications

53. Through their policies, Local Plans have significant implications for disadvantaged people living in Leicestershire. By seeking to ensure economic growth is secured and an appropriate provision of affordable homes is made, the County Council can, through its representations, contribute to the needs of disadvantaged groups.

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