MILTON KEYNES CORE STRATEGY

MATTER 3 OVERALL HOUSING PROVISION

REPRESENTATIONS ON BEHALF OF PERSIMMON SPECIAL PROJECTS

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3.1 Is the overall housing provision figure soundly based? Does the Core Strategy provision figure meet the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with national policy?

1.1 The overall housing provision for Milton Keynes has been reduced from 41,360 dwellings over the twenty year period 2006 - 2026 in the Submission Version to 28,000 dwellings in the revised Proposed Submission Version in the period 2010 – 2026. That is a reduced annual rate from 2,068 dwellings to 1,750 dwellings; this is a significant reduction in an area which is a major regional centre and one of the fastest growing sub-regions in Europe and remains a key focus for growth\(^1\). (The South East Plan envisaged 2,620 dwellings per annum when the proposals for the Strategic Development Areas adjoining the city in Aylesbury Vale and Central Bedfordshire were taken into account).

1.2 The Milton Keynes Core Strategy Housing Technical Paper B.126 attempts to clarify issues that have led to the reduction in the housing provision for the Borough. Paragraph 1.3 states that this reduction in the housing provision is primarily based on the Council’s belief that the RSS figure is undeliverable.

1.3 What that MKC approach patently fails to do though is to allow for rates to increase in what is a growth area, as and when market conditions improve, and to reflect the fact that the latent housing demand underpinning the RSS evidence base has not simply evaporated for good.

1.4 The reduction in the plan period also has implications as the provision from the early years needs to be considered i.e. whether there is a backlog which needs to be included in the Core Strategy, as this provision is simply not lost. An examination of the AMR December 2011 shows for the four year period 2006 – 2010 (assuming that the completions in 2010/2011 are assessed against the provision in the revised Core Strategy plan period 2010 – 2026) housing completions were 7,215 dwellings compared with 8,272 dwellings anticipated in the Submitted Core Strategy. Consequently, there is a shortfall which needs to be addressed and provision made for, in the revised Core Strategy of 1,057 dwellings. This housing need is still relevant to meet the housing needs of Milton Keynes.

\(^1\) Revised Proposed Submission October 2010 paragraph 2.1
1.5 Persimmon Homes consider that the overall housing provision is not soundly based; it does not meet the needs of the Strategic Housing Market Assessment which was prepared in 2008 and published in March 2009. The Strategic Housing Market Assessment identified a housing market need of 3,366 new homes per annum; the Core Strategy dismisses this figure as unrealistic as the market is unable to deliver this amount in the short term, and that this does not reflect a true picture of housing need as a proportion will not be able to obtain a mortgage, that the SHMA is based on household need as opposed to dwelling need and people may decide to buy or rent in groups; the economic downturn is likely to result in less migration and the indigenous need for Milton Keynes is only 1,300 dwellings.

1.6 The Council is basing its approach for the Core Strategy plan period to 2026 on the recent economic downturn. If the strategy does not facilitate the opportunities for growth then it will not be attracted to the area, it will be the indigenous need that will be displaced by the affects of migration, and there is no evidence to support average household size increasing. The Core Strategy makes provision for only 52% of the need identified in the SHMA, in what is considered to be a growth area in the South East. This approach is in direct conflict with the key message from the Council that Milton Keynes is still a growth area, and that the city is open for business in terms of continuing to welcome housing and business growth to the area. Furthermore, this approach is considered to be inconsistent with the NPPF which states that the Government’s approach is to "boost significantly the supply of housing." Paragraph 47 of the NPPF.

1.7 The NPPF goes on to state in paragraph 47 that:

"Local planning authorities should:

- Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area…"

- Identify and update a supply of deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% ...to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing local planning authorities should increase the buffer to 20%.”

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2 MKC ref B126 Housing Technical Paper February 2011 paragraph 1.9
1.8 Persimmon Homes consider that the Council is not meeting its full, objectively assessed needs for market and affordable housing. Furthermore the Core Strategy is not consistent with paragraph 50 of the NPPF which states that local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different people in the community.

1.9 The Core Strategy should provide for the significant growth and change in the population. Between 1991 and 2009 the population of the Borough increased by 33% compared with the population for England which increased by only 8%.

1.10 It is noted that the update on the Housing Technical Paper refers to the Government published revised Household Projections in November 2010 and that these see an increase of 39,000 households from 2008 – 2033 an average of 1,560 new households per year and this is a slight decrease of 40 homes per year based on the 2009 Household Projections (a difference of only 2.6% over the period 2008 – 2031)

1.11 However, the plan period is for 2010 – 2026 so the data is not directly comparable with the figure of 1,750 per annum based on the proposed housing requirement in the Revised Submitted Core Strategy.

1.12 Pegasus Planning Group have used the Chelmer Model to demonstrate the housing provision for Milton Keynes should be higher in order to provide for the arising needs and demands of the population and to support the strategy and vision for Milton Keynes. Appendix 1 provides the detailed analysis and concludes based on independent evidence the dwelling requirement of 28,000 for the period 2010 to 2026 will not be sufficient to deliver the economic objectives, particularly given that the baseline past trends scenario does not reflect the Core Strategy's ambition to deliver growth “Milton Keynes is not saying no to growth” (reference Changes to the Core Strategy section October 2010)

1.13 NPPF para 17 part of the Core Principles states that “every effort should be made objectively to identify and then meet the housing, business and other development

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3 Milton Keynes AMR December 2011 paragraph 3.2
4 Milton Keynes Update on the Housing Technical Paper March 2012 paragraph 3.13
needs of an area and respond positively to wider opportunities for growth.” It is considered that the Core Strategy fails to meet the Core Principles in the NPPF.
3.2 How should the overall provision figure be assessed against the South East Plan and its evidence base, so far as they remain relevant?

1.1 The issue is that the overall provision of housing in the Revised Proposed Submission Core Strategy is a reduction on the provision identified in the South East Plan which is still part of the development plan; this reduction is made all the worse as Milton Keynes is a growth area within the South East region. Milton Keynes is located in the centre of the South East Midlands Local Enterprise Partnership whose aim is to support inward investment, innovation, economic growth, new enterprise and job creation.

1.2 According to the AMR 2011 Milton Keynes has been and continues to be one of the fastest growing areas in the UK with around 2,500 to 3,000 new residents every year\(^5\). Paragraph 10.2 \(^6\) states that despite population growth slowing in recent years, the type of housing provided needs to reflect the changes in the population evidenced by the Population Bulletin, 2009, up to 2031 – increase in young people (17-24 year age group) increased by 31% compared with 8% nationally and increase in the elderly (60+ age group) increase by 145% compared to 55% nationally.

1.3 There appears to have been no assessment collectively between the local authorities (Milton Keynes, Aylesbury Vale and Central Bedfordshire) about the implications of not providing the housing requirement in the South East Plan. Since the abolition of the RSSs each Council appears to have taken the opportunity to reduce its housing provision without any consideration of the wider implications for the region and the strategy.

1.4 Appendix 2 sets out the housing requirement for the local authorities in the area, whilst comparison of the overall total provision for each authority cannot be made due to the different time periods of the regional strategies e.g. East of England Plan 2001 – 2021, South East Plan 2006 – 2026, the point is when an examination is made of the current annual provision in emerging Core Strategies it is evident that there is a significant shortfall in the sub-region (which is a growth area) which has not been addressed. The Regional Strategies provided a sound evidence base which had been tested at examination – there now appears to be no comparative evidence base.

\(^5\) AMR December 2011 paragraph 1.4
\(^6\) Milton Keynes Revised Proposed Submission October 2010
for the emerging Core Strategies and provision is being made on the basis on the downturn in the economy. This downturn in economic circumstances appears to be fundamental driver in determining future levels of housing growth and this recent economic downturn appears to be assumed to continue for the rest of the plan period.

1.5 The evidence base for the South East Plan remains relevant as it supports the adopted development plan. Any deviation from this provision should necessitate each of the local planning authorities examining the implications for their area and ensuring that their assessment of and strategies for housing, employment and other uses are integrated, and that they have taken full account of relevant market and economic signals (paragraph 158 of the NPPF). This is what PPS3 and PPS12 envisaged previously.

1.6 The plan period has been reduced to 2010 – 2026; it is not compliant with the NPPF as if adopted this year it would only make provision for 14 years. The NPPF states that local plans should be drawn up over an appropriate timescale, preferably a 15 year time horizon and take account of longer term requirements (paragraph 157)

1.7 The implications of a reduced housing provision are that there will be concealed households, who do not have the opportunity to enter the housing market, increase pressure on the supply of affordable housing, as less affordable housing is provided, and an increase in commuting. According to the Housing Technical Paper since 2001 the net level of in-commuting has increased from 16,000 to 35,000 (in 2008) a rise of 118% which is clearly not sustainable. Whilst the increase in commuting can to some extent be attributed to the location of Milton Keynes in the region, and that the city acts as a regional economic growth point; it is also noted that the type of housing provided needs to reflect the changing needs of the population and there has been continuing pressure for first time homes and larger homes for growing families, also the type of house that has been provided in Milton Keynes over the last 10 years may not be what management and professional staff, who make up the majority of commuters desire.

1.8 The Milton Keynes Core Strategy still maintains that it is addressing the significant growth and change in the Borough’s population and is still “open for business” and according to paragraph 2.35 of the Revised Proposed Submission it is “an expanding

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7 B.126 Milton Keynes Housing Technical Paper February 2011 para 2.100
sub-regional centre, Milton Keynes aspires to become one of the UK's top cities.” However the indigenous population are likely to be displaced by migration population who move into the housing market as the area grows.
3.3 Are there reasonable prospects for delivery of the proposed level of housing?

   In particular:
   i. is enough suitable land identified and will the sites be brought forward on time?
   ii. is the reliance on existing commitments adequately justified, and especially, dependence on the Western Expansion Area?
   iii. are there any particular viability, infrastructure or other barriers to delivery that need to be addressed?
   iv. will the sites offer reasonable choice and flexibility in market terms?
   v. does the plan provide for a five-year supply of specific deliverable sites and an appropriate additional buffer of supply, consistent with national policy?

1.1 Persimmon Homes consider that the under performance against the SEP needs to be taken into account when considering the prospects for the delivery of the proposed level of housing. This backlog of approximately 1,000 dwellings needs to be addressed in the Core Strategy.

1.2 Persimmon Homes consider that the Core Strategy relies on commitments, many of which are large sites which in recent years have not come forward as originally anticipated for a variety of complex reasons. Large sites are inherently more difficult to deliver in difficult economic circumstances and rely on significant infrastructure provision. As submitted the sites will not offer a reasonable choice and flexibility in market terms.

1.3 The Housing Technical Paper in February 2011 acknowledges that in terms of the type of sites available, one major difference in the land supply in 2007/08 and now is that there are fewer deliverable windfall sites identified for development. Previous sites ranged in size from 50 units to 110 units. The SHLAA does not identify the scale of opportunities as previously.

1.4 Persimmon Homes acknowledge the role of large scale development sites to meet the housing requirement, but what is also required is a range of smaller sites, which are not reliant on major pieces of infrastructure or constrained by existing land and section 106 deals, in this way a choice of sites is provided, which provides for flexibility in the market.

1.5 The Housing Technical Paper at para 2.39 states that there are very few small sites on the edge of the city that could be considered as stand alone allocations and

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8 B.126 Milton Keynes Housing Technical Paper February 2011 para 2.32
argues that to replace an allocation of 2,500 homes, between 5 and 12 small sites would need to be identified.

1.6 However, as noted in the Appraisal of Suitable Alternative Sites, this failed to consider sites with a capacity of less than 2,500 dwellings and even considered smaller sites as one potential large site. Land at Shenley Dens to the west of Milton Keynes has been promoted throughout the preparation of the Core Strategy. However, the Council have assessed the site as part of the Western Expansion Area and included it as part of MKSA1. Persimmon Homes have made representations that the site should be considered separately from the WEA, smaller sites can contribute to the housing land supply providing greater choice and assist in housing delivery.

1.7 The site has the potential for residential development, providing a mix of dwellings types and tenures to encourage a mixed community. The site 22.4 hectares and has a capacity of 550 dwellings at 37 dwellings per hectare. The site can be brought forward in a way which is sensitive to the rural edge as previous submissions have shown. The land relates well to the existing urban area, it is not an isolated development or a “free standing” urban extension, but will round off and complete the existing urban extension to the south west which already includes a secondary school and local centre and existing infrastructure. Shenley Dens has no infrastructure constraints and can contribute to meeting housing needs in the short or medium term. The scheme which has been promoted is based on a landscape approach which contains the site’s visual impact.

1.8 The Council’s position in the Housing Technical Paper update is that it is the economic circumstances that are affecting housing delivery and not land supply or local policy. However, to prepare the Core Strategy based on the economic circumstances of the last few years would not appear to be a flexibly way forward. Milton Keynes remains a growth area and aspires to be one of the UK’s top cities in which case the Core Strategy should include a more flexible approach that can respond to the market and looks to the longer term.

1.9 In terms of the 5 year land supply, the Council maintain that they have a five year land supply based on the submitted Core Strategy housing requirement of 28,000

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9 B.0126A Milton Keynes Housing Technical Paper update March 2012 para 3.26
10 Core Strategy Revised Propose Submission October 2010 para 2.35
dwellings (paragraph 2.1 of the Housing Technical Paper Update March 2012.) i.e. 5.47 years. It is noted that there is no assessment of the 5% buffer as the paper pre-dates the NPPF, however, on the basis of the Council’s own analysis against the revised proposed submission, Milton Keynes provides around a 10% buffer of deliverable sites in the next seven years.

1.10 In previous years the SEP has set the housing requirement for Milton Keynes (paragraph 5 of the Assessment of the Five Year Land Supply 2012 – 2017 December 2011.

1.11 Based on the Revised Proposed Submission, The five year requirement is 8,950\(^{11}\) which gives a five year land supply of 5.47 years, if the backlog of 1,000 dwellings is added to the requirement the land supply is then 4.9 years. If the 5% buffer is added then the supply is only 4.7 years. Without the backlog there is 5.2 years land supply. When assessed against a 20% buffer there is only a 4.6 years land supply (without taking into account the backlog).

1.12 Given that Milton Keynes is a growth area and has aspirations to be one the top UK cities, the land supply based on a significantly reduced housing requirement only just provides a five year supply, when the backlog is included and a 5% buffer there is less than a 5 year supply.

1.13 The Council acknowledges that the allocation of any additional land would provide some flexibility and contingency in delivering the housing targets.\(^{12}\) However, this is not going to take place until the Site Allocations DPD is prepared and programmed into the LDS. Persimmon Homes consider that this approach is no longer consistent with national policy as set out in the NPPF, where the emphasis is on producing one plan unless there are circumstances which justify other documents.\(^{13}\)

1.14 Paragraph 2.86\(^{14}\) states that the purpose of the SA DPD will not be to allocate additional strategic sites, which have been advocated by some representations to the Core Strategy as being necessary to meeting the housing requirement, instead the intention is that it will provide the opportunity to consider the potential of additional

\(^{11}\) Assessment of the Five Year Land Supply December 2011 Table 1
\(^{12}\) Housing Technical Paper February 2011 para .86
\(^{13}\) NPPF March 2012 para 153
\(^{14}\) Housing Technical Paper February 2011
small scale expansion sites particularly in the vicinity of existing expansion areas, which could supplement existing supply, without compromising the existing development strategy. Persimmon Homes consider that this approach should instead be included in the Core Strategy and land promoted by Persimmon Homes at Shenley Dens is deliverable and consistent with the settlement hierarchy and can meet the housing requirements of the Core Strategy.

1.15 Persimmon Homes consider that further provision should be made through a more flexible approach consistent with the settlement hierarchy in the Core Strategy for sites to come forward rather than wait for the Site Allocations DPD.
3.4

i. Overall, do the proposals for housing provision take sufficient account of uncertainties and risks?

ii. Are the monitoring, managing and contingency measures adequate?

iii. On this basis, is the overall strategy reasonably flexible?

1.1 Persimmon Homes consider that the Core Strategy approach is constraining development opportunities in a growth area. If, and when economic conditions improve the Core Strategy needs to be well placed to respond, accordingly a more flexible approach is required. It is considered that the Core Strategy is overly reliant on existing local plan allocations and land with planning permission (85%).

1.2 Paragraph 4.4 and Section 17 sets out the Council’s approach to Monitoring, and contingency measures. Paragraph 17.5 states that the Core Strategy is a flexible document and may not require wholesale review if circumstances or the housing strategy change and that various components of the LDF can be adjusted to reflect conditions and events giving the example of if the Government policy changed and an increase in housing numbers was required, that this could be carried out through a Site Allocations DPD or an Area Action Plan.

1.3 Such an approach is considered to be inconsistent with the NPP, paragraph 153 states that the Local Plan may be reviewed in whole or in part to respond to changing circumstances, but it does not encourage the use of Site allocations DPDs or Area Action Plans, other documents are to be an exception rather than the rule, and only if clearly justified.

1.4 Persimmon consider that bringing sites forward to support the delivery of any shortfall should be addressed by ensuring sufficient flexibility in the Core Strategy rather than waiting for the Site Allocations DPD to allocate sites. It is noted that the preparation of the Site Allocations DPD has not started yet (AMR para 2.10) and that it is to be merged with the Development Management DPD.

1.5 The Core Strategy at paragraph 17.6 sets out suggested actions and contingencies however, given the policy in the NPPF some of these contingencies would not be applicable. Working with delivery partners and developers to alter development frameworks and masterplans, ensuring delivery of infrastructure to enable
development and a review of the Core Strategy would be acceptable as long as these actions were consistent with the NPPF.

1.6 Pegasus Planning Group have responded to consultations on the Sustainability Appraisal of Reasonable Alternative Sites and the Post Submission Changes to the Core Strategy, the overall strategy is not flexible enough to respond to change as it is reliant on large sites, for example only sites with a potential capacity over 2,500 dwellings were considered. Smaller sites can contribute to the housing land supply and can come forward providing a greater choice and assist in housing delivery, especially given the evidence that indicates the existing underperformance against the regional housing target for 2006 - 2010 which have conveniently been lost as the starting point for the Core Strategy is proposed as April 2010 rather than April 2006.

1.7 Persimmon Homes have made representations that the SA of Alternative Sites was unsatisfactory in so far as not all opportunities were appraised, as those below the capacity threshold of 2,500 dwellings were not considered. Pegasus Planning Group on behalf of Persimmon Homes has promoted the Shenley Dens site on the western flank of the city, which should have been appraised separately from the other site in MKSA1. The Shenley Dens proposal is an opportunity to bring forward approximately 500 – 1,000 dwellings, and would offer the benefits of improved delivery as evidenced by reference to Stantonbury Park, north of Milton Keynes where development has commenced at a time when the implementation of the Western Development Area has yet to start. Shenley Dens is a suitable site for development, it does not have the disadvantages of crossing the ridge and relates well to the existing urban area of Milton Keynes.

1.8 The housing land supply is going to be heavily concentrated in a few large sites with long lead in periods on infrastructure and focussed on the East of Milton Keynes. This does not provide the range and choice of sites required as set out in the NPPF, paragraph 50.
3.5 Does the Core Strategy give sufficient consideration to the provision of affordable housing?
In particular:

i. is the reliance on saved local plan policies and supplementary planning advice a justified and effective means of securing an appropriate quantity and mix of affordable homes?

ii. has the viability of provision been taken into account?

1.1 Persimmon Homes consider that the Core Strategy should provide an affordable housing policy that is consistent with Government guidance and not rely on the preparation/update of the affordable housing SPD.

1.2 Paragraph 2.18 of the AMR 2011 refers to the preparation of an Affordable Housing Supplementary Planning Document; however, work on this document has not occurred due to the delays in the preparation of the Core Strategy. A broad timetable for the SPD on affordable housing is to be considered by Cabinet in June 2012. A six week consultation is likely to take place in winter 2012 with adoption of the SPD in spring 2013. However, this approach to policy guidance will not allow an examination of the affordable housing policy.

1.3 The NPPF encourages the preparation of a Local Plan and discourages the preparation of additional development plan documents unless they can be clearly justified. Paragraph 153 states that SPDs should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development. Importantly SPDs are documents which are used to add further detail to the policies in the Local Plan, they are not part of the development plan.

1.4 Persimmon Homes consider that it is inappropriate to rely on the affordable housing SPD and saved policies.

1.5 The NPPF was published in March 2012 and its policies apply from the day of publication i.e. 27th March 2012. Para 212 of the NPPF states that policies are material considerations and the Framework must be taken into account in the preparation of plans. Para 213 states that plans may need to be revised to take into account the policies in the NPPF and this should be done as quickly as possible. For 12 months from the day of publication full weight may continue to be given to policies adopted since 2004 even if there is a limited degree of conflict with the NPPF, but
after 12 months due weight should be given to relevant policies in existing plans according to their degree of consistency with the Framework.

1.6 Persimmon Homes consider that the reliance on saved policies, whilst consistent with the NPPF for a limited period is only a short term measure. A policy should be included in the Core Strategy in accordance with paragraph 50 of the NPPF.

“Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand;

Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified …..and the agreed approach contributions on the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.”

1.7 According to the NPPF a SHMA should be prepared with neighbouring authorise to assess the full housing needs. The most recent SHMA is 2008 based and was published in 2009, according to the Core Strategy is it to be regularly updated.

1.8 Persimmon Homes consider that Policy CS10 is in adequate and does not provide the policy framework required to be consistent with the NPPF. A policy should be included which sets out the percentage of affordable housing.
3.6
   i. In the light of the Government’s Planning Policy for Traveller Sites, does the Core Strategy give sufficient consideration to this matter?
   ii. Pending completion of the steps referred to in paragraph 10.8 of the Core Strategy, how and on what basis will such needs be addressed?

1.1 Persimmon Homes have no comments on this question.