



CABINET – 20 NOVEMBER 2020

**MELTON NORTH SUSTAINABLE NEIGHBOURHOOD DRAFT
MASTERPLAN**

**REPORT OF THE CHIEF EXECUTIVE, DIRECTOR OF CORPORATE
RESOURCES AND DIRECTOR OF LAW AND GOVERNANCE**

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of a response that was submitted by the Chief Executive to Melton Borough Council (Melton BC) on 27 October 2020 in response to its consultation on the Melton North Sustainable Neighbourhood (Melton North SN) Draft Masterplan.
2. The response was prepared under delegated powers following consultation with the Leader and the relevant Cabinet Lead Members and a copy, which raises objections to the draft masterplan in its current form, is appended to this report.
3. A response was received from Melton BC on 10 November regarding the County Council's consultation feedback. This will be considered by officers and the Cabinet advised accordingly, by means of a supplementary report if necessary.

Recommendation

4. It is recommended that the response to the Melton North Sustainable Neighbourhood Draft Masterplan, which was submitted by the County Council to Melton Borough Council on 27 October 2020, be noted.

Reason for Recommendations

5. To advise the Cabinet of the response to the Melton North SN Draft Masterplan, notably concerns about its viability and deliverability.

Timetable for Decisions (including Scrutiny)

6. In line with the Melton BC Local Plan (policy SS5), the masterplan for the Melton North SN, including a phasing and delivery plan, should have been prepared and agreed in advance of or as part of submission of a planning

application. The first planning application was submitted on part of the Melton North SN in June 2018.

7. The consultation was issued by Melton BC on 1 October 2020 and a response to the consultation needed to be provided by 29 October to meet Melton BC's 4-week deadline.

Policy Framework and Previous Decisions

8. In November 2018, the Cabinet approved the Strategic Growth Plan (SGP) "Leicester and Leicestershire 2050: Our Vision for Growth". Each of the nine other partners approved the SGP through their respective governance processes between October to December 2018, including Melton BC.
9. In June 2020 the Cabinet considered a report regarding the decision by Melton BC to approve a masterplan for the Melton South SN and resolved, inter alia, that the County Council's position on the matter be reaffirmed; in summary, that it was of the view that Melton BC had failed to demonstrate the financial viability of the Melton South SN and therefore the County Council was not in a position to accept a grant from the Housing Infrastructure Fund (HIF) towards the cost of the southern part of the Melton Mowbray Distributor Road (MMDR).

Resource Implications

10. There are no resources implications arising from the recommendation in this report. The level of County Council investment to support growth across Melton is substantial. The estimated infrastructure costs to build the whole of the MMDR (north, east and south) are currently estimated at £160m in total, with an expectation that they will rise. Even taking into account the Government grant already awarded (subject to business case) of £49m to support the Northern/Eastern leg and the potential of £15m HIF grant for the Southern leg, the Council's exposure is still of the order £100m.
11. These costs would need to be funded up front by the County Council at risk. Whilst Melton BC has agreed to prioritise County Council infrastructure, the extent to which the County Council is able to recoup its investment is highly dependent on having an effective Masterplan in place that secures developer contributions to help pay for infrastructure.
12. Further comment on financial aspects is given in Part B of this report.

Legal Implications

13. The Director of Law and Governance has been consulted on the content of this report and comments are set out in Part B below.

Circulation under Local Issues Alert Procedures

14. This report has been circulated to members representing Melton electoral divisions: Mr J T Orson CC, Mr A Pearson CC, Mrs P Posnett MBE CC and Mr J B Rhodes CC.

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PART B

Background

15. Melton Mowbray is identified as a 'Key Centre for Regeneration and Growth' in the Leicester and Leicestershire Strategic Growth Plan. The Melton Local Plan (formally adopted in October 2018) sets out that the required development for Melton will be delivered within two new large-scale sustainable neighbourhoods, described as the Melton South Sustainable Neighbourhood and the Melton North Sustainable Neighbourhood.
16. A key component of the growth strategy in the Melton Local Plan is the delivery of the MMDR, which would facilitate the development of both sustainable neighbourhoods. The Melton South SN is expected to deliver a minimum of 2,000 homes in addition to 20 hectares of employment and associated services. The Melton North SN is expected to deliver a minimum of 1,700 homes and small-scale employment and community facilities.

Masterplans for the Sustainable Neighbourhoods

17. The requirement for a masterplan, including a phasing and delivery strategy, is set out in the Melton Local Plan (Policy SS4 for the Melton South SN; and Policy SS5 for the Melton North SN). The masterplanning and delivery components of each policy are identical and require masterplans to be prepared and agreed in advance of, or as part of, submission of a planning application. The policies strive for a comprehensive approach, referring to the need to prepare masterplans for the whole of each sustainable neighbourhood, with each masterplan to set out in detail the structure and development concepts of each Sustainable Neighbourhood, to include, amongst other things:
 - M1 – the amount, distribution and location of proposed land uses alongside a timetable for their delivery;
 - M2 – Important environmental features, including high-grade agricultural land and biodiversity sites and heritage assets that are to be protected;
 - M3 – Areas of green infrastructure and green space (including important strategic green gaps to be protected); and
 - M4 – Areas of new landscaping;
 - M5 – Design which performs well against Building for Life 12 and seeks to develop the principles of 'Active Design'.
18. Policies SS4 and SS5 require each masterplan to be prepared in consultation with key stakeholders and state that planning permission will not normally be granted until a comprehensive masterplan has been completed.

Melton South Sustainable Neighbourhood

19. On 20 May 2020, a draft masterplan for the South Sustainable Neighbourhood was forwarded to the County Council by Melton BC. A high-level response was provided to meet the Borough Council's short timescale. Within this, concerns were raised relating to the lack of confidence provided about the viability of the proposals for the Melton South SN.
20. A further updated version of the Melton South SN masterplan was forwarded to the County Council on 5 June this year and on 23 June a joint report from the Chief Executive, Director of Corporate Resources and Director of Law and Governance was taken to the Cabinet regarding concerns about the document in relation to its financial viability and the implications of this for funding of the southern leg of the MMDR.
21. Melton BC approved the Melton South SN masterplan at its Cabinet meeting on 27 June 2020. No reference was made at that meeting to the concerns of the County Council which had been forwarded to Melton BC.

Melton North Sustainable Neighbourhood

22. On 1 October 2020, Melton BC wrote to the County Council to advise that a masterplan had been prepared for the Melton North SN and asked for comments by 29 October. The document, prepared by a consortium of three developers, in fact covers only part of the Melton North SN area.
23. The response that was provided by the Chief Executive, following consultation with the Leader and Lead Members, was submitted to Melton BC on 27 October 2020. Key points raised within the response are set out below:
 - The document has been prepared without engagement with the County Council.
 - Insufficient time was allowed to enable all County Council services to comment.
 - The masterplan only covers part of the area within the Melton North SN boundary, so is not 'comprehensive' as is required by the Melton Local Plan.
 - The masterplan should have been prepared and agreed before or as part of the first planning application (summer 2018).
 - The timing of the masterplan contradicts what was said to the Inspector by the Borough Council at the Melton Local Plan examination in 2018 with regard to the timing of its production, commitment to engaging with stakeholders and how it would be 'comprehensive'.
 - The form and style is inconsistent with the Melton South SN masterplan and no options about its form, layout and content have been presented.
 - The masterplan gives little assurance that the development would be viable.
 - The document is written by developers rather than the Borough Council, and therefore favours the commercial interests of those who have written it.

- The requirement for a new primary school is not phrased strongly enough.
- The document does not reflect how the delivery for a secondary school in the south is linked to development in the north.
- As only part of the site is included, it creates inconsistencies in terms of the basis upon which to assess future planning applications.
- The Borough Council does not intend to adopt the masterplan as a Supplementary Planning Document, which means that its weight in determining planning applications will be limited.
- There are a number of technical concerns in relation to highway and transportation matters.

Comments of the Director of Law and Governance

24. The County Council has an interest in the masterplan approval process and therefore is a relevant consultee with a legitimate expectation that the consultation undertaken will be adequate and fair. The applicable legal principles Melton BC's consultation process on this masterplan need to comply with are that:
- a. Consultation must be made at a time when proposals are at a formative stage.
 - b. Sufficient reasons for the proposal must be given to allow intelligent consideration and response.
 - c. Adequate time must be given for a response.
 - d. The product of the consultation must be conscientiously taken into account in finalising proposals.
25. It is clearly arguable from the analysis of the masterplan that informed the content of the Chief Executive's response that thus far Melton BC is in breach of the consultation principles - particularly regarding the time period, the County Council was given to respond. Melton BC now has a final opportunity to engage properly with the County Council as the Chief Executive's response indicates in its concluding paragraph.
26. The concern for the County Council about the potentially significant impact on its finances in order to support development in Melton, remains.

Comments of the Director of Corporate Resources

27. The County Council already faced a significant financial challenge in order to balance the financial position in light of projected growth in demand for services outstripping expected increases in income. The COVID-19 pandemic has made the position much more acute and amongst other measures, the Cabinet in September approved a reduced capital programme, pared back by £115m including £82m of discretionary funding, to support the future financial position.
28. As such the County Council is even more exposed to the risks brought about by the rate and scale of proposed new development across the County,

estimated to be over £600m over the next 15 years. This is due to the highways and education infrastructure required to support the development which will in large parts need to be funded in advance of developer funding.

29. It is therefore essential that before entering into any commitment to support local development, the County Council is satisfied that the level of risk to which it is exposing itself is minimised. Sound master planning is essential to this process.

Conclusion

30. The draft masterplan for the North SN has been produced more than two years later than was required by the Melton Local Plan. It has been produced without engagement with the County Council or other stakeholders and only covers part of the site allocation. In view of the concerns, a response has been provided to Melton Borough Council on 27 October 2020 that sets out the County Council's objections in full. The Borough Council has been encouraged to provide an updated version of the masterplan and for a more meaningful consultation exercise to take place.

Equalities and Human Rights Implications

31. There are no equalities or human rights implications arising from this report. The requirement to comply with equality and human rights legislation in exercising its planning responsibilities is a matter for Melton Borough Council.

Appendix

Response to Melton North Sustainable Neighbourhood Masterplan (27 October 2020)

Background Papers

Report to the Cabinet on 23 June 2020: Melton Mowbray Distributor Road
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5996>

Report to the Cabinet on 24 May 2019: Supporting Growth in Leicestershire
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5603&Ver=4>

Report to the Cabinet on 2 November 2018: Leicester and Leicestershire Strategic Growth Plan 2018-2050
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5185&Ver=4>

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