

**Milton Keynes Core Strategy Examination
July, 2012**

**COUNCIL'S RESPONSE TO MAIN MATTER 3:
Overall Housing Provision**

Issue 3.1 Is the overall housing provision soundly based? Does the Core Strategy provision meet the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with national policy?

Council's Response

Introduction

- 1.1 The Council has set a housing target of 28,000 over the period from 2010 to 2026; an average of 1,750 homes per year. This is split 26,240 within the urban area and 1,760 in the rural rest of the Borough. The Council's position is that this level of provision is sound, based on consideration of the full range of factors including housing need, demand, market indicators and land availability.
- 1.2 The Council has taken the decision to reduce the housing target below that set out in the South East Plan. This reduction equates to around 15% of the South East Plan requirement for the Borough¹. The Council believes this is a sound approach based on the significant change in circumstances that have taken place since the South East Plan was prepared.
- 1.3 This part of the statement focuses on the overall level of housing provision, with affordable housing covered in response to Matter 3.3 later in the statement.

How has the housing target been established?

- 1.4 The Council recognises the importance of Milton Keynes as a growth area and as such has set a housing target that will see a greater number of homes built over the 15 year plan period than has recently been realised in the city.

¹ 41,360 reduced to 28,000, plus completions of 7,215 in 2006 to 2010, 35,120 in total.

- 1.5 This position has not changed throughout the Council's engagement in the sub-regional and regional planning processes which preceded, and overlapped with, the production of the Core Strategy. The Council has maintained that increasing rates of delivery locally will be a challenge, particularly meeting the requirements set out in the South East Plan in the short term (Submission Document R8, Panel Report paragraph 23.32 and Submission Document R7, MKC response to Matter 8(f) (ii), Milton Keynes, paragraph 16).
- 1.6 The figures in the South East Plan formed the basis for the housing target in the early iterations of the Core Strategy from Issues and Options to the Pre Submission Version of the Core Strategy, published for comment in February 2010. These housing figures were a sum of potential from each of the district/unitary components in Policy H1 (of the South East Plan). The Council's view is that the South East Plan should be reassessed in the light of the consequences of the economic downturn since it was approved.
- 1.7 The Implementation, Monitoring and Review section of the South East Plan makes a commitment *'to working with partner authorities and other regional partners to monitor key assumptions underpinning the RSS and to assess their robustness and continued relevance'*. (Page 285, first paragraph). This clearly has not happened and calls into question the continued relevance of the strategy in establishing the basis for growth across the south east region. The Panel Report, (Submission Document R8, paragraph 28.15 and 28.26) backs up this position recognising the importance of using monitoring as a basis for reviewing the plan and ensuring that the implications of changes to the economy inform reviews of the plan.
- 1.8 Particular factors which the Council suggest make the South East Plan figures unreliable are:
- i. The regional targets were produced on the basis that there was *'unlimited demand for homes'* across the south east of England (Submission Document R8,

- Panel Report paragraph 7.22). This position has clearly changed since the production of the South East Plan with mortgage availability limiting the level of demand that can be realised.
- ii. The reasons for support for the housing figures in the South East Plan (Key Document R8, Panel Report page 103-104) have been undermined. These include the fact that they allow for significant in migration alongside natural growth and support for economic growth. Again, economic factors have had a significant impact on these areas since the South East Plan was prepared.
- 1.9 The Council took the decision to review the housing figure in the Core Strategy at the time the Coalition Government announced their intention to revoke top down regional housing targets. This announcement followed the onset of the economic downturn, which had had a significant effect on the house building industry and the number of homes which could both be built and that people were in a position to purchase. At the time, Planning Policy Statement 3, Housing, was in force which advocated reviews of housing targets when market conditions have changed (Key Document NP3, paragraph 66). In the absence of a Regional Spatial Strategy process for this to happen, it was appropriate for this to be undertaken at the local level.
- 1.10 The Council's Local Development Framework Advisory Group guided the revision of the housing target. Working from the South East Plan figure as a base, the group considered amongst other issues, the impact of the change in economic circumstances, local demographic growth, the findings of the Strategic Housing Market Assessment, and the level of existing housing commitments. They concluded that the housing target should be reduced, and that given recent completion levels, 1,750 homes per year is a challenging yet realistic and deliverable annual target (see LDF AG minutes from 5/8/10, 26/8/10 and 9/9/10 and Full Council 8/6/10 and 14/9/10).

Milton Keynes Council Main Matter 3

- 1.11 The amended housing figure was published in the Revised Proposed Submission Core Strategy in October 2010. The Council produced a Housing Technical Paper (Submission Document B126, February 2011) which pulled together existing evidence and added detail to the economic and delivery arguments that justified reducing the housing target from that set out in the South East Plan. This document was updated in April 2012 (Submission Document B126a).
- 1.12 In addition to looking at factors such as new Government Household projections, the findings of the Strategic Housing Market Assessment, land availability and take up, the Technical Paper looks at market signals, which the NPPF says should be taken into account in setting local housing targets. These include changes in house prices, the reduced number of house purchases (Submission Document 126a, paragraphs 3.5 to 3.12), and a review of performance in other south east authority areas (paragraphs 3.24 to 3.30). Each criteria reviewed supports the general assumption that delivering homes to a level that would meet the South East Plan requirement is unrealistic, and a lower target is appropriate.
- 1.13 In justifying the 1,750 per year target the Council would particularly point to the following key points:
- i. The current Government Household Projections for Milton Keynes are an average of 1,560 per year up to 2031. Household projections were noted in the Panel Report as one of the key factors to take into account in drafting the South East Plan (Submission Document R8, paragraph 7.9).
 - ii. The target is significantly above recent rates of completion, which were one of the market signals considered in setting the South East Plan target (Panel Report, paragraph 7.66)
 - iii. Economic growth has been, and is forecast to be, significantly slower than at the time the South East Plan was prepared. Given the need for housing was supposed to be linked to economic growth, this suggests a lower housing figure than that proposed in the South East Plan would be more appropriate.

- iv. Land availability suggests the figure is deliverable, realistic and will provide certainty about the timing of development across the Borough
- 1.14 The Council is aware that the housing target of 1,750 per annum is below the five-year requirement identified in the most recent Strategic Housing Market Assessment (SHMA) for Milton Keynes; 3,366 new homes each year for the five years from 2009. This figure is significantly greater than the figure that was planned for in the South East Plan, which was making an assumption that Milton Keynes would be making an allowance for 84% increase in inward migration (Submission Document R8, paragraph 7.9, bullet 3).
- 1.15 The level of housing identified in the SHMA is something the Council is aware of and, as such, the Council is committed to maximising local housing delivery to support both the needs of existing residents and to provide for people who will choose to move to Milton Keynes. The Core Strategy plans for more than the assessed level of indigenous growth in the SHMA (1,311 homes per annum over five years from 2009), supporting the needs of a growing and developing population, whilst providing scope for new residents to move to the city.
- 1.16 However, there is concern that the SHMA identifies migration as a key driver behind household growth in Milton Keynes. In fact, migrant households make up almost two thirds of the assessed housing requirement over the five years from 2009, 10,276 net migration compared to 6,556 indigenous net growth (Submission Document B108, Figure 102, page 93). The SHMA identifies that a large number of migrants are Polish and from other EU states and that: *'this group of migrants have largely been attracted to Milton Keynes by employment opportunities and the impact of the recession is that fewer migrants may be attracted to the area'* (Submission Document B108, paragraph. 7.35).
- 1.17 The migration figures are based on past trends that will reflect the economic situation at the time of preparation. Since the SHMA there has been a significant decline in the economy. The migration figures will also be influenced by past

completion rates as higher completions leads to higher inward migration. In a period of lower completions, the SHMA would show a lower level of inward migration, hence the relative period of boom leading up to the production of the SHMA in 2009 is likely to have led to a housing requirement that is no longer justified. Another important factor is the aspirational influence which distorts the level of need in SHMAs.

- 1.18 The Council has therefore not simply established a housing target based solely on the SHMA. It has objectively assessed and considered all of the relevant information available and believes that a target of 28,000 homes over the plan period is realistic and deliverable in the context of the current limiting economic climate.
- 1.19 The figure is significantly higher than the 1,311 homes per year assessed as being required to meet the needs future needs of the existing population. It is also higher than the Governments own household projections and higher than the recent long term average completion rates, which would suggest the figure is pushing the boundaries of deliverability. The approach is consistent with the evidence that the NPPF says should be considered in setting a housing target, including market signals.

Issue 3.2 How should the overall provision be assessed against the South East Plan and its evidence base, so far as they remain relevant?

- 2.1 The influence of the South East Plan on the Core Strategy housing target has been covered in response to Issue 3.1, particularly paragraphs 1.6-1.8). However, it is appropriate to clarify why the Council believes that the South East Plan housing figure no longer remains relevant to the overall housing provision in the Milton Keynes Council area.
- 2.2 The South East Plan and its evidence base were prepared at a time when there was deemed to be unlimited demand for new housing and strong future economic growth. In the six years since the plan was approved, the economic conditions have changed markedly, meaning it has not been possible to deliver anywhere near the level of housing growth that was foreseen by the plan.
- 2.3 This has not been a problem just for Milton Keynes but the vast majority of areas across the south east (see Submission Document B126a, Figures 4 and 5). On average each year, just 78% of the South East Plan housing target has been achieved across the region², with rates of completion on a downward trend. Milton Keynes has delivered 82% of the target for the Borough³. This suggests that the level of housing growth planned for in the South East Plan has not been deliverable, rather than it being local planning and circumstances in Milton Keynes that have meant the target has not been achieved.
- 2.4 As set out in response to Issue 3.1, the Council would particularly point to the commitment in the South East Plan to keeping the plan under review and to monitor the continued relevance and robustness of the key assumptions that underpin the Plan. This has not happened, and the Council believes this means that the Plan and its evidence is becoming increasingly historic.

² Live table 253- <http://www.communities.gov.uk/documents/housing/xls/2090150.xls>

³ Figure based on our own monitor figures. Figures in DCLG table 253 calculate an 85% percentage. The difference relates to the source of information – DCLG tables are also based on NHBC returns, meaning the timing s of completions may vary.

2.5 Particular points of concern to the Council are:

- i. Whether there continues to be unlimited demand for new homes across the region – our evidence on market data would suggest otherwise. This is backed up by a recent Bank of England Report⁴, which clarifies that changes to the availability of mortgages will, at least transitionally, have an impact on the realisable demand for homes (page 15 last paragraph) and that the downturn in mortgage availability, could be permanent, which is a fundamental change to the position when the South East Plan was prepared.
- ii. Whether it is possible to achieve the level of economic growth across the region assumed to drive housing need – recent and forecast growth rates have been well below those occurring at the time the South East Plan introduced (c.0.8% growth in GDP forecast for 2012 now compared to c.4% growth in 2007).
- iii. Whether it is realistic to assume in-migration across the MKAV area will be 84% above previous levels.

2.6 Each of the above factors should have been kept under review if the South East Plan was to remain a credible basis from which to plan for local housing targets. This has clearly not happened, and therefore the figures can no longer be seen as relevant in establishing local housing targets.

2.7 The underlying evidence produced locally around land suitability is not affected in the same way as the more economically driven factors that influenced the housing target. The Council has therefore continued to have regard to the site assessment element of the evidence base and is committed to continuing to deliver significant growth in the local area – just not to the level envisaged in the South East Plan which has been demonstrated to not be an up-to-date basis from which to plan locally.

⁴ Bank of England - Demographics, House Prices and Mortgage Design, March 2012
<http://www.bankofengland.co.uk/publications/Documents/externalmpcpapers/extmpcpaper0035.pdf>

Issue 3.3 Are there reasonable prospects for delivery of the proposed level of housing? In particular:

- i) Is there enough suitable land identified and will the sites be bought forward on time?**
- ii) Is the reliance on existing commitments adequately justified, and especially, dependence on the Western Expansion Area?**
- iii) Are there any particular viability, infrastructure requirements or other barriers to delivery that need to be addressed?**
- iv) Will the sites offer reasonable choice and flexibility in market terms?**
- v) Does the plan provide for a five year supply of specific deliverable sites and an appropriate additional buffer of supply consistent with national policy?**

Council Response

3.1 The Council's overall position is that the forecast rates of delivery set out in the supporting evidence are robust and demonstrate that there is a reasonable prospect for at least 28,000 homes to be delivered by 2026.

- i) Is there enough suitable land identified and will the sites be bought forward on time?

Is there enough land identified?

3.2 The amount of land available for housing development in Milton Keynes was updated as part of Submission Document B126a. This is summarised in Table 1 below⁵.

⁵ These figures may vary slightly from those shown in Appendices 2 and 3 which have been further updated since the Update to the Housing Technical Paper and the inclusion of a rural windfall allowance.

Table 1 - Housing land supply (as at 1st April 2012)

	DWELLINGS	AREA (HA)
FULL PERMISSIONS	3,321	151.70
OUTLINE PERMISSIONS	12,134	500.46
LOCAL PLAN ALLOCATIONS AND BROWNFIELD SITES	8,844	185.85
TOTAL IDENTIFIED LAND	24,299	838.01

- 3.3 This supply is mainly made up of large strategic sites (both identified growth areas and remaining city estates), which account for approximately 75% of supply. There is also land for approximately 6,000 homes on non-strategic sites in the urban area and rural settlements. This land has all been assessed as being suitable for development, either through the statutory plan-making process or through the consideration of planning applications.
- 3.4 At April 2012, 64% of all available land had an extant planning permission in place, showing the progress that has been made through the planning process. It also gives comfort that assumptions about the number of homes that could be built on sites are realistic.
- 3.5 In the first two years of the plan period, there were 2,875 net completions across the Borough, which means when considered against the level of identified land there is a slight shortfall against the 28,000 home target (826 homes).
- 3.6 The Council recognises and has acknowledged this shortfall in Policy CS2 of the Core Strategy. The shortfall can largely be attributed to the need for new rural land allocations to meet that specific part of the housing target.
- 3.7 The Council will be undertaking a site allocations process as part of a new Local Plan, to commence after the Core Strategy examination, which will look to identify sites to meet this rural shortfall (see Council Statement on Matter 2, paragraphs

- 3.22-3.34 for more detail). As well as looking at rural housing sites, this document will also consider the need, and opportunities for, new non-strategic urban allocations. A full update of the SHLAA is underway which has already found land within the urban area on top of existing commitments which could potentially bring forward further land for development during the plan period. This is without considering an urban windfall allowance, which if it were to continue at the same rate as in recent years, could contribute more than 2,500 additional homes over the remainder of the plan period) Submission Document B126a, Appendix A, paragraph 2.3).
- 3.8 In response to the NPPF's position on a windfall allowance, the Council believes it is justified in making an allowance for 40 windfall completions each year in the rural area. This equates to 560 homes over the remaining 14 years of the plan period. The justification for this allowance is included in Appendix A of Submission Document B126a. This allowance has not been included in the summary of identified sites above and would contribute to delivering the 826 home shortfall.
- 3.9 The Council has responded to concerns regarding the capacity of housing sites in Central Milton Keynes. The Council's figures on land supply take account of a decrease in demand for higher density flatted development by reducing the estimated capacity of relevant sites. The reduced capacities now reflect the density of development being discussed for the future of CMK sites. In line with current concerns about the deliverability of higher density development, there is not a reliance on delivery from CMK in the short term to meet annualised housing targets.
- 3.10 It has been estimated that the Strategic Land Allocation could accommodate up to 2,500 homes. This estimate is discussed in more detail in the Council's Statement on Matter 6, which confirms that this capacity is realistic. Work on the Development Framework for the area also clarifies that a figure of up to 2,500

homes is realistic once all site specific requirements and constraints are taken into account.

Will the sites be brought forward in time?

- 3.11 Overall, the Council's view is that forecast rates of completion show that there is a reasonable prospect that 28,000 homes will be delivered by 2026. The majority of strategic sites are estimated for completion by 2022/23, after which the majority of forecast completions are from the ongoing development of the Western Expansion Area, the largest single development area in Milton Keynes, and Central Milton Keynes (see response to Issues 3.3 (ii) below). It is also likely any new non-strategic allocations made after the adoption of the Core Strategy will be built out later in the plan period.
- 3.12 A draft update to the Housing Trajectory was prepared for the 2010/11 Annual Monitoring Report (AMR) and included in the Updated Housing Technical Paper (Submission Document B126a, page 3). This trajectory has been further refined based on updated monitoring and intelligence since its publication. The most up-to-date trajectory diagrams are included as an Appendix to this report (see Appendix 3), which demonstrates how existing sites will contribute towards this being achieved.
- 3.13 For individual sites, the rate of delivery forecast is considered to be realistic. Each is based on observed rates of completion on similar sites as well as feedback from individual site developers, where available. Feedback was last sought through the ongoing update of the SHLAA. This is explained in more detail in the Housing Technical Paper (Submission Document B126, see page 25, paragraphs 2.59-2.64). Forecasts are verified on a regular basis through the Joint Housing Monitoring Team (JHMT), which receives regular feedback from land owners and developers.

- 3.14 The Council would point to the level of completions achieved over the first two years of the plan period in relation to the Housing Trajectory set out in the Core Strategy (page 104). Monitoring shows that actual completions over the two years to March 2012 were 2,875 compared to a forecast of 2,822. This highlights the accuracy of the forecasts made by the Council and the realism that can hopefully be attributed to longer term forecasts to 2026, recognising that there may always be unforeseen changes in circumstance which affect delivery, as was the case with the South East Plan figures.
- 3.15 A number of the major housing sites around Milton Keynes are already under construction. This makes it somewhat easier to predict the rate at which they are likely to be built out as past rates of completion can be analysed and new starts monitored, giving an indication of forthcoming completions. The Council also monitors 'starts commissioned'⁶ on a site by site basis, which again gives an indication of when sites, or future phases of large sites, are likely to start development. This information has helped the Council to be realistic and accurate in its monitoring and forecasting over recent years.
- 3.16 Where sites have yet to begin development, such as the Western Expansion Area and the Strategic Land Allocation, the Council believes the estimated start dates and rates of completion are realistic. These have been updated in the draft Housing Trajectory Update and have backed up information from land owners and developers (see Issue 3.1(ii) below and Appendix 2 and 3).
- 3.17 There are several sites which are particularly important to the delivery of the overall housing target. The current status of these sites is summarised below:
- i. WEA - 6,500 homes. Covered in detail under issues 3.1 (ii) below and supporting statement from Gallagher Estates (see Appendix 1 A). Part of site has been

⁶ Granting of an implementable planning permission (full or reserved matters) on a site in the legal ownership of a house builder.

assumed to be completed outside of the plan period; the Council hasn't assumed the whole site is deliverable within the next 14 years.

- ii. Tattenhoe Park- 1,300 homes. Owned by the Homes and Communities Agency (HCA). All primary infrastructure in place. Primary school constructed before the economic downturn. First land parcel disposed (140 homes) and Reserved Matters application under consideration. Phased release of sites planned which has been taken into account in forecast rates of completion to 2020/21, with a maximum rate of completion of around 200 homes per year.
- iii. Oakgrove - 1,100 homes. In developer ownership. Reserved matters consent granted for 231 homes and retail/leisure/community uses and an application for a further 64 units under consideration. The developer has discharged a number of conditions allowing development to start, including design codes and drainage plans and has recently started constructing the infrastructure on site, in line with first completions onsite during 2013. Completion onsite expected by 2018/19 if a rate of 200 homes per year can be achieved. Development still achievable in plan period at half that rate.
- iv. Brooklands - 2,500 homes. Covered by supporting statement of Places for People (see Appendix 1 B). Site is under construction. 125 homes built in first year and 74 currently under construction. Phase 1 of infrastructure is fully complete and phases 2 and 3 are permitted, with phase 2 programmed to commence later in 2012. Majority of development programmed by the developer to be complete by 2021/22, with one small phase to follow. Development is a logical continuation of adjacent Broughton Gate development, which is nearing completion.
- v. Strategic Land Allocation - 2,500 homes. New allocation in the Core Strategy. Development Framework well under preparation with first applications anticipated by 2014. First completions not expected until 2016/17 with a maxim build out rate of around 400 homes per year, which is in line with the rate of completions seen

**Milton Keynes Council
Main Matter 3**

in the adjacent Broughton Gate over recent years. Completion on site forecast by 2022/23.

- vi. CMK - c.5,000 homes. 400 home site in Sustainable Residential Quarter (SRQ) in control of Barratt Homes, who are confident there is a market for higher density development in the area (see Appendix 1 D). Programmed for phased completion from 2013 to 2018. Campbell Park and Sustainable Residential Quarter covered by outline planning consent. Some concern as to the deliverability of total numbers permitted but majority of homes not programmed for completion until post 2018. Implications of market changes and deliverability will be taken into account in the production of the new Local Plan, post examination, and the finalisation of the CMK Development Framework.

3.18 An argument has been made through representations on the Core Strategy that more significant land allocations are needed to ensure the annual rate of completions can be achieved year on year. The Council does not agree with this and believes, for the reasons set out above, there is already sufficient deliverable land identified to ensure the housing requirement can be met by 2026. In addition, the allocation of new, non-strategic sites, through the new Local Plan will add an element of contingency and choice, supporting the delivery of the target.

3.19 The Council would also point to the fact that the issue of a 'flexibility allowance'⁷ was considered at the Local Plan Inquiry (2005). At the time the Inspector felt a flexibility allowance was inappropriate as '*if additional land is allocated... to provide flexibility there is a danger that the desirable balance between housing and infrastructure could be prejudiced*' (Submission Document B141a, Local Plan Inspectors Report Part 2 page 68, paragraph 9.1.4). The Council continues to believe this to be the case (coupled with concerns about oversupply, and undeveloped sites caused by increased uncertainty due to the fragile recovery of the housebuilding industry), and is confident that the plan, monitor and manage

⁷ An over supply of sites allocated to take into allow for some development not coming forward as expected.

arrangements in place (see Issue 3.4 (ii) below) are sufficient to deal with any shortcomings in delivery (also see Submission Document B126, page 23, paragraph 2.46-2.55).

- ii) Is the reliance on existing commitments adequately justified, and especially dependence on the Western Expansion Area?

3.20 As set out above, the Council believes that all existing commitments remain deliverable housing sites and that it is justified to rely on them to deliver the housing target in the Core Strategy up to 2026. This is supported by four of the major owner/developers in the city (see Appendix 1) and is explained in more detail in the Housing Topic Paper (Submission Document B126, pages 25-29 and Submission Document B126a, paragraphs 3.34 to 3.50).

3.21 There is a strong supply of existing commitments outstanding from the Local Plan, adopted in 2005, which allocated land over and above that required to deliver housing requirements to 2011 (Submission Document LP1, notes to Table H2a (page 112 and table H2c, page 113)). In recent years the delivery of these sites has been compromised by the economic downturn, which has had an impact on land values, and has subsequently has slowed the release of sites to the market. However, signs are that the market is gradually recovering and that the market for housing land is beginning to return.

3.22 Approximately 7,500 of the identified homes will be delivered from sites where homes are already under construction. Development on all of these sites, with the exception of one flatted development in Campbell Park, remains under construction and the Council is not aware of any reasons why this should not continue.

- 3.23 Of the other commitments which are yet to commence development, the majority have at least outline planning consent, showing that they have progressed through the planning process.
- 3.24 Several sites already have strategic infrastructure either in place, including Tattenhoe Park and Kingsmead, or under construction, as with Brooklands (part completed, future phases planned) and Oakgrove (see Submission Document B126, pages 20-21 and Appendix 1 C to this statement). These sites are 'oven ready' for development and the Council believes there is no reason why they cannot progress as forecast, other than a worsening of the current position on mortgage availability and the general economic climate.
- 3.25 The Western Expansion Area (WEA) is the biggest single housing commitment which has yet to begin development. The Council is however confident that the constraints which were holding back development, such as highway layout, have now been overcome and that progress is being made to start bringing the site forward for development in line with the forecasts in the housing trajectory. This is backed up by the statement from the master developer, Gallagher Estates, which can be seen in Appendix 1 A. Gallagher Estates have made good progress on discharging pre-commencement conditions and the whole site now has full permission for primary infrastructure, which will enable Gallagher Estates to start bringing serviced sites to the market in the near future.
- 3.26 The date of first completions on site is now felt to be very accurate, given the number of obstacles to commencement that have already been overcome.
- 3.27 The rate at which development of the WEA is expected to be completed is supported by the master developer and is backed up by their approach to the phased release of sites. The rates to be achieved annually are not felt to be unrealistic given the significant amount of data that is available on the rate at which other similar sites have been built out in Milton Keynes (see Submission Document B126, page 26, paragraphs 2.65-2.75). The forecast rate of delivery is

broadly similar to that witnessed at Broughton Gate to the east of Milton Keynes, even during a period of recession.

- 3.28 Delivery in expansion areas is supported by the Tariff agreement, which has the benefit to developers of providing certainty of infrastructure provision as well as costs. The Tariff Framework Agreement provides further certainty by including requirements on the timing of reserved matters applications and long-stop dates for the payment of outstanding tariff contributions (which have recently been re-negotiated to 2026 in light of the economic downturn), which provide incentives for developers to build out the sites.
- 3.29 The delivery of housing commitments in Central Milton Keynes was questioned in responses to the Submission Core Strategy. Responses questioned the ability of sites in CMK to deliver the proposed quantum of housing development and also the whether there was demand for the high density development from the market.
- 3.30 The Council believes the existing commitments assumed for CMK at the time of drafting the Revised Proposed Submission Core Strategy were justified as they had taken into account the impact on the changing demand for high density development. The Council recognises that in light of the changing economic climate, previous permitted developments may no longer be deliverable in exactly the same form. This was taken this into account in reviewing the Core Strategy, with a reduction made to the proposed capacity of the Sustainable Residential Quarter from that permitted, to ensure forecasts were robust.
- 3.31 The housing capacity of CMK may need to be further reviewed in the future if there continues to be a severe lack of demand for the type of higher density development planned for the area. However, at the current time, progress is being made to deliver sites in line with the trajectory. The Council worked on a development brief for the first phase of development of the SRQ in CMK with the HCA, owners of the site. This has led to disposal of the site to Barratt Homes.

They are confident that there is still a demand for higher density accommodation, if well designed, in CMK (see supporting statement in Appendix 1 D).

3.32 As set out in paragraphs 2.9 and 2.17 above, there is scope for the level and nature of housing development in CMK to be reconsidered in more detail through the Local Plan process due to commence after the Core Strategy examination. The Council is committed to ensuring CMK develops as a vibrant city centre, of which residential development is a key component. It is therefore key that development sites are deliverable and make a contribution to the overall mix of uses in the area.

3.33 Whilst reconsidering sites may see a small decrease in the overall number of homes deliverable in the central area, given the proposed timing of development in CMK as part of the housing trajectory, the Council feels the best approach is to look at the area in more detail through the Local Plan process. This process will enable the Council to fully assess the market changes that have occurred since the Core Strategy began production and take into account any implications for the overall level of housing needed across the Borough. The significant land supply deliverable in the short to medium term, and the relative timing of development in the trajectory, provides the scope for this to be a realistic and pragmatic approach to an evolving situation.

iii) Are there any particular viability, infrastructure requirements or other barriers to delivery that need to be addressed?

3.34 The Council is not aware of any particular barriers to delivery that need to be addressed. At the current time, the progress on sites across Milton Keynes indicates that despite the economic downturn and a slow down in demand for new homes, development is still proving viable.

- 3.35 There are no major pieces of infrastructure, such as link roads or bridges that are needed to allow the future development of Milton Keynes to occur. Requirements such as improvements to junctions on the M1 and A5, and improvements to the A421 have already been made through forward funding through the Tariff agreement.
- 3.36 Infrastructure planning is covered in more detail in the Council's Statement on Matter 8. That statement clarifies the role of the Tariff Agreement and the Council's Local Investment Plan (LIP) in ensuring that on and offsite infrastructure is provided in a timely manner to support development.
- 3.37 The LIP is updated regularly to reflect ongoing infrastructure requirements. The LIP will enable any specific infrastructure needs of the Strategic Land Allocation, identified through the Development Framework process, to be planned and programmed to ensure they are delivered in a timely manner.
- 3.38 In relation to the deliverability of the SLA, the Council would point to the conclusion in the Panel Report (Submission Document R8, page 379, paragraph 23.96 that development to the south east of Milton Keynes has the least site specific constraints to be addressed. From this point of view, the SLA is in the area where growth is most deliverable, compared to other areas around the city which have more significant site specific constraints.
- 3.39 The Council has commenced work on a detailed viability assessment as part of a review of its s106 contributions and preparation of a Community Infrastructure Levy (CIL) charging schedule. This will also include an assessment of affordable housing viability in preparation for considering an amendment to the Council's affordable housing policy in a future Development Plan Document (DPD). The delivery of affordable housing is covered in more detail under Issue 3.4 later in this statement.

iv) Will the sites offer reasonable choice and flexibility in market terms?

3.40 The Council believes that the sites which make up the land supply for Milton Keynes offer a sufficient choice and flexibility of supply in market terms.

3.41 Despite a reliance on large development sites, which has always been the case in Milton Keynes as a growing New Town, there is land available in all parts of the city, providing choice for potential new residents. The range of sites forecast to be under construction in 2012 is greater than that in 2007/8, when the highest recent rate of completions was achieved (see Submission Document B126, pages 19-20).

3.42 The scale of a number of the development sites make it possible for a good choice of homes to be provided within development areas. The development of Broughton and Broughton Gate has demonstrated that within one large land allocation choice can be provided through appropriate parcelisation of sites, with numerous different developers building homes of different sizes and prices alongside each other (see Submission Document B126, page 20, paragraph 2.34-2.37).

3.43 The housing land supply also contains a range of smaller sites across the Borough. These sites make up a relatively small proportion of the total land supply but continue to provide opportunities for new residents to live in more established parts of the city, such as Wolverton and Bletchley. The Core Strategy makes it clear that the allocation of such non strategic sites will be investigated through the new Local Plan, supplementing the existing supply of sites.

3.44 In addition, the Council has not taken into account any windfall development that is likely to occur in the urban area over the plan period. On past rates this could equate to around 2,500 homes over the plan period (see Submission Document B126a, paragraphs 5.1 to 5.5). These sites will add further choice to those sites already identified for development.

- vi) Does the plan provide for a five-year supply of specific deliverable sites and an appropriate additional buffer of supply consistent with national policy?
- 3.45 The Council provided an updated position its on five-year land supply in response to the Inspectors Note ID4. This draft position, prepared as an update to last years formal Five-Year Land Supply Report (see Submission Document B112) shows that the Council could demonstrate a 5.4 year land supply against the Core Strategy target. Current forecasts suggest that this should steadily improve for the next six to seven years as new sites begin to be built out.
- 3.46 A further update to the five-year land supply position has been made based on up-to-date monitoring and intelligence information, and to include the rural windfall allowance (see Appendix 2). This shows that from April 2012, the Council can show 5.37 years of deliverable land against the housing target in the Core Strategy for the Borough. From April 2013, after the adoption of the Core Strategy, the figure would be approximately 5.78 years.
- 3.47 The land supply position is broken down into the urban and rural areas in the housing trajectory (Appendix 3). This shows that as at April 2012, the Council can demonstrate a 5.36 years land supply in the urban area and 5.46 in the rural area.
- 3.48 The introduction of the NPPF requires a 5% buffer in land supply to allow choice and competition in the market. This buffer increases to 20% when a local authority has been consistently under-delivering against its housing requirement. The guidance states that sites should be brought forward from later in the plan period, which implies in some way that Local Authorities are holding back the supply of sites.
- 3.49 The Council's position in response to this requirement is set out in the update to the Housing Technical Paper (Submission Document B126a, Table 2, page 15).

From the analysis of the housing trajectory, it can be seen that the Council can consistently demonstrate around a 10% buffer above the Core Strategy target for the next seven years.

- 3.50 The Council believes that in the context of the level of growth that it is proposing to deliver, this is a more than adequate buffer to ensure choice and competition in the market.
- 3.51 That said, the Council objected to the buffer requirement in its consultation responses on the draft NPPF on the basis that the requirement is wholly inappropriate and unworkable. It basically determines that planning is the sole reason why homes aren't being built, which is not the case, particularly in an area where there are 19,000 homes with planning permission waiting to be built.
- 3.52 Based on past rates of completion, it could be argued that the Council should be providing a 20% buffer on its five-year land supply. Currently, this would effectively mean that the Council would have to demonstrate that there is deliverable land for over 2,150 homes per year across the Borough. The Council maintains that, at least for the next couple of years, this is simply not achievable due to market constraints and would not be solved by simply identifying more land.
- 3.53 The effect of adding more land may slightly increase delivery but the overall effect would likely be a slow down in the rate that existing sites came forward for development, as more sites compete for what has been demonstrated is a limited number of buyers. This would effectively mean the same level of development across more sites.
- 3.54 The Council can demonstrate a significant amount of land availability. In a stronger or stable market, the Council would be setting out forecasts that saw this land coming forward more quickly, potentially enabling the Council to demonstrate the 20% buffer being achieved. The reality is, however, that there is

a limited market for new homes, so to forecast faster rates of completion from this supply at the current time would be unrealistic. Therefore, if more land were to be allocated, the Council would have to spread out the forecasts for existing sites due to the limited demand, meaning the 20% requirement still wouldn't be achieved no matter how much extra land was added to the equation.

- 3.55 The 20% requirement would work as a tool in a stable or improving market where the effect of additional land would be to speed up the build out of homes if there was a market for them. However, it does not work in a time of recession, when there are clearly other factors affecting the delivery of homes, largely outside the control of a LPA, which needs to be recognised.

Issue 3.4

- i) Overall, do the proposals for housing provision take sufficient account of uncertainty and risks?
- ii) Are the monitoring, managing and contingency measures adequate?
- iii) On this basis, is the overall strategy reasonably flexible?

Council Response

- i) Overall, do the proposals for housing provision take sufficient account of uncertainty and risks?

4.1 The Council's approach to housing provision has been to take a realistic and flexible view on the level of housing that could be delivered over the plan period. This takes account of the risk that the higher rates of completion (2,000 units +) forecast to be achieved in the period 2014-2019 may not be achievable if the market does not improve significantly. This is an area of uncertainty which has been caused by the economic downturn (see paragraph 1.9 of this statement).

4.2 At the time of writing the Core Strategy, this approach was in line with the principles of PPS1, which stated that a precautionary approach to development proposals may be necessary if there is uncertainty in analysis and proposals (Submission Document NP3, PPS1, paragraph 26 (vi)). The Housing Technical Paper (Submission Document B126, pages 6-24) provides an overview of the Council's analysis of the uncertainty in the housing market.

4.3 The most recent housing trajectory (see Appendix 3) shows that it is realistic to expect the overall housing target to be achieved even if the housing market does not improve over the coming years, with the later years showing lower rates of completion where any slippage could be picked up. The trajectory forecasts

completion rates improving to over 2,000 homes per year, 500 above the previous long term annual average completion rates. It is uncertain whether this can be achieved and sustained over the plan period given the recent changes in the housing market. It is therefore prudent for the Council to take a precautionary approach in setting the housing target to 2026⁸.

- 4.4 The Council would highlight the example that the South East Plan targets failed to recognise the risk that there could be an economic downturn that would fundamentally affect the ability of the plan to be delivered. The Regional Assembly assumed that demand would be '*almost unlimited*' and that a step change in housing delivery would be achieved. This has proved not to be the case.
- 4.5 The Council has sought to avoid a repeat of this situation by setting a realistic housing target, which takes into account uncertainty about future housing demand, provides certainty as to where development will happen and is sufficiently flexible to be delivered over the plan period.
- ii) Are the monitoring, managing and contingency measures adequate?
- 4.6 The Council has detailed monitoring and management arrangements in place to ensure that housing growth occurs in a timely and efficient manner (see Core Strategy, Chapter 17).
- 4.7 As well as in-house monitoring by the planning team, which includes quarterly site visits to all housing sites in the Borough, arrangements are also in place through the Joint Housing Monitoring Team (JHMT) to undertake more detailed and probing analysis of housing development.

⁸ The Housing Trajectory includes an optimum bias allowance from year 2017/18 to 2019/20 to allow for anticipated slippage in sites coming forward in the longer term.

- 4.8 The JHMT meets quarterly with the general remit of monitoring housing completions, helping forecast timing of future completions and generally supporting housing delivery in Milton Keynes. The group:
- i. Monitors progress against start of year forecasts for completions, starts and starts commissioned
 - ii. Receives site by site updates from developers via Development Management officers, where available
 - iii. Identifies potential blockages to progress on particular sites and identifies ways of overcoming these blockages
 - iv. Advises on medium to long term forecasts
- 4.9 This group will enable the Council to continue to monitor and manage housing delivery effectively over the plan period, providing the Council with sufficient information to understand issues to be addressed and actions that need to be taken to manage them.
- 4.10 The Council's statement on Matter 8 covers the role of the Local Investment Plan and the Tariff in managing development. This process ensures that infrastructure will be funded and provided in a timely manner to support the housing growth set out in the Core Strategy.
- 4.11 The primary source of contingency to existing supply will be new allocations made in the new Local Plan. The new Local Plan will seek to identify a range of suitable housing sites in sustainable locations across the Borough. It will also pick up on and address other uncertainties that have emerged since the economic downturn, such as the capacity of housing sites in CMK. This document is programmed as a priority after completion of the Core Strategy and the Council

has already begun planning the delivery of the document through its internal processes, including commencing a full update of the SHLAA.

- 4.12 In addition to identified supply the Council would also point to the contingency that windfall development in the urban area will provide over the plan period (see Submission Document B126a, Appendix A). The Council has not made assumptions about urban windfall completions in its housing trajectory but believes in terms of contingency, it provides a key back up to allocated sites that, over the plan period, would be equivalent to the allocation of a sizeable urban extension.
- 4.13 Where monitoring indicates that a significant change is needed to enable the plan requirements to be delivered, this may require a partial review of the Core Strategy. The Core Strategy sets out (paragraph 5.13, page 22, and Table D1, page 134) that the trigger for a review will be cumulative completions consistently falling 20% below the level forecast for completion at a particular point in time in the housing trajectory shown on page 104 of the document. This approach is consistent with the requirements that were set out in PPS3 (Submission Document NP3 page 20, paragraph 64), an issue on which the NPPF is silent.
- 4.14 At the current time, cumulative completions stand at 102% of the level forecast for completion in the housing trajectory and updated trajectories indicate that land supply is expected to remain broadly in line with the forecasts included in the original Core Strategy Housing Trajectory.
- 4.15 In addition, the Council has already committed to undertaking regular reviews of the Core Strategy (Submission Document C1, see LDF AG minutes 5/8/10, page 13), which is a prudent approach given the current uncertainties around the economy and changing Government policy. The Council will also continue to produce an Annual Monitoring Report which will inform any future policy amendments.

iii) On this basis, (above points) is the overall strategy reasonably flexible?

4.16 As set out in response to Issue 3.3 (i), flexibility is provided by the realistic nature of the housing target.

4.17 The strategy has been developed to ensure that land is in place to deliver higher annual rates of housing completions if the market improves. However, it is by no means certain that the demand for new housing will be sufficient to drive completion rates up to the level currently forecast.

4.18 There is scope for year on year completion rates to be achieved via completions on numerous different sites. There is no over reliance on development of a particular site or particular area of the city to deliver housing at a particular point in time, providing an element of flexibility in how the strategy will be delivered.

4.19 If the market were not to improve, there is flexibility to allow completions to slip in to a later year of the plan period and the overall strategy to still be delivered by 2026.

4.20 As discussed in the Council's statement on Matter 8.1, a new Local Investment Plan (LIP) is being prepared which will prioritise the infrastructure projects needed to deliver the Core Strategy. The governance arrangements that co-ordinate and deliver infrastructure in Milton Keynes (see paragraph 1.23 onwards of the Council's response to Matter 8) allow the delivery programme to be flexible, and to respond to changing circumstances, including the timing of housing delivery. The LIP and its Delivery Plans are regularly reviewed and updated as part of this process, to ensure the timely delivery of infrastructure projects.

Issue 3.5 Does the Core Strategy give sufficient consideration to the provision of affordable housing?

In particular:

- i) Is the reliance on saved local plan policies and supplementary planning advice a justified and effective means of securing an appropriate quantity and mix of affordable homes?**
- ii) Has the viability of provision been taken into account?**

Council response

- i. Is the reliance on saved local plan policies and supplementary planning advice a justified and effective means of securing an appropriate quantity and mix of affordable homes?

Quantity

- 5.1 In terms of the quantity of affordable homes, the delivery strategy set out in the Preferred Options (Submission Document B2) was to *'produce a DPD that sets out the proportion of affordable dwellings required as part of new housing development'* (page 126). This has been carried through to the submission version of the Core Strategy (see Paragraph 10.6).
- 5.2 Policy CS10 provides a 'hook' for affordable housing policies in subsequent DPDs and SPDs. The Council will review the existing affordable housing policy through the new Local Plan and Affordable Housing SPD.
- 5.3 A new policy in the Core Strategy is not considered necessary to ensure continued delivery of affordable housing. The majority of new housing to be developed over the first five years (the period of the SHMA) and beyond are already permitted (see Table 1, page 11 of this statement) and have affordable

housing requirements agreed under the existing Local Plan Policy H10, (30% target), so would be unaffected by a new policy in the Core Strategy.

- 5.4 The latest assessment of housing need (Submission Document B108) shows the level of need falling back towards the existing policy target of 30% with a range of between 27% (DCLG method) and 32% (McClements method) thereby raising questions over the need to review the existing policy on the grounds of housing need. The fact that the most recent identified need is in line with the existing policy requirements is further evidence that a change in policy through the Core Strategy is not required.

Mix

- 5.5 With regards to the mix of affordable housing, as with quantity, the majority of sites already have permissions granted under the adopted Affordable Housing SPD (July 2007) (Submission Document LP16) or the previous Affordable Housing Supplementary Planning Guidance (2004) (Submission Document B134) requirements. This includes the Expansion Areas that are signed up to the Milton Keynes Tariff Framework Agreement that sets out the required percentage of affordable units.
- 5.6 The Council's approach provides greater flexibility than a fixed target in the Core Strategy. The SHMA covers a five year period as opposed to the 15 year plan period of the Core Strategy. Setting a target in the Core Strategy would not offer sufficient flexibility for future reviews such as when responding to new evidence of need, changes in national policy or viability issues. For example a new policy set in the Core Strategy could not have fully taken into account the impact of 'affordable rent' on viability or deliverability of affordable housing. The flexibility afforded by the Council's approach is allowing the Affordable Housing SPD to be reviewed without a need to review the Core Strategy.

5.7 Given that the Preferred Options (Submission Document B2) identified the approach to produce a subsequent DPD; the majority of housing delivered over the plan period already has permission; the updated SHMA 2009 indicates a level of need in line with the current policies; the flexibility offered by the Council's approach in terms of considering need; uncertainty around national policy changes such as affordable rent and the level of provision under existing local plan policies, it is considered that the Councils approach to rely on saved Local Plan policies and supplementary planning document is both justified and effective and provides a more effective approach than that of a fixed and binding target in a Core Strategy policy for the whole plan period.

ii. Has the viability of provision been taken into account?

5.8 The existing affordable housing policies are successfully delivering affordable housing. The Councils response to note ID4/2 (Submission Document: MKC/2a) provides a breakdown of affordable housing completions since the Local Plan was adopted and shows that over the five year period the Local Plan 30% target has been delivered. The current tenure mix required under the Local Plan and adopted Affordable Housing Supplementary Planning Document also reflects the latest assessment of need in the SHMA.

5.9 The existing policies allow for financial viability of a site to be taken into account in the delivery of the 30% target on a site by site basis. This approach has proved successful in delivering viable developments in all areas of the Borough.

5.10 The Council has recently started to consider overall development viability as part of an overall review of its planning obligations, including affordable housing. This work will test the overall viability of affordable housing requirements alongside updated s106 requirements and a Community Infrastructure Levy charging schedule. This work will be undertaken concurrently with work on the new Local Plan and a new Affordable Housing Supplementary Planning Document. This will enable the implications (including viability) of any changes to the threshold,



**Milton Keynes Council
Main Matter 3**

percentage target and tenure mix to be built into any revised affordable housing policy.

Issue 3.6

- i) **In the light of the Government's *Planning Policy for Traveller Sites*, does the Core Strategy give sufficient consideration to this matter?**
- ii) **Pending completion of the steps referred to in paragraph 10.8 of the Core Strategy, how and on what basis will such needs be addressed?**

Council Response

- i) In the light of the Government's *Planning Policy for Traveller Sites*, does the Core Strategy give sufficient consideration to this matter?

6.1 'Planning Policy for Traveller Sites' is clear that future pitch provision should be based on local assessments of need. The most recent local evidence of need for Milton Keynes is contained in the 'Gypsy and Traveller accommodation needs assessment for the Thames Valley region' (ACTVaR GTAA) (2007) (Submission Document B135). With work having ceased on the Partial Review of the South East Plan Policy H7 (Submission Document R9), which would have extended the target to 2016, there is no target beyond that date. The partial review extended the level of need based on a compound growth rate using the ACTVaR study as the baseline, as opposed to being based on an objectively based assessment of local need.

6.2 There is no evidence of the level of need for the post 2011 period and the Core Strategy states that an assessment will be undertaken at a local level, to inform the new Local Plan, reflecting government advice.

6.3 At a meeting of Cabinet on the 18 April 2012 (Submission Document C8), the Council reaffirmed its commitment to meeting the needs of Travellers in a cost effective and sustainable manner and to consider the need for sites through a

future DPD. The Council has previously worked well with the settled and Traveller community as demonstrated by the work of the Citizens Advisory Group on Travellers (CAGoT) which led to the allocation of three sites in the Local Plan. The Council will build upon the work undertaken in 1999 through the CAGOT in identifying need and, if necessary, will review existing sites for their suitability alongside the identification of new sites.

- ii) Pending completion of the steps referred to in paragraph 10.8 of the Core Strategy, how and on what basis will such needs be addressed?

6.4 The immediate (to 2011) local need identified in the GTAA was planned for through the Local Plan (2005). The Council response to note ID4.3 (Submission Document: MKC/2a) provides details of the current position in Milton Keynes. It should be noted that since MKC/2a was submitted the Council has resolved (Submission Document C8) to stop work on Fenny Lock following a value for money review (Submission Document C9). As part of the review, only three families were identified as being in highest housing need and it was resolved to reaffirm the commitment to meeting the needs of Travellers in a cost effective and sustainable manner. The option of extending the Willen Road site is currently being considered alongside its refurbishment with a view to making a bid to the HCA for funding later this year.

6.5 Any sites on unallocated land that come forward before that review will be assessed against Local Plan Policy H12 of the Local Plan and Planning Policy for Travellers Sites.

6.6 There is no identified need for sites for Travelling Showpeople in the Borough (See Council's response to note ID4.3, Submission Document: MKC/2a). The Core Strategy allows for a site to be allocated in the new Local Plan should a local needs assessment identify a requirement.

LIST OF APPENDICES TO THE COUNCIL'S RESPONSE TO MAIN MATTER 3

APPENDIX 1 - STATEMENTS ON DELIVERABILITY OF HOUSING SITES

- 1A) Gallagher Estates - Western Expansion Area Only
- 1B) Home and Communities Agency - Various Sites
- 1C) Places for People - Brooklands site
- 1D) Barratt Homes - Block B4.4, Central Milton Keynes

APPENDIX 2 – SCHEDULE OF HOUSING SITES AND FORECAST RATES OF COMPLETION

APPENDIX 3 – HOUSING TRAJECTORY

Milton Keynes Core Strategy Public Examination

Gallagher Estates and Milton Keynes Council

Joint Supporting Statement:
Western Expansion Area Delivery

May 2012



MKC/8

**Milton Keynes Council
Main Matter 3**

Western Expansion Area Delivery:
Joint Supporting Statement:
Gallagher Estates and Milton Keynes Council

Barton Willmore Planning,
Beansheaf Farmhouse,
Bourne Close,
Calcot,
Reading,
Berkshire. RG31 7BW

Tel: 0118 943 0000

Fax: 0118 943 0001

Email: planning@bartonwillmore.co.uk

Ref: 19535/P7c/A5/IET

Date: May 2012

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of The Barton Willmore Planning Partnership.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

Introduction

- 0.1 This Statement has been prepared by Barton Willmore LLP, acting on behalf of Gallagher Estates. The Statement has been prepared to assist the Inspector and the Examination in understanding the background to and reliability of delivery of the Western Expansion Area at Milton Keynes over the period of the Core Strategy.
- 0.2 The Statement covers the following matters:
- (i) Gallagher's general commitment to bringing the site forward;
 - (ii) Clarification of the current position;
 - (iii) The approach to implementation and forecast build rates.
- 0.3 By way of background, the Western Expansion Area (WEA) for Milton Keynes has been planned from the late 1990's onwards in order to meet part of the major requirement for housing growth in the South East and South Midlands over the period to 2021 and beyond. The WEA comprises two areas ("Area 10" and "Area 11") lying within Milton Keynes Borough immediately to the south west of the pre-existing built limits of Milton Keynes adjoining the residential area of Fullers Slade and the employment area of Kiln Farm. The sites are bounded by Watling Street (V4) to the east or north-east. To the north lies Stony Stratford and to the south east Crownhill. The boundary between the two areas is marked by Calverton Lane. The western boundaries lie along agricultural field boundaries. Area 10 extends to approximately 228 hectares (564 acres), while Area 11 extends to approximately 123.5 hectares (305 acres).
- 0.4 The planning policy framework underlying the development of Areas 10 and 11 comprises the adopted Milton Keynes Local Plan (December 2005) and the Milton Keynes Western Expansion Area Development Framework (November 2005). Additionally the Western Expansion Area is covered by the Milton Keynes Tariff and Framework Section 106 Agreement. Separate outline planning applications for the two areas were submitted in 2005. The planning permission for Area 10 was issued on 5th October 2007 and for Area 11 on 15th October 2007, in both cases following the completion of Site Specific S106 Agreements, which relate separately to the two areas.

MILTON KEYNES CORE STRATEGY EXAMINATION
JOINT SUPPORTING STATEMENT:
WESTERN EXPANSION AREA DELIVERY

- 0.5 In both cases, the planning permissions require the preparation, submission and approval of a number of documents prior to the submission of reserved matters and the commencement of development. In the case of Area 10, the Master Plan and Highway Design Code were submitted and approved in 2008, while the Residential Design Code for Area 10.1, Phase 1, was approved in November 2009. In the case of Area 11, the "Highway Code" was submitted and approved in January 2009, with the first phase Area 11 Residential Design Code submitted in May 2012.
- 0.6 In each case, the first reserved matters applications for the primary infrastructure, including the primary roads, footways, cycleways, drainage and attenuation areas, utilities, pumping stations and sub-stations have been approved. The applications are reference numbers 08/01289/MKPCR for Area 10, which was approved in December 2011 and 08/01058/MKPCR for Area 11 which was approved in April 2012.

1.0 Gallagher's general commitment to bringing the sites forward

- 1.1 Gallagher Estates is fully committed to the delivery of the Western Expansion Area. Since 2005 when work commenced on the preparation of the outline planning applications, Gallagher Estates (or its subsidiaries) have invested many millions in the professional and consultancy work required to bring forward these sites. A further budgetary allowance for work over the coming 18 months to progress the schemes so that sites are released to the market and delivery can commence on the programme outlined below.
- 1.2 The commitment to date and the renewed commitment since the start of 2011, follows a period of 3 years in which a number of uncertainties have affected the release of the Western Expansion Area. Following the submission of the reserved matters applications for the primary infrastructure for the two sites, Milton Keynes Council Members and the public on consultation raised doubts about the proposed road pattern. It should be noted that the Local Planning Authority dealing with the planning applications for the Western Expansion Area is the Milton Keynes Partnership. Although Milton Keynes Council is a member of the Partnership, its various departments are consultees in the planning application processes and this can from time to time lead to debate over the application of what on face value are agreed principles. In the case of Areas 10 and 11, the highways and access arrangements, as set out in the 2005 Development Framework and the Development Briefs associated with the outline planning permissions, are based on the provision of "city streets" – routes with

MILTON KEYNES CORE STRATEGY EXAMINATION
JOINT SUPPORTING STATEMENT:
WESTERN EXPANSION AREA DELIVERY

bus priority – rather than the extension of the Milton Keynes grid roads. However, it was only at the stage of public consultation on the primary infrastructure reserved matters applications that it became clear that there was significant unease about this approach.

- 1.3 As a result, throughout 2009 and 2010, Gallagher Estates, Milton Keynes Council and Milton Keynes Partnership were in dialogue about a means of adapting the submitted highways proposals in order to maintain the opportunity to extend the grid roads into the Western Expansion Area. A new protocol was finally concluded in December 2010 and agreed in January 2011. It is on this basis that Gallagher Estates have been able to progress and gain approvals to their infrastructure proposals for the sites and to move forward with the schemes.
- 1.4 The state of the housing market in 2008 – 2011 has however also played a part in the delays. The issues regarding the access arrangements might undoubtedly have been capable of swifter conclusion had there been greater confidence in the ability to deliver the schemes at that time. However, Gallagher Estates now has the confidence to move forward, based on its experience with the Broughton Manor Farm development and its other major developments of a similar size nationally (explained later in this note) and is actively working to secure the approvals for the start-up infrastructure. Relevant Infrastructure approvals are now in place with Section 278 and Section 38 approvals received enabling junction and early highway works to be implemented.
- 1.5 As with all major development companies, Gallagher Estates regularly reviews the viability of all of its developments prior to investment decisions. The current and forthcoming investment in the Western Expansion Area is founded on the company's analysis which demonstrates the financial viability of the schemes in current and foreseen market conditions. Subject to no significant reversals in the housing market in Milton Keynes – and based on its current experience at Broughton Manor Farm and other major developments of a similar size nationally – Gallagher Estates is ready to move forward with the planning and implementation of the Western Expansion Area on the programme that is described below.

2.0 The Current Position on WEA

2.1 At the time of writing, Gallagher Estates are actively pursuing a flow of work to enable delivery on the WEA. Slightly differing programmes are in hand for Areas 10 and 11.

2.2 For Area 10, instructions have been issued to:-

- Prepare the Site Drainage Strategy and revised Phase 1 infrastructure scheme; both now subsequently approved.
- Undertake updated Ecological surveys (now concluded);
- Have gained approval from Natural England for the fencing, trapping and translocation of Great Crested Newts sufficient to release the employment area, up to 45 acres of residential land and the infrastructure required to service them. Fencing works and trapping commenced in May 2012.
- A second licence application to Natural England has been submitted, May 2012, for the fencing, trapping and translocation of Great Crested Newts to a further phase area which will, when approved, release the High Street Area, provide access to the first Primary School, the Secondary School and a further 50 acres of residential land. Approval is expected around July 2012 with fencing and trapping to commence immediately upon approval.
- Archaeological works to release the areas outlined above has now been completed.
- The Phase 1 landscaping scheme was approved in January 2012. The Phase 2 Landscaping Scheme will be presented to committee in June 2012.
- The Phase 2 Residential Design Code, covering just over 1100 dwellings was formally submitted in May 2012.

2.3 To date submissions and approvals have been progressed as follows:-:

- Reserved matters approvals have been granted for the primary access roads, the balancing areas and the phase 1 open space areas.
- The Road & Movement Design Code for the whole of Area 10 was approved in June 2008.
- The first phase Residential Design Code covering some 950 dwellings was approved in November 2009.
- Section 73 Application to increase the size of the consented foodstore to 9000 sq metres approved in February 2012.

MILTON KEYNES CORE STRATEGY EXAMINATION
JOINT SUPPORTING STATEMENT:
WESTERN EXPANSION AREA DELIVERY

- The Section 38 Highways Act technical approval for Phase 1 & 2 has been achieved with completion of the Section 38 Highways Approval is imminent.
- The S278 Interim Junction Designs for the junctions on H4 Danstead Way and V4 Watling Street in accordance with the agreed strategy with Milton Keynes Council has been approved, with legal agreements expected to be engrossed shortly.
- approval under Section 104 of the drainage design (approval by Anglian Water);
- approval by the Environment Agency of amendments to the land drainage regime;
- discharge consents for the SUDS system has been approved
- The development programme, required to be approved by Milton Keynes Partnership under conditions 5 of the outline planning permission will be submitted late in 2012 once a contractor is in place.

- 2.4 Approval has already been gained from MKP under condition 22 of the outline planning permission for the ground condition report and work is in hand to secure the submission of all necessary details to discharge remaining conditions in the period from now until December 2012, clearing the way for the start to development,
- 2.5 Tender documentation is in the course of production for the Phase 1 infrastructure (engineering and landscaping works) with a view to completing a 'construction pack' for the successful tenderer(s) by September 2012. Pre-contract utility diversion works, including on site diversions are currently underway.
- 2.6 The Phase 1 infrastructure tender is planned to be advertised in September 2012, leading to the award of contract and mobilisation in December 2012/January 2013. The commencement of the Phase 1 infrastructure is thus planned to commence in January 2013.
- 2.7 Meanwhile work is underway to prepare land sale parcel plans and information packs for the individual development parcels, with the target of issuing packs to interested parties from September 2012. There appears to be housebuilder interest in the development with enquiries received to date from both National and Regional developers. Land sales are programmed to complete in March 2013 with the first serviced land parcels available for handover in June 2013, enabling the start to housebuilding in that month. On that basis, the first housing completions are expected on Area 10 around December 2013. So far, all actions are on track to deliver this timing of first completions.
- 2.8 A similar detailed programme of actions has been prepared for Area 11. Work is well underway on site, principally in relation to the updating of the drainage strategy, ecological habitat surveys, landscape

design, archaeological mitigation works, and the formal submission of the Phase 1 Residential Design Code. Work is also in hand to apply to divert fuel oil pipelines that cross the site to relocate these towards the western edges of the site where they would have least effect on residential development parcels and their design. (A similar application is in preparation for Area 10, although this has limited effect on the Phase 1 proposals and is intended to reduce the risk to later phases of the presence of the pipelines crossing school sites and residential areas.)

- 2.9 The first Natural England Licence to trap and translocate GCN has now been submitted, with approval expected later this year enabling trapping works to be completed by October 2012. As a result, infrastructure works for Area 11 cannot be put in hand until spring 2013, while the release of land parcels is not therefore programmed until March 2013, some six months later than Area 10. First completions are expected in spring 2014, on this basis.

The approach to implementation and delivery rates

- 3.1 As in other major schemes that Gallagher Estates manage and deliver, the intention at the Western Expansion Area is to create serviced development parcels that are sold on an open market basis to private housebuilders, housing associations and other suitable developers. The parcelisation is planned in order to deliver a range of parcel sizes that will appeal to a number of different housebuilders from small, local firms to the national companies.
- 3.2 A clear example of Gallagher Estates' approach to delivering major housing sites and of the success that can be achieved by delivering serviced parcels to the housing market is provided by the current development at Broughton Manor Farm (or "Broughton Gate"), part of the Eastern Expansion Area. Based on an outline planning permission granted in July 2005, housebuilding commenced at Broughton Gate in Spring 2008. The development is a joint promotion of Gallagher Estates and Taylor Wimpey but site development is operated very much on the Gallagher Estates model. The site has delivered 31.69 ha (78.31 acres) of net saleable housing land, divided into 12 parcels, ranging in size from 1.14 ha (2.83 acres) to 3.92 ha (9.70 acres). Each parcel has been sold to a housebuilders including national housebuilders (Bryants, George Wimpey, David Wilson Homes, and Barratts, Cala and Redrow) and local and mid-sized companies (Abbey New Homes, Lagan and Careys). Each builder is responsible for the delivery of affordable as well as market housing.
- 3.3 First completions were delivered in Q3 of 2008 (on a total of 5 parcels) and by Q2 2009, houses were being delivered by 8 of the 12 parcels. To date (to the end of Q1, 2012) the site has delivered 721 market homes and 362 affordable homes – a total of 1083 new homes delivered in 4 years from the

MILTON KEYNES CORE STRATEGY EXAMINATION
JOINT SUPPORTING STATEMENT:
WESTERN EXPANSION AREA DELIVERY

start of housebuilding. Four of the parcels are now fully complete, with all remaining parcels now active and achieving unit sales. It is likely that a further four parcels will complete this year.

- 3.4 Viewed in development plan years (April to March), the scheme has delivered the following completions since 2008:

Completions per year – Broughton Manor Farm

	Market housing	Affordable	Total housing
2008/09	75	86	161
2009/10	231	148	379
2010/11	257	73	330
2011/2012	158	55	213
Total to date	721	362	1083

- 3.5 Ignoring the first (start-up) year, the scheme has delivered an average of over 350 dwellings per year, achieved by opening out a number of outlets through the coordinated delivery of primary infrastructure, the scheme has overall delivered significant numbers of new homes through arguably the most difficult years for housebuilding in many decades.
- 3.6 Gallagher Estates plans to approach the release of Areas 10 and 11 in much the same fashion, securing the opening up of a range of parcels, of a range of sizes and releasing these to a range of housebuilders. Each phase of around 6 ha (15 acres) will be subdivided into 4 or 5 parcels, ranging from 0.6 – 2.7 ha (1.5 – 6.6 acres) in size. Whilst infrastructure delivery and land sales will progress sequentially in the release of phases, it is planned that the phases will overlap in terms of the production of houses. The scale of these areas allows for parcels and phases to be delivered simultaneously, being more attractive to housebuilders as there is minimal direct market competition between developers. The programme for Area 10, for instance, indicates that from 2014 onwards between 3 and 5 parcels are likely to be in production at any one time. Adopting this proven and successful approach, Gallagher Estates are confident of achieving the following patterns of completions in Areas 10.

MILTON KEYNES CORE STRATEGY EXAMINATION
JOINT SUPPORTING STATEMENT:
WESTERN EXPANSION AREA DELIVERY

Area 10 – programmed completions to 2015 with estimates to 2026

Year	13/ 14	14/ 15	15/ 16	16/ 17	17/ 18	18/ 19	19/ 20	20/ 21	21/ 22	22/ 23	23/ 24	24/ 25	25/ 26	Post 2026
Comps	25	187	298	300	300	320	320	320	360	360	320	320	290	610

3.7 For Area 11, housing completions are expected to commence later in mid 2014, suggesting a relatively low level of delivery in 2014/15 and a pick-up towards peak production levels thereafter. As a relatively smaller site than Area 10, it is likely that a relatively lower number of simultaneous parcels might be achieved – although it should be noted that the Area 11 scheme is still larger than Broughton Manor Farm. Gallagher Estates are programming the following pattern of completions on Area 11.

Area 11 – programmed completions to 2015 with estimates to 2026

Year	14/ 15	15/ 16	16/ 17	17/ 18	18/ 19	19/ 20	20/ 21	21/ 22	22/ 23	23/ 24	24/ 25	25/ 26	Post 2026
Comps	216	297	300	280	280	210	210	180	174	73	0	0	0

3.8 This indicates that for Area 11, the entire site of 2,200 dwellings can be expected to be completed well before the end of the Plan period in March 2026. For Area 10, it is probable that the scheme of 4,330 dwellings will remain incomplete by the end of the Plan period but with some 600 – 650 dwellings outstanding and a delivery of 3,700 – 3,750 dwellings in the Plan period.

Conclusion

4.1 Based on current experience at Broughton Gate and taking account of experience at similarly sized, major developments in Bedfordshire and Cambridgeshire (The Wixams and St Neots), Gallagher Estates expects to achieve the delivery of 3,900 – 4,000 dwellings on Area 10 and all 2,200 dwellings on Area 11 in the Plan period to 2026 in the Western Expansion Area. This delivery is founded on a well-established method of delivery, comprising the resolution of all planning matters (bar reserved matters for the houses themselves) and implementation of the primary infrastructure in order to create and market serviced residential parcels of a range of sizes to appeal to a range of housebuilders from the national to the local. Furthermore, Gallagher Estates are able to offer deferred payment terms to assist the housebuilders in their cashflow leading up to the delivery of homes.

MILTON KEYNES CORE STRATEGY EXAMINATION
JOINT SUPPORTING STATEMENT:
WESTERN EXPANSION AREA DELIVERY

- 4.2 A firm programme of actions is both planned and in hand for Area 10, expected to lead to the first sales of housing land in March 2013, with the handover of serviced parcels from June 2013 and first completions in December 2013. A similar programme is in place for Area 11. First completions here are anticipated in spring 2014. As stated above, Gallagher Estates has made substantial progress on bringing the site forward and few obstacles now remain.
- 4.3 Gallagher Estates has the experience and has made (and is making) a significant financial commitment to the delivery of the Western Expansion Area: there can be little doubt that Area 10 will be substantially built-out and Area 11 entirely built-out in the Plan period to March 2026.

Appendix 1 B - Places for People, Brooklands – Milton Keynes, Supporting Statement

Places for People are the developer of the Brooklands Site in the Eastern Expansion Area (EEA) of Milton Keynes. The Brooklands site has an area of over 360 acres and has outline consent for over 2,500 new homes, shops, offices and schools that will form part of this mixed use development.

Since acquiring Brooklands at the end of 2007 Places for People have, despite the economic down turn, been progressing with the development on a number of fronts.

This statement sets out our position with regards the future deliverability of homes and infrastructure on the Brooklands site, supporting the forecasts which have been made by the Council in preparing the housing trajectory which sits alongside the Core Strategy.

Provision of Infrastructure

Our approach to development involves taking a long term view and central to this is the provision of infrastructure ahead of development, this is made manifest in the extensive infrastructure that has already been delivered at Brooklands which is sufficient to enable the development of up to 800 homes with further phases of infrastructure being delivered as required by the housing development programme

- Brooklands Meadows Park and Play Area is a 19 acre linear park that not only provides an attractive outlook and leisure space that is assisting in the marketability of homes but also is integral to the flood mitigation strategy.
- The first phase of Brooklands Ridge, a 3.5 km, one million cubic meter earthwork that shields the site from the M1 motorway and provides attractive green space and footpaths, has been completed and work is now ongoing on the second half of this structure.
- The first kilometre of the City Street is completed and later phases are in the last stages of technical approval.
- The foul water pumping station and 1 km long sewerage outfall serving the development is now completed.
- Off site utilities connection to serve the site are complete as are on site substations that will serve up to 600 homes.
- Places for People provided a serviced site for Brooklands Farm Primary School ahead of the required programme to enable this two form entry school to open in September 2010. Discussions are currently ongoing with Milton Keynes Council about the procurement and delivery of the two further schools at Brooklands.

Delivering Development

In addition to the significant investment that has been made in the provision of infrastructure Places for People have also been progressing with the programme to deliver new homes.

- Construction is well underway on the contract for the first 200 homes with over 120 at various stages of build. This phase is scheduled to complete construction towards the end of 2012. From launch to completion this parcel will have delivered approximately 100 units per annum at a time of low market demand. We attribute the demand for these units to the creation of a high quality product in an attractive setting at a reasonable price.
- Planning Approval has been obtained for the next phase of 150 homes.
- A Planning Application is to be submitted for a further 50 homes in June 2012.
- We are in discussion with a number of developers about future phases of development in line with our optimum build programme and development strategy that seeks to maintain a high quality of environment through out the delivery of the development. Options for future disposals continue to be explored and could include direct development by Places for People, Joint Ventures and direct land sales as appropriate. A recent land sale advert generated responses from 30 interested parties and discussions indicated a preference for parcel sizes of between 50 – 100 homes.

Places for People are keen to deliver a rate of build at Brooklands that will sustain a high quality of environment, provides facilities for the community in a timely manner and which, as far as possible, segregates construction work from occupied homes.

The rate of build also needs to take account of development elsewhere in Milton Keynes as this will also influence demand. Historically the build rate in Milton Keynes has a long term average of approximately 1,500 homes per annum and this has typically been delivered on large scale developments sites. An increase in the rate of supply of new homes in Milton Keynes over and above any equivalent increase in demand will invariably result in a reduction in both house prices and rate of sale. This downward pressure will therefore result in a market correction whereby the quantum of new home construction starts will reduce accordingly.

The boom years of 2007/08 did see a peak growth rate of 2,300 completions but this should be seen in the context of easily accessible finance, available funding support for affordable homes, strong demand for buy to let properties. It is unlikely that these circumstances will occur again in the near future and

therefore a return to the average annual demand profile is the most likely scenario.

Based on the above, an optimum build rate of between 250 – 300 homes per annum is forecast at Brooklands. This quantum of development is comparable to the average rate of development at Monkston (average 254 homes per annum) and below that of Broughton (average 344 homes per annum). The figure of 250 – 300 homes per annum is an average based upon market demand but, with Milton Keynes strategic location resulting in inward migration of people and jobs, this figure is viewed as sustainable. This quantum of annual development will be delivered off of 3 to 4 active parcels of between 75 – 100 homes – this being a size that is attractive to the house building industry. With a programme of this scale we anticipate housing development at Brooklands to be substantially completed by 2021.

In conclusion the delivery of 250 – 300 homes per annum when Milton Keynes is building approximately 1,500 homes per annum equates to just 17 - 20% of the total development in the city and is considered an appropriate level – Broughton, the last major parcel to be developed in the East of the city, by comparison was delivering 27% of Milton Keynes total new homes.

23/5/12

**Appendix 1 C- MILTON KEYNES CORE STRATEGY DPD EXAMINATION
Reference no 272967 -THE HOMES AND COMMUNITIES AGENCY
STATEMENT ON MATTERS AND ISSUES FOR THE HEARINGS
(18 05 2012)**

1 Context

- 1.1 The Homes and Communities Agency (HCA) works with public and private sector partners to deliver affordable homes and other housing led initiatives through a range of programmes. The Agency is working with Milton Keynes Council to help deliver the Council's ambitions for economic development and the provision of new homes.
- 1.2 The HCA works with the Council as a delivery partner, and is also a statutory planning authority for major development within the designated Urban Area where the Milton Keynes Partnership Planning Committee (a sub-committee of the HCA Board) has operated since the Milton Keynes (Urban Area and Planning Functions) Order came into force in June 2004 (see plan attached). Following planned consultation with stakeholders this function is due to be transferred to Milton Keynes Council towards the end of 2012.
- 1.3 This Statement has been prepared jointly by the Agency and Milton Keynes Council to update information contained in HCA's previous responses to Core Strategy consultations in February and October 2010. Whilst this Statement does not review or amend previous evidence it does reflect any changes which have occurred since responding to the Revised Submission Core Strategy consultation which closed in November 2010.
- 1.4 Reference is made to the following Matters and Issues for the Hearings:
- **Matter 1:** Overview, with reference to process and justification; sub-regional and wider context
 - **Matter 2:** Development Strategy, Settlement Hierarchy
 - **Matter 3:** Overall Housing Provision
 - **Matter 5:** Transport (with reference to the East West Rail link)
 - **Matter 8:** Delivering Infrastructure
- 1.5 A summary of the HCA's current approach to the delivery of homes and jobs on the HCA's land assets in Milton Keynes is provided Annex 1. The current position regarding the transfer of HCA assets to the Council is also noted.

2 Matter 1 – Overview (process and justification; sub-regional and wider context)

Issue 1.1 Has the overall spatial strategy emerged from a sound process of assessment including evaluation of alternatives and sustainability appraisal, and public involvement?

- 2.1 The HCA (and previously Milton Keynes Partnership) has contributed to the preparation of strategic studies to support the emerging Core Strategy, including the MK 2031 Growth Study and subsequent joint working with MKC and neighbouring planning authorities. This work helped to inform the emerging South East Plan during 2006/7 and 2007/8. The MK2031 Study further supported the indicative directions for growth shown in the Milton Keynes and South Midlands Strategy (adopted March 2005), providing evidence on options for development to the south east of Milton Keynes.
- 2.2 Although the South East Plan is due to be revoked by Government and will no longer form part of the Development Plan, much of the evidence prepared as part of that process remains valid. The underlying spatial, environmental and economic factors considered, such as accessibility, the potential to expand and adapt transportation networks, intrinsic landscape character and environmental impacts are unlikely to have changed significantly since the Plan was prepared.
- 2.3 The intended removal of the South East Plan from the Development Plan does not substantially alter the technical evidence supporting the Strategic Land Allocation to the south east of Milton Keynes. Furthermore, it is clear from the report of the Panel (published in August 2007) that the broad conclusions of the MK 2031 Growth Study were generally accepted by the Panel and subsequently reflected in the final Plan in May 2009.
- 2.4 The Council's revised proposals incorporate a 15% reduction in the overall target for housing growth over the plan period. This reflects the Council's view of what is needed and what is deliverable in the light of housing market indicators, having regard to the macro-economic outlook and the extent to which past trends provide an indication of the quantum of new housing development which is likely to be delivered year on year up to 2026. In this context the revised growth strategy offers a realistic assessment of where and when supply is likely to come forward. This recognises that existing housing commitments which have yet to be implemented will come forward alongside the new Strategic Land Allocation adjoining the urban area.
- 2.5 The Government's own Environmental Report on the Revocation of the South East Plan (October 2011) notes that the revocation of regional strategies is "part of the Government's policy for a more localist planning system" and that "local authorities will be expected to demonstrate evidence of having successfully co-operated to plan for issues with

cross boundary impacts when their local plans are submitted for examination.” In the Agency’s view the technical evidence within MK 2031 and related studies considered cross boundary issues in some detail, particularly with reference to East West Rail. This issue is considered further under Matter 5.

- 2.6 From March 2012, The National Planning Policy Framework (NPPF) introduced a requirement for an additional 5% buffer (brought forward from later years) in addition to a five year supply of land available for housing development. Outstanding land supply from the two main Expansion Areas (9,330 units), the identified HCA housing sites in Annex 1 (7,445 units) and the proposed Strategic Land Allocation (up to 2,500 units) will contribute substantially to this buffer. (These figures exclude the NEA which is not HCA land and not part of the Tariff.)

3 Matter 2 – Development Strategy

Matter 2.2 – Is the Settlement Hierarchy and broad scale and direction of growth as set out in policy CS1 properly justified?

- 3.1 The evidence of delivery from the existing Expansion Areas supports broad scale and direction of growth. Although the relatively high annual completions achieved in 2006/7 and 2007/8 have not been sustained, land supply is only one of the factors influencing annual rates of housing starts and completions. Other factors which may be more important in the context of the fluctuating growth rates in Milton Keynes include weak economic growth and recession, lack of mortgage lending and limited capacity within the house-building industry. These macro-economic factors have had an impact across the housing market, dampening demand for new homes in Milton Keynes (as in other towns where the HCA is bringing sites to the market, such as in Northampton’s South West District). The downturn has delayed the uptake of existing committed land for housing in the main Expansion Areas, particularly in the Western Expansion Area where outline consents were granted for 4,330 units in Area 10 and for 2,220 units in Area 11 in October 2007.
- 3.2 The planned commencement of primary infrastructure works in the WEA in the late summer will ensure that enabling works in this area are underway before the end of the year. The first phase of housing is expected to start on site in spring 2013. Although market conditions may take some time to recover to their pre recession level there is no fundamental planning impediment to delivery of housing supply in this area. The Council is also landowner in the WEA and has entered into a collaboration agreement with the developer, Redlawn Land Ltd.
- 3.3 The level of activity within the Eastern Expansion Area at “Brooklands” has increased during 2012. An application for construction of the third phase of advanced highway infrastructure including ancillary earthworks, stopping up and diversion of Salford Road, new utilities and

roads etc. was granted consent by Milton Keynes Partnership Planning Committee in April 2012. This will open up the third and final phase of the highways and associated open space infrastructure for the residential development of the Brooklands scheme.

- 3.4 The Council's proposed Strategic Land Allocation will adjoin the Eastern Expansion Area and provide for growth beyond its southern and eastern boundaries in a location which has been supported by evidence provided to the South East Plan Panel (see paragraph 2.3 above.) The strategic studies related to the South East Plan have helped to inform the principles for development set out in **Policy CS 5**. The allocation is capable of being well integrated with and accessible from the existing city and the intention is that it will be supported by further investment in infrastructure e.g. to improve capacity in the transportation network, as set out in **Policy CS 11**.

4 Matter 3 – Overall Housing Provision

Issue 3.3 Are there reasonable prospects for delivery of the proposed level of housing?

- 4.1 As a major strategic landowner within Milton Keynes the HCA's goals are to increase the supply of housing and affordable homes and to support economic development in accordance with the Council's development priorities. In this regard the HCA's land is an important component of the land supply which is needed to deliver the Council's overall development objectives as set out in Table 5.7 of the Submission Core Strategy. Milton Keynes also remains a focus for affordable housing delivery within this area.
- 4.2 A summary of the current approach to delivery of homes and jobs on the HCA's land assets in Milton Keynes is provided at Annex 1.
- 4.3 As noted under Matter 2, housing starts and completions have fallen due to the 2008 economic recession and the slow pace of recovery in the housing market following the 2007 credit crunch. This has been a significant factor in reducing demand for new housing across the city and development in the main Expansion Areas has not proceeded as fast as expected. However, reserved matters applications are now coming forward for approval and conditions are being discharged to enable the outline planning consents to be implemented.
- 4.4 The Agency is continuing to work closely with the Council in considering applications for reserved matters pursuant to the outline consents for Areas 10 and 11 in the WEA. Consents for the primary infrastructure needed for these areas were issued in December 2011 and April 2012 respectively. The Design Code for Area 10 (phase 3) is expected to go to the MK Partnership Planning Committee in autumn 2012 and a reserved matters application for the first phase of housing in Area 10 is expected before the end of the year.

- 4.5 There is some evidence that the housing market has started to recover locally. Completions in 2011/12 rose to 1,580 dwellings as compared with 1,295 in 2010/11. Overall it could be said that the housing market in MK has proved to be relatively resilient during the economic downturn, as noted in the Council's revised Housing Technical Paper.
- 4.6 Progress on the planned development of residential areas in Central Milton Keynes (CMK) has been slower than expected in some areas, notably in CMK West End (Block B4) and the remainder of Campbell Park. The market housing has undergone adjustment following completion of a number of apartment schemes within mixed use developments elsewhere in the centre. This has been reflected in the take up of available sites.
- 4.7 Development in both the Sustainable Residential Quarter (SRQ) in the West End of CMK and the remainder of Campbell Park is to be informed by the CMK review process. Following the next Cabinet meeting in June (and subject to a delegated decision to approve a draft Development Framework for CMK) a 12 week consultation period is expected to commence in July. The development programme envisages completion of these areas by 2026; this is considered to be realistic given that the overall housing numbers may ultimately be reduced.
- 4.8 The Agency is continuing to fulfil its existing commitments in terms of the management and disposal of land and property in Milton Keynes whilst developing new investment priorities aligned with its national programmes, including the National Affordable Housing Programme (NAHP), and its replacement the Affordable Homes Programme (AHP). HCA land disposals in Milton Keynes are ongoing, informed by the HCA's specialist design and marketing expertise and historic knowledge of the local area.
- 4.9 In 2009 a number of new approaches to marketing and disposal, involving smaller development opportunities, were explored. A site known as Westcroft 16 (68 homes) was tendered and generated a reasonable level of developer interest; agreement in principle was reached with a development partner in 2011. A revised scheme has subsequently been progressed for 57 units; this is expected to be on site in 2012, subject to a revised reserved matters application. The re-marketing of Kingsmead Site 1 took place in 2010; unfortunately the tender process attracted a weak response and this project did not proceed. Sites 1 and 2 are now due to be marketed in autumn 2012.
- 4.10 The HCA is currently working with developers' to unblock stalled housing sites through the "Get Britain Building" (GBB) initiative, offering a source of funding for infrastructure with a commitment by the developer to repay the initial funding received from the HCA at a later stage. The completion of Campbell Park Phase 1 has recently been

shortlisted as part of the GBB programme and, if successful, this scheme could re-start on site in summer 2012.

5 Matter 5 – Transport

Issue 5.3 (ii) What weight should be attached to the East West Rail link?

- 5.1 The potential to align priorities for investment in the rail network (as part of a wider national and regional transportation strategy) with the broad directions for strategic growth has been highlighted in previous studies, including the MK 2031 Growth Study. **Policy CS 5** lists criteria for the Strategic Land Allocation(SLA); criteria 4 refers to the need to maximise opportunities for sustainable travel patterns, including reducing car use by locating development close to public transport nodes and hubs, whilst criteria 6 refers to the need to safeguard land for provision of a multi-model transport hub.
- 5.2 The government has indicated that the East West Rail link will be included in the National Infrastructure Plan, qualifying for funding within its next rail investment programme from 2014 - 2019. Provided that the necessary planning consents are granted the Oxford to Milton Keynes section could be ready for services in 2017. Establishing an operational rail link and new services will be subject to a satisfactory business case and local contributions being secured.
- 5.3 Re-opening the East West Rail link between Oxford and Bedford via Milton Keynes has the potential to improve journey times between Milton Keynes and key urban centres including Oxford, Bedford and Aylesbury, reduce congestion and improve access to jobs and services. Rail access to the proposed SLA to the south east of Milton Keynes would attract investment into this area, further enhancing the sustainability of the allocation.
- 5.4 In the longer term other growth opportunities may arise, especially given the proximity of the SLA to the M1 motorway. The feasibility work and outline design for the East West Rail link has been specified to accommodate rail freight movements in future (with track improvements designed to meet the gauge requirements of the rail freight industry). Land to the south east of Milton Keynes could be considered as a possible location for a strategic rail freight hub, subject to a review of the strategic objectives for this area and national policy guidance.

6 Matter 8 – Delivering Infrastructure; Monitoring and Managing

Issue 8.1 - Taking account of the existing Milton Keynes Tariff, Local Investment Plan and the other existing and proposed mechanisms for securing the delivery of infrastructure (i) is there reasonable certainty that the necessary infrastructure will be

provided to support the timely implementation of the overall strategy?

- 6.1 The Milton Keynes Local Investment Plan (LIP 2009 – 2011) is managed and maintained by Milton Keynes Council and updated regularly to take account of the latest delivery programme and any change in requirements. The Council will also become the planning authority for those areas where the Tariff Framework Agreement and site specific section 106 agreements apply when the SI is revoked and the function transferred.
- 6.2 The Tariff Framework Agreement applies to the Eastern and Western Expansion Areas, Tattenhoe Park and Kingsmead South and to parts of the Strategic Land Allocation (which includes the former Strategic Reserves). These arrangements are expected to remain in place up to the agreed long-stop dates for the payment of the final contributions (or completion of the scheme if sooner). Due to the slower pace of development an extension to the long-stop date from 2021 to 2026 has been proposed. This suggestion has been generally welcomed by the landowners.
- 6.3 **Policy CS 22 (Delivering Infrastructure)** and the supporting text is clear that for new development to be acceptable a mechanism must be in place to ensure that the infrastructure required to support and mitigate the impact is funded. The Tariff will continue to support essential infrastructure in the Eastern and Western Expansion Areas and therefore provides this mechanism.
- 6.4 The Tariff Framework Agreement applies to three sites within the proposed Strategic Land Allocation: Glebe Farm, Eagle Farm South and Eagle Farm North. The Council is preparing a Development Framework for Glebe Farm and Eagle Farm South; consultation on this Framework is expected to commence in June 2012. Subject to the outcome of the planning process there is potential for developers' contributions to be captured through the Tariff. Outline consents would need to be granted before the deadline for replacement of tariff style agreements by the Community Infrastructure Levy (CIL) in April 2014. Alternatively contributions towards the infrastructure needed for new developments within the SLA could be captured through CIL.
- 6.5 The Local Investment Plan (LIP) provides a tool for managing other potential sources of funding for infrastructure, such as the New Homes Bonus, government funding for the LTP and contributions collected through CIL. Annual review and monitoring processes will enable adjustments to be made to the infrastructure programme in response to changing circumstances. For example if there is a period of slower than anticipated growth. In consultation with stakeholders, the Council will be able to review progress towards its strategic objectives and to adjust its investment priorities accordingly.

Annex 1: Review of HCA Development Land in Milton Keynes

1 Asset Portfolio and Planning Status

- 1.1 The HCA's land assets in Milton Keynes comprises a mix of housing, commercial and employment land, together with some residual land holdings which are dispersed throughout the existing urban area. The HCA's residential land forms part of a wider programme of sites identified for development for new housing and associated infrastructure and facilities. This programme is managed through the Council's Joint Housing Monitoring Team (JHMT).
- 1.2 The HCA does not own any developable land within the Eastern and Western Expansion Areas or the Strategic Land Allocation.
- 1.3 The HCA currently owns approximately 430 hectares of developable land suitable for residential, employment and mixed use development. This figure excludes approximately 92 hectares of open space and other amenity land not intended for development, the freehold of which was transferred to Milton Keynes Council in March 2012. A further transfer of land to the Council has been agreed in principle and is expected to be completed in December; this will include a range of sites suitable for development.
- 1.4 The HCA's developable land comprises:
- | | | |
|---|---------------|------|
| • Land for residential and associated uses: | approximately | 100 |
| hectares | | |
| • Employment Land: | approximately | 108 |
| hectares | | |
| • Oakgrove (Crest Nicholson scheme): | approximately | 32 |
| hectares | | |
| • CMK and Campbell Park – mixed use: | approximately | 125 |
| hectares | | |
| • Leisure (The Bowl): | approximately | 30 |
| hectares | | |
| • Residual Assets (mainly employment): | approximately | 35.3 |
| hectares | | |
- 1.5 With regards to housing delivery on the HCA's residential land, all figures represent gross developable areas before allowance is made for essential infrastructure, schools, local facilities and public open space as part of the master planning process.
- 1.6 The following areas are identified in the "Overarching Development Strategy and Areas of Change" programme in 5.7 of the Core Strategy:
- Former New Town Grid Squares in the west of the city (remaining capacity for circa 2,350 homes)

- Oakgrove Grid Square – Development by Crest Nicholson (outline consent for 1,100 homes, with reserved matters consent for 230 in Phase 1)
 - Other small sites in newer Grid Squares, including Monkston Park and Grange Farm (circa 325 dwellings)
 - Undeveloped blocks and blocklets in CMK and Campbell Park (remaining capacity for circa 5,000 homes)
 - Bletchley Park (remainder) (circa 130 dwellings)
- 1.7 The current planning status and capacity of HCA residential sites is summarised in Table 1 below. It is estimated that of the 26,800 dwellings which form the total housing supply within the Core Strategy between 2011 and 2026, approximately 7,445 dwellings (just under 28%) will be delivered land owned by the HCA (column 4 of Table 1). Outline planning consents have been issued for the majority of these dwellings.
- 1.8 The HCA’s employment land portfolio is dispersed according to the original Master Plan. The term “employment land” excludes mixed use and commercial areas in CMK and Campbell Park. The majority of the HCA’s employment land is allocated in the Core Strategy for a mixture of B1, B2 and B8 uses, including Linford Wood, Kents Hill, Knowlhill, Shenley Wood, Snelshall, Townergate (Wavendon Gate), West Ashland and Wolverton. The release of employment land is considered in paragraphs 4.1 - 4.3 below.
- 1.9 Housing trajectories in the Joint Housing Monitoring Team (JHMT) figures project an average rate of completion of around 380 homes per annum on land currently owned by the HCA over of the next 15 years, allowing for a phased disposal of sites. The housing trajectories, which are reviewed quarterly, are a snapshot of what is expected to happen based upon the best information available to the JHMT at the time and are not a policy target. These forecasts have supplemented the Council’s full housing trajectory for the Borough.
- 1.10 There are four remaining partially developed “grid squares” owned by the HCA in Milton Keynes: Tattenhoe Park, Oakgrove, Oxley Park (remainder) and Kingsmead South. These areas are estimated to have capacity for approximately 2,600 homes, all of which are due to be completed between now and 2023. (See also Table 5.7 on page 42 of the Submission Core Strategy - possible reference to latest JHMT figures.)

Table 1: Planning Status of partially developed grid squares owned by HCA

Area / Site	Planning Status	Remaining Capacity	Start on site Date	Programmed Completion Date
Tattenhoe	Outline	Circa 1,300	October	2022

Park	permission granted (August 2007); reserved matters submitted for Site 1	homes, including 30% adaptable flexible housing.	2012	
Oakgrove	Outline Planning Consent granted October 2011. Phase 1 reserved matters consent approved in February 2012.	Circa 1,100 homes. Phase 1 -230 homes – on site. (Overall reduction of 200 homes compared with CS Table 5.7)	April 2012	2023
Oxley Park East (Phases 4 & 5; part of 6).	14 of 17 sites have detailed permission. Outline consent granted June 2004 – now lapsed for Phases 4 & 5. Reserved matters for completion of site 6 (23 units).	Circa 200 homes remaining	April 2006	2016
Kingsmead South	Outline Planning consent for 450 homes in August 2007 (Sites 1 & 2 to be marketed in 2012)	450 homes	Summer 2013	2019
Small Sites in Other Areas (Monkston Park, Grange Farm etc,)	Mainly allocated for residential use; detailed consents required	325 homes	2005	2025
Campbell Park Phase 1	Outline Consent issued March 2007 (Phase 1	Circa 110	2007	2015

	reserved matters consent August 2007)			
Campbell Park Remainder	Outline Consent issued in March 2007	Circa 2,000 (subject to CMK review process)	2015/16	2026
CMK - West End: Sustainable Residential Quarter	Outline Consent (1,960 units) issued January 2008 valid to January 2018	Circa 920 homes (subject to CMK review process)	2013	2023

2 Tattenhoe Park, Oakgrove, Oxley Park East, Kingsmead South

- 2.1 Oakgrove is currently being developed under contract with a single developer. The HCA's approach to delivery in the three other partially developed New Town grid squares is to release parcels of land for between 50 and 200 homes to the market, based on a phased programme. This programme currently anticipates that development of all of these areas, of which Tattenhoe Park is the largest, will be completed by 2023.
- 2.2 All grid squares are accessible with services provided to site boundaries and are therefore ready for immediate development; the exception to this approach is Oakgrove where services are to be provided by the developer under the terms of the signed agreement.

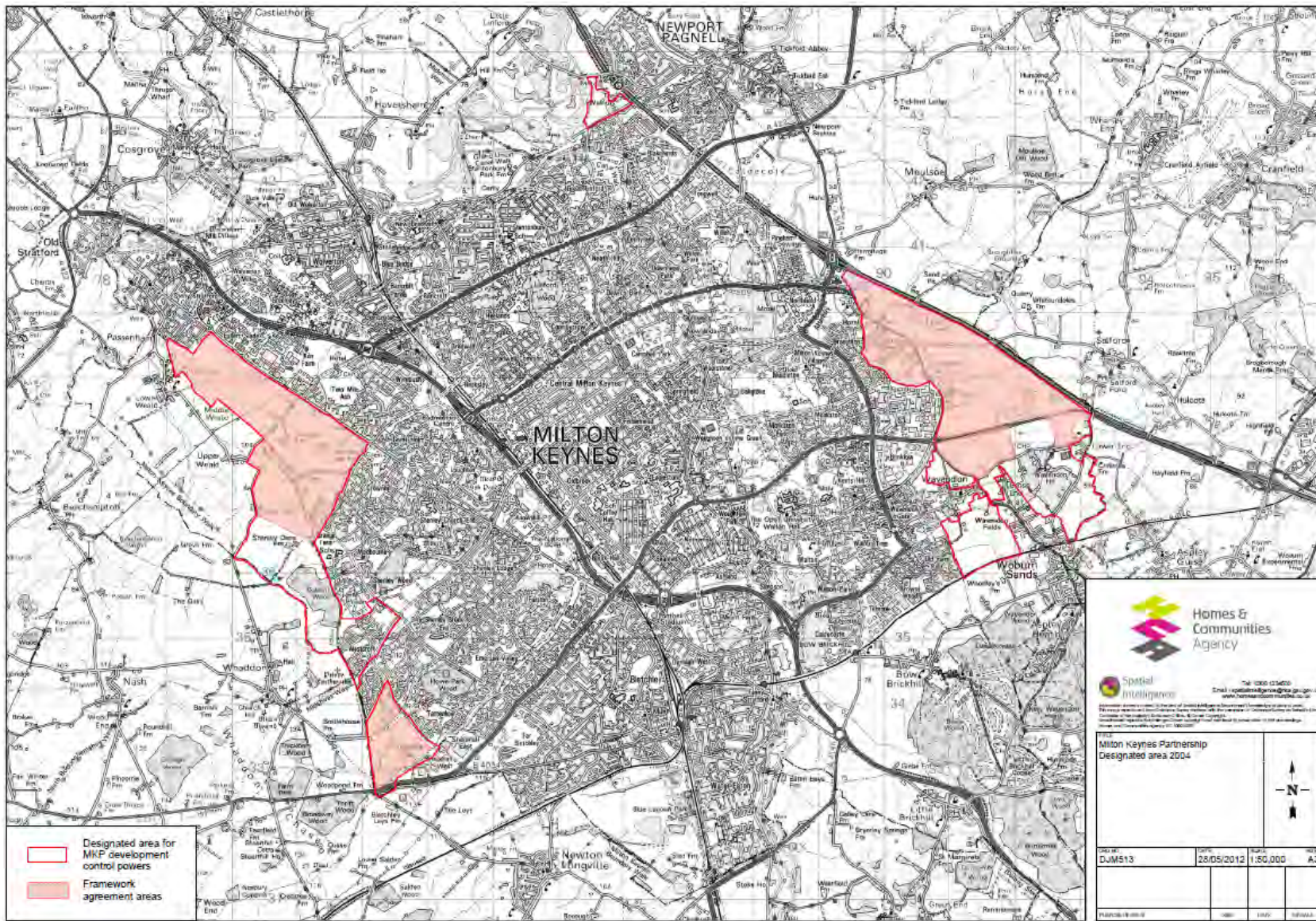
3 Central Milton Keynes and Campbell Park

- 3.1 The vast majority of the remaining undeveloped areas in CMK are located in to the south of Avebury Boulevard and west of Witan Gate, referred to as the Sustainable Residential Quarter or West End. The other development sites in CMK are a mixture of small infill opportunities and the redevelopment of the extensive surface car parking areas.
- 3.2 Block B4.4 (part of the Sustainable Residential Quarter) is due to commence in 2013 and to be completed by 2017 (up to 450 homes). A preferred developer has been selected for this site. Development of the remainder of the Sustainable Residential Quarter / West End (Block B3/4) is due to start in 2014/15 and to be built out over a 6-7 year period.
- 3.3 Development of the remainder of Campbell Park is due for completion by 2026. The development of both the Sustainable Residential Quarter and the remainder of Campbell Park will be subject to the outcome of

the CMK review process. The review of the Development Framework may lead to a drop in numbers from the current forecast.

4 Release of HCA Employment Land

- 4.1 Disposal of employment land owned by the HCA in Milton Keynes is largely a reactive process following enquiries from potential occupiers. These enquiries are steered towards land allocated for employment purposes. Disposal is subject to a negotiation which will take into account market conditions, inward investment priorities and the Council's overarching strategic objectives for economic development.
- 4.2 Employment sites exceeding 0.5ha include: Shenley Wood (8.45ha), Walton (9.5ha), Knowlhill (3.65 ha), Towergate (7.1 ha), West Ashland (2.35 ha), Kents Hill (5.2 ha), Linford Wood (4.05 ha), Snelshall West (5.1ha), Broughton/ Atterbury (4.8ha), Snelshall East (4.7ha), Wolverton Mill (3.9 ha), Caldecotte (1.9ha), Willen (1.0ha) and Fox Milne (1.0ha).
- 4.3 At the time of writing two employment sites are under offer, namely Tower Gate B (1.4ha) and West Ashland (2.36ha).
- 4.4 Further information on the supply of all employment land in Milton Keynes, and the Milton Keynes Economic Development Strategy 2011 – 2016 is provided in the Council's Employment Technical Paper (published February 2011).



Appendix 1 D - Position Statement from Barratt Homes regarding development in CMK- via email, 11/5/12

Attached is a copy of our programme which shows our view of the likely timescales and phasing; Development starting end 2012/early 2013 with first unit completions in 2014, and completion of development by end 2018.

There is demand for quality houses and apartments in Central Milton Keynes based on our research, which also leads us to believe that Central Milton Keynes is very much an area for young people and retired people looking to live in a vibrant thriving location.

The proposed development at B4.4 will appeal to mainly aspirational young singles and couples. There will be limited demand for family housing at this time but given the low supply of houses demand will be sufficient. The mix of units proposed for B4.4 is therefore acceptable.

There are currently no active new build City Living schemes in the centre of Milton Keynes. The closest competitive product is at Wolverton Park by Places for People. It is our view that this site is not a threat due to its high pricing strategy and out of town location. Campbell Heights by Taylor Wimpey was mothballed over a year ago.

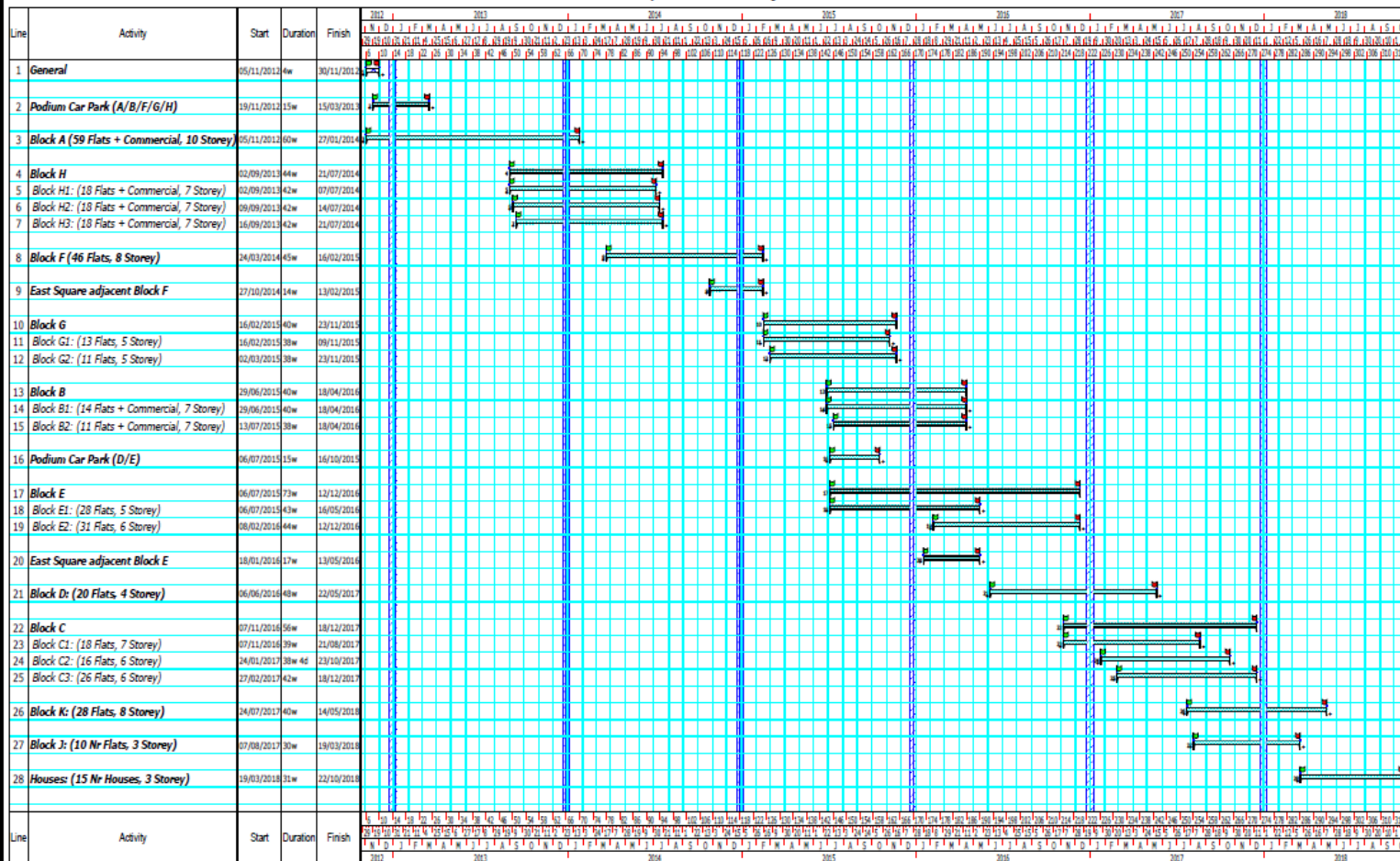
Since Vizion sold out in late 2010 buyers have had to make do with searching for a second hand property or to look outside of the central grid squares. As Milton Keynes continues to grow demand will increase for quality accommodation in the central area, both purchased and rented.

Central Milton Keynes has established itself as a vibrant and viable residential location. There have been three major City Living scheme constructed to date, all are sold out except for Campbell Heights which is currently "moth balled".

Given that it will be eighteen months before the first phase of B4.4 is ready for occupation there will have been a supply draught of 30 months. We are aware of only one scheme that could be brought to the market within the same time frame as B4.4, the CBXIII extension.

Further growth in CMK is gathering pace with the completion and occupation of Network Rails HQ in June which will house 3000 staff. This will give a massive boost to the number of people in the centre and will provide financial support to many of the local businesses, with the Xscape Development further adding to CMK future growth prospects.

In the current climate, we anticipate that an average rate of one sale per week can be achieved through-out the life of the scheme. On this basis we would expect to see a small number of off-plan sales prior to the formal launch. We suggest an on-site sales presence of around five and a half years.



Legend:					
General		Construction			
Programme Ref:	E1189/DP/01	Revision Date:	16/04/2012	Draft Programme	Page: 1 of 1
Revision:	J	Drawn By:	DKF	Revised Accommodation Schedule	Print Date: 16/04/2012

Appendix 2 - Schedule of Housing Sites and Forecast Completion Rates

Appendix 3 – Housing Trajectory

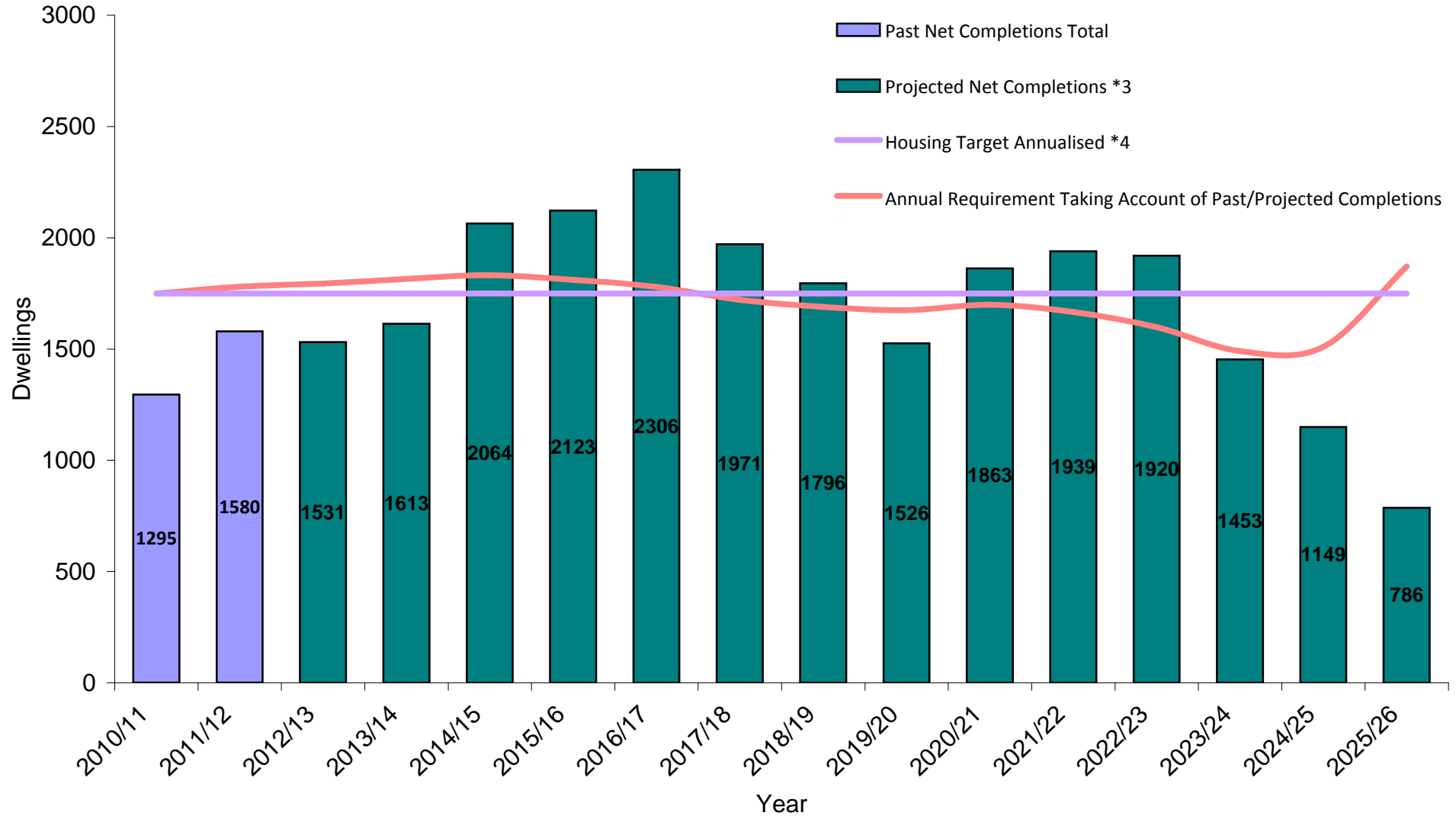
List of sites

Overall diagram

Urban diagram

Rural diagram

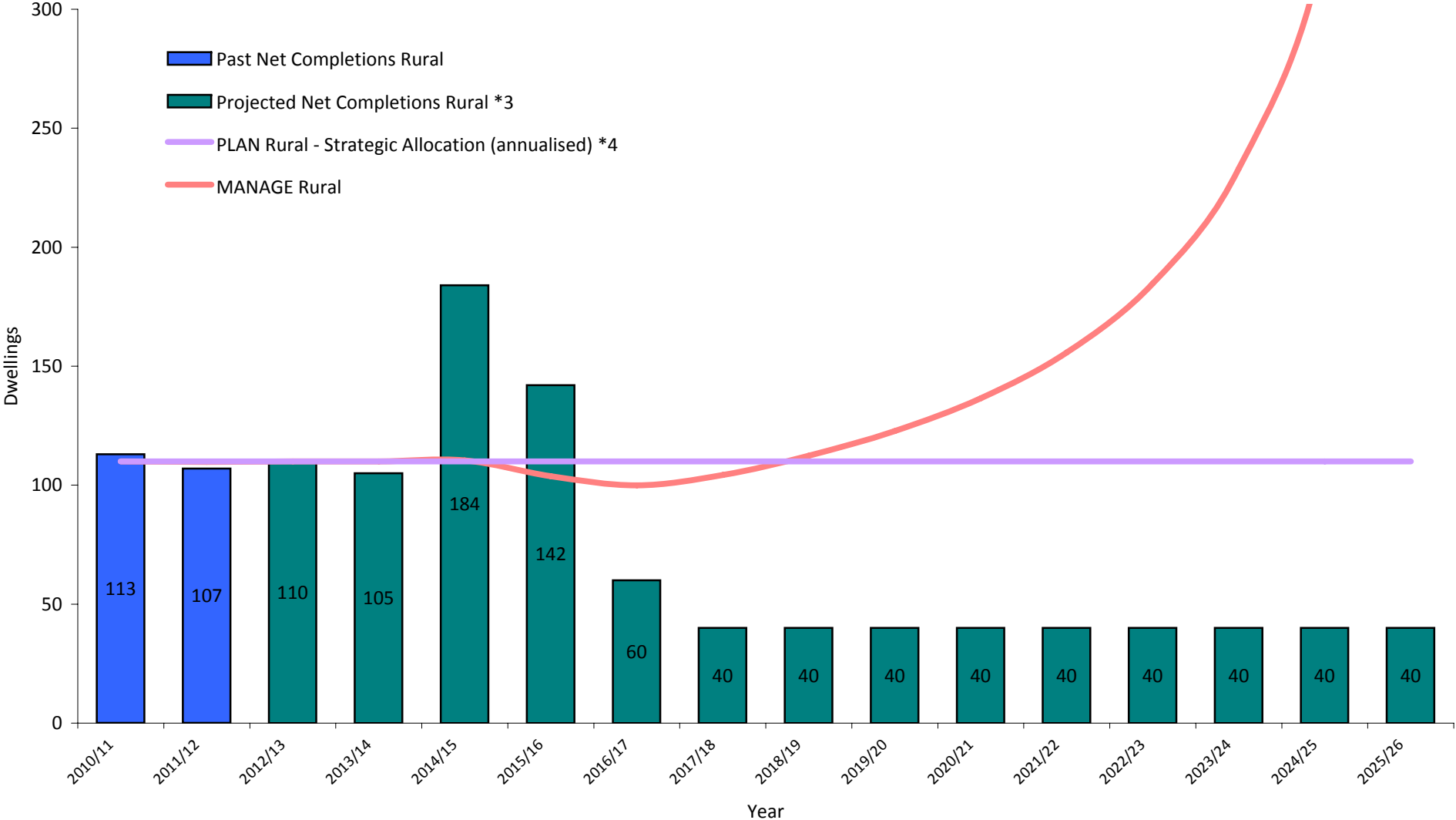
Overall Graph



Urban Graph



Rural Graph



Monitor Graph

