COUNCIL’S RESPONSE TO INSPECTOR’S NOTE ID/6
1. General conformity with the South East Plan

i) Is the Council satisfied that there is no conflict between the judgement and the submitted Core Strategy?

1.1 The recent judgement in the Cala Homes (South) case dealt with whether decision makers under the Planning Acts could have regard to the Government’s proposal to abolish regional strategies, now embodied in clause 89 of the Localism Bill, as a material consideration for the purpose of section 70(2) of the Town and Country Planning Act 1990 and section 38(6) of the Planning and Compulsory Purchase Act 2004. This was deemed permissible.

1.2 The Council’s position on general conformity is set out in detail under section ii) below. The overall position is that the submitted Core Strategy is in general conformity with the South East Plan.

1.3 The Council took the decision to review the Core Strategy at the time of the Government’s original announcement that it was to revoke Regional Spatial Strategies, but also in response to the changing economic circumstances. The changes made to the submitted Core Strategy as a result of this review still had regard to the South East Plan. The review enabled the Council to update the policies of the Core Strategy to have regard to the policies of neighbouring local authorities, the updated position regarding the East of England Plan review and changing economic conditions.

1.4 Outside of changes justified by the updated policy position, the Council’s view is that the amendments made to the borough housing target, the jobs:homes ratio and land allocations are not significant enough to suggest the Core Strategy is not in general conformity with the South East Plan.

ii) In light of the judgement, does the Council wish to expand on MKC/1 setting out more detail of its case that there is general conformity with the South East Plan.

Background

1.5 In its response to ID1 (MKC/1) the Council explained that the Core Strategy remained in general conformity with the South East Plan. The Inspector has asked the Council to expand on this position, setting out more detail of its case. In a supplementary note, the Inspector has asked that the response covers the relationship between the Core Strategy and the strategies for areas outside the borough boundary, in terms of the relevant regional strategies, adopted and
emerging local strategies and any other matter relevant to the conformity question.

1.6 The Council maintains that the Core Strategy is in general conformity with the South East Plan. In the response to ID1 (MKC/1) the Council explained the areas where the Core Strategy differed to the specific South East Plan requirements (level of housing growth and housing/job ratio). The Council’s position is that these differences do not mean that the Core Strategy is not in general conformity with the South East Plan.

1.7 The Council would point to the current difficulties in plan making given the changing legal views resulting from the various Government announcements and judicial decisions. The Council has carried out work in accordance with the advice at a particular point in time which has resulted in the current Submission Core Strategy. The Council’s priority is moving the plan forward, rather than creating further delay and uncertainty by seeking to further amend the plan.

General conformity

1.8 The construction of what constitutes ‘general conformity’ was established in the Persimmon Homes Ltd v. Stevenage Borough Council (2006)1 WLR appeal case. In this case the Court considered the level of flexibility around the requirement for ‘general’ conformity. In deciding if there was general conformity, it highlighted the need to take into account two key features, that:

- the implementation of planning policies in structure plans and local plans is very likely, in the nature of things, to be subject to long lead in times; and
- over such periods of time, the needs and exigencies of good planning are liable to change.

1.9 The case provides that these factors militate in favour of a looser rather than a tighter approach (to the definition of general conformity). It also concluded that there is likely to be more than one reasonable answer as to whether documents are in general conformity. In such circumstances the answer will be a matter of planning judgement and not of legal reasoning.

1.10 It is the Council’s planning judgement that the areas of difference between the submitted Core Strategy and the South East Plan fall within what is acceptable and are within the scope of general conformity.
The Policy context

1.11 In shaping the revised Core Strategy, the Council has given regard to what it considers to be the key requirements of the South East Plan, in accordance with section 19 (2)(b) of the Planning and Compulsory Purchase Act 2004 (as amended).

1.12 The Core Strategy still recognises and promotes Milton Keynes as a growth area, serving the wider Milton Keynes/Aylesbury Vale Sub Region, as required by the South East Plan and Part A of the Milton Keynes and South Midlands Sub Regional Strategy.

1.13 Policies MKAV1 and MKAV2 of the South East Plan provide the specific regional policy context for the growth of Milton Keynes, with which the Core Strategy needs to be in general conformity with. The key policy requirements shaping the growth in Milton Keynes are:

MKAV1
- Within the borough, housing growth is split between urban sites (including existing expansion areas), new development to the south east of the city and the rural area

MKAV2
- The growth of Milton Keynes will expand into Aylesbury Vale and Mid Bedfordshire (subject to a review of the East of England RSS)
- Urban extensions will be integrated via enhanced public transport systems and interchanges
- Urban extensions should be programmed not to undermine the contribution of development and regeneration within the urban area.
- Early development of local transport infrastructure and water services infrastructure and continued enhancement and development of facilities to facilitate sustainable growth. Key points are:
  - Upgrade of the core bus network
  - High quality east/west north/south public transport corridors
  - Park and ride accompanied by appropriate traffic management measures
1.14 The Core Strategy adequately addresses each of these points, except for the growth into neighbouring authorities, which is covered in more detail later in this statement. The Council would point specifically to the following parts of the Core Strategy which show conformity with the RSS.

- Policies CS1 and CS5 provide the context for growth to the south east of the city
- Policy CS1 and CS2 clarify the split between urban, rural and new expansion of the city
- Policies CS5 and CS11 clarify the approach to ensure integration of new development with the existing city via improved public transport provision.
- CS11 sets out the priorities for improving the transport network
- The housing trajectory (figure 18.1) and the forecasts behind it, ensure that the future delivery of new development areas relates to ongoing development and existing urban planning commitments, within current (and forecast market conditions)

Points of difference

1.15 As already acknowledged in MKC/1 the areas where the Core Strategy differs to the South East Plan are:

- The overall housing target
- The job/home ratio

1.16 The main justification for reducing the housing target in the Core Strategy is to ensure that the Council has prepared a Core Strategy that is effective, based on up-to-date evidence, which is one of the key tests of soundness to be considered at the Examination. In particular, the Council has sought to prepare a plan which is deliverable, which is one of the three key elements of effectiveness as set out in PPS12 (paragraph 4.44).

1.17 The Council’s view is that it would not be in the interests of good planning to ignore the significant changes in circumstance (social, economic and political) that have occurred over since the South East Plan was prepared.
1.18 The quantum of development now planned for over the plan period has been assessed as accurately aligning with the maximum level of housing development that can realistically be delivered in Milton Keynes over the plan period, with the strategy maintaining an element of flexibility as to how the target is achieved. The Housing Technical Paper (Key Document B128) provides further explanation and justification for the reduction.

1.19 The Council would add that both Part A of the MKSM SRS and the South East Plan set out the need to keep the delivery of targets, including housing completions, under review. The South East Plan (page 285, Implementation, Monitoring and Review) specifically sets out that ‘as part of annual monitoring, the RPB will work with planning authorities and other regional partners to monitor key assumptions underpinning the RSS and to assess their robustness and continued relevance. The monitoring should be used to inform action to manage and where necessary to review the plan. The results of monitoring will be reported annually through the regional annual monitoring report (AMR)’ (our emphasis).

1.20 The Council is not aware of any recent monitoring and review towards achieving the South East Plan targets, which calls into question its effectiveness and deliverability. The most recently published data by the Government on housing completions¹ confirms that completions and starts both nationally and regionally are around 60-65% of the recent peak in 2007-08. The level of development has been steadily decreasing since the finalisation of the South East Plan, which was underpinned by an assumption of ‘almost limitless demand for housing’ (Panel Report, paragraph 7.22) and based on ‘concerns about realistic deliverability’ (Panel Report, paragraph 7.3).

1.21 Patently, the assumptions that have underpinned the South East Plan policies have changed over the lead-in time to the submission of the Core Strategy, necessitating action. This is backed up by PPS3 (paragraph 66) which states: In circumstances where market conditions have changed, it may also be necessary to re-assess need and demand, considering a review of approach across the housing market area and/or initiating a partial review of the Regional Spatial Strategy to update the local level of housing provision.

1.22 The Council believes, in the absence of a regional structure within which to review and take account of changes in key assumptions and their relevance,

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and a process to review the regional plan, it is logical for local authorities to undertake this role in the preparation of local plans.

1.23 In any case, the reduction in the housing target is only approximately 15% across the borough (as set out in MKAV1). This level of reduction is not felt by the Council to be significant. The Core Strategy is therefore in general conformity with the South East Plan, having taken account of the fundamental changes that have occurred in the housing market, amongst others.

1.24 The reduction against the overall Milton Keynes growth area (beyond the boundaries of Milton Keynes borough), as set out in South East Plan policy MKAV2, is more significant. However, it should be noted that this is due to the removal of the South West SDA from the Aylesbury Vale Core Strategy and the non-progression of the development area into Central Bedfordshire, both of which are outside the direct planning control of Milton Keynes Council.

1.25 The Council’s view is that the Core Strategy is in conformity with the plans (either adopted or progressing) of these neighbouring authorities, (as required by PPS12, paragraph 4.45) This issue is discussed in more detail later in this response.

1.26 The submitted Core Strategy also includes a policy (CS6) to guide any development on the boundary of Milton Keynes, if the policy position in neighbouring authorities changes.

The scale and direction of growth

1.27 The Core Strategy still plans for growth to the south east of the city, but at a reduced level, in accordance with the Council’s desire to prepare a deliverable plan. The reduction in the size of the SE SDA is as a direct consequence of the Council wanting to ensure that:

a) new allocations don’t undermine the delivery of homes on existing sites; and

b) any new allocation can be delivered during the plan period

1.28 Point a) is one of the key requirements of the South East Plan, as set out in paragraph 1.13 (bullet 4) above. It is the Council’s view that in assessing the

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2 See LDF Advisory Group minutes-
deliverability of the spatial strategy in light of changing assumptions about the level of demand for housing since the South East Plan was prepared, due regard needs to be given to supporting the delivery of the significant number of housing sites already planned (many already under construction) in the city.

1.29 The Council has concerns about whether the level of growth identified to the south east of the city in the South East Plan could actually be developed over the plan period, given the need to ensure existing commitments are not undermined.

1.30 Previous forecasts indicated that development would need to reach around 730 homes per year in the SDA to ensure completion by 2026\(^3\). Whilst this rate of development could potentially (given significant market improvement) be delivered given the size of the area, it needs to be placed in the context of other existing sites in the vicinity. In particular Brooklands, which is forecast to contribute between 200-300 homes per year until 2022/23, and Broughton (remaining capacity 700 homes), both of which are located adjacent to the SDA and would be competing in the same ‘micro market’ for both developers and house buyers.

1.31 If the whole of the SE SDA remained, that would have required around 1,000 homes per year in one local housing market being built and sold. The Council’s view is that this is not realistic based on past experience and the events of the last 3 to 4 years.

Cross boundary growth

Growth to the South East of Milton Keynes

1.32 The South East Plan sets out a requirement for up to 5,600 new homes to provided in the Central Bedfordshire authority area as part of a wider development to the south east of Milton Keynes.

1.33 The Central Bedfordshire Core Strategy, adopted in November 2009, makes reference to the potential for the growth of Milton Keynes to cross the borough boundary into their authority’s area. South East Plan policy MKAV2 makes it clear however, that any growth in this area will be tested through a review of the East of England (EoE) Plan, a revision that has never formally taken place, and now seems unlikely ever to proceed.

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\(^3\) Assuming first completions in 2016 once all planning policies and permissions are in place.
1.34 The South East Plan policy on growth into Central Beds acknowledges the need for any growth in this area to be tested through the EoE Plan review. Without this review, the growth of MK into Beds has no regional planning context. The Milton Keynes Core Strategy is therefore in conformity with the relevant regional strategies and the approach set out in the Core Strategy of the neighbouring authority.

1.35 This position has been discussed verbally with Officers at Central Bedfordshire Council who agree with the Council's understanding of the status of the EoE Plan.

**Growth to the South West of Milton Keynes**

1.36 The South East Plan makes reference to a further SDA to the south west of Milton Keynes, wholly in the administrative boundary of Aylesbury Vale. The allocation of the SDA therefore cannot be made in the Milton Keynes Core Strategy.

1.37 Aylesbury Vale District Council's Core Strategy was withdrawn from examination with the agreement of the Secretary of State in October 2010. AVDC are currently in the early stages of preparing a replacement for their withdrawn Core Strategy, known as the Vale of Aylesbury Plan.

1.38 Aylesbury Vale District Council were in receipt of a planning application for a site to the south west of Milton Keynes know as ‘Salden Chase’. This application has been withdrawn by the applicants due to a large number of issues not addressed in the planning application and the change in approach by government to planning policy development an a move to a localism led approach. The District Council is currently undertaking work on assessing its own housing and employment levels to inform the preparation of the Vale of Aylesbury Plan, which will come forward following the revocation of South East Plan as envisaged in the Localism Bill. It is understood that the Vale of Aylesbury Plan is unlikely to include development on the edge of the Milton Keynes boundary at this stage.

1.39 The situation leaves the Council with no choice but to assume development outside of the boundary of Milton Keynes will not be allocated and is currently undeliverable. A similar situation occurred recently where the Stevenage Core Strategy which was found unsound on the basis that it was reliant on cross boundary growth to meet its housing target, which was shown to be undeliverable. By removing reference to the South West SDA and cross boundary growth into Central Bedfordshire from the Core Strategy, the Council
has planning control over all of the land identified to meet the housing target, ensuring its deliverability. By continuing to plan for cross boundary growth, the Council’s Core Strategy would have been at risk of being found unsound, for similar reasons as the Stevenage Core Strategy.

1.40 The Council would also point to the position set out in paragraphs 1.18 to 1.23 of this response. The Council’s view is that the average of 1,750 completions per year across Milton Keynes is the realistic maximum that could be achieved irrespective of how much land was allocated for development.

1.41 Therefore, for similar reasons why the size of the SE SDA has been reduced in size, the Council would have serious reservations about the deliverability of further significant extensions to the city and/or the impact on the deliverability of existing housing sites. The Council also does not feel that it is necessary to identify an alternative location for these growth areas, given the significant amount of land already available to achieve the Core Strategy housing target.
Following on from the above and reflecting the issue I have already raised (Inspectors note ID/2) does the Council wish to put forward any changes to the Core Strategy, or a conformity statement to be read alongside it, in order to clarify the relationship with the South East Plan and its relevant policies? This would be advisable and it will be helpful to give an early indication about how this will be addressed.

1.42 The Council does not want to make any changes to the Core Strategy on the basis of the above. However, to clarify the relationship with the South East Plan a schedule has been prepared to show the conformity relationship between the documents. This schedule can be seen in appendix 1.

2. Plan period

Taking into account the likely date of adoption of the Core Strategy, the Council is requested to confirm how it wishes to respond to the advice in PPS12 and PPS3 about the time horizon of Core Strategies and the need to make provision for at least 15-year housing supply from the date of adoption.

2.1 The Council notes that the requirement for a 15 year plan period from the date of adoption is unlikely to be achieved given the delays in progressing the Core Strategy. Whilst recognising this, Council would point to some of the reasons as to why the Core Strategy is now in this position and why it feels on balance that there needs to be an element of flexibility in the interpretation of the requirement.

2.2 The first round of formal consultation on the Core Strategy was in December 2006 when an Issues and Options consultation paper was published. This is now four and half years ago. Since this time there have been numerous changes to the process, including the ever evolving regional planning process, which has had various implications over the preparation period, and amendments to PPS12. Ultimately, the document has taken far longer to produce than was anticipated.

2.3 The revised Core Strategy plan period will cover a 16 year period from 2010 to 2026. Upon commencing the review of the Core Strategy in 2010 the Council felt that this time period would enable the requirement for the document to plan for 15 years from the date of adoption.
2.4 Clearly, progress on moving to submission, examination and ultimately adoption has been slower than expected. This will put the Council at risk of not being able to show it is planning for 15 years from adoption. Nevertheless, the plan period of the Core Strategy will still run from April 2010 to March 2026.

2.5 The Council’s view is that to seek to review the Core Strategy again to look beyond 2026 further into the future would be detrimental to the delivery of growth and the future of Milton Keynes. The current plan, once adopted will still set the framework for a significant period of time (14 years from the date of likely adoption), which will provide certainty to communities, decision makers and investors.

2.6 To strictly meet the requirement, the Council would effectively need to start the plan making process again, leading to further delays in the plan making process. The Council would need to prepare new pieces of evidence to look beyond 2026, all of which will take time, and create further uncertainty.

2.7 The Council’s view is that it would be impractical and detrimental to the future of Milton Keynes to find the Core Strategy unsound on the basis that the plan period ends at 2026, and that a flexible and pragmatic approach should be taken to assessing the length of the plan period.