

# Five-year housing land supply and housing trajectory report

May 2019



Melton  
Borough  
Council

# MBC five-year housing land supply and housing trajectory report

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## 1. Introduction

- 1.1. This document provides the latest five-year housing land supply (5YHLS) position and housing trajectory for Melton Borough Council. This paper considers that the recently 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 valid regarding the reasoning behind the calculations.
- 1.2. The adopted local plan stepped housing trajectory is a key element to understand the content in this paper. 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 20% buffer is applied to the requirement in order to mitigate the historic undersupply in the Borough and as a consequence of the Housing Delivery Test results. Finally, a 7.2% lapse rate on sites with planning permission is applied (please see paragraph 2.5).

*By taking into account all these elements, Melton Borough Council has identified 7.7 years of housing supply.*

- 1.3. The elements described above are explored in further detail in this paper.

## 2. The five-year housing land supply

### 2.1. Basic requirement

- 2.1.1. The housing requirement is illustrated in Figure 1 below and as explained in the introduction above, is a stepped requirement.

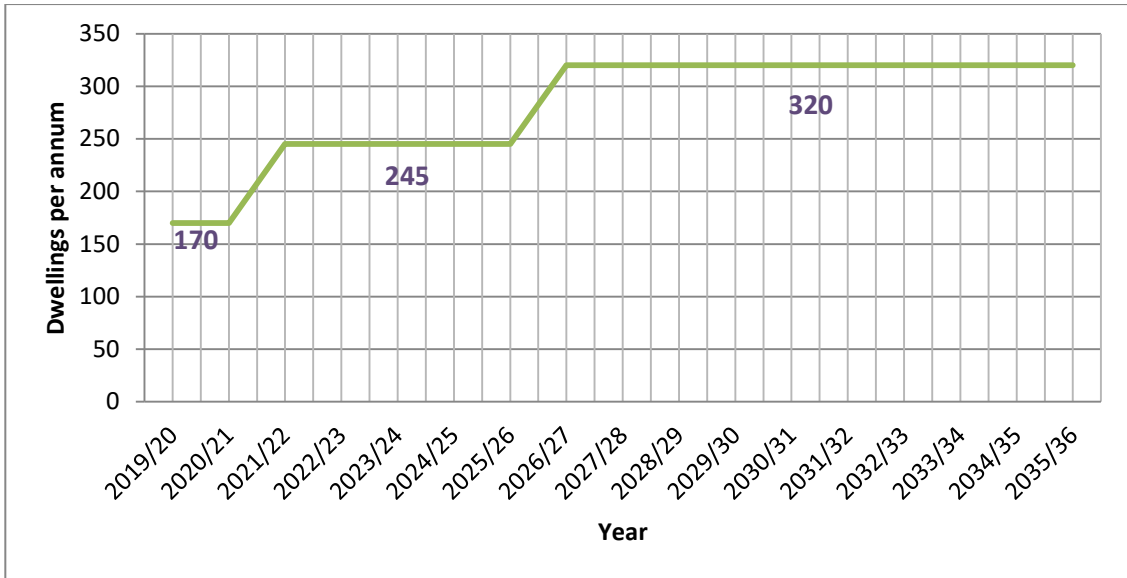


Figure 1. Housing requirement for Melton Borough

2.1.2. This approach allows 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 period 2019-21 and 245 dpa for the period 2021-24, a total of 1,075 dwellings.

## 2.2. Completions & shortfall

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

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

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

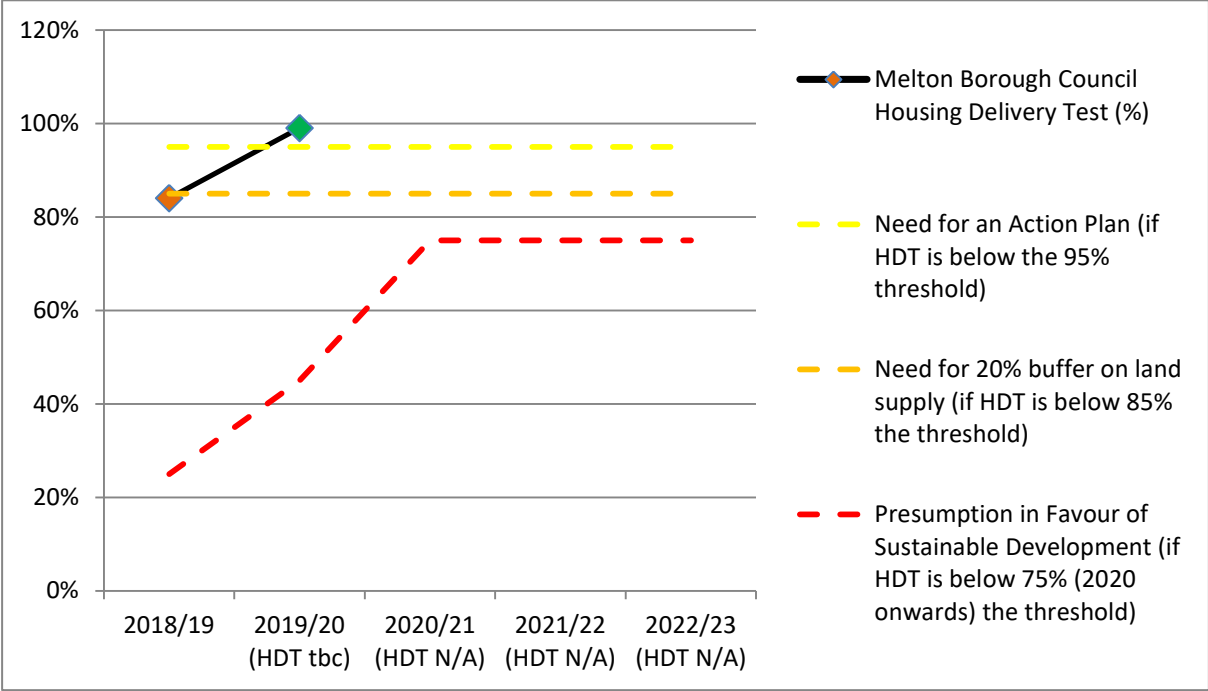
2.2.2. With 222 completions, 2018/19 is the first year since 2011 with a number of completions exceeding the requirement. This reduces the shortfall to 361 dwellings in numbers, similar to those identified in 2015/16 and brings some optimism in terms of completions in the next five years.

**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 17 years to 2036. This means that 21 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 the next 5 years, including their proportion of shortfall is 1,181 dwellings.

**2.4. 20% Buffer**

2.4.1. The historic under-delivery of dwellings in the Borough implies the use of a 20% buffer to be added to the requirement in order to identify enough supply to accommodate the proposed level of growth. The publication of the first Housing Delivery Test (HDT) figures in 2018 reinforces the prerequisite of the 20% buffer due to the 84% HDT identified for the Borough, which is below the 85% HDT that triggers the use of the 20% buffer. However, it is expected that the number of completions for 2018/19 will push the HDT percentage up to 99% and no buffer will need to be applied after November 2019 when the new HDT percentage is expected to be published<sup>1</sup>.



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

<sup>1</sup> The Housing Delivery Action Plan (HDAP) for 2018/19 is expected to be published in August 2019

## 2.5. Lapse rate

2.5.1. The lapse rate calculation is updated in this paper. Previously, a 9% rate was applied. Information from the past two years has been added. The updated figures can be seen in the table below:

Monitoring Period	Number of applications approved for dwellings	Number of dwellings approved	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%
				Average	7.17%

**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. 2015/16 permissions that have expired in 2018/19). The new average is 7.17% which is applied to the 5YHLS calculation.

2.5.3. 2,411 dwellings associated with sites with planning permission have been identified. The lapse rate is applied to this figure, meaning that 217 dwellings need to be discounted from the total supply.

## 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 2,352 dwellings that are expected to be delivered in the next five years. Further information about the trajectory can be found on item 3 below.

## 2.7. Windfall allowance

2.7.1. During this year, sites with planning permission prior the adoption of the Local Plan are still delivering. This is addressed in the 2018 trajectory by leaving a gap of three years since the adoption of the Local Plan with no windfall allowance identified for these years. 2018/19 is the first year of the three years gap. However, this does not stop windfalls being delivered and 108 dwellings associated to 58 new planning permissions have been identified as likely to deliver.

2.7.2. Trajectory for windfall sites:

	2019/20	2020/21	2021/22	2022/23	2023/24
Expected number of dwellings to be delivered as windfall	0	0	88	10	10
Gap between expected delivery and windfall allowance (27dpa)	No allowance identified	No allowance identified	-61 (there is no gap)	+17	+17

**Table 3. Trajectory for windfall sites**

2.7.3. As identified in the table above, most of the 108 dwellings associated to windfalls are expected to be delivered in three years, with only 20 to be equally delivered in years 4 and 5. This means that 61 additional dwellings are now part of the refreshed trajectory in year 3, whilst the previous version of the trajectory (2018) only took into consideration the windfall allowance (27

dwelling). As years 4 and 5 do not meet the 27 threshold yet, the windfall allowance for these two years has been adjusted to reach this number. Therefore, the windfall allowance, for 2022/23 and 2023/24, has been amended from 27 dwellings each year to 17.

### 3. Five year housing land supply calculation

Reference		June 2018	May 2019	Comments
<b>REQUIREMENT</b>				
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	
$B = (A1*3) + (A2*2)$	Basic Five Year Requirement	1000	1075	$(170*3) + (245*2)$
C	Completions (1st April 2011 to 31st March 2019)	777	999	777+222
D	Number of years (so far)	7	8	(current year - 2011)
$E = A1*D$	Target delivery (8 year period)	1190	1360	$(170*8)$
$F = E - C$	Shortfall (8 year period)	413	361	$(170*8) -$ completions
$G = B + (F/17*5)$	Five year requirement including proportion of shortfall	1115	1181	17 years to 2036
$H = G/5$	Annual requirement for first five years inc shortfall	223	236	
$I = G*0.2$	20% buffer	223	236	
$J = G + I$	Five year requirement inc shortfall and buffer	1338	1417	
$K = J/5$	Annual requirement inc shortfall and buffer	268	283	
<b>SUPPLY</b>				
L	Identified supply in next five years (2019/20-2024/25)	2779	2351	
M	Dwellings permitted on sites with planning permission	2622	2411	
N	Lapse rate	9.0%	7.2%	See section 2.5
$O = N*M$	Lapse rate applied to sites with planning permission	236	174	
$P = L - O$	Supply identified taking into account lapse rate	2543	2177	
<b>FIVE YEAR SUPPLY CALCULATION</b>				
$Q = P - J$	Five year supply compared with requirement	+1205	+760	
$R = P/K$	Number of years of supply	+9.5	<b>+7.7</b>	

Table 4. Five year housing land supply calculation

### 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. Land promoters, housebuilders and agents were contacted in April/May. Information provided by them has been taken into consideration when producing the trajectory.

However this information has been analysed and moderated for the purposes of this paper by the Council when it has been considered necessary (please see paragraph 4.5. below).

- 4.2. In order to produce the trajectory the following considerations have been taken into account:
- 4.3. A site will (usually) be within the first five years if:
  - a) The site is under construction, or
  - b) it has Reserve Matters permission, or
  - c) it has Full permission, or
  - d) the application is for less than 10 units.
- 4.4. A site (or part of it) is likely to be within the first five years if:
  - a) A Reserve Matters application is submitted, or
  - b) there is evidence suggesting that the Reserve Matters application will be submitted soon, or
  - c) it is an Outline permission with clear evidence to start delivering in the first five years, or
  - d) it is an Outline application with strong clear evidence to start delivering in the first five years, or
  - e) it is an allocation with strong clear evidence to start delivering in the first five years, or
  - f) it is a [brownfield register](#) site with strong clear evidence to start delivering in the first five years, or
  - g) it has a grant for permission in principle with strong clear evidence to start delivering in the first five years, or
  - h) it is a phased development or controlled by the same developers as an adjacent site that will start delivering in the first five years.
- 4.5. Sites with a lack of evidence to support promoter's suggested trajectory, without active engagement by land promoters or in an early stage of the process are, usually, considered developable in a medium-long term (beyond the first five years). A site by site assessment for large sites and allocations has been undertaken in order to improve the accuracy of this exercise.

## 5. Additional information

### 5.1. Additional supply

- 5.1.1. A capacity estimate was given to site allocations when the Local Plan was produced. Now, there is further information about the *final* capacity for those sites with Reserve Matters or Full permissions and the *potential* capacity for those sites with Outline permission, planning application still to be determined or an application expected to be submitted soon.
- 5.1.2. At the present time, 18 additional dwellings have been confirmed through Reserve Matters or Full applications (*final capacity*) related to housing

allocations and 1,310 more have been identified as potential additional dwellings (*potential capacity*). 1,165 out of these 1,310 dwellings relate to the developer's expectations to deliver the South Sustainable Neighbourhood.

5.1.3. It is too early in the Local Plan process to give conclusions about this information, however, if this trend continues or the potential capacity is confirmed, this evidence will need to be taken into consideration when reviewing the long term trajectory, as the *potential capacity* has not been taken into account when producing the trajectory unless strong clear evidence has been provided.

## 5.2. New dwellings distribution

5.2.1. [Appendix 3](#) contains detailed information about specific settlements and the number of completions associated to these settlements. According to the settlement hierarchy, the distribution of net completions in 2019 and during the 2011-19 period are as follows:

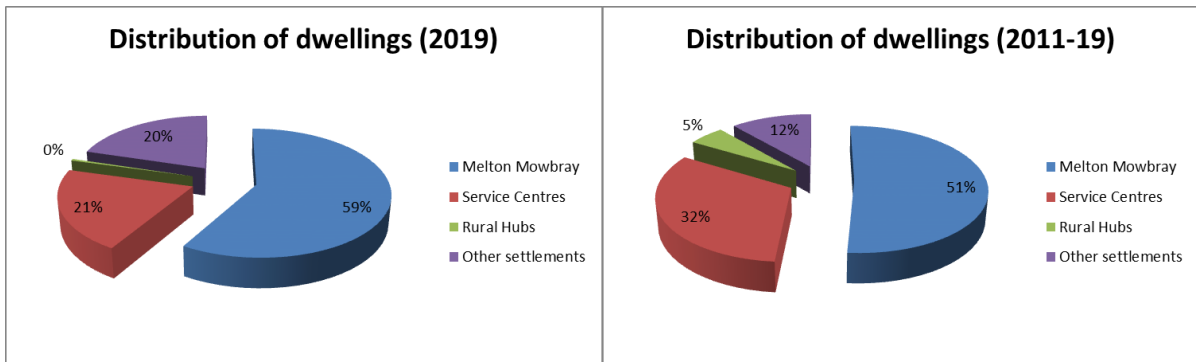


Figure 3. Distribution of dwellings in 2019 and for the period 2011-19

## 5.3. Further information

5.3.1. For related information, please visit our website at [www.meltonplan.co.uk](http://www.meltonplan.co.uk).



## **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 21<sup>st</sup> 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 15<sup>th</sup> June 2018.

It uses housing supply information that is up to date to 31<sup>st</sup> 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 19<sup>th</sup> 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 19<sup>th</sup> February 2018, which can be found on the following link:
  2. <https://www.meltonplan.co.uk/examination> .

**Table 1: Five Year Supply Calculation Methodology**

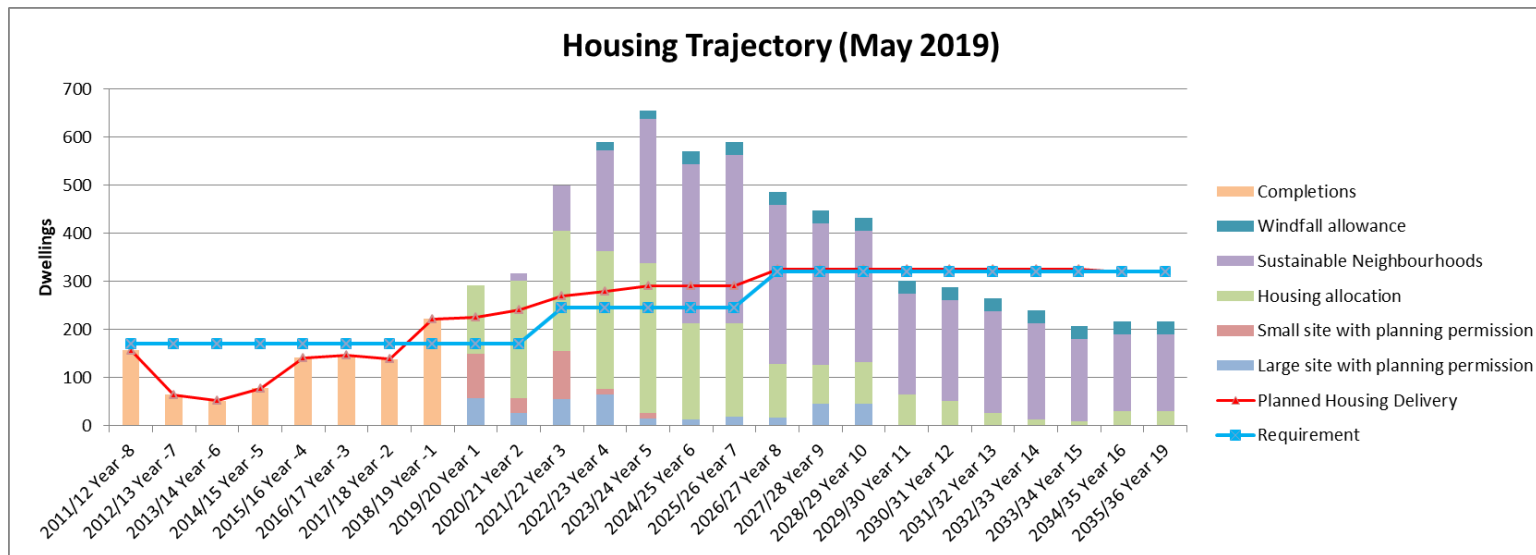
	<b>Methodology 7 - original</b>	<b>Methodology 7 - updated</b>	<b>Comments where changes made</b>
<b>Requirement</b>			
Housing Requirement over plan period to March 2036	6125 (Three phases 1700, 1225 and 3200)	6125 (Three phases 1700, 1225 and 3200)	
Average per annum	Step 1: 170 for initial 10 years 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	<b>1.</b> Original estimate for 2017/18 updated with actuals.
Target Delivery for period 1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2018 (7 year period)	1190	1190	
Shortfall from 1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2018	422	413	<b>2.</b> 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	<b>3.</b> 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	
<b>Supply</b>			
Identified Supply in first five years	2563	2779	<b>4.</b> Updated in March 2018 for planning appeals
Lapse rate (9%) applied to planning permissions including those on allocated sites = 2622 dwellings	201	236	<b>5.</b> 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	<b>6.</b> Total supply on allocated and unallocated sites updated in March 2018 for planning appeals.
<b>Five Year Supply calculation</b>			
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

Type	2011/12 Year -8	2012/13 Year -7	2013/14 Year -6	2014/15 Year -5	2015/16 Year -4	2016/17 Year -3	2017/18 Year -2	2018/19 Year -1	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	2022/23 Year 4	2023/24 Year 5	2024/25 Year 6	2025/26 Year 7	2026/27 Year 8	2027/28 Year 9	2028/29 Year 10	2029/30 Year 11	2030/31 Year 12	2031/32 Year 13	2032/33 Year 14	2033/34 Year 15	2034/35 Year 16	2035/36 Year 19	Total
Large site with planning permission									57	26	55	64	14	12	19	16	46	46	0	0	0	0	0	0	0	355
Small site with planning permission									92	32	100	13	13	0	0	0	0	0	0	0	0	0	0	0	0	250
Housing allocation									143	244	250	286	311	201	194	113	80	87	65	51	27	12	10	30	30	2134
Sustainable Neighbourhoods									0	14	94	210	300	330	350	330	295	272	210	210	210	200	170	160	160	3515
Windfall allowance												17	17	27	27	27	27	27	27	27	27	27	27	27	27	358
Completions	157	64	52	78	141	147	138	222																		999
<b>Total supply</b>	<b>157</b>	<b>64</b>	<b>52</b>	<b>78</b>	<b>141</b>	<b>147</b>	<b>138</b>	<b>222</b>	<b>292</b>	<b>316</b>	<b>499</b>	<b>590</b>	<b>655</b>	<b>570</b>	<b>590</b>	<b>486</b>	<b>448</b>	<b>432</b>	<b>302</b>	<b>288</b>	<b>264</b>	<b>239</b>	<b>207</b>	<b>217</b>	<b>217</b>	<b>7611</b>
<b>Requirement</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>320</b>	<b>320</b>	<b>320</b>	<b>320</b>	<b>320</b>	<b>320</b>	<b>320</b>	<b>320</b>	<b>320</b>	<b>320</b>	<b>6125</b>
<b>Planned Housing Delivery</b>	<b>157</b>	<b>64</b>	<b>52</b>	<b>78</b>	<b>141</b>	<b>147</b>	<b>138</b>	<b>222</b>	<b>225</b>	<b>240</b>	<b>270</b>	<b>280</b>	<b>290</b>	<b>290</b>	<b>290</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>320</b>	<b>320</b>	<b>6124</b>



### Appendix 3. New dwellings distribution

Settlement	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total (2011-17)	2018-2019	Total (2011-18)
Ab Kettleby	4	4	2	0	2	0	3	15	0	15
Asfordby	56	15	0	0	4	1	0	76	7	83
Asfordby Hill	0	0	5	4	0	11	4	24	0	24
Ashby Folville	0	0	0	0	0	0	0	0	1	1
Barkestone le Vale	1	1	0	-1	0	0	0	1	0	1
Barsby	0	0	0	0	0	0	0	0	2	2
Belvoir	0	0	0	0	1	0	0	1	0	1
Bescaby	0	0	1	0	0	0	0	1	0	1
Bottesford	3	1	7	1	5	55	0	72	6	78
Branston	0	0	0	0	0	1	0	1	0	1
Burrough on the Hill	0	0	0	0	0	0	1	1	0	1
Burton Lazars	0	0	0	0	0	0	0	0	1	1
Cold Overton	0	0	0	1	1	0	0	2	0	2
Croxton Kerrial	1	0	0	1	1	0	0	3	0	3
Easthorpe	0	0	0	0	2	-1	0	1	1	2
Eastwell	1	0	0	0	0	0	0	1	0	1
Eaton	0	1	0	0	2	2	1	6	1	7
Edmondthorpe	0	0	0	0	0	0	0	0	1	1
Eye Kettleby	0	0	0	0	0	0	0	0	6	6
Frisby on the Wreake	1	1	0	0	0	0	0	2	0	2
Gaddesby	0	0	0	0	1	0	0	1	0	1
Goadby Marwood	1	0	1	2	0	0	0	4	3	7
Great Dalby	0	0	4	0	2	0	1	7	0	7
Grimston	0	0	0	0	0	4	2	6	0	6
Harby	2	0	2	5	2	4	9	24	7	31
Hoby	0	0	0	1	0	0	1	2	0	2
Holwell	0	0	0	0	0	0	0	0	2	2
Hose	1	2	0	0	3	0	0	6	0	6
Kirby Bellars	0	0	1	0	0	1	2	4	0	4
Knipton	0	0	0	-1	0	0	0	-1	0	-1
Knossington	0	0	0	1	0	0	0	1	0	1
Little Dalby	0	0	0	1	0	0	0	1	1	2
Long Clawson	2	2	3	3	1	0	1	12	1	13
Melton Mowbray	59	20	10	39	98	61	95	382	130	512

Settlement	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total (2011-17)	2018-2019	Total (2011-18)
Muston	0	0	0	0	0	0	0	0	2	2
Nether Broughton	4	1	4	2	4	0	1	16	1	17
Normanton	1	2	0	0	0	0	0	3	0	3
Old Dalby	2	1	2	0	0	0	0	5	0	5
Pickwell	0	0	0	0	0	0	0	0	8	8
Redmile	0	1	1	1	0	1	0	4	8	12
Saltby	0	1	0	0	0	0	1	2	0	2
Scalford	4	0	0	1	1	2	1	9	2	11
Sewstern	0	0	0	1	1	0	1	3	1	4
Shoby	0	0	1	0	0	0	0	1	0	1
Somerby	2	7	2	2	1	0	1	15	1	16
Sproxtun	0	0	0	1	0	0	0	1	0	1
Stathern	3	0	1	0	3	3	2	12	7	19
Thorpe Satchville	2	0	0	0	0	0	0	2	0	2
Twyford	2	0	0	2	1	0	0	5	7	12
Waltham	3	3	0	9	4	0	8	27	10	37
Welby	1	0	0	0	0	0	0	1	0	1
Wymondham	1	1	5	2	1	2	3	15	5	20
<b>Total</b>	<b>157</b>	<b>64</b>	<b>52</b>	<b>78</b>	<b>141</b>	<b>147</b>	<b>138</b>	<b>777</b>	<b>222</b>	<b>999</b>