



The Planning Inspectorate

Report to Milton Keynes Council

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an Inspector appointed by the Secretary of State

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Planning and Compulsory Purchase Act 2004

(as amended)

Section 20

Report on the Examination of Plan:MK

The Plan was submitted for examination on 29 March 2018

The examination hearings were held between 10 - 20 July 2018 and 29 - 30 August 2018

File Ref: PINS/Y0435/429/10

Abbreviations used in this report

AQMA	Air Quality Management Area
BMV	Best and Most Versatile (agricultural land)
caMKox	Cambridge – Milton Keynes – Oxford Arc/Corridor
CMK	Central Milton Keynes
CMKAP	Central Milton Keynes Alliance Business Neighbourhood Plan
DtC	Duty to Co-operate
EEFM	East of England Forecasting Model
ELS	Employment Land Study
EWR	East West Rail
GTAA	Gypsy and Traveller Accommodation Assessment
HIF	Housing Infrastructure Fund
HMA	Housing Market Area
HRA	Habitats Regulations Assessment
KIBS	Knowledge Intensive Business Services
LDS	Local Development Scheme
LIP	Local Investment Plan
MKC	Milton Keynes Council
MKDP	Milton Keynes Development Partnership
MKE	Milton Keynes East
MKMMM	Milton Keynes Multi Modal Model
MM	Main Modification
NDSS	Nationally Described Space Standard
NEP	Natural Environment Partnership
NIC	National Infrastructure Commission
NPPF	National Planning Policy Framework
OAN	Objectively assessed need
PPA	Planning Performance Agreement
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PSA	Primary Shopping Area
SA	Sustainability Appraisal
SADPD	Site Allocations Development Plan Document
SCI	Statement of Community Involvement
SEMK	South East Milton Keynes
SEMLEP	South East Midlands Local Enterprise Partnership
SEP	Strategic Economic Plan (of the SEMLEP)
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SLA	Strategic Land Allocation (2013 Core Strategy)
SPA	Special Protection Area
SPD	Supplementary Planning Document

The report refers to key evidence documents and uses the same document referencing system taken from the examination library, for example [MK/HOU/001] etc.

Non-Technical Summary

This report concludes that Plan:MK provides an appropriate basis for the planning of the Borough, provided that a number of main modifications [MMs] are made to it. Milton Keynes Council has specifically requested me to recommend any MMs necessary to enable the Plan to be adopted.

The MMs all concern matters that were discussed at the examination hearings. Following the hearings, the Council prepared schedules of the proposed modifications and carried out an update of sustainability appraisal. The MMs were subject to public consultation over a six-week period. In some cases I have amended their detailed wording and/or added consequential modifications where necessary. I have recommended their inclusion in the Plan after considering all the representations made in response to consultation on them.

The Main Modifications can be summarised as follows:

- A policy commitment to undertake a review of Plan:MK in light of the emerging plans for transformational growth along the Cambridge-Milton Keynes-Oxford corridor and strategic growth ambitions for the Borough. The Plan review shall be submitted for examination by the end of 2022;
- To positively allocate land at Milton Keynes East (east of the M1) for at least 5,000 homes of which at least 1,475 dwellings will be delivered within the plan period and potentially more (some 3,000 dwellings) if early infrastructure funding can be secured;
- To include a housing trajectory for the plan period and clarity on the sources of deliverable and developable housing land supply;
- To reaffirm the significance of Campbell Park as a strategic housing site within Central Milton Keynes in Policy SD3 and remove potential duplication by deleting Policy SD18;
- Amend the Primary Shopping Area designation in Central Milton Keynes;
- Include further specificity within the policies for South East Milton Keynes and Milton Keynes East on the requirements and criteria to guide these strategic developments;
- Include further clarity and comprehension within various development management policies;
- Include a new policy encouraging innovative design and construction on proposals of 50 dwellings or more; and
- Greater clarity on the strategic policies against which neighbourhood plans will be considered.

Introduction

1. This report contains my assessment of Plan:MK in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers first whether the Plan's preparation has complied with the duty to co-operate. It then considers whether the Plan is sound and whether it is compliant with the legal requirements. The National Planning Policy Framework (NPPF) 2012 (paragraph 182) makes it clear that in order to be sound, a Local Plan should be positively prepared, justified, effective and consistent with national policy.
2. The revised National Planning Policy Framework was published in July 2018. It includes a transitional arrangement in paragraph 214 whereby, for the purpose of examining this Plan, the policies in the 2012 NPPF will apply. Unless stated otherwise, references in this report are to the 2012 NPPF.
3. The starting point for the examination is the assumption that the local planning authority has submitted what it considers to be a sound plan. Plan:MK (the Council's strategy for meeting the Borough's needs to 2031), submitted in March 2018 is the basis for my examination. It is the same document as was published for consultation in November 2017.
4. During the examination the Council received the report into the separate examination of the Site Allocations Development Plan Document (SADPD), which was duly adopted on 18 July 2018. The SADPD supports the implementation of the adopted 2013 Core Strategy by allocating a number of sites for development. These allocations are factored into the land supply considerations although Plan:MK does not supersede or replace the SADPD.

Main Modifications

5. In accordance with section 20(7C) of the 2004 Act the Council requested that I should recommend any main modifications [MMs] necessary to rectify matters that make the Plan unsound and thus incapable of being adopted. My report explains why the recommended MMs, all of which relate to matters that were discussed at the examination hearings, are necessary. The MMs are referenced in bold in the report in the form **MM1, MM2, MM3** etc, and are set out in full in the Appendix.
6. Following the examination hearings, the Council prepared a schedule of proposed MMs and carried out an update of sustainability appraisal. The MM schedule was subject to public consultation for six weeks. I have taken account of the consultation responses in coming to my conclusions in this report and in this light I have made some amendments to the detailed wording of the main modifications and added consequential modifications where these are necessary for consistency or clarity. None of the amendments significantly alters the content of the modifications as published for consultation or undermines the participatory processes and sustainability appraisal that has been undertaken. Where necessary I have highlighted these amendments in the report.

Policies Map

7. The Council must maintain an adopted policies map which illustrates geographically the application of the policies in the adopted development plan. When submitting a plan for examination, the Council is required to provide a submission policies map showing the changes to the adopted policies map that would result from the proposals in the submitted local plan. In this case, the submission policies map comprises the set of plans identified as the Plan:MK Policies Map 2017 as set out in documents MK/SUB/015a-f.
8. The policies map is not defined in statute as a development plan document and so I do not have the power to recommend main modifications to it. However, a number of the published MMs to the Plan's policies require further corresponding changes to be made to the policies map. These further changes to the policies map were published for consultation alongside the MMs in a separate schedule (document (h) in the suite of October 2018 main modification consultation documents).
9. When the Plan is adopted, in order to comply with the legislation and give effect to the Plan's policies, the Council will need to update the adopted policies map to include all the changes proposed in the October 2018 schedule of proposed Policies Map Modifications.

Assessment of Duty to Co-operate

10. Section 20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on it by section 33A in respect of the Plan's preparation.
11. From the Duty to Cooperate (DtC) Statement [MK/SUB/008] there is evidence of active and ongoing engagement between Milton Keynes Council (MKC), its neighbouring authorities and other duty to cooperate bodies. There has also been cooperation through the SEMLEP (South East Midlands Local Enterprise Partnership) Planners' Forum as evidenced in the DtC Addendum document [MK/EXAM/003]. Memoranda of understanding (MOUs) have been signed with neighbouring authorities and with a number of public bodies, including notably Highways England, Historic England, Natural England and the Environment Agency affirming cooperation during plan preparation prior to the formal submission of Plan:MK.
12. Strategic objectives 3 and 4 of the Plan express MKC's support for the wider growth agenda along the Cambridge – Milton Keynes – Oxford (caMKox) corridor and for joint working where development comes forward close to the edge of Milton Keynes. This collaborative outlook is being further realised in the joint work on the Strategic Growth Study involving MKC, Aylesbury Vale and South Northamptonshire Councils. Ongoing co-operation will remain a high priority given that the National Infrastructure Commission (NIC) Report 2017 and Government response 2018 both seek further collaborative working along the caMKox corridor.
13. There has also been early cooperation in determining Housing Market Areas through the jointly commissioned study for parts of Buckinghamshire,

Bedfordshire and Hertfordshire [MK/HOU/001]. Plan:MK seeks to meet the housing and employment needs apportioned within its administrative boundaries. There are no requests for Plan:MK to accommodate any wider unmet needs.

14. There is a scale of growth coalescing around the existing A421 corridor through the Marston Vale, Milton Keynes and through to the Aylesbury Vale. This growth is aligning to the emerging east west corridor containing both East West Rail (EWR) and the Oxford to Cambridge Expressway. In relation to Central Bedfordshire, notwithstanding the signed MOU, there are some residual concerns about the planned directions of growth in Plan:MK. In my view these are soundness matters rather than the legal duty to cooperate given the MOU with Central Bedfordshire clearly recognises the strategic sites proposed to the east and south-east of Milton Keynes.
15. Additionally, concerns have been raised about cooperation on transport modelling between MKC and Central Bedfordshire and Aylesbury Vale to take account of respective planned growth. In response to this point, I am satisfied that MKC sought to take a cooperative approach (evidenced in document MK/EXAM/029). Given the different Plan preparation timetables I accept the reasoning why a cross-boundary growth scenario has not yet been plugged into the Milton Keynes Multi-Modal Model. This can be done for future plan reviews and there has been no failing on the statutory DtC in this regard.
16. In terms of strategic cross-boundary infrastructure the most significant projects are at a national level and include EWR and the proposed Expressway. The various MOUs before me indicate good levels of cooperation on these projects through plan-making. At a more local level, the full dualling of the A421 from Junction 13 of the M1, the upgrading of the M1 to smart motorway standard and the Bedford to Milton Keynes Waterway Park project are being cooperatively supported.
17. Overall I am satisfied that where necessary the Council has engaged constructively, actively and on an on-going basis in the preparation of the Plan and that the duty to co-operate has therefore been met.

Assessment of Soundness

Main Issues

18. Taking account of all the representations, the written evidence and the discussions that took place at the examination hearings I have identified 9 matters upon which the soundness of the Plan depends. Under these headings my report deals with the main issues of soundness rather than responding to every point raised by representors.

MATTER 1: Planning for Growth

Issue 1 – With regards to the emerging strategic growth context is the Plan positively prepared? Is the Plan period consistent with national policy? Would the commitment to a plan review be justified and effective?

Emerging Strategic Context

19. The emerging strategic growth context is articulated in the MKFutures 2050 report (July 2016) [MK/MIS/001] prepared for the Council by an independent Commission in terms of its consideration of the future regional and national role of the City and the NIC report 'Partnering for Prosperity' (November 2017). The latter report addresses a potential new growth deal for the caMKox arc of one million additional homes by 2050 to support economic growth. Neither document has been subject to sustainability appraisal, detailed environmental or infrastructure capacity or independent examination. In broad terms, whilst a direction of travel for transformational growth is clearly emerging, neither report provides the necessary basis to significantly delay adopting Plan:MK in order to contemplate a higher, but as yet untested, growth strategy.
20. I recognise that there is government support for growth along the corridor, including investment for housing and strategic infrastructure. This will, amongst other things, provide valuable certainty for future plan-making along the corridor. However, the NIC report is unambiguous that transformational growth along the corridor (including the potential of new settlements) will require cross-boundary working and coordinated infrastructure delivery. The Government's response to the NIC report in November 2018 sets out a long list of what needs to be done next to achieve a collective ambition for the caMKox corridor. This includes, amongst other things, further work on strategic infrastructure corridors, a Joint Vision Statement to 2050, potential options for a pan-Arc spatial vision underpinned by a coordinated investment plan, further analysis around housing growth scenarios and looking at governance structures. Taking this into account, it would not be appropriate for future transformational growth to be pre-empted in a piecemeal way through additional strategic sites beyond those already identified in this round of plan making.
21. Turning to the MKFutures 2050 Report [MK/MIS/001] the document is clear that it is "a starting point for a constructive debate about the future of the City". It identifies six big projects for early action which Plan:MK appropriately responds to. Crucially, the report identifies that a new deal with Government "should be the starting point for further plans" and that "considerable further work will be required". The report identifies that there will be challenges in sustainably accommodating the City's growth to 2050. Consequently a growth strategy to 2050, as a successor report to MKFutures, is currently under preparation, which will be a key document to inform a review of Plan:MK.
22. In terms of providing appropriate foundations for transformational growth, it is important to recognise that Plan:MK does not disregard the MK Futures or

NIC reports. Plan:MK is predicated on meeting a full objectively assessed need (OAN) for housing which will result in a sustained level of significant annual housing delivery within the range identified in the MKFutures 2050 Report as providing a strong foundation for future growth. As submitted, the Plan presented a housing land supply that would exceed the requirement by some margin including laying the foundations for strategic growth east of the M1 (an option countenanced at page 37 of MKFutures 2050 report).

23. Overall, the submitted Plan:MK to 2031 proposes levels and strategic locations of growth that would not diminish the City's role as part of the wider caMKox growth ambitions and appropriately acknowledges the ambitions of the MKFutures 2050 and NIC reports.

Plan Period

24. The Plan on adoption would have a period of some 12 years expiring on 31 March 2031. The NPPF at paragraph 157 indicates that plans should preferably have a 15 year time horizon. It does not stipulate that plans should have a 15 year timeframe post adoption. Extending the Plan period, even on the basis of extrapolating the housing need over further years, would involve appreciable time and effort to update the evidence base, particularly on infrastructure and transport planning. Plan:MK is drawn up over an appropriate time frame so as to enable an up-to-date policy framework to be implemented and a deliverable supply of land. The Plan period is therefore justified.

Plan Review

25. Given the emerging strategic context and plan period of Plan:MK there would be a need to review Plan:MK sooner than the five year requirement. The submitted Plan:MK does not contain a review policy and I consider it would not be positively prepared was it to remain silent on this matter.
26. The timing of any review would need to be informed by the MK Futures growth strategy and wider dialogue with neighbouring authorities. It is not necessary that a review of Plan:MK must be a joint plan but it is sensible that this forms a reasonable option to be explored. Nor do I consider a binding MOU to prepare a joint plan would be necessary given the requirements of the DtC. The Government has set out its desire to see joint vision documents for the caMKox in 2019 and further evidence from the MKFutures growth strategy will also be available in 2019. With this in place, I see no reason why an expeditious review of Plan:MK cannot take place such that a new strategic plan could be submitted for examination by the end of 2022.
27. This would reflect that the Council itself recognises that Plan:MK is essentially an interim plan in the context of the emerging picture of strategic growth along the caMKox corridor. That is a realistic acknowledgement that Plan:MK serves as a critical bridge between the ongoing delivery of objectively assessed needs in the short to medium term and the need for the evidence base around transformational growth to be

further developed. That wholly accords with the Government's response to the NIC report which is clear that further assessment of the options for housing and infrastructure is required. A focussed review mechanism in Plan policy would also maintain the Council's stated ambition to deliver on the MKFutures work.

28. I therefore recommend the proposed Plan review policy at **MM3**, including some minor factual updates, and accompanying text at **MM2** to ensure the Plan would be positively prepared. Such a mechanism would be consistent with the PPG¹ and would avoid delaying the adoption of Plan:MK.

Conclusion

29. I therefore conclude that, with the proposed modifications, the approach to the emerging strategic growth context, plan review and plan period is sound.

Issue 2 – Are the Spatial Strategy, settlement hierarchy and policy approach to the countryside soundly based?

30. The submitted plan contains a clear, positively prepared spatial vision underpinned by a reasonable and justified set of strategic objectives. This includes consolidating Milton Keynes' role as a leading city and making positive early contributions to the wider growth ambitions for the caMKox corridor.

Role of Milton Keynes and the principle of expansion at the edge of the City

31. Milton Keynes City is confirmed as the top tier spatial location for growth and regeneration in Policy DS1. This is reasonable given the opportunities in the City to complete long-standing expansion areas and allocations, the prospect of additional development within Central Milton Keynes, the scope for new sustainable strategic urban extensions and the potential for various infill, regeneration and redevelopment opportunities.
32. Notwithstanding the focus in Plan:MK to diversify land supply and increase delivery within the urban area of Milton Keynes, additional peripheral greenfield land will be needed to meet development requirements over the Plan period. Whilst work is ongoing in relation to estate regeneration in the city and the Central Bletchley Prospectus Area (Policy SD19), it is too early to ascribe with any certainty what capacity these sources could deliver within the Plan period. Overall, I am satisfied that the 2017 Urban Capacity Study [MK/HOU/006] and the 2017 Strategic Housing Land Availability Assessment [MK/HOU/004] have reasonably considered what can be delivered within the existing fabric of Milton Keynes at this time.
33. It would be justified and effective for Plan:MK to apply a more positive outlook to the potential of Milton Keynes East (MKE) as an area of expansion to meet development needs during the Plan period and beyond. This would further consolidate the primary role of the City within the settlement hierarchy at Policy DS1. To clarify this, **MM4** would update the

¹ PPG Paragraph 004 Reference ID: 12-004-20160519

context on the role of MKE in delivering the spatial vision and is necessary for effectiveness and positive preparation. I have amended **MM4** slightly to clarify what could be delivered at MKE within the Plan period subject to the current infrastructure funding bid and the longer term capacity of the site allocated in Plan:MK.

The roles of key settlements and villages/rural settlements

34. The key settlements of Newport Pagnell, Olney and Woburn Sands all have a good degree of services, connectivity and employment which justifies their identification at this tier of the hierarchy. All of these communities have made neighbourhood plans with positive allocations for additional growth of 300 homes in Olney and 1400 homes in Newport Pagnell. These are sizeable scales of development which are accounted for in the Plan:MK housing trajectory. The neighbourhood plan for Woburn Sands makes no housing allocations, however the settlement boundary review in Plan:MK includes additional land on Newport Road and the South East Milton Keynes (SEMK) allocation comes close to the north-west edge of Woburn Sands. Accordingly, Plan:MK would not need to be modified to make a specific allowance for additional development in key settlements in order to be sound.
35. There is nothing in Plan:MK to inhibit the review of Neighbourhood Plans and those plans considering releasing additional land for development at a scale appropriate to the settlement hierarchy in Policy DS1. Overall, existing housing permissions and allocations in key settlements account for some 5% of the total housing land supply. I consider this is an appropriate proportion, reflective of the size and function of these settlements and the need to focus development within and around the City. It does not need to be increased through Plan:MK to ensure a sustainable pattern of housing development.
36. The third tier of the hierarchy amalgamates villages and rural settlements and advocates growth in compliance with made Neighbourhood Plans and within defined settlement boundaries. Recognising that the core principles of the planning system include securing sustainable patterns of development and responding to local character, I find this third rural tier to be appropriately identified. Good progress is being made on rural Neighbourhood Plans which are facilitating varying levels of additional housing to meet local needs.
37. As submitted, the role of the tiers in Policy DS1 would benefit from amplification. **MM5** would introduce new text into Policy DS1 which would clarify the primary role of Milton Keynes for new jobs and homes and that within the rural areas the focus for new development will be concentrated at the key settlements with only a limited role for the villages and other settlements. I recommend **MM5** so that Plan:MK is effective and therefore sound. **MM44** would specify which of the policies in Plan:MK are 'strategic policies' for the purposes of neighbourhood plan preparation although it needs to be amended to include Policy HE1 on heritage. Accordingly I recommend **MM44** for effectiveness and consistency with paragraph 184 of the NPPF.

Approach to the Countryside

38. A number of settlements beyond the urban conurbation of Milton Keynes have defined settlement boundaries and consequently Policy DS5 of Plan:MK seeks to define land beyond these boundaries as open countryside where development would be carefully managed. Such an approach would be justified, effective and would accord with the evidence provided on landscape character and the review of settlement boundaries in 2017 [MK/HOU/003]. There is nothing overly-restrictive about the policy approach to the countryside that would prevent thriving rural communities over the Plan period.
39. As submitted Policy DS5 would require modification to ensure consistency with the NPPF to allow for new dwellings of exceptional quality or innovation in accordance with paragraph 55 of the NPPF. The policy should also reference highway infrastructure as a type of development that may be permissible in the countryside. I recommend **MM10** accordingly for effectiveness and consistency with national policy.

Approach to Settlement Boundaries

40. Settlement boundaries are an established and well-recognised part of the development management system in the Borough. Neighbourhood Plans in the Borough are carrying forward the principle of settlement boundaries and I see nothing in Plan:MK that would restrict future Neighbourhood Plans revisiting and refining boundaries where appropriate in accordance with the settlement hierarchy.
41. Plan:MK presents the first opportunity in 23 years to systematically review settlement boundaries in the Borough. The methodology and outputs in the Settlement Boundary Study 2017 [MK/HOU/003]² are robust. They reflect recent changes and matters of fact to present a consistent and up-to-date set of settlement boundaries to be defined on the updated Policies Map.

Presumption in favour of sustainable development

42. In accordance with NPPF paragraph 14, the presumption in favour of sustainable development should be an integral part of plan-making and thus flow through to decision-making. Consequently, there is no requirement for plans to repeat the presumption and submitted Policy MK1 and supporting text should be deleted. I therefore recommend **MM1** for effectiveness and to avoid undue repetition of national policy.

Conclusions on Matter 1

43. Overall, with the proposed modifications at MM1-MM5, MM10 and MM44, I find the strategic objectives, spatial vision and settlement hierarchy (Policy DS1) would be the most appropriate strategy to sustainably meet the Borough's development needs to 2031. Whilst much is evolving on the long term growth agenda, including along the caMKox corridor, an expedient plan review would be the most appropriate mechanism to consider future

² Partially updated in a 2018 version [MK/HOU/003a]

growth options, including through continued dialogue with neighbouring authorities.

MATTER 2: Housing Growth

Issue 3 – Is the housing need and the Plan’s housing requirement justified, positively prepared and consistent with national policy?

Context for Objectively Assessed Housing Need

44. Plan:MK was submitted for examination in March 2018. As such the soundness of the submitted objectively assessed need (OAN) remains to be determined in line with 2012 NPPF and the relevant parts of the PPG. Approach to local housing requirements is evolving and the imminent review of Plan:MK would be able to respond to the latest methodology and any established policy requirements for the caMKox corridor. Overall, the stepwise approach to establishing an OAN, starting with the relevant household projections, as set out in the 2017 Strategic Housing Market Assessment (SHMA) [MK/HOU/005] is the valid approach for this plan.

Housing Market Area

45. As illustrated at Figure 3 of the SHMA there is a Milton Keynes functional HMA wider than the Borough and encompassing parts of Aylesbury Vale, Central Bedfordshire and South Northamptonshire. Approximately three quarters of the resident population of the functional HMA live in the Borough. In terms of establishing an OAN for Plan:MK, the SHMA applies a “best fit” HMA to the administrative boundaries of the Borough. This approach is justified and consistent with the PPG advice at paragraphs 2a-010 & 2a-011-20140306 on the definition of HMAs.

Demographic Starting Point and Related Adjustments

46. The SHMA applies the government’s 2014-based household projections as the starting point. This reveals an overall growth of 21,922 households over the period (equivalent to 1,461 households per annum). The 2016-based population and household projections have emerged during the examination and after the hearings. The 2016 projections for Milton Keynes are lower but not markedly so. In accordance with PPG paragraph 2a-016-20150227 I do not consider the 2014-based projections should be immediately rendered out-of-date. They still provide a sound basis for establishing need.
47. The PPG at paragraph 2a-017-20140306 advises that plan makers may consider sensitivity testing including issues related to migration and demographic structure which could inform adjustments to the government’s household projections. Government projections apply a 5 year trend for migration but historically, since 1991, migration has varied significantly in Milton Keynes as illustrated in the SHMA (notably paragraph 2.21 and Figure 10). I find the summary in the SHMA at paragraph 2.15 neatly justifies why a longer 10 year migration scenario would be reasonable on which to consider future housing needs. The principal and most persuasive reason would be the smoothing out of the evident fluctuations in migration

across key high and low points within the latest 2005-2015 economic cycle. Applying the 10 year migration scenario results in a higher population change compared to the 2014-based projections and I consider this robust.

48. In translating population projections into household numbers, the SHMA considers the matter of household representative rates. There remains some concern that suppressed household formation (in the 25-44 age cohort) remains a legacy issue of the last recession and requires positive remediation in the OAN going forward. The housing market has been relatively stable for some time as a backdrop to the 2014 based projections and no further adjustment for household formation rates is required.
49. Taking all of this together, the 2014 based projections result in a household forecast equivalent to 1,461 households per annum. Factoring in a 3.4% vacancy rate this equates to a need for 1,513 dwellings per annum. In contrast the 10 year migration scenario, on the same basis, results in a need for 1,596 dwellings per annum. The difference is explained by the 9% increase in population growth within the 10 year migration scenario over the same period (2016-2031). As explained above, I find this a convincing basis on which to plan for new homes given the particularly marked variability in net in-migration. As such it puts the OAN on a positively prepared footing when considering further adjustments. Such an approach also falls within the sensitivity testing allowed for by the PPG.
50. The SHMA makes a further adjustment as part of the demographically informed housing need in relation to concealed households and homeless households. There is nothing fundamentally inappropriate in factoring-in evidence of such households at an earlier stage of establishing a baseline housing need as a means of ensuring completeness. A further, separate adjustment for market signals (discussed below) would address the fuller suite of indicators listed in the PPG.
51. On this basis, Figure 34 of the SHMA reveals that there are 2,802 homeless, concealed or overcrowded households who have a need for affordable shelter. The SHMA appropriately nets this figure so that it reduces to 804 households in the Borough or 815 dwellings on applying a reduced vacancy rate for affordable stock. I consider this a reasonable adjustment to the 2014 based household projections.
52. Cumulatively, I find the various demographic adjustments to be clearly explained and robustly justified by the SHMA which has drawn its analysis from established sources. The demographically adjusted need of 1,650 dwellings per annum is justified, reflecting the particular circumstances in the HMA.

Further adjustments

Future Jobs

53. The demographically adjusted need will generate an additional economically active population of some 21,200 over the 15 years of 2016-31. The SHMA has examined the East of England Forecasting Model (EEFM) which identifies an increase of 31,900 jobs, which when netting off likely 'double jobbing'

results in an increase of 27,500 principal jobs. Once commuting patterns are taken into account (including net in commuting from adjoining areas) the SHMA concludes that some 1,739 additional dwellings will be required to generate the 2,400 additional workers needed. In terms of the robustness of this figure, I am satisfied that the SHMA has appropriately taken into account the labour market participation rates including older people working longer, more women in the workforce and economically active rates amongst young people stabilising after recent declines.

54. There is concern, however, that recent jobs growth has been far exceeding housing such that in-commuting levels could be better balanced by planning for additional homes in the Borough. The SHMA analysis appropriately assumes no change in commuting ratios and trends observed in the 2011 Census. This means that Milton Keynes will remain a net draw on workers pulling in notable numbers of economically active from surrounding areas. There is no evidence before me that the 2011 Census commuting ratios have not been similarly assumed in other parts of the wider functional HMA or adjoining SHMA work. Given the connectivity of Milton Keynes and proximity of parts of Central Bedfordshire and Aylesbury Vale, it does not follow that a continuation of existing commuting patterns during the Plan period would result in unsustainable patterns of growth.
55. In terms of the general alignment between the SHMA and the EEFM I am mindful that economic forecasting can be volatile as evidenced in the variation between the 2016 and 2017 EEFM outputs³. Across the wider SEMLEP area the cumulative OAN at the time of this examination is 11,289 per annum. The EEFM for the same area totalled 11,109 in 2016 and 11,376 in 2017. Overall, I am satisfied that the SHMA's approach to future jobs to inform Plan:MK appropriately sits within a consistent picture across the wider functional economic area such that a workforce for future jobs can be sustainably met. Given the fluctuations in modelling, I am not persuaded that the OAN should pivot on a higher figure of 2,155 dwellings in the 2016 EEFM.
56. Overall, based on a number of key assumptions, I find that the analysis is robust to identify that an additional 1,739 dwellings would ensure a sufficient workforce population to meet the likely demand for future jobs as presented at paragraph 4.38 and Figure 44 of the SHMA. I am satisfied that such an approach accords with PPG paragraph 2a-018 in terms of providing resilience to local businesses and avoiding unsustainable commuting patterns.

Market Signals and Affordability

57. The SHMA has taken into account the relevant market signals and undertaken appropriate indicator comparison with locations of similar demographic and economic character as per PPG 2a-020-20140306. Despite housing delivery being robust and better than the national average, affordability indicators in the Borough are worsening including substantial rises in lower quartile house prices since 2005 and deteriorating ratios

³ See Page 2, ORS update paper July 2018 [MK/EXAM/013]

between lower quartile house prices and earnings. Additionally, house prices in Milton Keynes have remained consistently above the national average since 2001 and risen at a notably faster rate than the national average since 2009. Median private sector rents have also increased across all property sizes in Milton Keynes since 2010/2011 by approximately 20% such that average rents in the Borough are higher than nationally across England and with comparator locations⁴. Indicators on overcrowding and homelessness and temporary accommodation are also worsening.

58. An adjustment for market signals needs to be made. The PPG does not define what an upwards adjustment should be other than the level should be reasonable reflecting the degree of affordability constraints and a corresponding additional supply response.
59. The SHMA advocates 10% uplift for market signals equating to 1,579 dwellings to avoid double counting with concealed households already factored in to the demographically adjusted OAN. Alternative submissions invite significantly higher uplifts of between 15% and 25%. A notable amount of work has been undertaken to benchmark Milton Keynes against other examined local plans over the past 2 years in the wider south-east of England. The 10% figure proposed sits well within the range of uplifts within other South-East Plans dealing with broadly comparable affordability pressures and would result in approximately a 1.6% increase in the housing stock.
60. The 10% uplift for market signals (1,579 dwellings) would be effective, justified and positively prepared and in accordance with the relevant advice in the PPG (paragraphs 2a-019 and 2a-020). However, I consider it important to recognise that a number of separate positive adjustments to the demographic starting point are proposed. There should not be a compounding of upwards adjustments so as to result in a distorted OAN. Accordingly, the higher adjustment of 1,739 dwellings for future jobs would also appropriately address the need to respond to market signals.
61. As part of the suite of indicators on market signals, the PPG refers to rates of development and whilst a SHMA presents the opportunity to "re-set the clock" there is nonetheless an issue that the household projections have a base date of 2015 whereas the Plan period has a base date of 2016. In considering local circumstances the SHMA presents a separate adjustment to respond to the backlog of housing provision in the 2015/16 period which is 553 dwellings. This adjustment to OAN would be spread over the Plan period and would be soundly based.

Other Local Circumstances

62. In relation to older persons accommodation the OAN does not include the 1,032 persons aged over 75 projected to be living in communal, care and sheltered establishments. Applying typical care home occupancy rates the 1,032 persons would generate a need for approximately 1,200 bedspaces.

⁴ SHMA, Figure 54, page 73.

If this fails to materialise, housing would not be released as anticipated to meet the wider housing need (SHMA paragraphs 6.16-6.23).

63. Whilst the submitted Plan:MK does not make any specific allocation for bedspaces, Policy HN1 supports a mix of housing types and Policy HN3 facilitates the provision of supported and specialist housing. This approach may well deliver the care accommodation but in the absence of specific allocations there would be a degree of risk and in turn implications for the OAN being met. On the whole the approach in Plan:MK is not consistent with the PPG advice at paragraph 3a-037-20140306 on older person's accommodation and I find it unsound.
64. To address the situation, in accordance with the advice at paragraph 6.23 of the SHMA, **MM6**, amongst other things, would introduce a target of 1,200 bedspaces within C2 institutions over the Plan period together with a commitment to monitor provision. This would negate the need to adjust the OAN for this Plan with monitoring informing the Plan review. I therefore recommend **MM6** for effectiveness and consistency with national policy.

Conclusions on OAN

65. I find the approach of the SHMA in establishing the full OAN at 1,766 dwellings to be reasonable. It follows the steps set out in the PPG and applies a series of sound assumptions, based on analysis of appropriate evidence, to arrive at a robust and positively adjusted level of need.

The Housing Requirement

66. The housing requirement of at least 26,500 dwellings is the same as the full OAN. The SHMA assesses in some detail the need for affordable housing and concludes that of the OAN of 26,500 homes, 8,200 would need to be affordable (31%). I am satisfied that this assessment in the SHMA is robust. Recent delivery has been only marginally below this (28%) and the scale and quantum of proposed housing allocations presents an opportunity to viably secure an overall quantum of affordable housing broadly in line with the 8,200 identified (affordable housing completions and a supply pipeline of 8,177 in Table 2, MKC statement on Matter 3). I therefore conclude that no further adjustment would be necessary to the housing requirement.
67. As set out above, the emerging housing figures presented as part of the wider agenda for transformational growth should not impact the housing requirement in Plan:MK. In coming to this view I note the MK Futures 2050 Commission report refers to a sustained delivery range of 1,750-2,000 dwellings per annum (p.36). The proposed housing requirement would be within the range and does not need to be adjusted.
68. In conclusion, the housing requirement of 26,500 dwellings at Strategic Objective 2 and Policy DS2 of Plan:MK is soundly based in that it is positively prepared and would be effective in addressing the need for a variety of housing, including affordable provision. Given the potential scope for urban regeneration and intensification within Milton Keynes, it should be clarified that the 26,500 figure is a net requirement and **MM6** would do this.

Issue 4 – Whether the Plan provides a sound assessment of the accommodation needs of gypsies and travellers?

69. The SHMA includes a Gypsy and Traveller Accommodation Assessment (GTAA). The Plan allocates a permanent pitch provision totalling 19 pitches (12 carried forward from previous plans and 7 net new pitches) and no transit pitch provision. In terms of the GTAA evidence there is a need for 5 permanent pitches for gypsies and travellers meeting the latest planning definition⁵. The balance of 14 pitches would meet the needs of those households who whilst not meeting the planning definition still express a preference for non-bricks and mortar accommodation.
70. Section 124 of the 2016 Housing and Planning Act requires a wider assessment of caravan and houseboat needs to underpin strategic policies and site allocations. This is a complex area of work, which may well involve adjoining authorities. There is little before me that the Plan has under-estimated wider caravan or houseboat needs. Accordingly, I do not consider the adoption of Plan:MK should be delayed in terms of carrying out a wider assessment. This should form part of the imminent plan review.
71. Overall, I find the approach to identifying the need for additional gypsy and traveller provision and the resultant requirement in Policy HN11 to accommodate 19 permanent pitches over the period to 2031 to be soundly based and in accordance with the Government’s Planning Policy for Traveller Sites (PPTS). I deal with proposed allocation of 7 net new pitches at SEMK separately below under Matter 4.

MATTER 3: Jobs Growth and Employment Land

Issue 5 - Is the overall need and requirement for jobs soundly based, reflective of local circumstances and justified by the evidence?

A clear economic vision and strategy for the area

72. Milton Keynes is within the SEMLEP area with a final version of the Strategic Economic Plan (SEP) [MK/MIS/006] published in November 2017 which sets out the strategic economic direction to 2050. Plan:MK aligns with the SEP including its objectives to improve infrastructure⁶ and unlock employment and housing sites. The strategic objectives and policies of Plan:MK also support the 2017 MK Economic Development Strategy [MK/EMP/005].
73. Policy DS3 sets out the employment development strategy of the Plan. It seeks to capitalise on the Borough’s geography, not least the economic potential of the caMKox corridor. Furthermore, the strategy appropriately seeks to continue a focus on CMK as a hub for knowledge-based activity and as a location for a new central University Campus (MK:U). The focus on CMK as a vibrant hub for employment (particularly office accommodation) is reinforced by the excellent opportunities to make more of its relationship to the adjacent railway station and the genuine potential to shift to walking

⁵ GTAA in SHMA, Figure 87

⁶ Including Local Growth Fund (LGF) monies for A421 dualling from M1 Jct 13 and Bletchley station improvements.

and cycling as a way of commuting to work. Recent evidence on demand for office floorspace (M1 South Offices Market report [MK/EMP/009]) shows that whilst office floorspace has fallen in CMK in recent years (reflecting loss of some dated/lower quality premises), there is now an upturn in demand. Overall, I find the evidence supports that some additional provision for office floorspace should be made in CMK.

74. Policy DS3 could be clearer by positively stating that in addition to CMK, strategic provision will be made at South Caldecotte and MKE and to specify the supply of employment land provided for by Plan:MK. Additionally, Policy DS3 should be expanded to better align with NPPF paragraph 21 to express encouragement for the appropriate growth and expansion of existing businesses in the Borough. **MM9** would make these various changes and I recommend it for effectiveness and consistency with national policy.

Future Jobs Growth

75. Whilst Milton Keynes may be currently bucking national trends in terms of recent job creation there is no longer significant public sector investment to bring serviced land forward and there is uncertainty with factors such as automation, skills constraints and some notable recent closures of large employers. Accordingly, the prudent outlook of the Council that employment will continue to positively grow but the rate of jobs growth will slow is justified.
76. This is borne out in the 2017 Milton Keynes Economic Growth and Employment Land Study [MK/EMP/003] (the ELS) which has looked at two jobs growth forecasts for the 2016-2031 period. The first, by Experian, estimates that some 28,000 jobs will be provided over the Plan period and the second forecast, using the EEFM, estimates 31,932 jobs over the same period. The EEFM model assumes significantly high numbers of Knowledge Intensive Business Services (KIBS) jobs being created and is more positive about some other sectors compared to Experian. I accept that forecasts for jobs can be "lumpy", reflecting volatility but nonetheless there is very little to suggest that neither forecast could be realised under Plan:MK.
77. Plan:MK would as a minimum meet the higher EEFM forecast which would be sufficient for immediate needs. Should jobs growth prove to be higher and as aspirational as the NIC report envisages I am satisfied that a healthy existing land supply, the ongoing potential of CMK and additional land releases through Plan:MK can combine over the Plan period to ensure jobs growth is not constrained.

Issue 6 - In terms of delivery is the strategy and land supply to meet the requirement positively prepared and consistent with national policy?

Future Employment Land Requirements

78. A consistent theme in the analysis is that when applying either the EEFM or Experian forecasts (87ha and 132ha respectively) the pipeline of available employment land has generally been sufficient for future demand. Whilst there may be a sufficient quantitative supply to support the needs of general employment uses, there are quantitative and qualitative issues

regarding the land supply for larger warehouse and distribution uses. This is an issue which Plan:MK must positively address.

79. Applying the more positive Experian forecast of a gross need for 104 ha of land for warehouse and distribution uses, the existing supply pipeline of 56.5ha leaves a net requirement for 47.5ha. Given the healthy supply of employment land for general, established employment needs and the opportunities in and around CMK to bolster a cluster of KIBS, the quantum of land supply identified to address qualitative need for additional warehousing and distribution uses at 47.5 hectares is soundly based.
80. There are clearly longer-term aspirations for the local economy arising from the NIC report and elsewhere to harness the potential for high value, knowledge based employment linked to the improved connections to Cambridge and Oxford via the EWR and Expressway projects. Furthermore, the proximity of Cranfield University and the Technology Park in Central Bedfordshire, the provision within Plan:MK for a university campus within CMK adds to the evidence that having a moderate over-supply of employment land would be justified and effective. As such it would be justified for Plan:MK to make provision for additional employment land above the 47.5ha identified in the ELS. MKE represents the most appropriate location to provide for additional employment land in the medium to long term and I address this in more detail in Matter 4.
81. The Plan seeks to accommodate the provision for employment land on larger strategic sites rather than disaggregating provision over a number of sites. This is a sound approach given the need for larger land areas for storage and distribution and the infrastructure required to service these sites.
82. The SA has considered an alternative option of land north east of Newport Pagnell. There would be distinct disadvantages of splitting the need for additional employment land on to sites which in themselves cannot meet the totality of supply (47.5 hectares) for the larger warehouse and distribution uses. It is also a fair conclusion in the SA that land north east of Newport Pagnell is sequentially less preferable than the other two options at South Caldecotte and MKE. Plan:MK would appropriately provide for employment land well related to the strategic road network (M1 and A5) in locations accessible for employees. This is a justified and effective approach and the most appropriate when considered against the alternatives.
83. I deal with strategic site options in detail below in Matter 4 but at this strategic level it is clear that South Caldecotte would be the most appropriate option for meeting the identified need for additional employment land in the short term. In contrast MKE will take longer to come to fruition and as such does not remove the need for South Caldecotte. As a longer term site it would not prejudice future strategic choices for employment land given its good relationship to the M1 and Expressway. As set out above Policy DS3 would make clear the role of MKE as a strategic location for employment development over the longer term through **MM9** as recommended.

Conclusions on Future Jobs and Employment Land Supply

84. The future jobs numbers and assessment of employment land supply are robust. The focus on CMK, existing employment sites and strategic additional provision at first South Caldecotte and then MKE is justified and would be effective in enabling the local economy to grow and develop in line with local, SEMLEP and wider caMKox ambitions appropriate to the Plan period. The Plan is also positively prepared by enabling a new university campus (MK:U), reallocating employment land which is no longer fit for purpose and supporting technology and working environments likely to boost productivity.

MATTER 4: Strategic Sites

Issue 7 – Whether the strategic sites will deliver sustainable development to meet identified needs?

Introduction and approach to site selection

85. Drawing on sources such as the SHLAA and ELS evidence, I am satisfied that the SA presents an appropriate rationale as to why only a focused pool of sites progressed to detailed assessment. Overall, I find the judgements in the SA to be reasonable and the strategic site selection process to be soundly based.
86. Whilst there are individual policies for each proposed strategic site allocation addressing site specific matters, it is important not to lose sight that Policy SD1 provides over-arching place-making principles and Policies SD11 and SD12 provide further principles on planning for sustainable urban extensions. Policy SD1 requires further clarity and comprehension including enhanced references to consideration of the effects on the historic environment, biodiversity and green infrastructure and ensuring highway infrastructure reflects the Council's latest Mobility Strategy. **MM11** would introduce these clarifications and I recommend it for Plan effectiveness.

South East Milton Keynes (SEMK)

The Principle of SEMK as a strategic urban extension

87. The proposed urban extension at SEMK for 3,000 homes would form part of a logical consolidation of the south-easterly expansion of Milton Keynes. The judgements applied in both the SHLAA and the SA as they relate to this area have been demonstrated to be reasonable. The proposals at SEMK would be very well aligned to the developing spatial pattern of east-west growth to the south of the City.
88. A particular consideration with the proposed SEMK is whether the proposed EWR and Expressway give rise to uncertainties over its deliverability. SEMK would be well-connected to Woburn Sands for EWR and Bow Brickhill for local services. Whilst frequency of services along the Bletchley to Bedford

line would increase, there is no evidence before me that noise cannot be adequately mitigated or the proposed bridge crossing within the site cannot be delivered. On this basis EWR would not be an insurmountable barrier to delivering the site and creating a new cohesive community. SEMK represents the only urban extension option that can locate new housing directly adjacent to existing rail stations, a particularly positive factor that supports its allocation.

89. The 'Oxford to Cambridge Expressway Strategic Study Stage 3 Report' identified 3 potential corridors within which a road route could be accommodated. The precise alignment of the route remains to be announced by Highways England and that should become clearer with a preferred route announcement in 2020. There is very little in the available preliminary technical evidence or within the signed MoU with Highways England that Plan:MK should preclude land from being allocated within the broad route corridors. Initial work demonstrates that the land area identified for allocation can accommodate the land-take necessary for an Expressway as well as 3,000 homes and associated infrastructure.
90. In respect of the Expressway, submitted Policy SD13 inhibited the grant of planning permission at SEMK until 2019/20. In light of the latest evidence and the likely timetable for the Expressway such an approach would not be justified or effective and the prescriptive date should be removed. It nonetheless remains necessary to clarify in Policy SD13, that to secure the coherent, comprehensive development of the site the timing of the grant of planning permission for housing and associated uses would be contingent on the alignment of the Expressway being established. **MM15** would make the necessary changes to the first part of Policy SD13 and I recommend them for soundness.
91. Turning to other matters on the principle of SEMK, I note there are no objections from neighbouring authorities, recognising the need to continue cross-boundary dialogue on matters such as the local road network in Woburn Sands and Aspley Guise. There is local concern that SEMK would result in the harmful coalescence of the City with Wavendon, Woburn Sands and Bow Brickhill. These communities are currently only modestly separated from the existing edge of Milton Keynes such that the proposed allocation will inevitably result in development in close proximity to them. There are few options to expand and grow Milton Keynes that would not result in the City extending closer to surrounding settlements. In the case of SEMK the harm would be mitigated by proposed scale of strategic green buffers and landscaping. Policy SD13 could be more effective in this regard and I recommend the clarity on this point to criterion 3 in Part B of the policy in **MM15**.

Environment and Heritage at SEMK

92. The proposed allocation is relatively free of environmental constraints. It does contain BMV agricultural land but this is not unique to SEMK and the SA robustly demonstrates that wider public benefits would outweigh the harm. This could be mitigated further by aligning green infrastructure to BMV land. There is no evidence that SEMK would adversely affect the

nearby Greensand Ridge Nature Improvement Area. Initially, SEMK would be visible from footpaths that criss-cross the Greensand Ridge, but over time, with strategic landscaping in place there is no reason why SEMK would not successfully assimilate into the wider 'city within the trees' character. Nonetheless, Policy SD13 should make specific reference to mitigate any harm to the wider landscape character in the Brickhills area and I recommend this part of **MM15** for effectiveness.

93. There are various heritage assets in the locality, notably the scheduled monument of Danesborough hill fort on the Greensand Ridge and listed churches. Given the topography, the intervening distances, the scant inter-visibility and lack of persuasive evidence that the site is integrally part of the setting of these heritage assets, there would be no harm to their heritage significance. The site is likely to have some potential archaeological value and as such an additional criterion to Policy SD13 would secure an appropriate level of study in line with paragraph 128 of the NPPF and I recommend its inclusion as part of **MM15** for effectiveness.

Connectivity and infrastructure of SEMK

94. The site would be well connected by rail and would support existing bus services and extend routes through the site. Local services and facilities in Woburn Sands and southern parts of Milton Keynes (including Old Farm Park) would be within walking and cycling distance. The scale of the allocation would support further local service provision within walking and cycling catchments. Critically, the site is well-related to the existing employment estate at Tilbrook, Caldecotte Lake Business Park and the proposed South Caldecotte employment allocation.
95. Principal connectivity via the existing local highway grid network would be away from Woburn Sands and Bow Brickhill such that there is little to support the submissions that the local highway network would be adversely affected. In terms of securing appropriate connectivity in the southern part of the site, the railway line would need to be safely crossed. From the evidence to the examination there are no insurmountable reasons why such connections cannot be secured. I accept that EWR would have a bearing on this and consequently it would be premature for Plan:MK to provide precision on how and where the railway would be crossed, however, as submitted Plan:MK remains opaque on this important site specific matter and therefore not effective. I recommend the additional description proposed in **MM15**, including that the matter is appropriately resolved through the required development framework.
96. Critically, the site presents an opportunity to secure additional school provision not only to serve the allocation but in respect of secondary education for a wider catchment to the south of the city. The delivery of a new secondary school in this part of the Borough further justifies the proposed allocation. As submitted the Plan is silent on the required education infrastructure. To add necessary specificity and make the Plan effective and consistent with national policy, **MM15** would introduce the required level of education provision at a new criterion in Part B of Policy SD13 and I recommend the modification accordingly.

Meeting housing need

97. The site would be largely developable within the Plan period. There is likely to be considerable overlap between the development framework and initial planning applications such that the sequence should be that the framework required by Policy SD12, can be approved prior to the approval of planning applications rather than the submission of planning applications. **MM15** would introduce this change in Policy SD13 and I recommend it for positive preparation in order to facilitate delivery as soon as possible.
98. A number of additional parcels of land are now proposed to be included in SEMK since Plan submission which have been consulted on. They largely represent logical infilling and modest peripheral parcels that would consolidate the proposed allocation. I do not consider an adjustment to the 3000 home capacity would be necessary but it would provide additional scope and flexibility for the site to accommodate a variety of development, including a potential alignment of the Expressway. Accordingly, I recommend the amended extent of SEMK as per **MM16** so that the Plan is justified and effective.
99. As addressed under Matter 2 above, there is a need for additional permanent pitch provision for gypsies and travellers. SEMK presents an opportunity to create a new site of sufficient critical mass distinct from provision elsewhere in the Borough. Previous plans in Milton Keynes have contained similar approaches to gypsy and traveller pitch provision as part of new residential allocations (Newton Leys), providing confidence that the approach works. Given the extent and scale of the allocation there would be sufficient scope to appropriately plan for the pitch provision within a comprehensive development framework for the site in accordance with the PPTS and Policy HN11 of the submitted Plan. The requirement in Policy SD13 that the allocation provides for 7 pitches for Gypsies and Travellers is therefore justified.

Conclusion on SEMK

100. Notwithstanding the sequencing around any final route alignment for the Expressway, SEMK presents a highly sustainable and logical extension to Milton Keynes that presents one of the best options to align growth in the Plan period to the future emphasis on east-west connections with Cambridge and Oxford whilst being sustainably connected to jobs, services and facilities in Milton Keynes. There will be a lead-in time to delivery but given the site is relatively free from constraint there is no reason why it should not make a substantial contribution to development during the mid and latter parts of the Plan period.

Milton Keynes East

Principle of Milton Keynes East (MKE) as a strategic urban extension

101. MKE as a location would be about 3.5km from CMK, adjacent to Newport Pagnell and about 4.5km from Cranfield University and Technology Park. It is adjacent to the M1 corridor and would not be remote from the Oxford to Cambridge Expressway. Accordingly, MKE represents a good fit within the wider, long term spatial strategy emerging for the Borough. As demonstrated by SA, I am satisfied that MKE would represent a reasonable option for a sustainable strategic urban extension to Milton Keynes, for this plan period and beyond, that would not prejudice or foreclose any wider strategy for long term growth likely to emerge from the caMKox corridor and MK Futures work.
102. Eastward expansion of Milton Keynes has given rise to concern for communities in Central Bedfordshire. It is clear from the MOU with Central Bedfordshire that there has been dialogue [MK/SUB/008 pages 20-25] and general support for Policy DS2 and focusing housing within, and adjacent to, the existing urban area. The MOU recognises that should MKE come forward in the Plan period there will be ongoing liaison⁷. In terms of a principal concern relating to transport impacts, the Milton Keynes Multi Modal Model (MKMMM) outputs are clear that there will not be any significant implications arising from MKE for communities in Central Bedfordshire. Longer term, the prospect of a fast mass transit transport connection between Milton Keynes and Cranfield offers scope to reduce car borne traffic through local villages. MKE would provide critical mass on the proposed route to support the realisation of a transit system.
103. MKE would bring development in close proximity to Moulsoe such that Moulsoe's identity as a stand-alone village would be appreciably reduced. However, large parts of the village to the east of the church would have no direct inter-visibility with MKE. In terms of the harm that would arise, given the edge of urban Milton Keynes is already palpable from the western edge of Moulsoe this would be moderate and in large part capable of mitigation by maintaining an undeveloped green buffer around Moulsoe village.
104. The extent of the site was amended on submission to include a further parcel of land to the north (PM3 in MK/SUB/004c). This additional area of land does not fundamentally alter the scale of MKE or result in any significant harm. It would enable a more comprehensive development. I therefore recommend **MM17** to illustrate the consolidated extent of MKE.

Environment

105. There are few environmental constraints to MKE. There is no evidence that the extent of fluvial flood risk has been underestimated in the locality and that areas of highest flood risk cannot be avoided through the core of the Ouzel valley being retained as part of a wider corridor for green and blue infrastructure. As a commercially farmed area on the urban edge of Milton Keynes, which includes a sand and gravel extraction site, and dominated and disrupted by the M1, A509 and A422 roads, the condition of the landscape here is moderate to weak. Development at MKE presents an opportunity to positively respond to landscape management guidelines as

⁷ MK/SUB/008 paragraph 3.16-3.17, page 23

well as broaden biodiversity and improve connectivity for wildlife consistent with the Council's Green Infrastructure Strategy 2018. Nonetheless, as submitted Policy SD14 lacks some specificity for MKE in terms of the requirements to mitigate environmental impacts and the opportunities for net gains in green infrastructure and ecological connectivity. **MM18** would do this and I recommend for plan effectiveness.

106. In terms of environmental conditions, the proximity of the M1 and the Cotton Valley sewage treatment works at Pineham have not generated any objections from Highways England, environmental health or Anglian Water. The air quality management area (AQMA) at Olney on the A509 is some distance to the north. Traffic modelling under both Scenarios 2 and 2b in the MKMMM does not reveal significant or appreciable volumes of traffic above the reference case being assigned from Plan:MK growth northbound on the A509⁸. Overall, and subject to appropriate master-planning, the MKE proposal would not result in any significant adverse impact on the living conditions of existing and future residents.

Heritage

107. The site contains a Grade II listed building (former farmhouse) within the Holiday Inn complex on the A509 and forms part of the setting of the Grade I listed church in Moulsoe. In terms of the Grade II building, it has already been extended by modern buildings to form the hotel and the setting is further affected by the busy A509 and ancillary car parking and modern farm buildings to the west. MKE would not have any adverse effect on its heritage significance. In respect of the Grade I church, its setting includes being a prominent feature atop of the shallow ridge above the valley of the Ouzel. In an immediate context, the setting would be retained by the proposed degree of separation between the edge of MKE and the village of Moulsoe and the location of MKE in the lower farmland plain.

108. In some wider views the general setting of the church would be interrupted by the proposed development but any harm to the heritage significance of the church would be less than substantial. The NPPF advises at paragraph 134 that less than substantial harm should be weighed against the public benefits of a proposal. In the case of MKE the substantial public benefits of securing sustainably located jobs and homes in an area of recognised growth would outweigh the harm identified.

109. Whilst there are no designated archaeological assets within the site, it is likely to be of archaeological interest. Policy SD14 lacks some specificity in relation to built heritage and archaeology. A new final bullet point within the policy would address the issue, and I recommend this part of **MM18** for plan effectiveness and consistency with national policy.

Connectivity

⁸ Approximately 60 additional two-way vehicle movements during the AM peak and 175 additional two-way movements during the PM peak

110. Opportunities to extend existing bus routes and the Redway network into the area exist enabling the site to be directly connectable to CMK and the wider urban fabric of Milton Keynes without reliance on the car. The site is also close to the MK Coachway facility at Brook Furlong for wider connections. The site also provides the potential to secure Park and Ride provision on a side of the City where it would be operationally justified in line with MKC's Mobility Strategy. As set out above, ambitions to set up a fast (limited stop) mass-transit system to connect CMK to Cranfield University relate well to the site (referred to as a 'bullet bus'). These are all positive factors which support the allocation of MKE.
111. The evidence base on transport and movement⁹ enables a more detailed Policy SD14 that would provide enhanced certainty in terms of setting guiding parameters for the preparation of a development framework for the site and subsequent planning applications including how the site should connect to the existing grid road network, the need for new and/or enhanced vehicular crossings of the M1 and the principle of safeguarding a fast mass-transit route to/from CMK. Finally, the policy needs to be clearer about the potential of the site to connect into, and extend, the network of segregated footpaths and cycling routes including appropriate crossings of the A422 and M1. **MM18** would address these required amendments in respect of connectivity at MKE and I recommend them for plan justification and effectiveness.

Timing and Delivery

112. As submitted the Plan is unclear on the role and function of MKE stating variably that the site is a 'strategic reserve' and elsewhere that it is 'allocated'. As submitted the Plan is unsound and additional clarity would ensure the Plan is effective and positively prepared in relation to MKE.
113. MKE has a potential key role to play in the next phase of City growth and has a reasonable prospect of coming forward within the Plan period. This needs to translate into a positive allocation in Plan:MK recognising that the scale of its contribution to meeting development needs relates to whether or not current funding submissions to Government can positively unlock growth sooner. This would align with the indicative Process 'Road Map' which has been produced for MKE¹⁰.
114. Fundamentally, the identified constraints at MKE are not insuperable and the issues are funding and timing, primarily in relation to the capacity of Junction 14 of the M1 and alternative means to alleviate traffic movements around and through the junction. Highways England has not objected to the principle of MKE or additionally crossing the M1 to mitigate additional movements associated with MKE (as modelled under MKMMM scenario 2b). In terms of moving matters forward MKE has been the subject of a stage 1 bid to the Housing Infrastructure Fund (HIF) for approximately £76million

⁹ Including Technical Note: Mitigation Testing at MKE (24 April 2018) submitted by MKC as INS1d 3 June 2018

¹⁰ MK/SOCG/001a Appendix 2

which was successfully shortlisted in March 2018. It is noteworthy that the bid was supported by Highways England and the SEMLEP amongst others.

115. There is now joint working on a detailed Stage 2 bid which if successful would enable up-front strategic infrastructure to be provided. Even if the HIF stage 2 process were to be unsuccessful other funding options remain such that there would be a reasonable prospect of development at MKE within the Plan period albeit later rather than sooner. Accordingly, as set out above under Matter 2, I find that MKE would be capable of delivering of at least 1,475 dwellings during the Plan period. This is a cautious figure that could increase significantly to around 3,000 homes in plan period if the current HIF bid is positive. Longer term capacity beyond plan period would take the scale of the site identified in Plan:MK to around 5,000 homes.
116. Accordingly, I find it would be necessary to amend Policy SD14 to state that development can take place at MKE prior to 2031 provided the necessary strategic infrastructure is funded and delivered. From all the joint material provided in the MKE Development Statement June 2018 [MK/SOCG/001 and 001a], there is a gathering momentum to boost delivery at MKE sooner rather than later. **MM18** would remove the references to delivery post 2031, link delivery to strategic infrastructure provision and clarify the sequence of a development framework and subsequent planning permissions and I recommend it so that the Plan is justified, effective and positively prepared.

Employment and commercial role of MKE

117. Policy SD14 allocates MKE as a strategic site for a mix of uses including a variety of employment uses. The anticipated start date of 2023/24 would be a pragmatic approach. To aid effectiveness of Policy SD14, **MM18** would clarify that some 105 ha of employment land, for a mix of employment uses, would be released through the MKE allocation in Plan:MK and I recommend it accordingly.
118. I am satisfied that infrastructure planning to inform Plan:MK has appropriately considered the various infrastructure requirements. In respect of retail specific reference should be made to ensuring no adverse impact on the vitality and viability of Newport Pagnell district centre, which is only a short distance to the northern edges of MKE. **MM18** would do this and I recommend it for plan effectiveness and consistency with national policy.

Conclusions on MKE

119. The evidence of ongoing and potential funding options for infrastructure to unlock MKE justifies a more positively prepared approach than the submitted Plan:MK. In doing so, it would represent a sizeable addition to the land supply in a sustainable location. It would also not be prejudicial to future growth options. I have recommended the various modifications at **MM17** and **MM18** and on this basis MKE would be soundly based.

South Caldecotte

120. South Caldecotte would be the principal employment land allocation to meet the identified need for mainly warehousing and distribution uses. The site is a relatively unconstrained greenfield site and any localised environmental impacts relating to local priority habitats and species on the site could be mitigated in accordance with the requirements of policies NE2 and NE3 of the Plan. The Council has prepared and consulted on a Supplementary Planning Document (SPD) for the site which will provide more detailed guidance. This should be referenced in Policy SD16 and at paragraph 5.30 through **MM19** which would make clear that a comprehensive development framework for the site will need to be adopted by the Council prior to any planning applications being approved. This will ensure a coordinated and satisfactory approach to the development of this key gateway site and I recommend the modification for effectiveness.
121. The site would form a new gateway development when approaching the City from the south. This in itself, however, would not be necessarily harmful, particularly given the urban character of the adjacent 'Kelly's Kitchen' roundabout on the A5 and the potential of the Expressway in this area. As such the site would not be a significantly harmful intrusion into the countryside. The reasonably strong vegetation boundary around the site could be strengthened by additional landscaping to mitigate visual impacts.
122. Elsewhere the proposal would not adversely affect the setting of the Greensand Ridge. Due to the intervening distance and the densely wooded character of the Ridge, the setting of the scheduled monument at Danesborough Iron Age fort and the Listed Grade II* parish church at Bow Brickhill would also not be adversely affected. The South Caldecotte site would be visible from the well-used footpath extending south-west out of Bow Brickhill via London End Lane. However, the development would be seen at some distance over intervening fields, thus reducing the impact of the scale of warehouse and distribution units. The consideration of landscaping, design and building heights as required by Policy SD16, would address visual impact further such that the proposed development would not significantly harm the experience or outlook for users of this rural path.
123. It would be sufficiently separated from the main settlement of Bow Brickhill, although there are residential properties on Station Road that would be particularly close to the site. These properties are set back slightly from the highway and generally face south over open fields rather than towards the allocated site to the south-west. Through careful design and further landscaping the impact on nearby residential properties can be minimised.
124. The allocation would be principally accessed via the A5 although the option exists to connect to the A4146 to the north via V10 Brickhill Street and the level crossing. Taking account of the impact of EWR¹¹ queue lengths approaching the level crossing and mini-roundabout junction with Station Road, Bow Brickhill would be likely to increase but are unlikely to have a severe impact on highway safety. Longer term the proposed link through SEMK, including over the railway (modelled in MKMMM Scenario 2a) and the wider impact of the Expressway could potentially remove traffic from local

¹¹ Pages 136-139 of MK/TRA/004

roads to mitigate the moderate localised impact of South Caldecotte on queue lengths around the level crossing.

125. In terms of wider impacts on the local highway network, the MKMMM modelling shows only a modest impact above and beyond the effects arising from background traffic growth to 2031 including committed growth. The location of South Caldecotte, adjacent Bow Brickhill station, on bus routes from CMK and with potential connectivity to the nearby cycle network present significant opportunities to secure modal shift in the workforce. Concern is expressed about Heavy Goods Vehicles (HGVs) weaving through Bow Brickhill, Woburn Sands and Aspley Guise to access the M1 and A421 eastbound. This route is distinctly unappealing and convoluted compared to the existing dualled A4146/A421 to the north connecting to M1 Junctions 13 and 14 and the good A5 connection to the M1 Junction 11a to the south at Dunstable. In the short term a routing plan could be secured in accordance with Policy CT2 of the submitted Plan, so that HGV traffic uses the A5 to access site. Longer term the proposed Expressway would provide alternative east west connectivity.

Conclusion on South Caldecotte

126. For the reasons above the proposed employment allocation at this location would be soundly based and the allocation would be effective in meeting forecast economic growth in the early to middle period of Plan:MK.

Campbell Park

127. The area is demonstrably suitable and available (as evidenced through the dialogue with MKDP) for housing and is sustainably located close to services, facilities, employment and public transport. Plan:MK is therefore justified and effective in identifying Campbell Park for principally residential-led development as part of one of the key areas for growth and change within CMK. Policy SD18 adds little to what is set out in Policy SD3 and should be deleted. Consequently, **MM14** and **MM20** would embed Campbell Park firmly into the policy framework for CMK without undue repetition and therefore make Plan:MK effective in this regard.

128. To aid transparency as to the scale of housing development proposed at the various parcels at Campbell Park, **MM6** would include capacities within Policy DS2 as part of the overall housing strategy of the Plan. This includes the sizeable quantum of development at Campbell Park Northside which could deliver around 1500 new homes and commercial uses. Additionally, it would be necessary through **MM42** to identify Land North of Glebe Roundabout, Overgate (60 dwellings) in terms of consistency with the Central Milton Keynes Alliance Business Neighbourhood Plan (CMKAP) so that the Plan is justified, effective and positively prepared.

Other Strategic Sites

129. Smaller strategic sites are proposed for allocation at Eaton Leys (Policy SD15), Milton Keynes Rugby Club (Policy SD20) and Redhouse Park (Policy SD21). These sites have specific issues which require a particular policy approach in the Plan. The policy content for these sites is sound. Policy

DS2 would allocate a number of non-strategic sites for housing which do not require specific policies. These sites were previously presented in Appendix A (table 18.2) of the Plan. **MM6** would list them within the policy and I recommend it for effectiveness.

Conclusion on Matter 4

130. The strategic sites would conform to the spatial strategy for Plan:MK and relate well to strategic and national east-west infrastructure delivery. The identification of these sites in the Plan will enable a comprehensive approach to the provision of sustainable development to meet the identified housing and employment needs within the Plan period.

MATTER 5 – Housing Land Supply

Issue 8 - Is the Plan's approach to land supply to meet the housing requirement positively prepared and effective?

Achieving a Deliverable and Developable Housing Land Supply

131. In the years 2016/17 and 2017/18 some 2,750 dwellings have been completed in the Borough resulting in a net shortfall of 784 dwellings against an annualised requirement of 1,766 dwellings. From an updated base date of 1 April 2018, the housing target in the Plan would be a minimum of 23,740 dwellings.

132. Whilst the submitted Plan is clear on the sources of supply and their aggregate capacity in meeting the requirement, the Plan was silent on a housing trajectory, the details of the key components of the trajectory and how a five year deliverable supply should be calculated. These omissions mean the submitted Plan would not be effective, positively prepared or consistent with national policy and therefore would not be sound.

Housing Trajectory

133. The submitted Plan at Table 4.3 would need factually updating to a latest base date of 1 April 2018 to reflect the up-to-date evidence, including the 2,750 completions in the first two years of the Plan period together with updating the pipeline of existing permissions and allocations (including the recently adopted SADPD) to 18,138 dwellings. Accordingly, as of 1 April 2018, some 20,888 dwellings over the Plan period can be accounted from completions and commitments anterior to Plan:MK allocations.

134. In terms of future sources of supply, various components should be amended so that future additional housing capacity as a consequence of Plan:MK would equate to 10,044 dwellings. This includes, amongst other things, making a minimum positive allowance for Milton Keynes East of 1,475 dwellings during the Plan period and being more positive about the capacity of sites in CMK and Campbell Park. Consequently, I recommend **MM8** which would provide a justified and effective Table 4.3, encompassing a blend of factual updates and other main modifications to the Plan. The upshot of revised Table 4.3 is that, with modifications, Plan:MK would enable the provision of 30,932 dwellings.

Key components of the proposed trajectory

(i) Existing commitments and allocations

135. Housing delivery in the short to medium term would be reliant on the continued delivery of existing strategic extension sites including the Strategic Land Allocation (SLA) in the 2013 Core Strategy. Both the expansion areas and Newton Leys are all being constructed at pace across multiple outlets. I also noted that housebuilding is now well-under way on initial phases at the SLA. The forecasts for these sites are robustly based.
136. A number of other urban sites are also projected to deliver, including within CMK. Through the SHLAA I am satisfied that the Council has taken an appropriate approach to intensification, applied reasonable densities and made realistic assumptions around delivery timescales, supported where appropriate by specific information. I am satisfied that the supply of sites in CMK and elsewhere in the urban fabric will contribute to housing delivery, diversifying supply to complement the strategic sites.
137. A number of neighbourhood plans have made residential allocations including in the key settlements at Newport Pagnell and Olney. Plan:MK does not seek to amend or conflict with these allocations. The made Newport Pagnell Neighbourhood Plan allocates land at Tickford Fields for 1200 homes. Following further delivery work to inform a planning application, the revised yield of the site is likely to be reduced to 930 units and initial completions moved back to 2020/21 [MK/EXAM/019]. The Council has amended its trajectory accordingly which is the sound approach.

(ii) Strategic Sites in Plan:MK

138. Land at SEMK is projected in the submitted plan to yield some 3000 homes over the Plan period. The Council envisaged delivery at the site from 2022/23 onwards. Notwithstanding the advanced dialogue between the Council and site promoters I consider that the further work needed on a development framework for the site (together with the announcement of a preferred route for the Expressway in 2020) means that on-site delivery should start from a modest output in 2023/24 and intensify from there onwards.
139. The trajectory shows annual delivery at 450-500 units over a sustained period towards the end of the Plan period. It is a greenfield site where strategic infrastructure requirements are known and it represents an alternative direction of growth for competition and choice in housebuilding. It is a scale of site that could sustain multiple development sites consisting of multiple outlets. It is an area well aligned to the forthcoming strategic east-west corridors and therefore likely to be one of significant demand. I am therefore satisfied the proposed build-out rates strike an appropriate balance between aspiration and realism.

140. Land at Milton Keynes East (MKE) was not prescribed any specific delivery within the Plan period. As set out elsewhere in this report, I consider a more optimistic view on infrastructure funding should be taken and accordingly a positive allowance given to the site of at least 1,475 units over the Plan period. I accept that should the current infrastructure funding bid be positive then delivery is very likely to be sooner rather than later and the 1,475 figure exceeded. The trajectory anticipates delivery starting in 2026/27 and outputting at around 300 units per annum. For similar reasons as set out above for SEMK I consider this a realistic profiling.
141. The various land parcels around Campbell Park, including the key site at Northside are under the control of the Milton Keynes Development Partnership (MKDP). Evidence to the examination [MK/EXAM/006a&b] submitted by MKDP shows selected national development partners and a collaborative project-managed approach with the Council to facilitate the start of delivery of 1,500 homes by 2020/21. Overall, I find the assumptions in the trajectory on delivery at Campbell Park to be realistic.

(iii) Urban Regeneration

142. Work is ongoing with preparing masterplans for specific older housing estates which may yield additional housing capacity. Additionally, whilst the Plan at Policy SD19 creates a positive framework for regeneration in central Bletchley no specific quantum of housing has been assigned in the trajectory. I also heard of interest for further housing within CMK, including higher density build-to-rent models. Again, the trajectory makes no allowance for these potential sources of supply. These options remain at any early stage such that for Plan:MK there is not yet the degree of 'reasonable prospect' outlined at paragraph 47 of the NPPF to be considered either deliverable or developable. As such the housing trajectory is reasonably cautious in not making an allowance for them at this stage.

(iv) Windfall allowance

143. The Borough has sustained a reasonable amount of windfall completions, averaging 186 dwellings per annum (2008-2018). Paragraph 48 of the NPPF allows for a windfall allowance and the Council's Housing Land Supply Topic Paper at section 7 provides the compelling evidence that such sites have consistently become available and will continue to be a reliable source of supply. In terms of making an allowance for small-scale sites, including smaller conversions, and excluding garden land, the proposed windfall allowance of 95 dwelling per annum would be justified.

Approach to the trajectory

144. In terms of profiling the trajectory, the Council has applied an annualised approach. Whilst there are a number of strategic urban extension sites (existing and proposed) which may point to an alternative stepped trajectory, it is noteworthy that both the SADPD and Plan:MK seek to genuinely diversify housing land supply to boost delivery such that I find the annualised approach sound.

145. The proposed trajectory peaks in 2021/22 at 3,450 homes after incremental increases in preceding years. I accept that this is a very demanding figure and that the very recent Secretary of State decision at Newport Road¹² concludes that “something very special would need to materialise” to enable this to happen and that the overall estimate of deliverable land should be reduced in light of the 2018 NPPF definition of ‘deliverable’. I accept that the trajectory is challenging but the strength of the local economy, ongoing infrastructure investment and the established number of larger sites now cumulatively outputting does point to special circumstances in Milton Keynes for significantly higher delivery over the next few years. The trajectory does rely to a certain degree on maximum outlets yielding at maximum capacities on the larger sites but also includes a significant number of small and medium sites contributing to the figures. I am not persuaded that further strategic land releases, would boost early delivery.
146. For the purposes of plan-making there is no dispute that MKC is a 20% authority which is reflected in the trajectory. I have been directed to a recent decision at Newport Road decision which has applied the 2018 NPPF definition of ‘deliverable’ but also finds MKC is a 5% authority which would make a material difference and a smoother trajectory. Ultimately, the trajectory in Plan:MK reflects the evidence tested against the 2012 NPPF as required under the transitional arrangements and consequently it would not be sound to take a selective approach from the Newport Road decision.

Conclusion on housing trajectory

147. The proposed inclusion of the housing trajectory after Policy DS2 and Table 4.3 of the submitted plan would clearly articulate the profile of planned housing delivery in the Borough together with a summary table transparently showing the contribution from key sources of supply. Proposed Appendix I to the Plan would provide a more detailed picture of delivery projections. Accompanying proposed text to the trajectory in the Plan would further explain how the annual target of at least 1,766 dwellings per annum would be delivered. Accordingly, **MM7** and **MM43** would ensure the Plan would be effective, positively prepared and consistent with national policy and I recommend them accordingly.
148. The housing trajectory shows a supply potential of 28,182 dwellings over the remainder of the Plan period, against a requirement of 23,742 (13 years plus shortfall since 2016). The Plan trajectory comprises an appreciable supply buffer in the region of 18%¹³. I note this is marginally contrary to the 15% marker in the submitted SA report on which larger sites and further provision was discounted. However, I see little significant harm from this scenario which would secure sustainable patterns of development without prejudicing longer term aspirations for transformational growth. Accordingly, whilst there is no requirement for a supply buffer, I find the positive margin in Milton Keynes would be justified, effective, positively prepared and consistent with national policy to significantly boost the supply of housing and therefore sound.

¹² APP/Y0435/W/17/3169314

¹³ $28182 - 23742 = 4440$. $4440/23742 * 100 = 18.7\%$

Five year deliverable supply of Housing Land

149. The starting point in the calculation is the annualised requirement of 1,766 dwellings per annum as per the trajectory. In terms of the shortfall that has accrued since the start of the Plan period (784 dwellings) the evidence on deliverable supply and the objectives of Plan:MK to support sustained growth means the Sedgefield approach to recover the shortfall within the five year period would be justified.
150. The Council does not dispute, based on past performance, that a 20% buffer should be applied (moved forward from later in the Plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market. In addition to various site-specific amendments to the trajectory, the Council has also applied a 10% non-implementation rate on completions within the first five years to those sites where delivery is envisaged to extend into year 5 to account for non-delivery and slippage. Taking all of these factors into account, there is a realistic prospect that there would be a five year supply of deliverable housing land on plan adoption as required by national policy.
151. For the Plan to be sound in terms of effectiveness and further consistency with national policy it would be necessary to introduce new text into the Plan so that future decision-makers would be clear on the basis as to how the housing land supply should be calculated. Text within **MM7** would do this and I recommend it accordingly.

Flexibility and Monitoring

152. Given the SHLAA evidence, the strong market demand in Milton Keynes and the context of significant future growth (and potential sources of funding to support growth), I find the risk of non-delivery to be minimal. To make the submitted Plan effective on de-risking housing delivery the Plan should set out the type of initiatives the Council will pursue to support housing provision including the preparation of development frameworks, planning performance agreements (PPAs), supporting funding bids and a practical approach to unlocking sites, for example using Compulsory Purchase powers. **MM7** would introduce such text to a new section of the Plan on housing delivery and I recommend it accordingly.
153. It has been suggested that further contingency should be made within Plan:MK through the identification of strategic reserve land should the Plan Review slip. Plan:MK identifies a healthy supply of housing and commercial land in excess of identified requirements. There is no need to identify contingency sites at this time.

Conclusions on Land Supply

154. With the proposed modifications identified, there would be an identifiable 5 year supply of deliverable housing land and a healthy supply of deliverable

and developable housing over and above the housing requirement, boosted further by the positive allowance for MKE. The degree of over-supply of housing land would nonetheless align with securing a sustainable pattern of development and appropriately add to the foundations for potential transformational growth of the City and the wider caMKox corridor.

MATTER 6: Central Milton Keynes, Retail and Leisure

Issue 9 – Is the approach to retail and leisure and Central Milton Keynes soundly based, locally distinctive and justified by the evidence?

Retail and Leisure Provision

155. The underpinning evidence in the Milton Keynes Retail Capacity and Leisure Study 2018 [MK/RET/001] is that, notwithstanding the vibrancy of retail and leisure offer, the growing population and the focus on reinforcing CMK as a local and regional destination, the forecast need for net additional retail floorspace to 2031 is down compared to previous forecasts to 2026. Accordingly, there is no immediate quantitative or qualitative need for additional food retail floorspace and only a modest quantitative need for further non-food retail floorspace at around 33,500sqm net¹⁴ once existing commitments in CMK are factored in. The evidence points to further need for food and drink provision and commercial leisure such as health and fitness. Whilst there is some scepticism that the picture for future provision is not more positive there is very little robust alternative evidence to the Council's sound evidence on forecast need which meets the requirements of paragraphs 23 and 161 of the NPPF.
156. The over-arching strategy for retail and leisure development in Policy DS4 appropriately recognises the primacy and role of CMK and potential growth areas such as night time and visitor economies. In terms of the retail hierarchy required by NPPF paragraph 23, I find the combined approach in Policy DS4, Table 6.2 and Policy ER10 would define a justified and effective network of centres that accords with the recommendations in the Retail and Leisure Study and would therefore be sound.

Primary Shopping Area in CMK

157. Within CMK there is a distinction to be made between the city centre boundary and the primary shopping area (PSA) within it. The CMK City Centre boundary is generously drawn but on the whole justified in terms of consistency with the evidence base including the CMKAP. Plan:MK proposes to extend the previously adopted PSA to include the Xscape Milton Keynes complex to the south of Avebury Boulevard. The Xscape complex includes retail and food and drink provision on ground floor but from my observations it remains primarily a commercial leisure destination. In light of the relatively modest additional net need for non-food retail, the enlarged PSA may unintentionally serve to dilute efforts to reinforce the established retail core of the city centre. The proposed modification at **MM13** to revert the PSA back to the focused and established area previously identified in the

¹⁴ Paragraph 16.4 MK/RET/001

Core Strategy would be necessary in order for the Plan to be effective and consistent with national policy and I recommend it accordingly.

Retail policies

158. In relation to the sequential test, Policy ER11 needs to be clearer that the starting point is the defined town centres. The policy as submitted also conflates to some degree both the sequential and impact tests with further ambiguity between the impact assessment on CMK and other centres. In light of the latest evidence¹⁵ there is also an up-to-date justification for lowering the threshold for the impact test on the city centre from the 2500sqm in the NPPF to a threshold of 900sqm gross. **MM21** would introduce the required changes and I consider it necessary for the Plan to be justified, effective and consistent with national policy.
159. The NPPF at paragraph 23 explains that Local Plans can define primary and secondary frontages and set policies which make clear which uses will be permitted in such locations. Policy ER19 and accompanying Table 6.3 of the Plan seek to manage the proportions of non-retail uses in town centres. It is recognised that the dynamics of town centres are changing but shopping must remain one of the core functions. As such Plan:MK would be justified in seeking to positively manage retail provision in the Borough's city centre and town centres. The Plan needs to be clear that non-retail uses are those outside of Use Class A1 of the 1987 Use Classes Order (as amended) in order to be effective. The Plan also seeks to limit continuous frontages of 3 or more units in non-retail use but in the context of seeking to secure a vibrant range of main town centre uses I find there is very little justification for the particular threshold and as such it would not be justified. To address these soundness issues **MM22** would introduce necessary comprehension to Policy ER19 and I recommend it accordingly.
160. To the east of Milton Keynes is the Kingston Centre (a defined town centre in Policy ER10) where Table 6.3 to Policy ER19 seeks to resist the loss of A1 retail uses in the primary frontage. The Kingston Centre is anchored by a large food/household store but has a particularly strong food and drink offer and elements of leisure. The particular circumstances at the Kingston Centre point to a more flexible approach such that the particular restriction on non-A1 uses in the primary frontage would not be justified. **MM23** would modify Table 6.3 correspondingly and I recommend it for soundness.

The Strategy for Central Milton Keynes

161. Whilst retail, commercial leisure, entertainment and culture will remain pivotal to the future role of CMK over the Plan period, it is necessary for soundness that Plan:MK positively addresses the significant potential for other uses across what is a substantially sized, strategic and highly sustainable location.
162. In doing so, it is important to recognise that Plan:MK does not start with a blank piece of paper. CMK is a highly planned, modern environment with its own distinctive character and aesthetic which will inform future

¹⁵ Paragraph 16.64 of 2018 Retail Capacity and Leisure Study

development. Despite good levels of investment there are a number of prominent development sites that remain moribund. At a time of significant development needs, that is a situation which cannot persist. As such it is justified to revisit the approach for CMK. In broad terms, I am satisfied that Policies DS1, DS2, DS3, DS4, SD2, SD3 and SD4 provide an appropriate strategic framework for a mix of uses in this key area but there are particular matters of soundness where modifications would be required, which I address below.

163. In considering the planning context of CMK it is the only city centre that benefits from a made Business Neighbourhood Plan through the CMKAP (2015). Whilst both Plan:MK and CMKAP recognise that there are significant opportunities to accommodate further development in CMK there are some notable differences. Matters have materially changed since the CMKAP was prepared against the context of the 2013 Core Strategy. The up-to-date, detailed evidence now points to the need for a more realistic view about the scale of additional retail development, and a more flexible view on other town centre uses. Plan:MK does not underestimate the retail and leisure potential of CMK and proposed modification **MM14** to Policy SD3 to reduce the non-food retail floorspace in the CMK PSA to 33,490sqm would be justified and therefore I recommend it for soundness.
164. There would be a degree of conflict on the retail definition of 'edge of centre' between CMKAP and Plan:MK with the former applying a wider approach west from the PSA and Plan:MK applying the 300 metre definition in the NPPF. Having regard to the 2018 Retail Study I see no locally justified reason to deviate from national policy and the 300 metre buffer from the PSA for retail purposes would be sound in a CMK context.
165. In terms of employment, the latest evidence base underlines the significant potential for the knowledge-based sector. CMK offers a highly sustainable location for additional office and other high density employment. Plan:MK identifies a central business district to the east of the railway station which would be highly accessible and reflect an existing nucleus of city centre employment developments. This approach through Policy SD2 would be justified, effective and therefore sound. The latest evidence on the need for office floorspace has been revised down slightly to 110,000sqm but I do not consider it unduly prescriptive for Policy SD3 to set this growth target through **MM14**, and I recommend the revised floorspace figure for justification and effectiveness.
166. Allied to this is a proposal for a higher education facility which is presented as the Milton Keynes University campus or MK:U. Plan:MK specifically identifies Block B4 within CMK and such an approach would accord with the evidence in the MK Futures 2050 Commission Report 'Making a Great City Greater', as one of the six big projects. The project is moving forward with Cranfield University appointed as the lead Higher Education partner in March 2018. Policy SD3 would benefit from some specificity that it is Block B4 that is allocated for further and higher education uses and I recommend this aspect of **MM14** for Plan effectiveness.

167. CMK is already the home to many residents and it is appropriate for Plan:MK to consider underutilised areas as well as maximising the potential of existing developments for additional homes. The proposed focus on residential-led development around Campbell Park would be at odds with the CMKAP vision and policies for this area but the way forward for the Campbell Park area over the Plan period needs to be deliverable. In light of the evidence for Plan:MK on employment and retail needs and the recent expiry of outline planning permission for office development at Campbell Park¹⁶, I am not persuaded that there is sufficient demand for such a breadth of commercial floorspace across the city centre to positively reserve or allocate the Campbell Park area for such uses. Accordingly, Policies DS1 and DS2 are justified and positively prepared in identifying CMK (including Campbell Park) as part of the spatial strategy to deliver much needed homes in the City. Policy SD2 is also sound in supporting the principle of residential development as part of the strategy for CMK.
168. Various amendments to Policy SD3 are proposed in **MM14** including increasing the potential housing capacity in CMK from 1,900 to 3,535 homes, specifying the various development blocks around Campbell Park which would be primarily residential-led and clarifying the retention of the park and the need to maintain its setting. With the additional text on Campbell Park in Policy SD3, **MM20** would delete Policy SD18. **MM12** would clarify what 'primarily residential-led' would mean at Campbell Park and the sorts of ancillary uses that would be acceptable. These various alterations to the Plan would be justified and would make the Plan effective and positively prepared and I recommend them accordingly, although I have amended the wording slightly to **MM12** to make clear that the scale of any retail at Campbell Park would be for local need only.
169. Elsewhere within CMK, specific housing allocations are identified on larger sites including Block D3.4 (250 dwellings) and on the former Food Centre site as part of a mixed use redevelopment scheme (298 dwellings). In principle, based on the evidence in the SHLAA and Retail Study, I find the proposed residential allocations in CMK, including land east of John Lewis Car Park (93 dwellings) would be soundly based.
170. The CMKAP places significant emphasis on the contribution of "classic CMK infrastructure" to the character and heritage of CMK (including Campbell Park) and seeks to only contemplate the alteration of this infrastructure in exceptional circumstances. Given Plan:MK is setting a new strategic framework for CMK to 2031 in the context of higher growth requirements, there will inevitably need to be some flexibility to make efficient use of sustainably located urban land (as per the recent Intu:MK decision [MK/RET/004]). Accordingly, I am not persuaded that Plan:MK should strategically identify "classic CMK infrastructure" and an appropriate balance needs to be struck particularly if moribund areas within the city centre are to be developed and rejuvenated. I find Plan:MK sets the right strategic tone in terms of seeking improvements to the quality of the environment and public realm in CMK (Policies DS4 and SD2) and accommodating significant new levels of growth and change (Policy SD3).

¹⁶ Reference 04/00586/OUT

Conclusions on Matter 6

171. Given the significance of CMK to the sustainable growth of the Borough over the Plan period and the potential of CMK to be a dynamic and centrally positioned hub on the wider caMKox corridor it is appropriate and justified for Plan:MK to revisit and set the strategic planning framework for this core area. In terms of the relationship with the CMKAP, as set out in the NPPF at paragraphs 184 and 185 it is for Local Plans to set the strategic needs and priorities. I consider the combined policy approach in Policies DS1, DS2, DS3, DS4, SD2, SD3 and SD4 in Plan:MK reflects the latest evidence and so provides sufficient certainty on the strategic direction for CMK to enable future investment at this strategic location.

MATTER 7: Infrastructure and Viability

Issue 10 - Is there a reasonable prospect that infrastructure will be delivered in a timely fashion to support the planned growth and needs of existing and future residents and businesses?

172. Work to scope and cost the infrastructure to support the delivery of Plan:MK was initiated through the MK Local Investment Plan (LIP) process [MK/INF/001]. There is also the wider SEMLEP Infrastructure Investment Plan (IIP) [MK/INF/005] which is reflective of the growth emerging through the current round of Local Plans. At the time of Plan submission these two documents provided a good starting point on the key strategic infrastructure required, likely costs and potential funding gaps.

173. During the examination, work on infrastructure planning progressed into an Infrastructure Delivery Plan (IDP) June 2018 [MK/EXAM/004] recognising that the £400million funding gap initially identified in the LIP¹⁷ required updating to reflect Plan:MK together with prioritisation and project assessment. The IDP identifies that some £500million of capital investment will be needed to bring forward planned and committed major sites and allocations. The IDP is a 'live' document which will evolve and be updated.

174. Both the Council's IDP and the SEMLEP's IIP identify transport, utility projects, education and green infrastructure, amongst other things, as key areas for infrastructure investment to support sustainable growth. Regional infrastructure projects which affect Milton Keynes, include EWR, the Milton Keynes-Bedford Waterway project and the dualling of the A421 from M1 Junction 13 to the edge of Milton Keynes. More locally, SEMLEP IIP identifies funding needed to facilitate MK:U (in CMK) and support additional secondary school provision at strategic growth locations in the City.

175. For the strategic sites in Plan:MK the requirements in Policies SD11 and SD12 for a development framework will involve further detailed infrastructure planning and assessment of phasing. However, for the purposes of plan-making it is evident, that in broad terms, there are no infrastructure 'showstoppers' for the planned growth. In particular, the IDP sets out the known infrastructure requirements, costs, delivery dates and delivery leads for MKE and SEMK respectively. The proposed MMs to the

¹⁷ Paragraph 7.13.7 of MKC Statement for Matter 7

individual strategic policies for both SEMK and MKE at **MM15** and **MM18** respectively provide further correlation with the updated IDP to make the Plan effective.

176. Overall, the infrastructure evidence informing the Plan is consistent with NPPF paragraph 162 which requires amongst other things a cooperative approach on understanding forecast demands against existing capacity. It also accords with NPPF paragraph 157 which requires Local Plans to plan positively for the infrastructure required. The Plan and the evidence, notably the IDP, are also consistent with PPG paragraph 12-018-20140306 in terms of demonstrating what infrastructure is required, who is going to provide it and how it relates to the anticipated rate and phasing of development.

Connectivity

177. The design and standard of the Borough's road network is demonstrated through the MKMMM to be reasonably resilient to future growth. The modelling confirms that proposed growth in Plan:MK would only modestly add to delays likely to occur in any event over the period to 2031. Accordingly, the highway capacity issues arising from Plan:MK's proposals would be generally localised to junctions relative to the proposed sites.

178. A key task for Plan:MK is to support the Council's Mobility Strategy 2018-2036 (LTP4) [MK/TRA/001] to facilitate a combination of both modal shift and new transport technologies to ensure the growth of the City can sustainably occur including contributing to the need to address climate change as well as improving the general well-being of its citizens. Strategic Objective 12 and the transport policies in Section 8 of Plan:MK respond positively to the task in hand. Importantly, the Plan's proposed strategy would result in a sustainable pattern of development capable of positively contributing to modal shift of 5-10% through maximised travel choices and new transport technologies. The Plan also seeks to deliver an effective transport network including infrastructure for public transport, extending an attractive and safe cycling and walking network including the segregated Redway network and supporting a transition to electric vehicles.

Transport modelling

179. Plan:MK is underpinned by the updated MKMMM [MK/TRA/004] which is a strategic highways and public transport model. Highways England has confirmed that the MKMMM satisfactorily tests the impacts of the spatial strategy in Plan:MK on the strategic road network¹⁸.

180. Concern is expressed that the impacts of Plan:MK on the road network cannot be fully understood because other than development at South-West Milton Keynes (in Aylesbury Vale) no other specific neighbouring development has been factored in, instead the modelling relies on generic NTEM projections. The principal concern relates to growth in Central Bedfordshire. From the evidence before me, including under the DtC, there

¹⁸ Paragraph 3.3, pages 46-47, MOU between MKC and Highways England 22 March 2018

is sufficient awareness of plans and proposals, recognising that neighbouring plans have come forward at different timescales to Plan:MK. In relation to proposed growth in Central Bedfordshire there is a commitment to dual the A421 from the M1 Junction 13. The modelling undertaken by MKC has taken account of congestion and delay at Junction 13 of the M1 and the A421 from the M1 to the borough boundary¹⁹.

181. I find the broad scenarios assessed in the MKMMM provide a reasonable basis for sensitivity testing the impacts of possible growth. The outputs of the MKMMM reveal that congestion and delay to the network in 2031 that would be attributable to Plan:MK proposals are relatively small and localised to junctions in close proximity to the proposed strategic sites. Where this affects the strategic road network Highways England agree that the impacts are not insurmountable and can be managed through a range of transport and highway interventions. Additional specific mitigation, in line with the MK Mobility Strategy would be developed for the strategic sites through the development frameworks and would involve strategic transport bodies where relevant.
182. In relation to the proposed strategic sites, further detail on mitigation measures has been produced including a technical note on MKE²⁰. The baseline MKMMM report of November 2017 appropriately considers the development scenarios as they relate to SEMK (north and south of the railway) and at South Caldecote (cognisant of the A5 Kelly's Kitchen junction proposals in document INS1c). Whilst much remains to be clarified through subsequent development frameworks for the strategic sites, the MKMMM [documents TRA/002/ 003 and 004] meets the proportional evidence base for plan-making required by NPPF paragraph 162.
183. The MKMMM may well represent a worse-case scenario given the modelling does not generally assume or build-in the implementation of the Mobility Strategy²¹. In Milton Keynes, the ambitions for modal shift are realistic reflecting the current low base in public transport patronage and walking and cycling and the potential to upgrade and extend infrastructure for non-car based travel. Additionally, there is credence that MKMMM underplays the potential of EWR to improve rail mode share. Consequently, whilst committed growth is likely to increase average journey times across Milton Keynes by 14% in the AM Peak and 15% in the PM peak, overall, the road network will experience limited congestion (in comparison to other similar urban areas) irrespective of the potential for modal shift to add resilience to the local road network.

Green Infrastructure, including open space

184. Despite some urban densification and additional peripheral development Milton Keynes remains a remarkably verdant city²² with its high quality green space evidently one of the key factors that makes the City an attractive

¹⁹ MKMMM update in document INS1c, prepared by AECOM, dated 24 April 2018

²⁰ Examination Document INS1d – AECOM Technical Note dated 24 April 2018

²¹ Paragraph 6, Transport Topic Paper

²² 30% of total city area is green infrastructure (Public Open Space: Management Framework for MK [MK/ENV/012])

place to live and work. The “Forest City” and linear park concepts remain key components of planned growth and are embedded in Policies SD11 and DS6 respectively as part of the wider requirement for coherent landscape and open strategies as part of major new developments. Elsewhere the Plan seeks public open space provision at Policy L4 in accordance with clear standards at Appendix C of the Plan. I find the broad approach to securing additional open space provision to be effective and justified.

185. In terms of delivering and maintaining additional open space and publicly accessible green infrastructure going forward it is reasonable that there is some flexibility in Policy L4 recognising that maintenance should be long term, costed and financially sustainable. It is not necessary for soundness for Policy L4 to be more specific in these matters through further prescribed standards including those of the Milton Keynes Parks Trust.

186. Whilst the Parks Trust is well-placed and well-regarded to provide open space management, the omission of other options for long term stewardship of open space would not be justified. The Council’s Public Open Space: Management Framework for Milton Keynes [MK/ENV/012] refers to “partners” in terms of the collective management of open space in the Borough including the Parks Trust but also Town and Parish Councils and other suitable bodies. There is no compelling evidence before me that only the standards of the Parks Trust would provide an appropriate benchmark for green infrastructure and open space stewardship and that other maintenance options would undermine the character of Milton Keynes or reduce public access to open spaces. The Parks Trust is identified in Policy SD12 as one of the specific bodies to be engaged with when preparing development frameworks for the strategic sites.

187. Broadly, Policy L4 is aligned with the NPPF at paragraphs 57 and 114 in reflecting the importance of open spaces in successful place-making. However, to make Policy L4 effective it should refer to green infrastructure as well as open space and highlight the Parks Trust as an example of the sort of responsible maintenance body that the Policy is seeking for the stewardship of public open space on new housing development. **MM37** would do this and I recommend it accordingly.

Is Plan:MK viable and therefore deliverable?

188. The Plan is supported by an up-to-date plan-wide viability study prepared by AECOM & HDH Planning and Development [MK/INF/006]. The assumptions informing the appraisal were tested through stakeholder engagement in August 2017 involving a notable number of land promoters, developers, registered social landlords and public bodies with an interest in Plan:MK and the local development market more generally. This provides a degree of confidence to the appraisal outputs including the critical threshold land value which in the case of peripheral greenfield sites is broadly 30 times existing use value²³.

²³ MK/INF/006 paragraphs 6.34 – 6.43

189. The appraisal assesses the effect on the viability of development of the plan's cumulative policy requirements. A number of representative residential and non-residential typologies have been tested. In my view there are no significant omissions in the approach or coverage of the plan-wide viability study which clearly shows that development within CMK, the high value flanks around the urban area of Milton Keynes and the rural areas would be viable.
190. The plan-wide viability study's advice on the build-to-rent sector²⁴ is that it cannot viably deliver affordable housing. However, I am cautious that a residual land value model may well struggle to capture the intricacies of a build-to-rent scheme, particularly given the very few examples in Milton Keynes. In my view a precautionary approach is required and exempting this sector would not be justified. Whilst Policy HN1 supports a mix of housing including tenures, I am not persuaded that built-to-rent housing schemes would be critical to delivery of the Plan and thus the affordable housing requirement in Policy HN2 for the sector would put the Plan at serious risk. As such I consider Policy HN2 to be justified and consistent with national policy to seek, as a starting point, an affordable housing contribution and apply the standard viability pressure valve in part B of the policy where circumstances justify it.
191. In respect of the inputs for the optional technical standards (part 2 of Policy SC1) and for carbon reduction measures, Table 8.1 of the plan-wide viability study summarises the key inputs. These are unlikely to put the delivery of the Plan at risk given the sensitivity testing in the plan-wide viability study shows that most typologies of development in locations key to the delivery of the strategy have a significant viability cushion²⁵. To provide a safeguard to Policy SC1 on water efficiency costs, the standard caveat of being subject to viability should be added to the policy. **MM41** would do this, although I have amended the wording slightly to ensure effort is maximised, and I recommend it for effectiveness.

Infrastructure Delivery

192. Since 2007 the Council has successfully operated the Milton Keynes (MK) Tariff as a charge per property or area of commercial land. However, it is recognised that due to pooling restrictions the MK Tariff will no longer operate and the principal mechanism going forward will be Planning Obligations under Section 106 of the 1990 Act. The Council confirmed that it is not the current intention to pursue a Community Infrastructure Levy. Policy INF1 makes clear that new development will need to mitigate impacts on infrastructure through a Section 106 mechanism. The plan-wide viability study demonstrably shows that a £20,000 per unit S106 cost in addition to affordable housing and other policy requirements would be viable. Further detail will be provided in a Planning Obligations SPD and the wording of Policy INF1 is consistent with NPPF paragraph 153 in this regard.

Conclusion on Matter 7

²⁴ MK/INF/006, paragraph 10.70, page 163

²⁵ MK/INF/006 paragraph 12.15

193. In conclusion there is a reasonable prospect that the growth will be achievable within the planned timescales. Some funding opportunities are available for the infrastructure identified and getting Plan:MK in place will provide valuable certainty to progress various funding submissions. Overall, the viability assessment of the Plan satisfactorily demonstrates that the cumulative impact of the Plan's policies and requirements would not put the viability of the Plan as a whole at serious risk. The viability evidence accords with NPPF paragraphs 173-177 and demonstrates that there would be a reasonable prospect that necessary infrastructure would be delivered in a timely fashion.

MATTER 8: Policies for Managing Development

Issue 11 – Are the proposed policies for managing development soundly based and capable of securing sustainable development?

194. A number of soundness matters relating to employment and retail development management policies are dealt with separately under Matters 3 and 6 respectively as set out above.

Housing Policies

195. The whole plan viability study has sensitivity tested a number of scenarios and demonstrates that sites of 11 units or more can viably deliver 31% affordable housing. The 31% requirement, when applied to the land supply allocated and identified in Plan:MK, would deliver the identified need for affordable housing provision. As submitted Policy HN2 required at least 31% and generally no more than 50% on such sites. Whilst well-intentioned, this is too ambiguous and as such the Policy would be ineffective and unsound.

196. Policy HN2 needs to be modified to make clear that qualifying sites should provide 31% affordable housing provision as supported by the SHMA and Plan-wide viability study. This would provide a clear policy requirement. Where proposals provide more than 31% it would be sound for the policy to express support, given the need for varying forms of affordable accommodation. **MM24** would re-structure the opening section of Policy HN2 along these lines and I recommend it so that the Plan would be justified, effective and positively prepared.

197. Elsewhere the policy needs to clarify that discounted market rent is 80% of market rents or the Local Housing Allowance rates (whichever is the lowest) rather than the 31% of gross household income as submitted. **MM24** would also make this change and I recommend it for effectiveness. Part C of the policy seeks a contribution for affordable housing from Build-to-Rent schemes. Given the paucity of specific viability evidence for the sector, some flexibility is required to recognise discounted market rent is the starting point and would be subject to viability considerations (Part B of the policy) and consideration of alternatives such as financial contributions for off-site provision. Again **MM24** would introduce appropriate changes to Part C of the policy.

198. The submitted Plan:MK strongly supports self-build and custom-build housing in accordance with NPPF paragraph 50 and the SHMA (paragraphs

5.71 to 5.78). From the Council's register and annual monitoring the demand for self-build and custom-build is relatively modest but demand may grow over time. As submitted Plan:MK looks to allocations within the Plan to make provision for serviced plots of land but I find this approach lacks detail so as to be effective.

199. The Council proposes to modify Policy HN5 to specify that the strategic growth areas (Campbell Park, SEMK and MKE) and any proposals for further strategic residential development, will be required to provide 1 hectare for serviced plots. This would make a reasonable and proportionate contribution to the supply of serviced plots. Additionally, it would be unreasonable for such provision to be maintained in perpetuity if demand is not there or does not translate into actual delivery. Accordingly, Policy HN5 needs to set out the Council's approach for those circumstances under which it would consider the release of undeveloped self-build plots. **MM25** would make the appropriate changes to address both of these issues and I recommend it accordingly for plan effectiveness.
200. Policies HN11 and HN12 would, on the whole, provide an appropriate policy framework for managing gypsy and traveller and travelling showpersons proposals, including windfall development outside the allocated sites, as required by the PPTS. As submitted Policy HN11 requires gypsy and traveller proposals not to be prominent from public vantage points. To make the policy justified, criterion vii) should be deleted and I recommend **MM26** accordingly.
201. Policy HN4 sets out that all residential proposals (Use Class C3) would be required to meet the optional technical standards in respect of Nationally Described Space Standard (NDSS). As required by the PPG (paragraphs 56-005 to 007-20150327), the Council has undertaken a recent NDSS study [MK/HOU/002] with reference to the housing mix sought by the SHMA. The greatest demand is for 2 and 3 bedroom dwellings, where recent performance against the NDSS in the Borough is generally poor. This in itself is a strong indicator for the need to introduce the NDSS. Moreover, the ongoing growth agenda in the Borough, and move towards the vigorous rates of housing growth envisaged to 2050, needs to be on the basis of high quality design and a good standard of amenity for all occupants of buildings (NPPF paragraph 17). The NDSS has been considered as part of the Plan-wide viability study [MK/INF/006]. Overall, I find the policy requirement seeking the NDSS to be soundly based in Plan:MK.
202. Policy HN4 also requires 60% of market and affordable dwellings to be built to the optional M4(2) accessibility and adaptability standard, 5% of market dwellings to be capable of being readily adapted²⁶ to M4(3) wheelchair accessible standard and 10% of all new affordable housing to be built to M4(3) wheelchair accessible standard. Households with specific needs are considered in some detail in the SHMA (paragraphs 5.89 to 5.108). Through a combination of ageing population profiles (particularly the forecast growth in the over 65 and over 85 cohorts) and general data on the proportion of households with wheelchair users the proportions sought by

²⁶ My emphasis.

Policy HN4 would be justified, particularly as society looks to accommodate people in their own homes for longer. Again, the implications of this part of Policy HN4 have been viability tested as required by PPG. Overall, I find the policy to be soundly based in Plan:MK.

Sustainable Construction (Policy SC1)

203. The Borough is within the Ruthamford South Water Resource Zone where a combination of high population density and relatively low rainfall means the zone is already classified as being in severe water stress. Over the next 25 years it is predicted that the zone will be in deficit by 2039-40²⁷.

Consequently, in addressing future water supply resilience a high degree of water use efficiency will be necessary. On this basis the optional technical standard in relation to water usage at 110 litres/per person/per day would be justified and consistent with national policy. The cost of implementing the standard has been factored into the viability study and the figures used accord with data provided by Anglian Water which I consider to be robust.

204. Policy SC1 also requires developments of 11 dwellings or more or commercial floorspace of 1000sqm or more to demonstrate that the proposal would achieve a 19% carbon reduction improvement upon the requirements in Part L of the Building Regulations and to provide on-site renewable generation or a connection to a renewable or low-carbon community energy scheme that contributes a further 20% reduction in the residual carbon emissions subsequent to the 19% carbon reduction. Some matters relating to the standards and performance of new buildings have moved on since the NPPF was published and I have been referred to the enactment of the Deregulation Act 2015 which seeks to revoke elements of the Planning and Energy Act 2010. That said, not all parts of the Deregulation Act have been implemented such that it remains justified, given the scale of housing growth and the continuing need to tackle climate change for Plan:MK to expect new developments to support the move to a low carbon future through energy efficiencies. The viability of Policy SC1 has been assessed on an average offset payment currently secured under Policy D4 of the development plan. Overall, I find Policy SC1 to be sound.

Design Policies

205. On submission, the Council has sought to include an additional policy requiring a proportion of innovative design and construction on proposals of 50 dwellings or more to continue to evolve the unique character and heritage of Milton Keynes as a location where contemporary domestic design has been fostered and encouraged. This aligns with the Council's adopted Creative and Cultural Strategy and the ongoing MK Futures 2050 work around testing new designs to boost housing delivery.

206. However, I do not consider the submitted Plan to be unsound in terms of its overall approach to design quality. Furthermore, to require larger developments to include innovative design in the absence of viability testing

²⁷ Water Resource Management Plan - Anglian Water Services 2015

and the outputs of the ongoing MKFutures 2050 Strategy would not be justified. I therefore recommend that the only way to retain Policy D4 in the Plan would be to remove the requirement and express the policy in terms of being supportive of innovative design until the evidence base is sufficiently advanced to inform any update to policy in the Plan Review. I therefore recommend **MM38** and **MM39**, which would introduce new Policy D4 and supporting text respectively, subject to the amendments I have outlined.

Hot Food Takeaways

207. The PPG at paragraph 53-006-20170728 states that, where supported by an evidence base, local plan policies can be brought forward which limit the proliferation of certain use classes in identified areas as part of creating a healthier food environment. Policy EH8 of the submitted plan seeks to do this by restricting hot food takeaways within close proximity of primary and secondary schools in the Borough. I recognise that there is a broad spectrum of evidence on the causes of childhood obesity and differing research and commentary on the correlation between overweightness and obesity in children and the proximity of takeaways to schools. However, in terms of the PPG, I consider it reasonable and justified to consider hot food takeaways and whether, as a certain use class, they promote access to healthier food consumption choices.
208. In this regard I look to recommendations from Public Health England²⁸, referenced by the Council, which advise that part of the solution in addressing child obesity would be to restrict hot food takeaways within walking distance of schools. The PPG at paragraph 53-006-20170728 specifically references proximity to locations where children and young people congregate such as schools as being an issue to have particular regard to when enabling a healthier food environment.
209. At the time of plan submission there was little to doubt that reducing child obesity is a key local action for the Council and other health partners as demonstrated through the MK Joint Health and Wellbeing Strategy 2015-2018 [MK/COM/007]. Specifically the Health Inequalities 2015 Report [MK/COM/008] identifies as an action, amongst other things, that fast food restaurants should be restricted near schools. The Council's Public Health team prepared an additional paper in terms of the health context and the prevalence of overweightness and obesity which shows a higher incidence in Milton Keynes compared to regional data and rising levels of overweightness and obesity in the Year 6 cohort (start of secondary school). In my view the local evidence supports the need to manage the further proliferation of hot food takeaways near to schools. I am also satisfied that it would form a proportionate part of a wider package of coordinated actions to tackle child obesity and overweightness in the Borough involving the Council, Clinical Commissioning Groups and local voluntary and physical activity groups. I therefore find, that in principle, Policy EH8 would be justified and consistent with national policy, including the NPPF at paragraph 17.

²⁸ Health Matters: Obesity and the food environment (March 2017)

210. The policy applies a 400 metre restrictive distance from primary and secondary schools on the basis of a 5 minute walking distance. In order to be effective and given the scale of some school sites the policy needs to specify that the 400 metres would be measured from the main school entrance and applied against the most logical walking route. **MM27** would introduce this practical clarification and I recommend it for effectiveness.
211. I am mindful that hot food takeaways are a lawful use and the consequence of the policy should not be to introduce a blanket ban on additional takeaways in the Borough. Mapping has been produced to show the spatial effect of Policy EH8. Whilst some town and local centres would be affected, large parts of the Borough, including CMK, would not be and as such Policy EH8 would not represent a moratorium. Additionally, some flexibility needs to be applied to the Council's mapping to recognise concentric buffers may not always equate to the most logical walking route. To assist users of the Plan and to make the document more effective, mapping should be included within the document with additional text on the application of the 400 metre distance. **MM45** and **MM28** would do that respectively and I recommend both for plan soundness.

Natural Environment Policies

212. Policy NE1 sets out the over-arching approach to the protection of sites with a nature conservation and geological interest. As submitted the policy is unclear on the role of adequate mitigation as part of an appropriate hierarchy to conserve and enhance biodiversity. It would be appropriate also, in the context of Milton Keynes and the identified larger scale biodiversity opportunity areas, to aim to achieve a net gain in biodiversity through development proposals over the Plan period. Allied to this Policy NE1 as submitted could be clearer on those sites which fall under the umbrella of being of county-wide or local nature conservation and geodiversity importance and reference them as being shown on the Policies Map. Consequently there are issues with the policy in terms of effectiveness and consistency with national policy. **MM31** would directly address these issues and I recommend it accordingly for plan soundness.
213. Protected species, priority species and habitats are addressed in Policy NE2. For consistency with paragraph 117 of the NPPF and for effectiveness, the policy needs to be clearer that the objective is to promote the preservation, restoration and re-creation of priority habitats and the protection and recovery of priority species. **MM32** would do this and I recommend it accordingly.
214. As submitted Policy NE3 requires greater consistency with paragraph 118 of the NPPF in terms of the hierarchical approach where significant harm cannot be avoided. The Plan also needs to be effective in ensuring the impact on biodiversity is assessed at an appropriate level. **MM33** would address the consistency with national policy and introduce a clearer threshold that developments of 5 dwellings or 1,000sqm must undertake a biodiversity impact assessment (using either the Defra metric or an alternative locally approved metric). Given the significance of conserving and enhancing the natural environment as a strategic objective of Plan:MK

and within the NPPF I consider the threshold justified. For these reasons, so as to ensure plan soundness, I recommend **MM33**.

215. In order to be justified and effective Policy NE4 needs to refer to Green Infrastructure Opportunity outputs and mapping prepared by the NEP in terms of making the fullest potential of the opportunities to extend and enhance a green infrastructure network including ensuring that such infrastructure is strategically planned (including the proposed extensions of linear parks). The policy would be effective were it to refer to the multi-functionality of green infrastructure provided there would be no negative impact on the ecosystem value of such spaces. **MM34** would address these points and result in an effective and strengthened policy on green infrastructure and I recommend it for plan soundness.
216. The Borough contains areas of best and most versatile agricultural land (defined as grades 1,2 and 3a of the Agricultural Land Classification). Sustainably located growth over the Plan period will require greenfield land and the submitted Plan's omission on the need to take this resource into consideration means the Plan would not be effective or consistent with paragraph 112 of the NPPF. An additional policy (Policy NE7) and associated text would address this and **MM35** and **MM36** are necessary for consistency with national policy.

Flood and Water

217. The Plan is supported by an up to date Water Cycle Study [MK/FLO/002] and Strategic Flood Risk Assessment (SFRA) [MK/FLO/003]. Policy FR1 needs to be clearer that development proposals take the opportunities to reduce the causes and impacts of flooding to the site and surrounding area (including taking account of climate change) and that as a minimum demonstrate that there would be no increase in flood risk to the site or surrounding area. **MM29**, amongst other things, would do this and I recommend it for effectiveness and consistency with national policy. Policy FR2 deals with sustainable drainage systems (SUDS). In a Milton Keynes context the policy would be justified by including references to the environmental and biodiversity value of SUDS capacity, including existing floodplains and the need to maintain and enhance the natural capabilities of watercourses and habitats to accommodate flood waters. In order to be effective, Policy FR2 needs to cross reference the bodies likely to be responsible for SUDS and ensure that SUDS proposals in themselves do not harm the function and setting of local watercourses. **MM30** would address these points and I recommend it for Plan effectiveness.

Heritage

218. I am satisfied that the comprehensive content of Policy HE1 and the baseline at Appendix B of the Plan provides the positive strategy for the conservation and enjoyment of the historic environment and the clear strategy for enhancing the historic environment required by paragraphs 126 and 157 of the NPPF respectively. Conversely, I am not persuaded that Policy HE1 should be supported by component development management policies to deal with heritage assets on a constituent basis. As submitted,

Policy HE1 is justified, effective, positively prepared and consistent with national policy.

Per Cent for Art

219. Public Art has been an integral part of the character of Milton Keynes as a new town and is now an established part of the City's heritage. 'Milton Keynes: The Creative and Cultured City' is one of the six big projects in the MK Futures 2050 Commission Report. Consequently, it is justified that new developments, and in particular, the proposed strategic sites, continue to positively contribute to the character of this modern city through the tradition of public art. An appropriate allowance at 0.5% of capital costs has been factored into the whole plan viability assessment and would demonstrably not put delivery of the Plan, as a whole, at risk. For the purposes of soundness Policy CC1 would need to be modified to make clear the contribution sought applies to proposals of 11 dwellings or 1,000sqm or more (subject to viability) and as such I recommend **MM40**.

Conclusion on Matter 8

220. Subject to the proposed main modifications identified, I find the proposed suite of policies for the management of development to be justified, effective, positively prepared and consistent with national policy, and therefore sound.

Matter 9: Monitoring

Issue 12 - Whether the Plan would be monitored effectively?

221. The submitted Plan contains a Monitoring Framework which indicates how the implementation of policies will be measured and when intervention would be necessary and what it would entail. The annual monitoring report, five year housing land statements and LIP processes will provide an appropriate basis to inform the monitoring and establish plan performance. Additionally, the monitoring framework refers to partnership arrangements including with adjoining authorities and more widely through SEMLEP and other activities. These wider arrangements will also provide signals for future plan review work.

222. Overall, the Plan would effectively ensure development progress, including infrastructure, is monitored so that timely interventions can be made where necessary.

Public Sector Equality Duty

223. I have had due regard to the aims expressed in S149(1) of the Equality Act 2010 including during my consideration of such matters as the provision of traveller sites and the need for accessible and adaptable housing. In doing so, I have taken into account the Council's Equalities Impact Assessment Screening Report 2017 [MK/SUB/009].

Assessment of Legal Compliance

224. My examination of the legal compliance of the Plan is summarised below.
225. Plan:MK has been prepared in accordance with the Council's Local Development Scheme 2017-2020.
226. Consultation on the Plan:MK and the proposed MMs was carried out in compliance with the Council's Statement of Community Involvement.
227. Sustainability appraisal has been carried out. The approach taken in Milton Keynes is a particularly focused and narrative-based approach which has appropriately concentrated on those areas where there are genuine significant effects and reasonable alternatives. The outcome is a more transparent report that avoids the issue of sustainability appraisal becoming an unmanageable audit trail of options that are either not sufficiently distinct alternatives and/or options that have no significant effect in terms of the SA (including environmental) objectives. Following the examination hearings some additional work was undertaken in the SA addendum to reflect the proposed main modifications but also present the key sustainability appraisal findings in a more systematic (tabular) format and to expand the discussion on some aspects of the environmental reporting to align with the requirements of Strategic Environmental Assessment. With these amendments the SA is adequate.
228. The Habitats Regulations Assessment (HRA) Screening Report October 2017 [MK/SUB/007] sets out why an appropriate assessment is not necessary. There are no internationally protected sites within or proximate to the Borough. The report has considered the likely significant effects on the closest sites at the Upper Nene Valley Gravel Pits Special Protection Area (SPA) and Ramsar Sites and the principal risks to site integrity relating to recreational pressure and water quality and resources. Natural England has not objected to the HRA accompanying Plan:MK. I am therefore satisfied that an appropriate assessment is not required.
229. The Local Plan includes policies designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change.
230. Looking at Plan:MK as a whole, it sets out strategic objectives to mitigate the impact on climate change, reduce carbon dioxide emissions and manage increased travel demands, including promoting improvements to public transport and encouraging greater levels of walking and cycling. The spatial strategy and proposed strategic sites align with this by locating growth where there are genuine travel choices, including connectivity to the Redway cycle routes and public transport (Policies CT2, CT3 and CT5). More specifically the Plan supports low emission vehicles (Policy CT6), the management of flood risk including sustainable drainage (Policies FR1 and FR2), the provision and protection of green infrastructure (Policy NE4) and the avoidance of unacceptable environmental pollution (Policy NE6).
231. Furthermore, Chapter 17 of Plan:MK sets out a suite of policies which support sustainable construction and renewable energy. This includes, amongst other things, a requirement to submit an Energy and Climate

Change Statement on major development proposals (Policy SC1), the introduction of the optional technical standard to sustainably manage water consumption (Policy SC1) and support for community energy networks (Policy SC3) and renewable energy schemes (Policies SC3 and SC4).

232. I am therefore satisfied that Plan:MK provides a reasonable and effective approach for land use planning in the Borough to mitigate, and adapt to, climate change, as required by law.

233. In drawing this together, I conclude that Plan:MK complies with all relevant legal requirements, including in the 2004 Act (as amended) and the 2012 Regulations.

Overall Conclusion and Recommendation

234. The Plan has a number of deficiencies in respect of soundness for the reasons set out above, which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the 2004 Act. These deficiencies have been explored in the main issues set out above.

235. The Council has requested that I recommend MMs to make the Plan sound and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix Plan:MK satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the National Planning Policy Framework.

David Spencer

Inspector.

This report is accompanied by an Appendix containing the Main Modifications.