

MILTON KEYNES EAST
AFFORDABLE HOUSING
STATEMENT
October 2021

St James
Designed for life



Berkeley
Group

1. MILTON KEYNES EAST – BACKGROUND AND AMBITION

Berkeley Group control approximately 80% of the land east of the M1 known as Milton Keynes East (MKE). Berkeley are to bring forward approximately 4,000 homes at MKE over a period of approximately 24 years as part of a wider allocation of approximately 5,000 homes. The balance of the site allocation will be delivered by Bloor Homes, delivering approximately 650 homes and Milton Keynes Council delivering approximately 350 homes.

Berkeley focus on individually designed tenure blind masterplans to build new communities where people want to live, work and spend time.

The Berkeley vision for MKE is to focus on a healthy place to live, work and spend time focussed on a green landscaped grid for people and nature. The concept is the 15-minute neighbourhood where the natural choice is to walk and cycle. MKE is also proposed as the pilot study site for MKC's guidance on "Dementia Friendly Neighbourhoods". This will include ensuring proximity of older persons housing to schools, local centres, the community hub and green spaces.

A Development Framework was adopted for the MKE site allocation in March 2020. The Development Framework proposes a density average for the Berkeley land of up to 40 dwellings per hectare to create a critical mass to support a new Mass Rapid Transit transport hub at the local centre and community health hub. The site allocation will also deliver over 4,000 - 5,000 new jobs at the site (B1/B2/B8). This Development Framework density will require a greater proportion of apartments than outlined within the 2017 Strategic Housing Market Assessment (SHMA) in all tenures. This proportion of apartments in the affordable housing mix is in excess of the 18.5% in the adopted Local Plan (2019) and 13% within the Affordable Housing SPD (2020).

2. AFFORDABLE HOUSING MIX AND TENURE

- Policy HN2 requires 31% affordable housing, split 20% Affordable Rent, 5% Social Rent and 6% Shared Ownership. Berkeley will provide a fixed provision of 1,240 affordable homes (31% of 4,000 homes) with a policy compliant tenure split:

| Tenure | Fixed No. | % |
|------------------|-----------|-------|
| Affordable Rent | 800 | 20.0% |
| Social Rent | 200 | 5.0% |
| Shared Ownership | 240 | 6.0% |
| Total | 1240 | 31.0% |

- The affordable mix by tenure is set out below:

| | | Affordable Rent | | Social Rent | | Shared Ownership | | Total | |
|--------|------------------|-----------------|------|-------------|------|------------------|------|-------|------|
| Flats | 1 bed | 88 | 11% | 0 | 0% | 38 | 16% | 126 | 10% |
| | 1 bed extra care | 0 | 0% | 128 | 64% | 0 | 0% | 128 | 10% |
| | 2 bed | 80 | 10% | 0 | 0% | 58 | 24% | 138 | 11% |
| | 2 bed extra care | 0 | 0% | 32 | 16% | 0 | 0% | 32 | 3% |
| Houses | 2 bed | 280 | 35% | 0 | 0% | 100 | 42% | 380 | 31% |
| | 3 bed | 313 | 39% | 0 | 0% | 44 | 18% | 357 | 29% |
| | 4 bed | 14 | 2% | 35 | 18% | 0 | 0% | 49 | 4% |
| | 5 bed | 25 | 3% | 5 | 3% | 0 | 0% | 30 | 2% |
| | Total | 800 | 100% | 200 | 100% | 240 | 100% | 1240 | 100% |

3. AFFORDABLE HOUSING % BY HOMES AND HABITABLE ROOMS

- As part of the total housing mix for MKE, the affordable housing mix will provide 31.0% by home and 23.5% by habitable rooms up to 4,000 homes as set out below:

| Tenure | Homes | | Habitable Rooms | |
|------------|-------|-------|-----------------|-------|
| | No. | % | No. | % |
| Market | 2,760 | 69.0% | 15,883 | 76.5% |
| Affordable | 1,240 | 31.0% | 4,867 | 23.5% |
| Total | 4,000 | 100% | 20,749 | 100% |

- The habitable room calculations have been based on the assumptions set out below:

| | Type | Habitable Rooms | Bedroom plus |
|--------|-------|-----------------|--------------|
| Flats | 1 bed | 2 | 1 |
| | 2 bed | 3 | 1 |
| Houses | 2 bed | 4 | 2 |
| | 3 bed | 5 | 2 |
| | 4 bed | 6.5 | 2.5 |
| | 5 bed | 7.5 | 2.5 |

4. AFFORDABLE MIX BY TYPE

- The mix of affordable housing proposed by Berkeley equates to a 66% house/34% apartment ratio including the Extra Care provision and a 76% house/24% apartment ratio excluding the Extra Care provision:

| Type | Incl. Extra Care | | Excl. Extra Care | |
|------------|------------------|------|------------------|------|
| | No. | % | No. | % |
| Apartments | 424 | 34% | 264 | 24% |
| Houses | 816 | 66% | 816 | 76% |
| Total | 1240 | 100% | 1080 | 100% |

- The predominant unit types are 44% 2 bedroom (apartments and houses) properties and 29% 3 bedroom (houses) properties. When Extra Care is excluded from the analysis, this increases to 48% 2 bedroom properties and 33% 3 bedroom properties:

| Type | Incl. Extra Care | | Excl. Extra Care | |
|-------|------------------|------|------------------|------|
| | No. | % | No. | % |
| 1 bed | 254 | 20% | 126 | 12% |
| 2 bed | 550 | 44% | 518 | 48% |
| 3 bed | 357 | 29% | 357 | 33% |
| 4 bed | 49 | 4% | 49 | 5% |
| 5 bed | 30 | 2% | 30 | 3% |
| | 1,240 | 100% | 1,080 | 100% |

5. EXTRA CARE PROVISION

- Across a range of strategic sites in the South East, Berkeley deliver a range of tenure blind communities including housing for older people in the form of Extra Care (typically through Registered Provider partners).
- The Council's 2017 SMHA and 2019 Local Plan both recognise an ageing population in Milton Keynes and the need for supported housing (including Extra Care). This serves the dual purpose of freeing up underutilised family housing and also to allow many, as they grow older, to live within a more appropriate environment to meet their needs.
- Milton Keynes Council's Housing and Regeneration Team have confirmed that the Council's emerging draft Specialist Housing Strategy and its evidence base establishes the need for Extra Care provision at Social Rent levels in this area.
- Given the need to provide these homes at local affordability levels, Berkeley confirms that the affordable Extra Care provision will be provided at Social Rent levels.

6. PROPOSED AFFORDABLE MIX VS MILTON KEYNES SHMA

- Considering the emerging need for supported elderly accommodation at Social Rent levels, it is appropriate that when assessing the proposed affordable mix against the affordable housing need in Milton Keynes, as set out within the 2017 Strategic Housing Market Assessment (SHMA), the Extra Care provision should be excluded from the comparison.
- The table below details the variance between the 2017 SHMA affordable housing mix and the affordable housing mix (excluding Extra Care) at MKE following an update to the housing mix in October 2021:

| | Type | SHMA Affordable Mix | Proposed Affordable Mix | Variance from SHMA |
|--------|-------|------------------------|----------------------------|-----------------------|
| Flats | 1 bed | 10% | 12% | 2% |
| | 2 bed | 9% | 13% | 4% |
| Houses | 2 bed | 33% | 35% | 2% |
| | 3 bed | 38% | 33% | -5% |
| | 4 bed | 9% | 5% | -4% |
| | 5 bed | 2% | 3% | 1% |

7. AFFORDABLE HOME OWNERSHIP

- The NPPF paragraph 64 required planning policies and decisions to expect at least 10% of total homes as affordable home ownership (e.g. Shared Ownership or similar).
- Milton Keynes Council's Policy HN2 was examined/adopted against the 2012 NPPF (which did not have the above requirements) and required only 6% Shared Ownership. There is therefore inconsistency between NPPF and the adopted Local Plan policy.
- Proposals should be decided in accordance with the statutory development plan unless material considerations dictate otherwise. The NPPF is a clear material consideration of particular standing, and the degree of inconsistency means the NPPF should ordinarily take precedence.
- It is anticipated that it will be agreed with the Council how this divergence from the NPPF will be dealt with.

8. FLEXIBILITY FOR THE FUTURE ON AFFORDABLE HOUSING MIX

- Considering the timescales involved with housing delivery at MKE, Berkeley and the Council's Housing and Regeneration Team agreed that flexibility should be built in to the affordable housing mix to allow for future changes in Milton Keynes' housing need, evidenced by future Strategic Housing Market Assessments.
- It was agreed that this flexibility will be delivered through a mechanism in the S106 agreement which will operate as follows:

- If there is a significant change in the affordable housing need in Milton Keynes, the affordable housing mix can be updated to better reflect the need set out within the latest SHMA subject to the agreement of both parties of a suitable arrangement.

9. AFFORDABLE HOUSING PLAN

- Prior to the first Reserved Matters application an Affordable Housing Plan will be produced which will be supplementary to this Affordable Housing Statement dated October 2021. Prior to each subsequent Reserved Matters application the Affordable Housing Plan will be re-visited, this will show the affordable provision proposed in each relevant phase and the updated cumulative position.
- At these points in time and if both parties are in agreement, the flexibility mechanism detailed within the S106 agreement (see Section 8) can be used and the affordable housing mix updated.

10. FIRST HOMES

- It was the preference of the Council that First Homes were not assumed within the affordable housing mix. Berkeley and the Council's Housing and Regeneration Team agreed to monitor this going forward.

11. AFFORDABLE HOUSING PHASING

- Berkeley will endeavour to bring forward the affordable housing at the same rate as the market provision but bringing forward an exactly proportionate quantum of affordable housing in each phase may not always be feasible.
- Berkeley would therefore look for the affordable housing quantum delivered in each phase to be within a pre-set range. This would stop a phase being overly dominated by one tenure and would help to create the balanced community Berkeley envisage at MKE.
- It is proposed the affordable delivery range in each phase would be between 16% and 46%, this represents a plus or minus 15% range on 31% affordable housing.
- To give the Council additional comfort that the affordable housing will be fully delivered, Berkeley has proposed occupation restrictions on the market housing connected to the delivery of affordable homes, this is set out below:
 - No more than 25% of market homes will be occupied prior to 25% of the affordable homes being delivered.
 - No more than 50% of market homes will be occupied prior to 50% of the affordable homes being delivered.
 - No more than 75% of market homes will be occupied prior to 75% of the affordable homes being delivered.
 - No more than 100% of market homes will be occupied prior to 100% of the affordable homes being delivered.

12. AFFORDABLE HOUSING TENURE PLAN

- An Affordable Housing Tenure Plan detailing the approximate proposed location of the affordable housing throughout the scheme will be issued to the Council prior to the first Reserved Matters application and updated prior to each and every Reserved Matters application, to show the updated cumulative position.
- The Affordable Housing Tenure Plan will be produced and submitted as part of each Reserved Matters application alongside and in conjunction with the Affordable Housing Plan detailed within Section 9.

13. TENURE BLIND DEVELOPMENT

- Berkeley's vision for MKE is to create a tenure blind scheme with mixed, balanced and cohesive communities. To achieve this, the affordable housing will be 'pepper potted' throughout the scheme to avoid creating large affordable housing clusters.
- The delivery of housing, apartments and Extra Care apartments will be tenure blind with un-restricted access to the extensive open space throughout the scheme.

14. AFFORDABLE HOUSING DESIGN

- All homes will be designed to NDSS standards.

15. SITE SPECIFIC S106 AGREEMENT

- Berkeley will seek to secure the affordable housing provision and relevant related matters that are discussed within this statement as part of the S106 agreement and will work with Milton Keynes Council in order to achieve this.

16. WHEELCHAIR ACCESSIBLE HOMES

- In line with Policy HN4 of Plan:MK, a minimum of 10% of the affordable homes will be built to Building Regulations Part M4(3) wheelchair accessible standards with a minimum of 5% of the market homes being built to the same standards.
- The number of homes built to the above standards in each phase of development is to be agreed between Berkeley and the Council when reserved matter applications are brought forward.

17. ACCESSIBLE AND ADAPTABLE HOMES

- In line with Policy HN4 of Plan:MK, a minimum of 60% of all new homes across market and affordable tenures will be built to Building Regulations Part M4(2) standards for accessible and adaptable homes.
- The number of homes built to the above standards in each phase of development is to be agreed between Berkeley and the Council when reserved matter applications are brought forward.

18. TOTAL HOUSING MIX (MARKET AND AFFORDABLE)

- The total housing mix (including Extra Care in the affordable mix) is shown within the tables below. The first table details the number of homes and the second table shows the number of habitable rooms with the respective split between market and affordable housing confirmed:

Homes:

| | Type | Market | | Affordable | | Total | |
|--------|-------|--------|--------------|------------|--------------|-------|---------------|
| | | No. | % | No. | % | No. | % |
| Flats | 1 bed | 98 | 3.6% | 254 | 20.5% | 352 | 8.8% |
| | 2 bed | 182 | 6.6% | 170 | 13.7% | 352 | 8.8% |
| Houses | 2 bed | 164 | 5.9% | 380 | 30.6% | 544 | 13.6% |
| | 3 bed | 745 | 27.0% | 357 | 28.8% | 1,102 | 27.6% |
| | 4 bed | 1,023 | 37.1% | 49 | 3.9% | 1,072 | 26.8% |
| | 5 bed | 548 | 19.9% | 30 | 2.4% | 578 | 14.5% |
| Total | | 2760 | 69.0% | 1,240 | 31.0% | 4,000 | 100.0% |

Habitable Rooms:

| | Type | Market | Affordable | Total |
|--------|-------|--------------|--------------|---------------|
| | | Hab Rooms | Hab Rooms | Hab Rooms |
| Flats | 1 bed | 196 | 508 | 704 |
| | 2 bed | 546 | 510 | 1,056 |
| Houses | 2 bed | 657 | 1,520 | 2,176 |
| | 3 bed | 3,725 | 1,785 | 5,510 |
| | 4 bed | 6,650 | 319 | 6,968 |
| | 5 bed | 4,110 | 225 | 4,335 |
| Total | | 15,883 | 4,867 | 20,749 |
| % | | 76.5% | 23.5% | 100.0% |

- The affordable housing mix will provide 1,240 homes and 4,867 habitable rooms based upon the mix set out above unless otherwise agreed with the Council.
- Berkeley will deliver the market housing mix of 2,760 market homes and 15,883 market habitable rooms set out above unless otherwise agreed with the Council.
- Berkeley will retain the ability to update the market housing mix set out above flexibly and in line with market trends at each reserved matters application.
- Should the site be capable of accommodating more than 2,760 market homes and 15,883 market habitable rooms, the additional affordable habitable rooms will be provided at 23.5% of the total additional habitable rooms (as detailed within Section 3 and 18) whilst maintaining the policy compliant tenure split. How any additional habitable rooms will be provided across the housing typologies (1-5 beds) will be agreed with the Council. This mechanism to accommodate any additional habitable rooms will be set out within the S106 agreement.