Following the discussion at the public examination hearing held on the morning of 24 July the Council agreed to:

- Provide a note to clarify the role of Plan MK and the interim role of the Site Allocations DPD, discussed at the session.
- Provide suggested new words for the last paragraph of policy CS1
- Clarify whether the housing target of 28,000 should be seen as a maximum
- Revise the text in paragraphs 5.1 to 5.3 to reflect the discussion around Plan MK and the Site Allocations DPD.
- Clarify housing figures in table 5.7 for Bletchley and Wolverton
- Clarify the use of the word ‘commitment’ in table 5.7
- Set out what we would do as a contingency if homes came forward faster than we are expecting (an additional risk in the revised monitoring table).
- Clarify what happens if a lower housing number is delivered in the tariff areas.

**Clarification on role of Plan MK**

In accordance with the document MKC/21 A, the council agree to undertake an early review of the Core Strategy. That will be in the form of Plan MK and it will use the existing evidence base of the South East Plan as its starting point, to be considered in the circumstances that obtain including any relevant National Planning Policy Framework requirements, including the need for an up-to-date objective assessment of housing need. It will seek to extend the plan period beyond that contained in the South East Plan to at least 2031 and in so doing look to review the strategic housing and employment needs of the borough.

Its evidence base will include, amongst other things, an updated Strategic Housing Market Assessment and Employment Land Study.

**The role of a Site Allocations DPD**

At the same time as progressing work on the Plan MK, the council will also prepare a Site Allocations DPD to provide a more expeditious process of bringing forward non-strategic land allocations, which have the potential to be delivered in the short term, to deliver flexibility and contingency to the land supply identified in the Core Strategy. That will be based on supporting the strategy in the current Core Strategy. It will use the latest Strategic Housing Land Availability Assessment, currently under preparation, as it’s starting point.

The process should be progressed more rapidly than the Plan MK. However, work on both will be undertaken simultaneously and the work needed for the Site Allocations DPD will not result in any less resources being available for the more strategic review in Plan MK.

The detailed programme will be set out in the details of the latest Local Development Scheme.
Suggested Changes to Policy CS1

The new words for CS1 are set out as tracked changes to the policy below.

Policy CS 1

Milton Keynes Development Strategy

The provision of new homes and jobs will take account of the Settlement Hierarchy set out in Table 5.1 ‘Settlement Hierarchy’ below. The majority will be focused on, and adjacent to, the existing urban area of Milton Keynes. Here, the continued development of Central Milton Keynes, completion of existing city estates(22), existing Local Plan Expansion Areas(23), and redevelopment and infill development (particularly in the older parts of the city) will all contribute to a more sustainable city (see Policy CS 7 ‘Central Milton Keynes’ and Policy CS 8 ‘Other Areas of Change’). The allocation of the Strategic Reserve Areas south east of the city from the Local Plan (2005) will provide a sustainable urban extension adjoining the existing urban boundary.

In addition to the Strategic Reserve Areas, other sites will be considered for development through the Site Allocations DPD to provide short term flexibility and contingency ahead of a full review of this Core Strategy in Plan MK (See policy AD/1). The Council’s approach to major development proposals adjoining the city, but within the area of a neighbouring local authority, is set out in Policy CS 6 ‘Place-shaping Principles for Sustainable Urban Extensions in Adjacent Local Authorities’.

Is the housing target of 28,000 a maximum figure?

The Inspector asked for clarification of how the 28,000 home housing target should be seen. The following revised wording for the first half of the second sentence of paragraph 5.14 is proposed.

Revised wording: The figure housing target of 1,750 homes on average per annum (in the region of 28,000 homes in total by 2026)…..

For clarification any additional sites identified in the Site Allocations DPD are not to be considered as additions to the 28,000, but should provide short term flexibility and contingency to ensure the annual housing forecasts are achieved.

Revised text in paragraphs 5.1 to 5.3 to reflect Plan Mk and Site Allocations DPD process

At the end of paragraph 5.1, add additional paragraph before 5.2:

The council is committed to an early review of this Core Strategy in the form of Plan MK and in addition will undertake a Site Allocations DPD to provide non-strategic site allocations to offer short term flexibility and contingency to existing supply.

Reworded existing paragraph 5.3:

Other proposals that come forward in the Site Allocations DPD must be robustly evidenced and justified in accordance with this Core Strategy. The final level of provision in the DPD will be determined in accordance with National Planning Policy Framework guidance on the five year land supply. Based on current forecasts the Council is anticipating the allocation of land, which can be demonstrated to be immediately available for development, for approximately 1,000 homes. The
allocation of this land would enable the Council to demonstrate deliverable land supply for five years from the date of adoption plus an additional buffer of 20%.

Replace the second comment in column three of table 5.2 with:

To provide additional short term flexibility and contingency to existing supply additional non-strategic sites will be allocated in the Site Allocations DPD

Clarify the wording on paragraph 8.9, and replace the first sentence with:

The Site Allocations DPD will allocate new non-strategic sites to provide flexibility and contingency to existing supply or to help deliver the Core strategy objectives.

**Explanation of the proposed level of land to be allocated in the Site Allocations DPD**

This position is based on the housing figures submitted as part of the Council’s original Statement on Matter 3. The forecast annual rates of completions have been pulled together in table 1 below, which shows that, based on current forecasts, the Council will be able to demonstrate a five year land supply, plus a 5% buffer, consistently over the next three years. However, it will be short against the 20% buffer required by the NPPF when housing targets have not been achieved.

Table 1: Forecast housing requirements and deliverable land supply for next three years

<table>
<thead>
<tr>
<th>Year</th>
<th>Five Year Requirement at start of year</th>
<th>Requirement +5% buffer</th>
<th>Requirement +20% buffer</th>
<th>Forecast Supply</th>
<th>Shortfall against 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>8975</td>
<td>9424</td>
<td>10,770</td>
<td>9637</td>
<td>1133</td>
</tr>
<tr>
<td>2013/14</td>
<td>9075</td>
<td>9529</td>
<td>10890</td>
<td>9901</td>
<td>989</td>
</tr>
<tr>
<td>2014/15</td>
<td>9160</td>
<td>9618</td>
<td>10992</td>
<td>9908</td>
<td>1084</td>
</tr>
</tbody>
</table>

On the basis that in 2015, it is likely that five years of the Core Strategy plan period will have passed without the 1,750 target being achieved, it will be prudent to plan for achieving the 20% buffer on top of the five year supply of deliverable sites.

The under supply of deliverable sites against the +20% buffer requirement can be seen to be consistently around 1,000 homes. Therefore, it is this quantum of development that the Council is currently anticipating having to allocate in the Site Allocations DPD.

There will be issues around the specific urban and rural requirements to address within this quantum of development, with a proportion of the development having to be from within the defined rural areas.

- **The housing figures for Bletchley and Wolverton in table 5.7**

  The figures for the whole table were correct at the time of drafting in 2010, and cover the whole plan period. There have been completions since this time and development on some new sites will have been permitted. This table could be updated factually if felt appropriate. The figures in table 5.7 were rounded for simplicity the figures given below are actual taken from the housing monitoring database.

  Specifically in terms of Bletchley and Wolverton, the following update can be provided:
There have been 365 completions in Bletchley since 2010. This includes 70 on the Leisure Centre site, 119 at Reckitt and Colemen and 97 in and around at Bletchley Park. Completions exclude those in at Newton Leys which are covered separately in table 5.7.

On the sites identified in table 5.7 there are 230 on the Leisure Centre to be completed, 57 at Reckitt and Coleman (all under construction) and 82 in and around Bletchley Park, which includes additional land permitted since 2010.

There are also 59 other units permitted on small sites across Bletchley, all on sites between five and 10 units. Of these 19 are currently under construction across three sites.

In Wolverton, there have been 162 completions since 2010. The 89 of the 95 units on the EMEB site have been completed, and 51 of the units at Wolverton Park have been completed with a further 134 currently under construction by three developers.

This leaves just the 330 at Wolverton Park to be completed at Wolverton Park of the units identified in table 5.7, which are clearly well under way to completion in the next two to three years.

In addition, 33 additional units have been permitted on the EMEB site, on land previously identified for office development. There are also a further 23 permitted in Wolverton on three small sites. None of these sites are under construction.

- The use of the word ‘commitment’ in Table 5.7

Wherever the word commitment is used in the status or housing capacity column of table 5.7 it relates to a site with an existing planning permission, either outline or reserved matters.

As a general point, any housing figures referred to in table 5.7 are based on permissions or existing land allocations at 2010. They do not make assumptions about the additional sites being identified or coming forward as windfall development in any area, which would be in addition to the figures in the table.

- Consolidated Table 17.1 and D1- Risk of housing coming forward quicker than forecast

Table 17.1 picks up the risk of completions falling consistently below the rate set out in the housing trajectory, but it is acknowledged that it does not pick up the risk of the rate exceeding expectations.

The existing risk picks up the monitoring indicator of completions falling below 20% of those set out in the housing trajectory. This picks up the monitoring arrangements set out in paragraph 5.13 (page 22 of the Core Strategy). The objective is to stay within 20% of the cumulative level of completions set out in the housing trajectory in the Core Strategy, page 104, before measures are taken to address any under or over performance.

Therefore, it would be appropriate to add a risk that recognises that the housing market improves significantly and more homes are built than expected. In terms of the appropriate actions and contingency, the Council’s view is that a level of demand that saw completions in excess of the improving year on year forecasts set out in the trajectory would be a very significant step change that could not be dealt with by a ‘tweak’ to the strategy. Such a scenario could only be dealt with by a full review of the plan and a re-assessment of the overall development strategy to accommodate increasing demand for homes.
This approach would be the course of action to be taken if the rates of completion exceeded the 20% buffer set out in paragraph 5.13. However, in terms of contingency, the Council would also add it would be appropriate to keep under review the indicators that would suggest such a situation may occur. Such indicators would include changes in house prices and pressure in the rental market (as noted by Savills in week one of the hearing sessions).

• What happens if a lower housing number is delivered in the tariff area?

To date, there has not been an issue with non-delivery of the permitted housing numbers in any of the tariff areas, nor are any anticipated. As discussed at the hearing session on Matter 3, the master developer of the WEA, the most significant of the remaining sites in the tariff area, are also confident that the full housing requirement can be met.

Over recent times, there have been a number of re-plans on sites but these are mainly around house types and layout as opposed to numbers. There are two re-plans under discussion in expansion sites outside of the tariff areas. There are at Stantonbury Park Farm (now named Oakridge Park) and in the Northern Expansion Area. Both of these are discussing the potential to increase the number of homes on site, rather the decrease them.

That said, if the number of homes in the tariff areas did fall significantly, the Council would look to review the development framework for the area in question. This would look at issues around the revised nature of social infrastructure requirements in line with a reduced quantum of housing development.

The council already has a Risk Management Plan in place to understand the risks involved with implementing the tariff and how they will be managed. This includes the under delivery of housing and a slow down in the rate of delivery from that originally expected.

There are a range of mitigation measures outlined in the Risk management Plan to address the under delivery of housing, which include (but are not limited to) project prioritisation, engagement with developers, engagement with public bodies (to seek other sources of funding), looking for efficiency savings across all projects and assessing the links between housing delivery and specific infrastructure schemes.

This council’s position that it is well placed to address any issues with the rate/quantum of house building in the tariff areas and that this does not pose an overall risk to the successful delivery of growth in the city.