MATTER 4: ECONOMY AND TOWN CENTRES

4.1  i) Is the proposed jobs per dwelling ratio properly justified?
   ii) Is the Employment Land Study scenario 2 still relevant, given the economic downturn and is it supported by demographic evidence?
   iii) Is the jobs per dwelling ratio consistent with wider planning objectives and strategies for the sub region and beyond?
   iv) How does it relate to the information in Table 5.3?

4.1.1 The jobs/dwelling ratio was the subject of much debate through the RS process and now through preparation of the CS. There was concern at the time of the RS that the establishment of a target for the ratio of jobs to new homes could be used to slow the rate of housebuilding through the development control purposes. The RS is clear that this is not the intention and the CS is worded to specifically acknowledge this also. Notwithstanding this, there remains concern that the figures have been derived simply based on an analysis of past trends, rather than establishing an ambitious and sustainable objective for the future.

4.1.2 Looking back to the RS it is relevant that the purpose of introducing the ratio was to seek to achieve more balanced growth and thereby reduce the scale of in-commuting to Milton Keynes (and to reduce the level of out-commuting from Aylesbury). The Consortium’s statement on Matter 3 (and the Research Paper submitted to the examination library) addresses this point in relation to the housing dimension and specifically argues for an increase in housing provision to provide greater scope for those who would otherwise commute to work at Milton Keynes, to live in Milton Keynes (particularly at the managerial/professional level).

4.1.3 Continuation of job creation at a higher than 1:1 ratio would exacerbate the existing high level of in-commuting to Milton Keynes, which the 2001 Census shows as being at a total level of nearly 40,000 workers and a net level of over 16,000 workers per day. Setting a target for achieving 1.5 jobs per each new home therefore seems perverse, particularly in light of the acknowledged risks of congestion identified in LTP3:

‘Those areas that do not currently have serious congestion problems will face potential problems in the future as road traffic continues to grow. By 2018 it is estimated that average speeds are reduced by 6%, resulting in a 67% increase in total travel time, reductions in reliability and an estimated increase in fuel consumption of 65%. This will also have a negative impact on public transport journey times and reliability.’ (LTP3, MKC, 2011)

4.1.4 Notwithstanding its adverse effects, the 1.5:1 ratio does not have a sound evidential basis. The extent to which there is any support for the ratio appears to be limited to that contained
in the CS at paragraph 5.22, which merely states that it is ‘an average of the growth in the number of jobs and dwellings between 1998 and 2007’. Past trends are an unreliable basis for forecasting future patterns of development as we have argued in relation to Matter 3. In any case, the CS is not internally consistent in that Table 5.3 shows that the 28,000 dwellings planned during the plan period the actual ratio is of the range of 1.8-2.4 jobs per dwelling.

4.1.5 The Employment Technical Paper Update (Document B127a) confirms that MK is one of the fastest growing and most dynamic economies in the UK: adding over 3,000 jobs to the local economy in the 10 year period up to 2008/9. Further evidence of the strength of MK economy is contained in the ‘Cities Outlook 2012’ report (Centre for Cities, 2012). This concludes that MK is one of the cities that:

‘... are well placed to support the creation of the jobs and growth that will address the UK’s unemployment challenge. This is because of their high numbers of business start-ups, high percentage of knowledge workers and more innovative economies.’

4.1.6 The rates of economic growth, coupled with the sustainable benefits, strongly argue for a more balanced approach to the planned expansion of MK. These arguments are set out in the Consortium’s submission on Matter 3 and justify an increase in the planned rate of housebuilding to accommodate an expanding workforce and provide suitable homes for an increasing proportion of managerial/professional level workers.

4.1.7 In relation to the status of the ELS; there is considerable doubt as to the deliverability of a strategy based on Scenario 2. Scenario 2 is described as a more ‘aspirational forecast’. That aspiration is not only reflected in the scale of the total jobs forecast (65,000 by 2021 as opposed to 49,000 jobs in Scenario 1), but also in the distribution of those jobs between the sectors. In the ELS at paragraph 5.5, the basis of the formulation of Scenario 2 is described as follows:

‘the client group provided guidance regarding the potential direction of alternative scenarios, taking account of local economic strategies, policy led economic targets, “aspirational” benchmarks for economic growth and consideration of the distribution of employment growth between sectors.’ (ELS, 2007, paragraph 5.5)

4.1.8 The ELS predates the worst effects of the ‘Credit Crunch’ and therefore the element of aspiration contained in the forecasts of total jobs has become out-dated by the downturn over the last 5 years. In terms of its sectoral analysis, Scenario 2 does appear to be something of a self-fulfilling exercise with the client’s (MK Partnership) inputs directly
affecting the outputs and therefore the conclusions regarding the direction of policy. In that context it is not a sound basis for the policy bias that the CS contains.

4.2 Is there a sound basis for the promotion of knowledge-based employment, and for less emphasis on logistics and warehousing employment?

4.2.1 The Consortium is concerned that the way in which the CS is currently framed would lead to one section of the economy to be preferred over another, with no clear justification for the bias. Consistent with the Government’s ‘Plan for Growth’ the CS should be pro-growth, with the planning system doing ‘everything it can’ to support economic recovery. Equally, it should be ‘positively planned’ in order to meet the tests of soundness contained in NPPF, paragraph 182. In that context, the appropriate course of action is to adopt an approach that looks to meet the potential of all sectors of the economy.

4.2.2 During consultation on the Revised CS, the Consortium submitted representations that criticised the approach of ‘reducing the reliance on distribution and logistics activity’. The Council responded to this point in its Employment Technical Paper (Document ref: B127) by stating that the approach of the Council is broadly that specified in Scenario 2 of the 2007 ELS.

4.2.3 In our response to Question 4.1 we have set out our concerns in relation to the ELS Scenario 2 and why it does not provide a sound basis for the economic policy. This is particularly the case in relation to potential of the logistics sector given that in Scenario 2 the policy assumption for ‘supporting and auxiliary transport activities’ (which includes logistics/warehouse storage) as follows: ‘average p.a. growth rate adjusted downward to SEEDA projections for transport and communications’. The effect of this adjustment is to reduce the floorspace requirement for distribution from 905,000 sq m by 2031 in Scenario1 to 368,000 sq m in scenario 2.

4.2.4 The ELS notes that in general terms Milton Keynes is well placed as a location for logistics, not least due to its location in the south Midlands with good access to the M1 (ELS, paragraph 3.48). The one factor that is identified as a potential weakness of MK as a location for logistics is the lack of rail connection. The Local Plan Inspector in his report (document B141A, paras 7.13.6-7.13.8) identified the potential for better rail connectivity for the logistics sector in the MK area and indicated that the Council may wish to consult Mid Beds DC and ‘keep the possibility in mind for possible review following the latest sub-regional planning guidance on transport matters’. This approach would be in accord with NPPF paragraph 31, but there is no evidence that such an analysis has been undertaken.
4.2.5 Furthermore, more recent evidence contained in the report ‘Milton Keynes Economy: The impact of the recession on Milton Keynes’ (SEEDA, 2010) identifies distribution/logistics as one of the sectors that is projected to return to growth faster than other sectors. In the context of the ‘Plan for Growth’ and the NPPF requirement for the local plan to be ‘positively prepared’, the appropriate approach for the CS to take is to address the local constraints to growth in the logistics sector to enable it to achieve its potential and contribute towards the recovery of the local and national economy.

4.3 Will the existing and proposed employment locations provide the quantity and range of sites that are required to meet identified needs?

4.3.1 The scale of land allocations in the CS represents a substantial reduction (81.3ha) from that contained in the February 2010 Draft CS i.e.276.9 ha to 195.6 ha. This in part reflects the change in the base date, but also the substantial reduction in the land available for employment uses due to the deletion from the spatial strategy of both SW and SE SDAs i.e. 44.9ha.

4.3.2 The Consortium has submitted in relation to Matter 3 that there should be an increase in the provision of new homes in Milton Keynes during the plan period and that this requires the reinstatement of the SESDA. Equally, with the increase in the housing provision, the CS should also acknowledge the potential employment component of the SESDA.

4.3.3 The location of the SESDA on the eastern side of MK close to the M1, and its proximity to the Bedford to Milton Keynes railway, means that it is particularly well-placed to meet the land requirements of the logistics sector, existing and future employment provision; the potential of which is under-estimated in ELS Scenario 2 and therefore in the CS itself. To ensure that the quantity and range of sites that are required for employment are provided, Table 5.3 should be amended to include a specific employment allocation for the SESDA.

4.4 Is there sufficient guidance about how an appropriate balance between provision of office and high technology floorspace in Central Milton Keynes and the rest of the borough will be achieved?

4.4.1 No. There is a lack of clarity as to the relative balance of office/high technology floorspace in CMK as against more peripheral parts of the town. The EPT (Document ref: B127) states at paragraph 9.15 that a key objective of the CS is to promote the development of the CMK and make it the main location within the city for office development (as well as leisure, retail and cultural development). This objective is identified as being ‘critical’ to improving MK’s public transport system for example. However, the content of paragraphs 5.25-5.27 contradicts this critical/key objective, in that these paragraphs describe how through the Site Allocations and
Development Management DPDs other locations can/should be re-allocated to B1a/B1b uses. This includes a general commitment to reallocating land currently allocated for non-office use as well as specific locations including Linford Wood and Kents Hill.

4.4.2 The pressure for reallocating land to B1a/B1b uses appears to be driven by the Council’s desire to increase employment densities on sites and thereby achieve the overall jobs target from a reduced land supply. However, this approach risks undermining the key objective of increasing the focus of such activity in CMK and other key objectives of the CS in turn.

4.4.3 A greater level of control on the change of use of land/buildings to B1a/B1b uses is therefore required. This can best be achieved by imposing clear limits on the volume of such uses being permitted outside CMK and by specifying those ‘out of CMK’ locations where such uses might be acceptable. The ELS at Table 8.2 and paragraph 8.49 recommends just such an approach and provides proposals for both the floorspace limit (albeit on a shorter timescale than the plan period) and suitable locations. Nonetheless, the CS should retain a clear commitment to the general principle of ‘CMK first’ when considering the distribution of these uses.

4.5 **Should Policy CS3 provide a steer for re-allocation of sites referred to in paragraph 5.25 of the Core Strategy and, if so, how should this be done?**

4.5.1 Refer to answer in 4.4.2 above.

4.6 **Is there clarity about the status of CMK in regional and sub-regional terms? Is its role and potential for growth appropriately reflected in the Core Strategy?**

4.6.1 Given its specific interests the Consortium has no comment in relation to this question.

4.7 **With regard to the Borough’s town centres generally,**

i) Taking account of the retail capacity update study (August 2011), does the Core Strategy provide a reasonably robust but flexible policy framework for retail and leisure development?

ii) Is the policy approach consistent with national policy?

iii) Is it clear how any existing deficiencies in provision will be addressed?

4.7.1 Given its specific interests the Consortium has no comment in relation to this question.