

**Plan:MK Examination: Milton Keynes Council (Matter 3 / ID: 897710)**  
**Matter 3: The Overall Need and Requirement for Housing**

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*Issue 1: Context and Potential Transformational Growth*

- 1.1 The submission draft of Plan:MK makes reference to the proposed uplifts in housing numbers as a result of the MK2050 Commission Report and the NIC Report (Partnering for Prosperity) in terms of the potentially transformative implications that their proposals will have in terms of growth. However, these considerations are ultimately discounted by the Council in adopting the OAN of 26,500 dwellings as the housing requirement between 2016 and 2031. This is significantly below the 2,000 homes per annum that is suggested within the MK2050 Commission Report.
- 1.2 The higher number suggested within the MK2050 report is more reflective of the Government's aspirations for significant growth along the Oxford-Milton Keynes-Cambridge corridor. Proclamations within the 2017 Autumn Budget and the "Helping the Cambridge, Milton Keynes and Oxford corridor reach its potential" paper (HM Treasury, 22 November 2017) clearly show that the Government is committed to the delivery of 1 million homes along this corridor. This is demonstrated in the speech made by the Chancellor of the Exchequer on this speech to Parliament unveiling the Autumn Budget of 2017:

*"Last week the National Infrastructure Commission published their report on the Cambridge-Milton Keynes-Oxford corridor.*

*Today we back their vision and commit to building up to 1 million homes by 2050."* (Philip Hammond MP, 22 November 2017)
- 1.3 In choosing to adopt a lower figure than suggested by the MK2050 Commission Report the Council is disregarding the Government's growth aspirations for the region. Indeed, this unsatisfactory approach has previously been highlighted by the NIC in their "Partnering for Prosperity" report which states that "the assessment methodologies adopted by local authorities [in the arc] can be conservative and can mask high levels of unmet need". The Commission's central finding is that the rates of house building will need to double if the region is to meet its economic potential.
- 1.4 The adoption of this suppressed approach will mean that the Council will be behind in terms of meeting the transformative growth objectives associated with the MK2050 Commission Report and wider regional objectives of 1 million homes by 2050. As such, the plan will be unsound as it will not have been positively prepared, or in accordance with national planning policy.
- 1.5 The potential for adopting a housing requirement that is higher than the OAN is referred to explicitly in the submitted Sustainability Appraisal within paragraph 6.2.6 with explicit reference to the MK2050 Commission Report. However, aside from briefly stating that the outcomes are not certain, the reasonable alternative of adopting a higher requirement is not adequately assessed, as outlined in the Consortium's response on Matter 1.
- 1.6 Based on the above the housing numbers within the MK2050 Commission Report and the NIC's "Partnering for Prosperity" report should be seen as a policy objective informing a higher housing requirement that has currently been disregarded.

- 1.7 In order to address this, the Council should seek to plan for a higher number of homes, using the 2,000 per year quoted within the MK2050 Commission Report as a baseline, and make explicit reference to the long term aim to contribute towards meeting the Government's target of 1 million homes in the corridor by 2050.

*Issue 2: Determining the full OAN*

- 2.1 The Government's current view on uplift owing to market signals is clearly set out in the amended NPPF and PPG. The formula to work out the standardised methodology states that there should be an uplift of 2.5% above the demographic base for every affordability point above 4. This would lead to a 29% requirement in terms of Milton Keynes.
- 2.2 While Plan:MK should not be determined in accordance with the proposed revisions of the NPPF, it should take account of current Government aspirations to deliver 300,000 homes per year across the country (Philip Hammond MP, Autumn Budget 2017) and contribute towards the 1 million homes for the Oxford-Milton Keynes-Cambridge arc by 2050. These statements are material planning considerations. An increased uplift to reflect strong market signals would contribute towards achieving this goal.
- 2.3 In disregarding the higher uplift for market signals within Plan:MK the Council is ignoring the most up to date aspirations of Government in terms of the national housing target.
- 2.4 In paragraph 3.64 of the Consortium's Submission Plan representations the case was made that 8,750 homes would be needed to address the imbalance from 2010 to 2015 in order to provide sufficient homes for new employees, due to previous high employment growth. This estimate was based on 1.5 employees per dwelling.
- 2.5 Paragraphs 4.34 to 4.35 of the SHMA identifies that the ratio of employees per dwelling is 1.17. On this basis, the number of dwellings needed between 2010 and 2015 would be  $23,000/1.17 = 19,590$  homes. As 6,600 homes were delivered, there was a shortfall in delivery over this period of 12,990 homes.
- 2.6 The SHMA at paragraph 4.34 confirms that for its assessment it assumes that 31% of its employees will come from surrounding areas. In other words, Milton Keynes is relying on Aylesbury, Central Bedfordshire and other surrounding authorities to supply 31% of the employees necessary to deliver employment growth. The approach being taken by Plan:MK has not been agreed by all of the relevant neighbouring councils. The MoU with Aylesbury confirms that, within the northern part of Aylesbury Vale (within the Milton Keynes functional HMA) future housing demand relating to Milton Keynes is to be accommodated at Salden Chase, Buckingham and other smaller settlements. In Central Bedfordshire, in relation to future housing need the MoU confirms that<sup>2</sup>:

*MKC is currently planning to meet its housing needs in full and have confirmed that, based on the existing target, assistance is not required from any other local authority [emphasis added] (including Central Bedfordshire) to help meet its OAHN*

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<sup>2</sup> Duty to Co-operate Statement, March 2018 Updated April 2018, page 18

- 2.7 The SHMA (paragraph 4.34) assumes that 31% of jobs are filled by employees from outside of MK (i.e. that the current trend of commuting remains the same and is not addressed through policy), However, as the shortfall in homes have not been delivered, and the Duty to Co-operate confirms that MK will be meeting its housing needs in full without assistance from surrounding authorities, it cannot rely on in-commuting for this additional demand related to employment provision. As surrounding authorities will not be providing homes to meet any of the current MK OAN, we should consider that all of the shortfall is met within MK. That means provision of an additional 13,000 homes, as set out in paragraph 2.5 above.
- 2.8 Unless the OAN is changed to reflect the uplift as a result of employment, it is considered that Plan:MK will not be meeting its duty to provide for objectively assessed housing need and therefore is not sound owing to a lack of accordance with national planning policy.

*Issue 3: Translating OAN into a housing requirement / target*

- 3.1 As previously stated, the housing requirement of 26,500 homes during the plan period is too low and should be increased in order for the Plan to be considered sound.
- 3.2 Given the relatively unconstrained nature of the district in terms of Green Belt, AONB and other designations it is not considered that there are overriding constraints that would limit the potential to meet an uplift in the housing requirement.
- 3.3 It is accepted that Milton Keynes' growth is somewhat constrained by its boundaries with neighbouring authorities. However, in accordance with the Duty to Cooperate it is necessary for the Council to think beyond these in order to meet needs in the most sustainable locations.
- 3.4 Representations have been submitted by the Consortium demonstrating the availability of land for 500 dwellings as part of a wider development in Central Bedfordshire District to the south east of Milton Keynes. These 500 dwellings would contribute directly towards meet housing needs in the town in a sustainable location which has been previously identified as a Growth Area. This allocation would be in accordance with existing policy CS1 of the adopted Central Bedfordshire Core Strategy (2009).

*Issue 5: Housing Land Supply*

- 5.1 As previously stated the Council's housing requirement as currently set within Plan:MK is not sound and therefore the housing trajectory as set in Appendix I.2 of the Main Modifications does not amount to enough housing to meet the higher requirement of 30,000 homes over the plan period.
- 5.2 Even if the Council's housing requirement is maintained at the lower value of 26,500, the Council does not allow enough flexibility in terms of sites available to meet its housing obligations.
- 5.3 Land to the South East of Milton Keyes is identified for the provision of 3,000 dwellings within the Plan period under policy SD13.
- 5.4 If the Expressway passes through the site, it could sterilise an area of 3km length through it, at a width of 60m. This equates to an area of 18 hectares. Based on a density of 40 dwellings per hectare, this equates to a loss of 720 dwellings. However, the sterilisation of this land would also be

likely to make the development of additional areas within the allocation unsuitable owing to environmental matters. This could mean the loss of 1,000 to 1500 homes from the proposed allocation. As such, a contingency should be made for this site.

- 5.5 Given the uncertainty regarding the route of the Cambridge-Milton Keynes-Oxford Expressway and precise design, there could be implications regarding the capacity of this site to deliver the numbers of houses and other facilities being proposed.
- 5.5 In the event that the site cannot deliver houses, or the quantum proposed, this would leave a large gap in the Council's trajectory in the latter years of the Plan, but also have implications for the initial supply prior to a five year review. This has implications for the soundness of the Plan in that without an adequate supply of housing it would no longer represent compliance with national policy.
- 5.7 In order to offer sufficient flexibility to allow for changes in circumstance, the Council should identify alternative sites as allocation, or reserve sites, in order to account for any shortfall in housing numbers from the site known as South East Milton Keynes.