



Melton  
Borough  
Council



# Housing Strategy 2021-2025

Consultation Draft

July 2021

# Foreword

A safe and settled home is the cornerstone on which individuals and families can build a better quality of life. Good quality housing is not only essential to health and wellbeing, but it can also enhance the lives of adults and the life-chances of children. It can enable people to access the services they need and allows them to maintain independence, provide stability and help to create thriving and sustainable communities.

Housing has economic and environmental impacts and is a key part of our local economy and delivering sustainable and inclusive housing growth is a key priority for this Council. It creates jobs, contributes to the spend in our economy, and helps to retain skills and jobs in our area. Investment in housing will continue to be a driver for local economic growth.

The Council has declared a climate emergency and sustainable housing can be a significant contributor to reducing local carbon emissions. Meeting the nation's 2050 net zero emissions target will require a dramatic change in how we build, insulate and heat our homes. This will be a significant long term challenge, which we need to start to prepare for now.

Strategic planning for the continued and effective provision of housing and housing related services in the Melton Borough as identified in this strategy will influence the Council's role as a planning authority as well as its role as a landlord. This draft housing strategy sets out our ambitions to deliver homes for our changing population needs, helping to ensure there is sufficient good quality housing across all types and tenures, whilst recognising how housing can help to support our broader goals around health and wellbeing, economic growth and prosperity.

This draft housing strategy aims to be concise and accessible to a wide audience, it has been produced for consultation purposes and it is intended to stimulate discussions with stakeholders and the local community, and we welcome your views on it.

Thank you,

**Councillor Leigh Higgins**

Deputy Leader Melton Borough Council and  
Portfolio holder for Growth and Prosperity



# Strategic Context

## National Context

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This Housing Strategy has been developed having regard to national housing and planning policy, guidance and legislation, the key themes of which are summarised below:

- Strong emphasis on building more new homes across the country, including affordable housing, particularly for low cost home ownership
- New and emerging policies focused on improving housing design and quality, accessibility, environmental performance and health
- Commitment to grant funding for affordable housing and the introduction of greater flexibilities for local authorities to build new council homes
- Strong emphasis on homeownership and a number of initiatives to widen access, including a new national shared ownership model, the First Homes scheme, the introduction of a Right to Shared Ownership (for new grant funded affordable rented homes) and a new Government backed 5% mortgage scheme
- Extension to local authority homelessness responsibilities, with a strong emphasis on prevention
- Ongoing transformation and integration of health, social care and other public sector services and the implementation of welfare reform
- Regulation and funding to improve the energy efficiency of existing homes and a move towards renewable heating systems with a target to install 600,000 heat pumps every year by 2028
- Introduction of measures to help protect consumer rights and improve safety and standards across all tenures
- Plans to significantly reform the planning system and how local authorities fulfil their planning responsibilities and functions
- National emergency response and introduction of new powers to help households and developers during the Coronavirus pandemic

## Local Context

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Melton Borough Council has a vital role in delivering local and national housing priorities, by building an evidence base of local housing needs, using our housing and planning powers to ensure existing homes are fit for purpose and new housing development is sustainable and meets local needs, both now and in the future.

Our Corporate Strategy sets out our overall ambitions and priorities to 2024 and this Housing Strategy will play a key role in helping deliver the Corporate Strategy's vision to be a great council, helping people and shaping places.

# Coronavirus Recovery, Brexit and Uncertainty

This housing strategy is being prepared during the Coronavirus pandemic. Coronavirus has impacted all of our lives, it is an on-going challenge and although there is hope on the horizon, there is still uncertainty ahead. Much will depend how much the pandemic has had a lasting impact on society and the local economy. We have also only recently left the EU and we are still in a transition period; this also creates short term economic uncertainty and there are potential wider long term economic impacts, particularly on parts of the housing sector that have relied on EU workers. This strategy has been developed to ensure that it is well placed to address the challenges of Coronavirus recovery and Brexit. These challenges include;

- Ongoing economic uncertainty and its impacts on the economy and financial lending, including for mortgages and lending to developers, particularly SME's
- Impact on local peoples jobs and incomes and their ability to afford suitable housing
- Cost and availability of construction materials and skilled construction workers
- Health and social care sector worker recruitment to support people to live independently in their own homes or within supported housing schemes
- Resumption of evictions for tenants and wider impacts on homelessness and demand for housing advice and assistance services
- Impacts of coronavirus on health and wellbeing, including a rise in domestic abuse during lockdown
- An increased demand for well-designed homes with sufficient space, including room to work from home
- An increased demand for well-designed public open spaces around our homes, for recreation as well as connecting to nature with well-connected good quality cycle and walking routes

Currently, house builders and estate agents remain relatively confident due to the Melton Borough's attractive rural nature, they are reporting a buoyant housing market and house prices have continued to rise during the pandemic; however there is a widespread expectation of a slowdown in housing demand as the stamp duty holiday is phased out.

Key to long term recovery will be building back better and supporting inclusive economic growth. To do this we will need to support local people, their businesses, jobs and incomes as well as their health and wellbeing, so as many people as possible are well placed to meet their own housing needs.

# Housing in the Melton Borough

## Profile of the existing housing stock

- There are 23,519 dwellings, including 1,333 homes built since 2011
- There are higher than average levels of home ownership (73%) and a below average proportion of social housing to rent (11% below the 16% national average). There is a shortfall of social housing to rent with almost 600 households currently on the Council's housing register.
- There are lower than average proportion of smaller house types such as flats and terraced houses with a high proportion of larger and detached homes and a corresponding high level of under occupation. These larger and detached homes make up around half of house sales but are not affordable for many local people.
- There are few empty homes, with most homes only empty for a short time and for valid reasons such as renovation or probate.
- There are a higher than average proportion of older homes built pre 1900 and between 1964 and 1982, with very low levels of house building between 1900 and 1945. There are issues around our older housing stock, which is typically less accessible, has higher maintenance costs, lower thermal efficiency and higher heating costs.
- There is a shortfall in the number of accessible homes to meet current needs or the predicted future increase in needs due to the aging population, which is strongly linked to ill health and mobility difficulties.

## A growing and aging population

The population of the Melton Borough is steadily growing. Just through natural change we expect the population to grow by at least 2,400 people by 2043, mainly because people are living longer. With the number of people over 65 expected to increase by over 50%, all of the predicted population growth expected to 2043 will be accounted for by growth in people aged over 65.



As the population ages, the average size of each household is expected to fall. We expect to see a large increase in the number of smaller sized households made up of people living alone or in adult only couples. By 2043 this will result in;



We will need more housing in the Melton Borough, to meet natural population growth and household change. When a population ages, the proportion of people who are of working age and economically active also falls, so there will also be a need to consider providing additional housing to attract working age people to live in the Melton Borough if we want to support the local economy and maintain the existing workforce.

## **Delivering Housing Growth**

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We will need to ensure that we are planning for the right number and types of new homes in the right places to meet the needs our growing and aging population.

We will not only need to provide good quality new homes but also create good quality neighbourhoods, places and communities which work well too. So it will be vital that new housing development has the right infrastructure to support it and in the Melton Borough this includes the need for the Melton Mowbray Distributor Road as well as ensuring there are sufficient school places and healthcare services. We also need to ensure that we link housing growth with jobs, leisure facilities and all the other things that make the Melton Borough a great place to live, work and visit, otherwise we risk creating unsustainable commuter towns and villages which are unaffordable for local people to live in.

The Council has a key role as the local planning authority to work with local communities, developers and other partners to strategically lead and deliver the housing growth the Melton Borough requires. This includes setting out the strategic framework for housing growth (through the Melton Local Plan) as well as providing good quality and responsive planning services. The government is planning major reforms to the planning system which are expected to lead to significant changes in how we fulfil our planning responsibilities and functions, and the Council will need to ensure it is well placed to positively deliver this.

We will need skilled construction workers to deliver this housing growth, however many skilled tradespeople are expected to retire over the next decade. We will need to work with our partners including the Leicester and Leicestershire Enterprise Partnership to help ensure we have the right workforce in place and consider the use of new technologies including modern methods of construction to successfully deliver the new housing we require.

## **Making the best use of existing homes**

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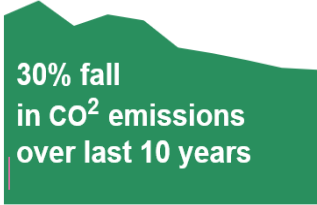
New housing growth will only form a small proportion of housing in the Melton Borough; most people in the future will live in homes that have already been built. It will be important to consider how the existing housing stock can be best used and adapted to be more sustainable and meet the needs of our growing and aging population. There is a mismatch between the existing housing stock and the types and tenures of housing required to meet current and future housing needs.

## Energy efficiency and domestic carbon emissions

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Housing produces

**28%** of local CO<sup>2</sup> emissions



**30% fall**  
in CO<sup>2</sup> emissions  
over last 10 years

In the Melton Borough around 28% of CO<sup>2</sup> emissions currently come from housing, slightly above county and regional averages. Overall housing in the Borough produced just over 81,000 tons of CO<sup>2</sup> in 2018. Domestic CO<sup>2</sup> emissions have been falling, by 30% over the last 10 years. This has been due to more efficient appliances and boilers, an increasing proportion of renewable energy in the national grid and more energy efficient homes. This includes 2,225 energy efficiency improvement measures that have been installed across 1,759 homes (8% of all households) through the Energy Company Obligations (ECO) scheme, including the Council's ECO3 local scheme that targets lower income and vulnerable households.

All housing that is sold or let has to have an energy performance certificate (EPC). In the Melton Borough there have been nearly 13,000 EPCs over the last 10 years, but only 30% of these achieved A-C ratings, a good level of thermal efficiency, compared to 39% across England. The Melton Borough also has had twice the number of the least efficient F-G rated homes, 8% compared with 4% across England. This suggests that the Borough's housing stock will require higher levels of work and investment across a larger proportion of the housing stock to bring all homes up to a decent standard of thermal efficiency.

## Addressing the Climate Emergency

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The Council has recognised that there is a climate emergency and the need as a nation to meet the net zero carbon emission target by not later than 2050. The Council has also set its own target to become operationally net zero by 2030. This means that the climate emergency needs to be an important underlying consideration for all of our future housing plans, services and decisions, and we encourage our partners to take the same approach.

To achieve net zero by 2050 will be a significant challenge, we will need in effect to completely decarbonise all housing in the Melton Borough within the next 30 years. The main decarbonisation challenges for the Borough's housing stock are;

- The makeup of the existing stock, which contains;
  - A high proportion of older less efficient homes, which are harder to insulate
  - A high proportion of detached and semi-detached homes, which can lose heat more easily
  - A lower proportion of homes which have a good standard of thermal efficiency, which will require more investment and works to retrofit them to meet net zero
- Successfully retro-fitting homes to modern energy efficiency standards whilst preserving valued local heritage, including our conservation areas and listed homes
- High levels of home ownership and lower levels of social rented housing (which are more likely to receive incentives to become more efficient)
- No gas network connection for around a quarter of rural homes, with greater use of solid fuel and oil for heating, which have higher carbon emissions

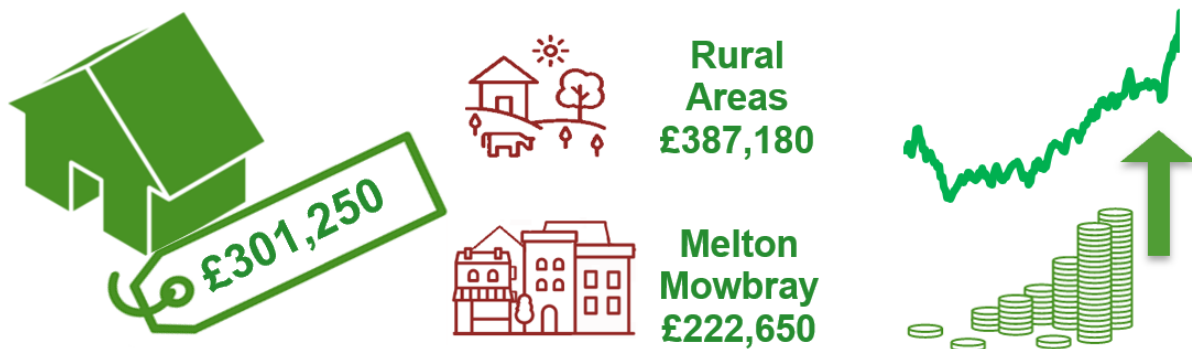
We need to start to plan now for how we can achieve these ambitious targets, the first step is to understand the condition of the existing housing stock and the likely actions required to achieve net zero. We also need to work towards achieving the Government's interim target for a 68% overall reduction from 1990 levels by 2030 and for as many as possible homes to meet good levels of energy efficiency (an EPC rating of C or above) by 2035, with more ambitious targets for fuel poor households and all privately and socially rented housing to achieve this by 2030.

New housing will need to be more energy efficient and should at a minimum to be ready to meet net zero without future costly retrofitting. We will need to work with the development industry to help them implement higher energy efficiency building standards, including the Government's Future Homes Standard. This will effectively see the end of gas boilers in new homes, much higher energy efficiency requirements and the widespread uptake of renewable heating technologies such as heat pumps over the next five years.

Sustainable housing extends beyond the four walls of a home, we also need to think how we can make the places where we live more sustainable. This will include the provision of sustainable transport options, such as good quality and well connected cycling and walking routes as well as sufficient electric vehicle charging points. It will also require us to protect and improve our natural environment, achieve biodiversity net gains for new development and mitigate against the increased risk of flooding that climate change is expected to bring.

## Housing Costs and Affordability

### Average House Prices



House prices in the Melton Borough are rising but remain slightly below the average for England, however there are large variations in price across the Borough, rural areas can command much higher prices than most housing in Melton Mowbray and to a lesser extent the largest villages, Asfordby and Bottesford. This price difference is in part driven by higher levels of larger and detached characterful properties in rural areas.

Most people aspire to own their own home, but affordability is a real issue for many local people, new homes to buy can command a high price, and because the housing stock is made up of a higher than average numbers of larger detached homes, there are less affordably priced homes for sale in the resale market. Despite many households being able to afford the monthly mortgage repayments, mortgage lending restrictions and deposit requirements are a barrier to home ownership.



## Affordability of home ownership



Despite slightly lower than average overall house prices, affordability, measured by the gap between average local incomes and average local house prices is much higher in the Melton Borough; this is because local incomes are on average significantly below regional and national levels, by around £200 a month. House prices have continued to outstrip local wage growth for a sustained period, resulting in increased affordability pressures and falling levels of homeownership, particularly for people under the age of 40. Given the strong links between affordability and low incomes, we will need to support the local economy, to help local people secure better paid and more secure employment, to help them to afford to rent or buy their own home.

## Affordability of privately rented housing



Home ownership is not right or affordable for everyone but renting a home locally can also be challenging for many with low to average incomes. This is because local private market rents are relatively expensive and rarely affordable to those who may require housing benefit assistance, including many people in work. Demand means that people with below average or insecure incomes or poor credit histories are effectively excluded from privately renting a home, creating increased demand for socially rented housing and pressure on local homelessness services. The affordability of privately rented housing increases with the size of property so low and single income families are most likely struggle to find an affordable home to rent. On average 5 to 6 households approach the Council every week for homelessness advice or assistance and difficulties securing a private rented tenancy are the main reason why they do so.

## The need for more affordable housing

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We regularly undertake local assessments of housing need, these recommend the long term provision of at least 70 additional affordable homes every year to meet local needs, a mixture of affordable homes to rent as well as to own.

Our assessments show that even with ambitious house building targets this level of affordable housing delivery is not likely to be achieved through housing growth. Planned housing growth, as set out in the Melton Local Plan (2018-2036), is estimated to only be able to provide around two-thirds of the affordable housing needed. This is due to a variety of factors, including lower house prices and higher infrastructure costs for some developments, particularly for the sustainable neighbourhoods planned to deliver housing growth around Melton Mowbray. This also makes delivering affordable homes in the town more difficult, despite this being where demand is greatest. Developer contributions to provide affordable housing as part of new housing developments need to be rebalanced to meet local needs better, to ensure sufficient affordable housing is delivered in Melton Mowbray as well as in the Borough's rural areas.

The Council alongside local partners including housing associations and Homes England will also need to work to secure funding to deliver additional affordable housing to help meet the predicted shortfall, particularly in Melton Mowbray and to meet rural housing needs that are not being met by the market.

The lack of overall supply means that it is important for all affordable housing providers, including housing associations and the Council to ensure that they are making the best use of their affordable homes to meet local needs, this will require them to consider carefully how they let their homes.

## The need for good quality and healthy housing

The right home environment is essential to health and wellbeing throughout life and it is a wider determinant of health. A healthy home is not only free from cold, damp and other hazards but it should also;

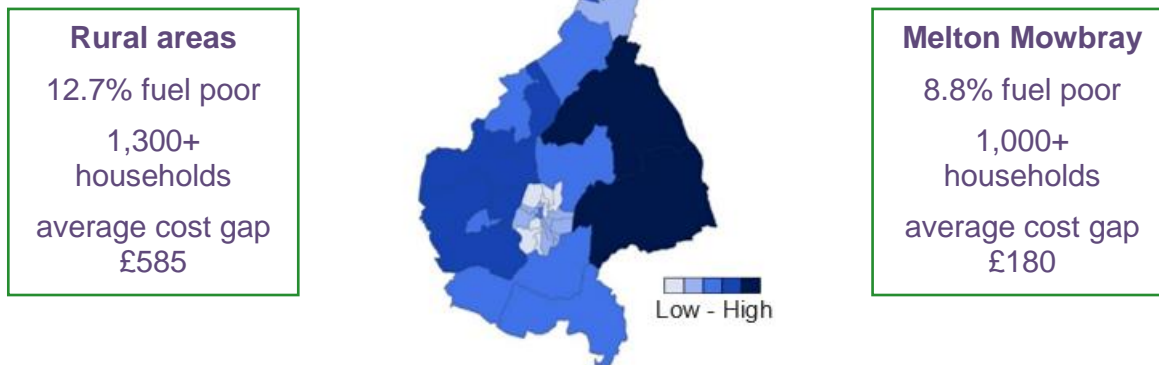
- Be suitable in size and accessible to meet a household's needs
- Enable people to manage their health and care needs and live independently, safely and well
- Provide stability and a secure base to access and sustain education, training, and employment and allow people to participate and contribute to society

Everyone should live in a healthy home and the Council needs to work with its partners to help to improve the housing conditions for those who are living in unhealthy, fuel poor, inaccessible, overcrowded and insecure housing across all tenures.

## Fuel poverty

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Fuel poverty is caused by a low income combined with higher than average energy costs which depend on fuel type used and a home's energy efficiency levels. In the Melton Borough over 2,300 households are fuel poor, this is 10.8% of all households and it is in line with the regional average.



This headline figure however masks much higher levels of fuel poverty in Melton's rural areas (12.7%) where around a quarter of homes are not connected to the gas network and where there is also a higher proportion of older and less energy efficient housing. These are all factors that make keeping a home warm more expensive. The fuel poverty gap, the gap between income and heating costs, is typically over three times higher in rural areas for these same reasons. Improving the energy efficiency of fuel poor households will not only help lift households out of fuel poverty but also help to reduce carbon emissions. There are particularly high levels of fuel poverty in Croxton Kerrial and Wymondham ward areas, these areas have high levels of privately rented homes and there is a well-established strong link between privately rented housing and fuel poverty.

## Impacts of housing on health and well-being

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The design of housing and neighbourhoods can impact people's health and well-being. Homes designed to be more accessible can allow people to remain in their own homes if their mobility or health should change. Well-designed neighbourhoods can promote active travel, such as cycling and walking, and provide open and green spaces which have been shown to have positive impacts on our mental health.

As our population ages we expect to see an increased need to provide support to older people, to ensure their homes are safe, accessible and comfortable to remain in. To address this we are part of the Lightbulb project, a housing service that helps coordinate and deliver joined up housing support services with local partners across Leicestershire. It helps people remain safe and keep well in their own homes by bringing together a range of practical housing support including the administration of disabled facilities grants for aids and adaptations.

There is a lack of homes in the Melton Borough that are accessible and adaptable, suitable to meet the needs of those with mobility difficulties, there is also a low level of wheelchair accessible housing, and we expect the need for them to increase as our population continues to age. By building new homes to be more accessible and adaptable we can help meet existing local needs as well as prevent creating pressures, costs and problems for the future.

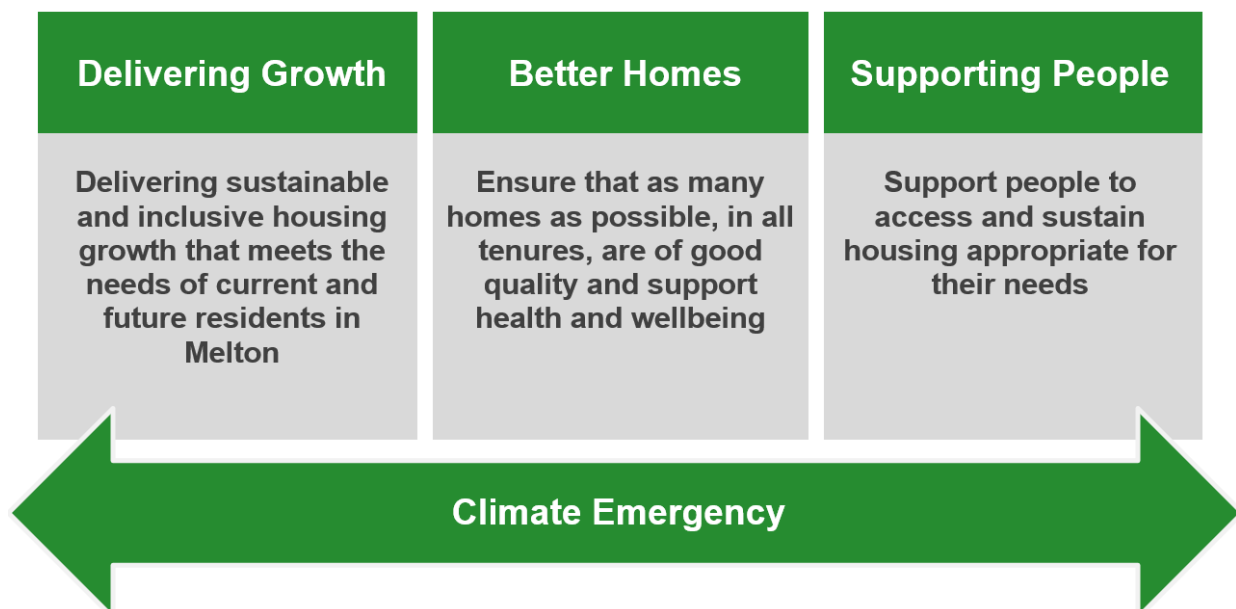
For some people supported housing can provide a safe, stable and supportive place to live. Good quality supported housing can be the key to unlocking better outcomes for vulnerable people, from tackling poverty and disadvantage to managing crises, rehabilitation and maintaining people’s independence. Not least in response to our aging population, we need to better understand the likely types of supported housing which will be required over the coming decades and when they should be provided.

## Homelessness

A safe, settled home is the cornerstone on which individuals and families build a better quality of life, and homelessness (or the threat of it) significantly impacts people’s health and wellbeing and can have a lasting impact on the life chances of children. Early advice and support to prevent homelessness or housing crisis can help to reduce impacts on families as well as be more cost effective, as it can also help prevent downward spirals and the development of more complex needs. We need to ensure that effective advice and assistance is available to those who need it to help prevent homelessness in the Borough. We also need to ensure that we understand and address the root causes of why local people face homelessness locally if we are to be successful in our ambition to reduce and prevent homelessness. To do this we will need to regularly review and update our homelessness strategy with our partners.

## Strategic Objectives 2020-2025

Based on the local challenges we have set out the Council has developed four strategic objectives for the housing strategy;



## Delivering Growth

### **Delivering sustainable and inclusive housing growth that meets the needs of current and future residents in Melton**

- Maintain a clear understanding of local housing needs for all types of households and groups of people, both now and in the future
- Ensure sustainable and inclusive housing growth through the local planning framework, planning for the right number and types of new homes in the right places
- Deliver the right infrastructure alongside new homes, including highways, education, health and community facilities as well as open and green space for nature, leisure and play
- Increase the provision of affordable housing and help more people achieve their home ownership aspirations
- Ensure that the Council considers the use of its wider place shaping powers to help deliver housing growth and meet local housing needs, including making the best use of its assets and resources to bring land forward for development
- Work collaboratively with public and private sector partners and encourage community and stakeholder participation in planning and housing delivery

## Better Homes

### **Ensure that as many homes as possible, in all tenures, are of good quality and support good health and wellbeing**

- Work with partners to improve housing conditions for those who are living in unhealthy, inaccessible, overcrowded and insecure housing across all tenures
- Help the most vulnerable and fuel poor access advice and funding to improve the condition and energy efficiency of their homes.
- Increase the number of homes that are accessible and adaptable to meet local needs
- Rebalance the housing stock to better reflect the types and tenures of housing require to meet current and future needs
- Deliver high quality homes that respect local character and distinctiveness and create high quality neighbourhoods and places where people want to live

## Supporting People

### Support people to access and sustain housing appropriate for their needs

- Provide high quality housing advice and assistance services to all, ensuring that it is effective for vulnerable groups, including those fleeing domestic violence
- Work with partners to deliver an efficient, effective and customer focused homelessness service, focused on preventing and reducing homelessness and providing good quality temporary accommodation for those who need it
- Support local people, to ensure that they have the life skills and support they need to successfully secure and maintain housing for themselves
- Work in partnership with our Council tenants to ensure that we provide high quality landlord services that are easy to access and use
- Support the local economy and local businesses, to help protect and improve local people's jobs and incomes; so more local people can meet their own housing needs, including their aspiration to own their own home
- Assess the changing need for supported housing and housing related support, care and advice services as our population continues to age
- Work with partners to enhance community safety
- Promote mobility, particularly for social housing tenants, supporting older people to downsize as well as those who aspire to own their own home
- Support people to live independently in their own homes for as long as they wish

## Climate Emergency

### Ensure climate change implications are considered at all stages of planning, delivery and occupations of homes

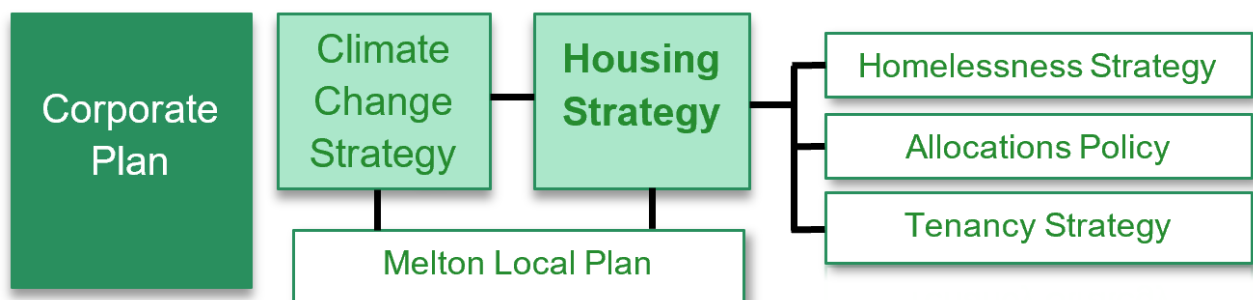
- Develop a better understanding of local domestic carbon emissions and the actions that will need to be taken across all tenures to meet the 2050 net zero target
- Engage with communities and partners to raise awareness of the climate emergency and climate change and the action we collectively need to take
- Prioritise support to 2030 for improvements to the worst performing homes and for vulnerable and fuel poor households
- Support low carbon development and more sustainable construction methods, including opportunities to encourage modern methods of construction.
- Support sustainable developments that consider local wildlife and biodiversity, minimise future flood risks and encourage the use of sustainable transport options

# Delivery

This Housing Strategy is a strategic document that helps to guide housing related policy and services in Melton Borough. It sets out the over-arching objectives for the next five years, rather than specify a series of detailed actions.

The main way we will deliver the objectives of this Housing strategy will be through embedding the housing strategy priorities within other key policies and plans, including those set out below.

## Where the housing Strategy sits in the overall strategic framework



We expect the Housing Strategy to directly influence the development of policies and strategies for social housing landlords in the Melton Borough, including how the Council manages its own housing stock of around 1,800 council homes, in part because of legal obligations, such as a requirement to have regard to the Council's Tenancy Strategy in setting their own policies and also because our allocations policy will determine how most social housing for rent will be let.

## Key Delivery Challenges

A number of issues are likely to present significant challenges over the next five years and beyond. These include;

- Ongoing funding pressures faced by the Council and its partners
- Delivering the infrastructure required alongside new housing developments
- Impacts of the pandemic and Brexit on the demand for housing support services and the delivery of new housing developments, including the supply of materials and availability of construction and social care workers
- Long term increased demand for housing and support services as the local population continues to age
- Proposed reforms to the planning system
- Implementation of the Future Homes Standard through building regulations regime to improve the energy efficiency of new housing
- The practical challenges and costs to eliminate domestic emissions over the long term

## Partnership Approach

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We recognise that cannot deliver the objectives of this housing strategy alone, we will need to continue to work in partnership with others, including;

- Parish Councils, Leicestershire County Council, neighbouring local authorities
- Homes England, housing associations and other registered providers
- Private sector landlords and letting agents
- Developers and development professionals
- Support and service providers, whose work helps people secure and sustain housing

These groups amongst others can help us to better understand local housing needs and any barriers we collectively need to overcome to successfully deliver this strategy. We will need to ensure that we engage with appropriate groups when we review our housing related plans and policies to ensure that what we propose will be both effective and achievable.

## Resources

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The resources available to implement this strategy may vary from year to year depending on the Council's own income, the income of key partners and additional funding that may be made available by central government and other agencies. Primarily, Council resources are derived from grants, business rates and council tax, other housing specific funding comes primarily from the Government and Homes England. As a stock owning authority the Council also has a housing revenue account as well as some land assets, with some wider scope to borrow money to develop housing, which could help deliver some of the housing growth needed locally.

**We will** take advantage of opportunities to bid where appropriate for funding to maximise housing and affordable housing delivery and investment that helps to meet our wider housing strategy objectives.

**We will** work with partners to ensure potential housing projects are identified and in a strong position to take advantage of future funding opportunities.

**We will** ensure that our housing advice services are well placed to help local people understand and access direct funding opportunities open to them, in particular to achieve their homeownership aspirations and make their homes more efficient and greener.

**We will** examine how we can best use our financial resources and assets to address the objectives of this strategy, balancing the need to address our wider objectives as set out in our Corporate Plan.

**We will** improve how we monitor local housing needs and services to help us to drive improvements in our housing services, make more effective investment decisions and more efficient use of our resources.

## Monitoring and review

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We will regularly monitor the housing strategy and plan to fully review it alongside our next review of our corporate plan in 2024 unless our monitoring suggests that it needs to be undertaken sooner.