

# Plan:MK Topic Paper - Issues Consultation Growth in Housing

September 2014



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Plan:MK



## Plan:MK Topic Papers - Issues Consultation

### Introduction

Plan:MK, a new Local Plan for Milton Keynes, will set out a development strategy for Milton Keynes up to 2031 with a range of detailed policies to guide development over this period.

It will replace the Core Strategy, adopted in 2013 and the existing Local Plan (2005) which together currently form the part of development plan for the Borough.

Once complete, Plan:MK and any Neighbourhood Plans, will be the starting point for planning advice, (other than for Minerals and Waste) and decisions made by the Council. It will set out how much development is expected over the plan period and the location of development sites across the Borough. It will also include detailed policies to ensure that all development is of high quality and respectful to the character of Milton Keynes, and that unplanned development only occurs where it is appropriate.

Plan:MK has to be prepared within the context of national planning policy and within the legislative framework set out by the Government. This Topic Paper is part of the first stage in the process where we are seeking initial view of the public and other interested parties on what should be in Plan:MK.



### What is the purpose of the Topic Papers?

This is one of a series of Topic Papers published by the Council at this time. In total there are twelve Topic Papers covering:

- Growth in Housing
- Employment and Economic Development
- Town Centres and Retail
- Transport and Travel
- Rural Issues
- Provision of Physical and Social Infrastructure
- Quality of Place
- Culture, Recreation and Quality of Life
- Open Space and the Natural Environment
- Climate Change and Sustainability
- Duty to Cooperate
- The Way Forward: Preparing a Vision and Development Strategy for Plan:MK

Each of the Topic Papers is available on the Council website at <http://www.milton-keynes.gov.uk/planmk>

The aim of the papers is to engage everyone with a stake in the future growth and development of Milton Keynes in the preparation of Plan:MK. They cover a range of topics, sometimes interlinked, which the Council have identified as being key to the development of the Plan.

Each paper summarises the background to the topic, setting out data and policy context, before highlighting key issues and posing questions for the reader - the responses to which will help the Council in the development of Plan:MK.

The final topic paper, "The Way Forward" draws together issues raised in the preceding papers and considers what they mean for the Vision and Development Strategy.

When we produce the final version of Plan:MK, the Vision and Development Strategy will be at the start of the Plan, setting the scene for the policies that will follow.

These Topic Papers are being published for consultation in accordance with Regulation 18 'Preparation of a local plan' of the Town and Country Planning (Local Planning) (England) Regulations 2012.



## How to respond

The Council would appreciate any feedback you have on the Topic Papers. In particular, if you can focus on the questions posed it will help with the development of the plan. Feedback can be submitted:

- Online via our consultation portal: <http://miltonkeynes-consult.objective.co.uk>
- Via email: [PlanMK@milton-keynes.gov.uk](mailto:PlanMK@milton-keynes.gov.uk)
- In writing: Development Plans, Civic Offices, 1 Saxon Gate East, Central Milton Keynes, MK9 3EJ

All comments should be received by **5pm on Wednesday 3rd December 2014.**

## How will the feedback be used?

The next stage of the process will be to develop a Preferred Options document, which will set out the Council's initial draft of Plan:MK.

Feedback from this Issues consultation will help to shape the options considered as part of the development of the Preferred Options. These options will evolve through further focused consultation with key stakeholders.

The Council expects to publish the Preferred Options document for consultation in 2015.

The overall aim is to get a final plan prepared by early 2016, at which time it will be submitted to the Government and be subject to independent examination.



## Introduction

**1** Planning to meet housing need will be a key part of the new local plan for the Borough, and we will have to take account of the demand for homes from existing residents, and those people who are expected to move here over the plan period.

**2** Over its history, Milton Keynes has grown from a population of 60,000 across the Borough in 1967, to over 240,000 in the 2011 Census. People choose to move here for many reasons, including access to job opportunities, the green spaces and attractive environment that has formed an integral part of Milton Keynes, and all the other amenities that the City and the Borough has to offer.

**3** But not all of the demand for homes comes from people moving to Milton Keynes; a significant proportion of the demand for homes is from natural growth and the formation of new households.

**4** This Topic Paper looks at the sources of demand for homes and considers how many new homes need to be planned for over the coming decades. It also considers what sorts of homes are needed, including what level of affordable housing should be provided and the need for specialist forms of housing. The paper asks a series of questions which we would welcome your thoughts and feedback on.



## A - Overall Housing Figure - Policy Background

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#### National

**5** The Government, through the National Planning Policy Framework (NPPF) places great importance on the delivery of housing. It requires Local Planning Authorities (LPAs) to objectively assess housing need in their local area, where necessary working with other authorities who may share housing as a common strategic issue.

**6** The emphasis is on ensuring that housing is provided to meet the needs of the people already living in the Borough but also for those who are likely to move to the area. This includes taking into account the impact of economic growth in the area on the need for new housing.

**7** The Planning Practice Guidance (PPG), produced to supplement the NPPF, sets out that the starting point for considering the level of household need in an area is the most recent Department for Communities and Local Government (DCLG) household forecasts. It also requires that LPAs produce a Strategic Housing Market Assessment (SHMA) to assess the full level of housing need in the area. In addition to assessing housing need, it also requires that we produce a Strategic Housing Land Availability Assessment (SHLAA) to establish the availability, suitability and viability of housing land in the area that could make a contribution to meeting the identified level of housing need.

**8** Milton Keynes Council has produced both of these documents and they inform the discussion set out in the rest of this paper and other Topic Papers.

**9** The Government requires LPAs to work together with neighbouring areas where a Housing Market Area (HMA) crosses administrative boundaries. Milton Keynes, primarily due to its economic influence over the surrounding area, has a housing market which extends outside the boundary of the Borough. Therefore MKC is required to work with the relevant neighbouring authorities to investigate the issue of housing need across the sub-region. This is discussed in more detail in the Duty to Co-operate Topic paper, but the key housing issues are also raised in the discussion throughout this paper.

**10** The NPPF requires strategies for housing to be integrated with those for employment and other uses. Therefore housing need cannot be considered in isolation. To respond to this, the relationship between housing and economic growth has been a consideration in both the development of the SHMA and the Council's Economic Growth and Employment Land Study (EGELS). Where relevant, the EGELS is referred to in this paper.

**11** The PPG sets out that market signals should be taken into account in establishing how much housing should be provided. These indicators cover issues around price, such as the changing affordability of housing and the price of rents, but also quantity of supply, such as overcrowding and rates of supply. An appropriate range of indicators is analysed in this paper.

**12** National policy dictates that LPAs should identify sufficient housing sites to meet housing need. Therefore, related to this Topic Paper on how much new housing is needed is the paper on the Development Strategy which looks at issues around how and where Milton Keynes could grow to accommodate its housing need. This includes looking at the need for new strategic (large) sites and the expansion of the city.

# A - Overall Housing Figure - Policy Background

## Sub-Regional

**13** Although regional plans were abolished by the Government in 2012, their legacy remains. In Milton Keynes, there was an assumption in the South East Plan (SEP) that over 2,000 new homes per year should be built in the Borough. This was largely based on Milton Keynes making a significant contribution to meet the wider needs of the south east region. This level of housing has proved undeliverable over recent years, a period which has coincided with a severe economic downturn.

**14** There is no longer a regional or sub regional housing target that we need to plan for. As mentioned earlier, it is the role of the Duty to Cooperate to fill the gap left by the revocation of regional plans. MKC will need to work closely with other authorities, principally our neighbours, to investigate issues of housing need and ensure that our strategies are aligned for the benefit of the wider area.



## Local



**15** Milton Keynes Council only adopted its Core Strategy in July 2013, meaning it provides an up-to-date policy position and development strategy. The plan already provides land for around 20,000 new homes across the city. The majority of this land is likely to be developed by 2026. The development of Plan:MK will build on this existing position, rolling the end date of the plan to at least 2031.

**16** The Council's Corporate Plan supports the delivery of the Core Strategy and the sustainable growth of Milton Keynes into a world class city. It highlights the ambition to grow Milton Keynes as a distinctive place with a thriving economy, where people want to live, work, learn, shop and relax.

**17** The development of Plan:MK will look to carry this forward, ensuring that the housing provision made in the plan supports the aspirations of Milton Keynes to grow as a successful, world class city.

**18** Priority 10 of the Corporate Plan is to encourage the building of a mix of sizes, types and tenures of homes, including social rented accommodation, that will meet the needs and aspirations of Milton Keynes' existing residents and the new residents we wish to attract. The development of Plan:MK will be key to ensuring this priority is addressed.



## Context

**19** MKC is required to objectively assess the level of housing need that should be planned for through Plan:MK. There are a number of factors that need to be taken into account when establishing the level of housing we need to plan for.

### 1. What do the Government household projections say?

**20** The Department for Communities and Local Government (DCLG) publishes regular population projections<sup>(1)</sup>.

**21** As set out in the policy section earlier, these figures are seen by the Government as the starting point for considering how much housing should be provided in an area. The latest projections, published in April 2013, suggest that the number of households in Milton Keynes is set to rise from 98,998 in 2011 to 114,734 in 2021. This is a rise of 15,736 households over 10 years, an average of 1,574 households per year. Taking into account around 3% of any homes will be vacant at any time, this suggests **around 1,620 homes per year should be seen as the starting point** (assumes every household has its own home), for considering how much new housing should be planned in the Borough.

**22** These projections are trend based and are an estimate of the likely growth in households if past demographic and migration trends continue in the future. Therefore, as is required by the PPG, other factors need to be taken into account to establish if there are reasons why MKC needs to deviate from these projections in objectively assessing our housing need.

**23** These figures are backed up by the conclusions shown by the 'How Many Homes Where' model widely publicised as a robust

tool in helping Local Authorities understand there objectively assessed housing need. The model suggests that there will be an average of 1,569 more households each year to 2031. Adding an additional allowance of 3% to allow for second homes etc, this suggests the housing requirement is an average of 1,616 homes per year. They take no account of any policy implications so cannot be the sole basis for deriving housing figures.



### 2. The Strategic Housing Market Assessment (SHMA 2013)

**24** A key factor in how many homes we need to plan for is the level of need identified through the SHMA. The SHMA concludes that given the likely demographic change in the existing population and the likely level of migration to the Borough, between 1,400 and 1,800 new households will be created each year until 2031.

<sup>1</sup> The most recent can be seen here:  
<https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>  
(table 406)



**25** The SHMA suggests objectively assessed need is 1,650 homes per year and that the existing Core Strategy housing target of 1,750 homes per year remains an appropriate housing target for Milton Keynes as things stand.

**26** The NPPF requires that housing need across the whole of the Housing Market Area (HMA ) is considered. The identified HMA for Milton Keynes includes parts of Aylesbury Vale, Central Bedfordshire and South Northants<sup>(2)</sup>. However, given the significant level of alignment between the boundary of Milton Keynes and the HMA identified by our consultants (70% of the population in the identified HMA live in the Borough of Milton Keynes itself), and the difficulties with artificially disaggregating the required data from datasets only available at a district level, the conclusions of the SHMA only relate to MK and not the whole HMA. This is an approach which is understood by our neighbouring authorities (see Duty to Co-operate Topic Paper) and is also an approach that has been used and accepted elsewhere<sup>(3)</sup>.

**27** Although the SHMA conclusions only relate to Milton Keynes, for the other authorities within the HMA, officers are continuing to work to estimate housing need arising across the whole HMA for the purpose of plan making.

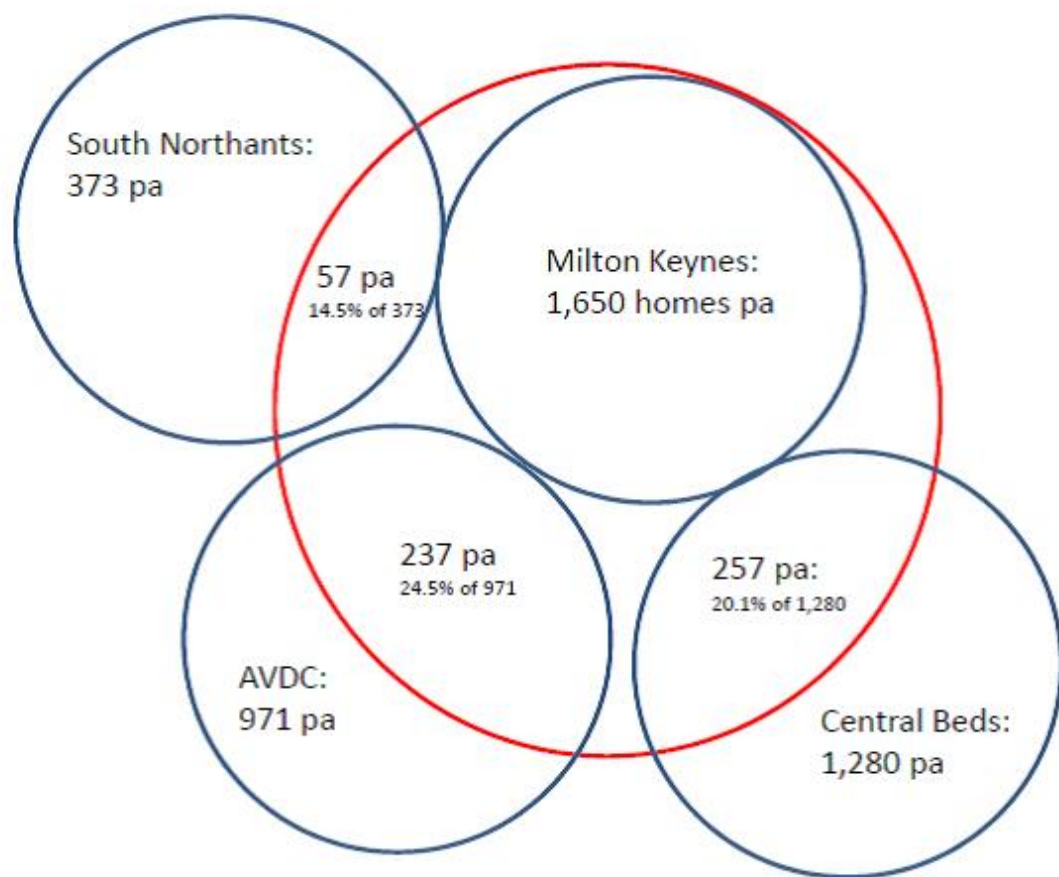
**28** This work initially shows that in addition to the need for around 1,650 homes per year based on data for the just Milton Keynes, across the wider Milton Keynes HMA, there is need to plan for an estimated 550 extra homes per year in neighbouring authorities - a total need for 2,200 homes across the whole Milton Keynes HMA.

**29** This figure is currently an estimate established by extracting a proportion of our neighbours assessed needs from their own SHMA conclusions based on the approximate population which lies in the Milton Keynes HMA. In the absence of an up-to-date SHMA for Aylesbury Vale, the latest Government Household Projections have been used instead. This initial conclusion is shown diagrammatically in Figure 1 'Estimate of housing need across the wider Milton Keynes Housing Market Area'.

2 See Chapter 2 of the SHMA for further details  
<http://www.mkiobservatory.org.uk/Download/Public/1026/DOCUMENT/10414/12-05-14%20DRAFT%20REPORT%20Milton%20Keynes%20SHMA-reduced.pdf>

3 See Inspectors note on the scope of the SHMA under pinning the Bath and North Somerset Core Strategy  
[http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/Core-Strategy/Examination/id-39\\_inspectors\\_conclusion\\_on\\_scope\\_of\\_shma.pdf](http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/Core-Strategy/Examination/id-39_inspectors_conclusion_on_scope_of_shma.pdf)

**Figure 1 Estimate of housing need across the wider Milton Keynes Housing Market Area**



**30** The 550 figure (i.e. 57 + 237 + 257) is not additional need for the neighbouring authorities. It is the proportion of their established need that it is initially estimated should be provided within the area of their authority covered by the Milton Keynes HMA.

**31** The main purpose of establishing the level of need arising in the wider HMA is to ensure that the plans of our neighbouring authorities continue to make appropriate provision to meet need in the most appropriate locations, which may be outside of MK Borough, particularly in relation to travel to work (see Section 4).

**32** These conclusions are a starting point for discussion at the moment, and may change over the coming months as work evolves. The Council will continue to work

with our neighbouring authorities, and other relevant authorities, to keep the position under review. It will also continue to work with other authorities on their emerging SHMAs and Local Plans to ensure that all housing need is adequately identified and planned for.

**33** A key element of this work will be working with neighbouring authorities as they establish Housing Market Areas as the starting point for developing their plans. MKC recognises that there is no one correct answer to the identification of HMAs and therefore there could be overlaps in HMAs identified by individual authorities. Where this is the case, through discussions under the duty to co-operate, MKC will seek formal agreement with neighbouring authorities, and others, as required as to the implications for HMAs crossing

boundaries to ensure all plans are working to an agreed understanding of housing need in the local area.

### Question 1

#### SHMA and Housing Need

- Do you have any views on the conclusions of the SHMA, particularly in relation to the assumptions regarding demographic change and migration?
- Do you have any thoughts on how need across the Milton Keynes HMA is being established? Does it give a robust outcome?

## 3. Market Signals

**34** The PPG sets out that market signals should be a consideration in establishing how much housing should be planned for in an area. These signals include both a comparison of long term trends (i.e. in terms of change over time) and a comparison with other places, showing how Milton Keynes compares to neighbouring areas and other appropriate areas.



**35** Below, the market signals for Milton Keynes have been compared to Neighbouring Authorities, 'comparable areas' and national figures as appropriate. The comparable areas have been identified from the ONS Area Classifications, which suggest the most similar local authority areas to Milton Keynes are (in order):

- Bracknell Forrest
- Swindon
- Northampton

**36** After analysing market signals, the PPG says that consideration should be given to where an 'upward adjustment' should be made to the household projections to reflect the balance between demand and supply. It goes on to say that attempts shouldn't be made to quantify precisely what the indicators suggest an appropriate level of supply would be but that a 'reasonable adjustment' should be made depending on the scale of any identified affordability issues.

**37** This section of the paper therefore highlights the indicators that we feel are relevant to considering the need for housing in the Borough.

#### Rates of construction and quantity of housing

**38** Looking first at long term trends, over recent years Milton Keynes has been one of the fastest growing places in the country. In terms of housing completions the average number of homes completed per year has been:

- Last 5 years: 1,486 (7,431 net completions)
- Last 10 years: 1,568 (15,680 net completions)
- Last 15 years: 1,504 (22,562 net completions)

**39** Given that these figures, particularly those for 10 and 15 years, cover periods of planned growth and expansion for the city, periods of both economic boom and

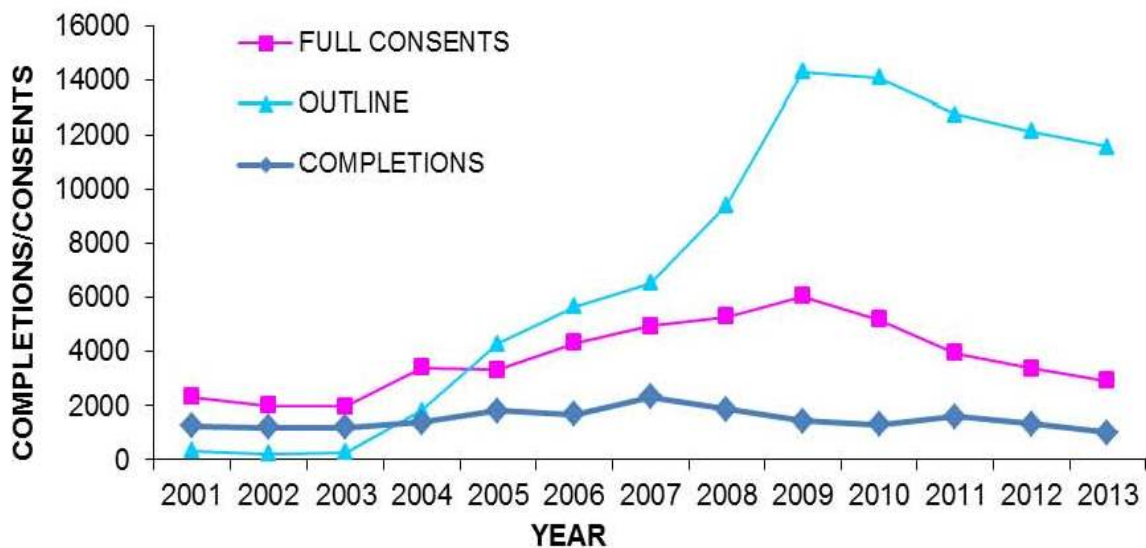
recession and a period where there was a generally a strong land supply position, they give a good indication of the level of homes that realistically will be built each year across the Borough.



**40** During this period the highest level of completions seen was 2,301 in 2007-8. It needs to be considered that this was the peak of the housing boom and this rate of completion was boosted by the completion of 1,501 flats/apartments, 400 of which were in CMK in Central Milton Keynes, which were largely bought by buy-to-let investors - a market which has declined considerably since the boom.

**41** Over this period the stock of planning permissions has increased significantly, however the rate at which homes have been completed has not seen a comparable increase.

**Figure 2 Relationship between planning permissions and completions**



**42** Having a range of sites available to deliver housing is important as it provides choice for buyers, competition in the market and means that rates of delivery are not dependent solely on only a few sites.

**43** During the peak of recent housing performance (2007/8) there were more than 25 completions on 27 different sites across the Borough. Over the last couple

of years, despite the level of completions being only around 55-60% of the peak level there were still 25 (2011/12) and 21 (2012/13) sites with more than 25 completions each year. This shows that there remains a good supply of medium/large housing sites across the Borough.



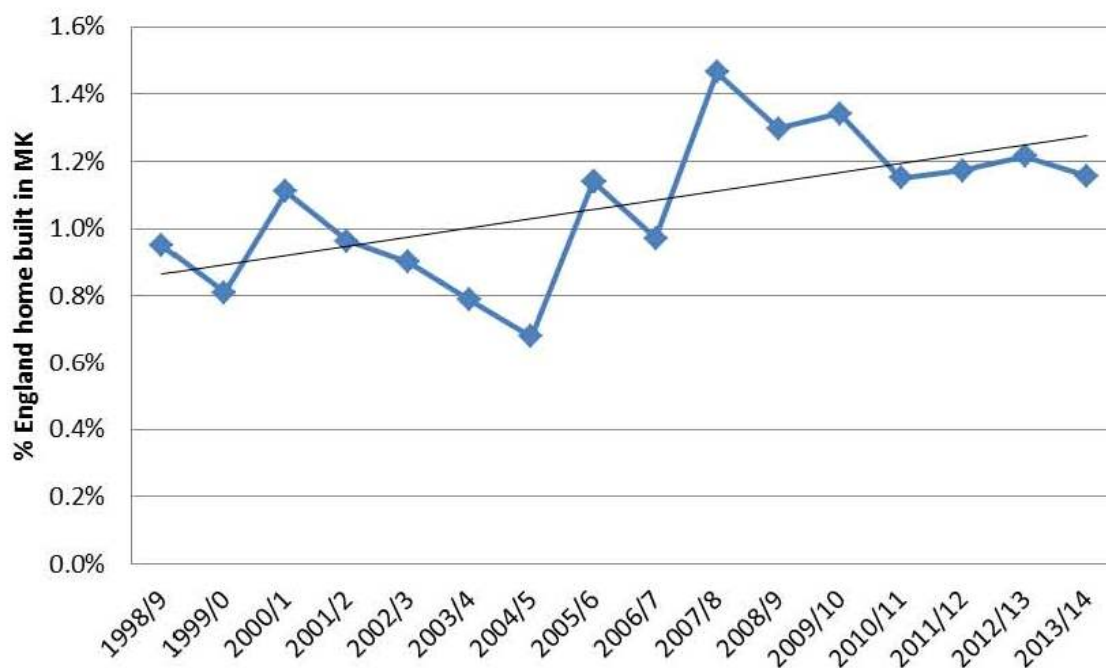
**44** These factors suggest that despite a good supply of land being made available via the plan making process, homes have not been built as quickly as they have in the past. This may indicate that there is a lack of realisable demand for many more homes than has been built over recent years (otherwise they would have built homes quicker to meet demand or we would have seen a rapid rise in prices - see later point).



**45** A good indicator of the relative performance of the housing market in Milton Keynes is the proportion of all completions in England that have been in the Borough. Details of completions across all areas across England are available from the DCLG website<sup>(4)</sup>.

**46** It can be seen from Figure 3 'Housing completions in Milton Keynes as a proportion of all homes built in England' below that in recent years that completions in Milton Keynes have been around 1.2% of all those in England, which is above the long term average (1.1%). As is shown by the trendline, the relative performance of Milton Keynes has generally also increased over the 15 years shown. This suggests that the housing market in Milton Keynes, delivering around 1,500 homes per year, has performed relatively well compared to England as a whole.

**Figure 3 Housing completions in Milton Keynes as a proportion of all homes built in England**



<sup>4</sup> <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building> (see table 253)

**47** The change in housing stock in comparable areas is also a consideration. As can be seen in the summary table (Table 2 'Market Signals Summary Table') across England over the last 5 years total housing stock has increased by 8%. Milton Keynes has increased by 18%, which is also higher than any of the comparable areas. This suggests that in delivering around 1,500 homes per year, the market in Milton Keynes has been performing relatively well compared to similar areas.

**48** The summary table also shows levels of overcrowding in Milton Keynes and the comparable areas. It shows that in Milton Keynes there are slightly more overcrowded<sup>(5)</sup> homes than in England and all of the comparable areas (9.5% of homes with an occupancy rating of -1 or -2 rooms in Milton Keynes, 8% in England and 7.65% on average across the comparable areas). It also shows that over the 10 years from 2001 to 2026 the rise in overcrowding in Milton Keynes was greater than across England and the average of the comparable authorities. This suggests that there is some local pressure on the housing market as a result of people not being able to leave the family home.

### Question 2

#### Market Signals

- Do these development statistics suggest we should be adding an 'upwards adjustment' to the DCLG household projections?
- Are there any other statistics on completions and rates of development we should be taking into consideration?

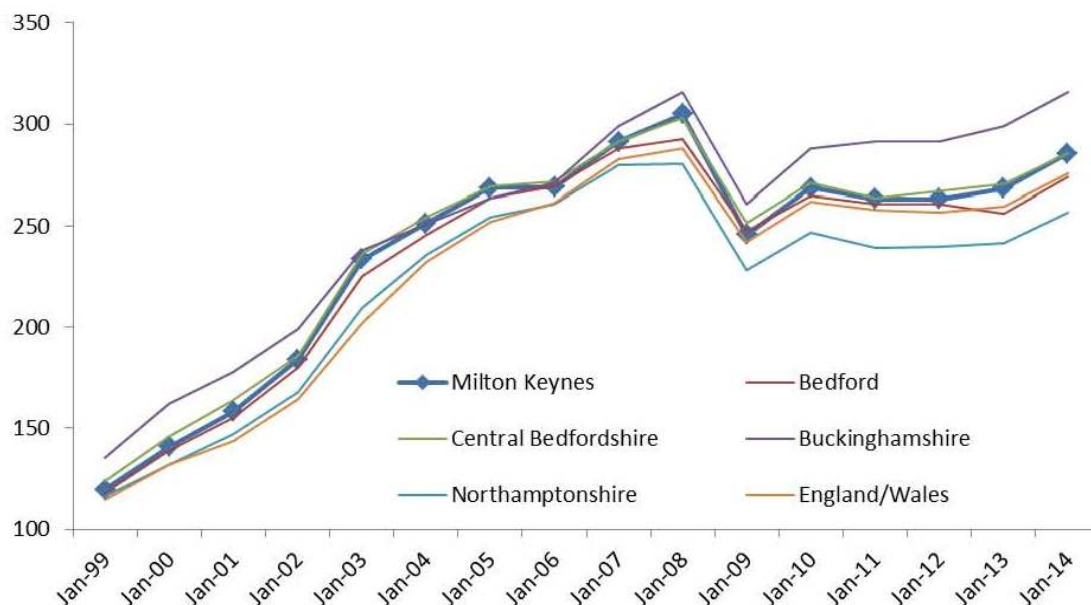
### House prices and affordability

**49** The PPG suggests that prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand. Over the last 15 years house prices in Milton Keynes have risen at broadly the same rate as the surrounding area as can be seen from Figure 4 'Change in House Price Index 1999-2013: MK and neighbouring areas' below.



<sup>5</sup> An over-crowded home is defined as having less bedroom space than is needed for the number of members of a household.

**Figure 4 Change in House Price Index 1999-2013: MK and neighbouring areas**



**50** Over the last four years, the graph suggests that the delivery of homes at an average rate of around 1,500 per year is broadly the level of development the market can/will deliver. This does not appear to have resulted in a shortfall in homes to buy. If there was a shortfall, we'd have expected a more significant local price rise which could be linked to increased competition between buyers for the homes available and a subsequent increased negative effect on affordability; the sort of rise that was seen in Milton Keynes between 2001 and 2006 on Figure 4 'Change in House Price Index 1999-2013: MK and neighbouring areas', a period before significant land allocations were made in the 2005 Local Plan.

**51** Over the last five years, as can be seen from Table 2 'Market Signals Summary Table', the house price change in Milton Keynes has been slightly below the national average (MK 8.3%, England 8.9%) and the average of the comparable authorities (8.7%). This supports the previous conclusion that compared to other areas there appears not to be significant local under supply of housing, despite completions falling below previously assessed levels of need.

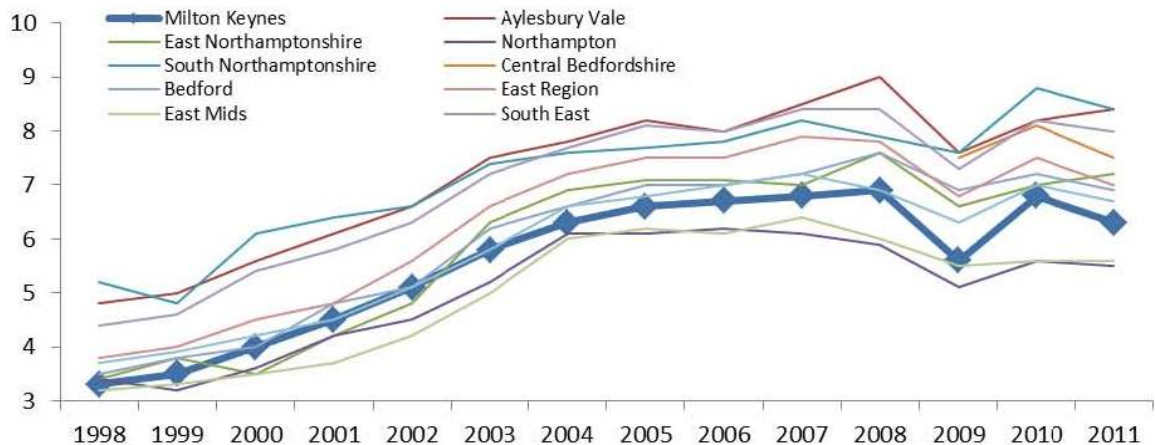


**52** Despite the increase in cost, Milton Keynes still compares relatively well to the surrounding area in terms of the affordability of housing. The latest data (see Figure 5 'Ratio between median house price to median earnings by area' below) shows that the average house price in Milton Keynes is 6.3 times the average earnings. This makes the average house in Milton Keynes more affordable than the national average (6.9) and significantly more affordable than the South East average (8) (see Figure 5 'Ratio between median house price to median earnings by area').

**53** However, whilst this ratio shows that Milton Keynes is relatively affordable compared to other areas, it can be seen that in all areas since 1998, the

affordability of housing has worsened, and this is an issue that needs to be taken into account when considering how many homes to plan for.

**Figure 5 Ratio between median house price to median earnings by area**



**54** Related to this, the affordability of lower quartile house prices to lower quartile earnings in Milton Keynes is 6.93. This relates to a ratio of 6.5 nationally, suggesting that lower cost housing is slightly less affordable in Milton Keynes than in other areas of the country.

**55** Nevertheless, the affordability of housing in Milton Keynes compares well to other the similar areas. Table 2 'Market Signals Summary Table' shows that affordability is broadly the same as the average of the four authorities. Over the last five years, the affordability of homes in Milton Keynes has improved more than the comparable areas (9.3%) with the improvement being better than that across England as a whole (9.1%). Again, this suggests that despite the ratio of earning to the cost of housing being 6.3, which by definition is not very affordable, the recent supply of housing at around 1,500 homes per year in Milton Keynes has not resulted

in any more significant affordability issues than have been experienced elsewhere (see section on Affordable Housing).

**56** The level, and cost, of renting privately over the last few years also has to be considered. According to the Census, between 2001 and 2011 the number of people renting privately across England has risen from 1.9m to 3.6m, an 88% increase. This is likely to be as a result of people being unable to buy the home they want as a result of more stringent lending requirements and the general economic downturn seen over the last few years.

**57** In Milton Keynes 18.3% of households live in privately rented homes (Census, 2011). This figure is an increase from 9.4% in 2001. Recently, the number of benefits claimants in Milton Keynes living in private rented homes has stopped increasing and in fact has started to fall. This could suggest a lack of need but is more likely to suggest that there is strong demand for rented accommodation from households not dependent on benefits, limiting the availability of accommodation for those on



benefits, coupled with welfare reform which means landlords are reluctant to take people on housing benefit<sup>(6)</sup>.

**58** The Valuation Office Agency (VOA) publishes quarterly statistics on the cost of renting. These show that overall, over the last three years Milton Keynes has the lowest overall increase in the cost of renting in the wider sub-region (3.7%). The rise in cost is also below the national average (4.8%) and that of the South East (5.2%), East Midlands (3.9%) and in line with the Eastern region (3.7%). This suggests that despite increasing, comparatively the demand for rental properties in Milton Keynes has not been as strong as in other areas.

**59** Despite the lower rise than other areas, the VOA data shows that the cost of renting in Milton Keynes is still relatively high compared to some neighbouring areas. More detailed analysis of rents by house type also highlights that rents for smaller properties in the Borough have actually been higher than in many areas, in particular one bed properties where the rise in rent has been 8.1% compared to 5.8% across England as whole. It also shows that the rents for larger properties (4 + beds) have increased at a much lower rate than in other areas at 0.7% (England average 4.6%).

**Table 1 Change in average rent levels 2011/2013 (all rents)**

	Average rent £ per calendar month			
	2011	2012	2013	% increase
England	694	705	728	4.8%
South East	815	829	857	5.2%
East Midlands	510	526	530	3.9%
East	652	669	676	3.7%
Milton Keynes	721	732	748	3.7%
Aylesbury Vale	755	780	785	4.0%
Northamptonshire	553	571	579	4.7%
Bedford	584	606	625	7.0%
Central Bedfordshire	645	659	692	7.3%

(Source - VOA private Rental Market Statistics)

6 See the SHMA, Chapter 4 for more details



**60** This indicates that there appears to be particular demand for smaller properties to rent. This ties in with evidence in the SHMA (See 'B - Affordable Housing and Housing Mix - Policy Background') which also suggests that in the future there is a particular need for one and two bed properties.

**61** In relation to the similar areas the change in rents over the last 2 ½ years compares well. The rise of 3.7% is lower than the average of all the comparable authorities and, as has already been noted, lower than the rise across England as a whole. Again, this suggests that the recent levels of development locally have not had a detrimental impact on the affordability of rents.

Table 2 Market Signals Summary Table

		Milton Keynes	Similar Local Authorities				England
			Bracknell Forest	Swindon	Northampton	Average	
Indicators relating to price							
House prices (source: Land Registry)							
Average House Price (£)	2014 level	160,418	221,249	131,481	138,980	163,032	168,356
	Relative to England	-4.7%	+31%	-22%	-18%	-3.2%	-
	2009 level	148,103	191,488	126,135	133,960	149,921	154,628
	5 year change	+8.3%	+15.5%	+4.2%	+3.7%	+8.7%	+8.9%
Affordability (source: DCLG table 576)							
Lower quartile house prices to earnings	2012 ratio	6.93	8.34	6.09	6.45	6.95	6.59
	Relative to England	+5.2%	+26.6%	-7.6%	-2.1%	+5.5%	-
	2007 ratio	7.64	8.13	6.95	7.15	7.47	7.25
	5 year change	-9.3%	+2%	-12.4%	-9.8%	-7%	-9.1%
Rents (source: VOA)							
Average monthly rent (all property types)	2013 level	£748	£1,017	£592	£569	£731	728
	Relative to England	+3%	+40%	-18%	-22%	+0.5%	-
	Mid 2011 level	£721	£932	£579	£549	£695	£694
	2 ½ year change	+3.7%	+9.1%	+2.2%	+3.6%	+5.2%	+4.8%

		Milton Keynes	Similar Local Authorities				England
			Bracknell Forest	Swindon	Northampton	Average	
Indicators relating to quantity							
Rate of Development (source: Census)							
Increase in stock	2001-2011 change	+18%	+5.5%	+17.5%	+9.5%	+13.5	+8%
	Relative to England	+125%	-31%	+119%	+19%	+69%	-
Overcrowding (source: Census)							
Overcrowded households	2011 proportion	9.5%	5.2%	7%	8.9%	7.65%	8%
	Relative to England	+19%	-35%	13%	11%	-4%	
	2001 proportion	7.6%	5.9%	5.8%	6.2%	6.4%	7.1%
	10 year change	+25%	-12%	+21%	+44%	+20%	11%

## Conclusion

**62** On the basis of market signals, it's suggested that there is no justification for increasing the household projection figures upwards. Milton Keynes has performed generally well in terms of affordability etc, despite housing completions being limited to around 1,500 homes per year on average.

**63** The SHMA has also considered market signals in a similar manner and came to the same conclusion that the signals don't suggest an upwards adjustment is necessary (see SHMA page 87/88).

## Question 3

### Affordability

- What do you think the data on completions, house prices, rents and affordability tells us about housing need?
- Do you think it requires justifies any 'upward adjustment' from the DCLG housing requirement?
- Is there any other data we should be taking into consideration?





#### 4. Economic led projections

**64** The PPG requires that the implications for economic growth are taken into account in establishing a local housing requirement (paragraph 018). There are several pieces of evidence that can be considered here.

**65** Through detailed consideration of the population forecasts that underpin the SHMA it can be seen that building the 1,750 homes per year over the next 20 years, would lead to a net increase in the local workforce of approximately 31,600 people (on average 1,580 per year) (See SHMA, paragraph 6.33, page 91).

**66** To put this into context the SHMA looks back over at job growth over the last 10 years (See SHMA figure 73, page 92). It shows that on average each year 1,600 new jobs per year have been created in the Borough. Therefore the conclusion is that 1,750 new homes per year is likely to be broadly sufficient to meet the housing demand of the workforce created by job growth of around 1,600 jobs per year

(particularly when it is considered that somewhere in the region of 10% of workers have more than one job).

**67** However, going back over 15 years, the average job growth in Milton Keynes has been 2,400 jobs per year. At this rate, the workforce generated by 1,750 homes would be insufficient to meet the needs of the growing economy and Milton Keynes would be reliant on 'importing' workers from outside the Borough (i.e. in commuters).

**68** This disparity suggests that more needs to be done to fully understand likely job growth in Milton Keynes as it is clearly a key issue that affects the need for housing. Work is underway on an Economic Growth and Employment Land Study which should give the Council a more accurate answer to this question.

**69** There are a number of key conclusions in the SHMA relating to the growth in the local workforce:

- Hypothetically, if no new houses are built in Milton Keynes there would be a loss of nearly 30,000 workers over the period to 2031 due to the aging of the population.
- Delivering 1,750 homes per year would lead to a net increase in the Boroughs workforce of 31,600 people (approximately 1,580 per year).
- Each new house built would on average contribute approximately 1.74 new workers to the local labour force.

**70** The implication of these conclusions is that to deliver all of the workers for 48,000 new jobs (a continuation of the average job growth over the last 15 years - 2,400 jobs per annum- during the period from 2011 to 2031) would require approximately 44,500 new homes to be built (2,225 homes per year).



**71** This suggests a potential disparity between likely job growth and growth in housing in the Borough. However, this is not unexpected. Milton Keynes is well placed for economic growth, has good connections from surrounding areas and therefore has traditionally drawn labour from outside its boundaries. It acts as a sub-regional centre for the wider area, which is part of the justification for the Housing Market Area (HMA), discussed in Section 2.

**72** This point was accepted by the Inspector during the Examination of the Core Strategy in 2012<sup>(7)</sup>. It was also recognised in the recent conclusions of the Inspector into the Vale of Aylesbury Plan, where he suggested that there is no substantive evidence to suggest that job density or out-commuting (from the Vale) are likely to significantly change<sup>(8)</sup>.

**73** As noted in Section 2, work is underway to establish housing need across the wider HMA. One of the key factors that helps define the HMA is travel to work patterns. Initial works suggests that there is a need for around 2,200 new homes across the wider Milton Keynes HMA based on analysis of the MK SHMA work and that of our neighbours. If this level of housing proves deliverable in the wider Housing Market Area, it would broadly support the growth in jobs of 2,400 each year.

**74** We can tell from the job densities of Milton Keynes (number of jobs per resident aged 16-64) and the surrounding areas that our neighbours all export labour to varying degrees - and are likely to rely on Milton Keynes to supply jobs for their residents. Essentially, over the years new build housing in our neighbouring areas has been meeting the housing need generated by the economic growth of Milton Keynes - with Milton Keynes meeting the employment needs of their growing populations.

**Table 3 Job density in Milton Keynes and the surrounding area**

Area	Job density (jobs per working age resident)
Milton Keynes	0.96
Aylesbury Vale	0.71
South Northamptonshire	0.81
Bedford	0.79
Central Bedfordshire	0.65

**75** Given this existing situation, the continued economic growth of Milton Keynes and its impact on development (both in terms of housing and employment) are key issues for Officers to engage with neighbouring authorities and others on throughout the development of the Plan:MK, the Local Plans of our neighbours, and the evidence that underpins them, to ensure across the wider area there is a broad balance of homes and jobs created, and that the pattern of development is as sustainable as possible.

<sup>7</sup> See Core Strategy Inspectors Report, paragraph 29  
[http://www.milton-keynes.gov.uk/assets/attach/14498/Milton\\_Keynes\\_CS\\_report\\_for\\_FINAL.pdf](http://www.milton-keynes.gov.uk/assets/attach/14498/Milton_Keynes_CS_report_for_FINAL.pdf)

<sup>8</sup> See paragraph 37 of Inspectors Letter (<http://www.aylesburyvaldc.gov.uk>)



**76** The Duty to Co-operate Topic Paper goes into more detail on the specific points for discussion and how these issues are being tackled. In summary the key points are:

- Will the economy of Milton Keynes grow as we are expecting or are there changes in other areas that are likely to impact on Milton Keynes' growth and the subsequent need for housing?
- Are neighbouring authorities intending to continue to plan for migration and housing at past levels and have a surplus of workforce, which will help meet some of Milton Keynes' employment needs, or do they have evidence that a different approach can be justified?
- Generally, is it fair to assume that some of the housing need generated by Milton Keynes' economic growth will continue to be met by our neighbours in the wider Housing Market Area?
- What will the impact on commuting patterns be? Is it sustainable to continue to assume an increase in commuting or are there ways it could be reduced?

#### Question 4

##### Economic-led projections and the wider HMA

- Are there any other specific strategic issues relating to housing that you think we should be addressing with other authorities under the Duty to Co-operate?
- How do you think the economic growth of Milton Keynes affects the level of housing we should be planning for in the Borough?
- Do you agree with the initial conclusion that 2,200 homes per year should be planned across the wider HMA is broadly in balance with likely job growth?
- Do you think the data and forecasts suggest the need to vary the housing figure for the Borough from the DCLG projections?

### 5. Unmet need from other Local Authorities

**77** This paper has so far been concerned with establishing the need generated by the future growth in the population of Milton Keynes and its wider HMA. Other surrounding areas are currently carrying out the same work and discussions are ongoing to ensure a shared understanding of housing need across the wider area.

**78** Once all authorities have an understanding of their housing need, strategies will need to be produced to ensure this need can be met. This may raise issues that will lead to authorities asking others authorities to help meet their housing need. This is currently the case in Luton where a tight authority boundary means limited scope for increasing housing supply.

**79** This is different from establishing the full objectively assessed need that is the starting point for plan making.

**80** At the currently time, we have made no allowance for supporting the delivery of housing to meet the needs of any of our surrounding authorities, including Luton. If we are, approached in the future, any additional housing would have to be on top of the figure agreed to reflect Milton Keynes' own need.



**81** The capacity for Milton Keynes to absorb any additional need would have to be considered as MKC develops a new strategy for growth (as discussed in more detail in the Development Strategy Topic Paper). Equally, the ability of Milton Keynes to effectively deliver all of its own housing need will also need to be considered, with there being potential that MKC will have to approach surrounding authorities to deliver some of our housing need if there are not enough suitable and deliverable sites within the Borough.

#### Question 5

##### Need from other areas

- Should MKC be considering supporting any unmet housing need from other areas? If so, where and what is the evidence for this?
- Do you think there are likely to be any issues with the deliverability of the housing numbers suggested in this paper that would lead to MKC needing to approach other authorities for support? If so, where is the evidence for this?



## Issues and Options

### Issues

**82** There are a number of issues that will need to be considered in developing a housing figure to be planned for through Plan:MK. These can be summarised as:

- Are the DCLG Household Projections a suitable starting point for establishing a housing figure to include in Plan:MK?
- Is the SHMA figure an accurate reflection of likely housing need in the Borough?
- What do the market signals tell us about demand for homes in the Borough? Is there a need for an 'upwards adjustment'?
- What will the impact of economic and jobs growth in Milton Keynes be on housing need in the Borough? Does this necessitate an increase in housing supply?
- Can we still expect an element of housing need related to economic growth in the Borough to effectively be absorbed by development in other authority areas?



**83** Feedback on the questions posed in this Topic Paper, along with our ongoing technical work and work under the Duty to Cooperate will ultimately help us to establish an appropriate figure to include in our draft plan.

**84** The starting point for MKC will be to establish what the unconstrained housing need is in the area. From the context above, it is suggested that this is likely to be a figure broadly related to supporting job growth across the Borough.

**85** However, this **does not** mean this need figure should simply be the housing target for Plan:MK. The PPG requires LPAs to work from the assessed level of housing need, drawing together other considerations in developing specific policies on housing in development plans. This is discussed in more detail in the "Way Forward" Development Strategy Topic Paper.

### Options

**86** A situation where the full housing need linked to job growth is provided within the Borough is not felt to be realistic and could not reasonably be expected to occur, given what we know about past completion rates, the established relationship between jobs growth and housing provision, as well as the relationship with surrounding authorities. Furthermore we need to assess whether there are any other factors or constraints which need to be applied to any housing target figure in Plan:MK.

**87** At the current time there are a few options available to the Council. The first of these are:

- Plan for the DCLG Household Projections which are the Government's own estimate of housing need in Milton Keynes.
- Plan for the housing need figure set out in the SHMA which has looked in

more detail at migration and demographic change in the Borough.

**88** However these options don't take into account the full housing need associated with the economic growth and job creation of Milton Keynes, nor market signals, including realistic rates of development. Therefore there is a third option which is:

- Consider whether an upward adjustment is needed from the Household Projections and the SHMA based on labour force requirements and the jobs/homes balance in our neighbouring authorities, taking into account market signals and any other robust constraints.



**89** The other option, which is not considered realistic or reasonable is:

- Plan for a level of housing which would mean a new home would be provided in the Borough for every new job forecast to be created in Milton Keynes.

## Question 6

### Options

- Which of these options do you think is most appropriate?
- Are there any other options we should be considering?

## Initial thoughts

**90** The starting point from the Council's perspective is that the local economy will continue to grow and that it is unrealistic to expect there not to be a net import in labour from outside the Borough. This is in line with the conclusion of the Core Strategy Inspector noted earlier.

**91** Therefore it is reasonable to assume that, as a starting point, neighbouring authorities will continue to meet some of the housing need generated by the economic growth of Milton Keynes due to the established relationships and linkages between the city and the neighbouring areas.

**92** The draw of Milton Keynes, coupled with its ease of access and the alternative rural/semi-rural lifestyle offered by the authorities around Milton Keynes, means that it is likely that people will continue to commute to the city to work.

**93** This should not require neighbouring authorities to include a significant level of 'extra' need in their housing figures, but will mean that when developing their housing targets, realistic assumptions around migration, commuting patterns, the balance between jobs, homes and workforce projections should continue to factor in the relationship with Milton Keynes. In effect these authorities may be relying on Milton Keynes to provide some jobs for their growing populations - the inverse of the position in Milton Keynes. The extent to which this relationship continues in the future and how it impacts on housing need will need to be kept under review as new evidence is prepared by MKC and neighbouring authorities as it is clearly one of the key issues driving the development of successful Local Plans in the region.



**94** As far as is practical, through discussions under the Duty to Co-operate (See Duty to Co-operate Topic Paper), MKC will work through these issues and look to ensure that the full housing growth needs of Milton Keynes, as well as those of the wider area, are adequately addressed in Plan:MK and the Local Plans of our neighbours.

**95** In terms of market signals, the housing market of Milton Keynes appears to be performing well in relation to the national picture, neighbours and other similar authorities. The implications from the section on 'Context' are that there is not a significant need to consider an upwards adjustment from the Household Projections based solely on how the market is performing.

### Question 7

#### Housing figure

Considering the context provided, what do you suggest the housing figure in Plan:MK should be?

### B - Affordable Housing and Housing Mix - Policy Background

#### National

**96** The NPPF sets out that LPAs should seek to widen opportunities for home ownership and create sustainable, inclusive communities. It requires LPAs to plan for both a mix of house types, sizes and tenures that will respond to current and future market demands.

**97** The NPPF sets out that the SHMA as well as establishing the scale of housing need in an area should also address the need for all types of housing. This is backed up by the PPG which says that once an overall housing figure has been identified, the need should be broken down by tenure, household type and household size. The PPG also sets out in more detail how the need for affordable housing should be calculated.

**98** The SHMA work has been undertaken in accordance with the guidance in the PPG and it informs the discussion in the rest of this paper.

**99** The NPPF also sets out guidance in relation to housing density. This is discussed in the Topic Paper on Quality of Place.



#### Local

**100** The Core Strategy carries forward the Local Plan affordable housing target of 30% on sites of 15 or more units and is supported by the Affordable Housing Supplementary Planning Document (2013). It needs to be considered whether this remains appropriate and deliverable.

**101** Related to the Core Strategy, the Council has a Housing Strategy (2012-2015) which seeks to support delivery of the Core Strategy objectives and address three strategic priorities:

1. To increase the supply of housing
2. To tackle housing conditions
3. To improve access to and affordability of housing

**102** The Strategy contains an action plan, with some of the work already underway to address the priorities, including the delivery of new council housing and a comprehensive scheme to improve the energy efficiency of homes on the Lakes Estate.





### Context and Issues

**103** Some of the market signals referred to earlier in the paper are also relevant to the mix of house types that are needed locally. In particular the data on increased rental prices for one and two bed properties, which highlight the potential need for smaller homes across the Borough. This is backed up by research in the SHMA which assesses that there is a significant need for one and two bedroom properties particularly in terms of affordable housing.

**104** From Table 4 'Mix of Housing required', taken from the SHMA<sup>(9)</sup>, it can be seen that 50% of overall housing demand across the Borough is for one (21%) and 2 bed (29%) properties. Of the one bed properties, 62% of the demand is for affordable tenures. Of two beds, 39% of the requirement is for affordable housing.



<sup>9</sup> The overall totals in the table are based on the SHMA assessing that 1,750 homes per year is an appropriate housing target for the Borough and therefore an appropriate basis to assess the required mix of homes needed.

**Table 4 Mix of Housing required**

Housing size	Number of dwellings (and percentages) of homes required 2011-31						
	Market Housing	% of total	Affordable housing			Totals	
			Intermediate	Social	% of total	Number	%
Total requirement							
1 bed	2800	12.2%	400	4200	38%	7400	21%
2 beds	6200	27.1%	900	3000	32.2%	10100	28.9%
3 beds	10400	45%	500	2900	28.1%	13800	39.4%
4 beds	2900	12.7%	-	200	1.7%	3100	8.9%
5+ beds	600	2.6%	-	-	-	700	2%
Total	22900	100%	1800	10300	100%	35000	100%
Annualised requirement							
1 bed	140	12.2%	20	210	38%	370	21%
2 beds	310	27.1%	45	150	32.2%	505	28.9%
3 beds	520	45%	25	145	28.1%	690	39.4%
4 beds	145	12.7%	-	10	1.7%	155	8.9%
5+ beds	30	2.6%	-	-	-	30	2%
Total	1145	100%	90	515		1750	100%

**105** Housing developments in Milton Keynes tend to deliver a mix of house sizes, in accordance with the current Local Plan policy. However, the specific mix is normally largely dictated by the developer depending on the nature of the site and the type of house they believe they can sell. In recent years the following mix of homes has been completed:



Table 5 Percentage Mix of housing completions by size since 2000/01 (% per year)

House Size	1 bed	2 bed	3 bed	4 bed	5+ bed
Year					
2000/01	8	21	32	25	14
2001/02	2	20	33	33	12
2002/03	2	22	37	34	7
2003/04	9	30	27	27	8
2004/05	11	30	31	21	8
2005/06	8	39	27	20	7
2006/07	12	44	19	20	5
2007/08	30	42	13	13	3
2008/09	22	46	14	14	4
2009/10	15	43	16	20	5
2010/11	7	36	23	26	8
2011/12	19	42	16	19	5
2012/13	12	35	29	21	4
2013/14	9	34	29	25	3
Average	12%	35%	25%	23%	6%

**106** On average since 2000/01 it can be seen that there has been a spread of different house sizes completed each year. The mix has varied year on year, which will have been driven by market demand and the type of development being built (e.g. the higher percentage of one bed flats in 2007/8 reflects the completion of a number of small flats in Central Milton Keynes).

**107** However, compared to the level of overall housing need identified in the SHMA (as set out in Table ?? above), if the average mix of development were to continue in the future there would be significantly more 4 and 5 bedroom properties completed than it is assessed there is a need for. There is further analysis of housing need and the required mix in the SHMA pages 105 to 112.

**108** The NPPF sets out (paragraph 50) that Local Planning Authorities can set policies on the mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community, and this is something that MKC will consider, to ensure an appropriate mix of housing is provided in the future.

**109** Whilst a clear need for smaller properties can be evidenced, there have also been calls for more, large, executive housing to be provided to tie in with economic development aspirations. Delivering this form of housing whilst providing a mix is a challenge that Plan:MK will have to try and overcome. Evidence will be needed to justify any approach taken forward.

## Question 8

### Housing Mix

- Do you think having a prescriptive policy on housing mix, maybe tied back to the mix suggested by the SHMA, is justified and needed?
- How do you think the need for smaller properties is best addressed? Should the Council be looking to identify sites where a higher concentration of smaller sites could be provided?
- How could the Council increase the provision of executive housing to support economic development aspirations? Should it be considering identifying specific sites for the purpose of executive housing provision - if so, where?



### Affordable Housing requirements

**110** The SHMA has assessed the need for affordable housing as a proportion of overall housing needs. The assumptions used are set out in the SHMA pages 93-99. The conclusion of the assessment is that 34.5% (5.1% intermediate, 29.4% social/affordable rent) of all new homes required by 2031 should be 'affordable'. This is set out in Table 6 'SHMA conclusions on Affordable Housing Requirements' below, where the projected mix of housing that will be needed in 2031 is considered.

**Table 6 SHMA conclusions on Affordable Housing Requirements**

Housing Type	Gross Requirement 2031	Existing Stock: Projected Mix in 2031	Net Requirement 2011-31	%	Annual Requirement
<b>Net Requirement 2011-31</b>					
Market housing	96,500	73,600	22,900	65.4%	1,145
Intermediate Affordable Housing	13,600	11,800	1,800	5.1%	90
Social housing and other Affordable Housing for rent	26,800	16,400	10,300	29.4%	515
<b>TOTAL</b>	<b>137,000</b>	<b>102,000</b>	<b>35,000</b>	<b>100.0%</b>	<b>1,750</b>



**111** The SHMA sensitivity tests the conclusions set out above which suggests:

- A 10% increase in house prices (from 2012 prices) would lead to significant increase in the need for intermediate housing (from 5% to 29% of the overall requirement)
- To remove any reliance on the private rented sector to meet the needs of those on housing benefit would need the social housing target to increase to 50% of all housing need.
- A small fall in the proportion of income spent on housing would increase the need for intermediate housing.



**112** At the current time we know that house prices are rising and that the reliance on the private rented sector in Milton Keynes to meet housing need is increasing. These factors both suggest that the Council should be seeking to maximise the level of affordable housing secured in new developments.

**113** It should be noted that the affordable housing requirement is a number of homes each year, which equates to a percentage of the overall housing requirement. If the full requirement is not planned for or the target is not being met, even if the 35% requirement is delivered site by site, the full affordable need, in terms of the overall number, will not be met.

**114** Over the last few years, not meeting the housing target in Milton Keynes has meant that the full affordable housing need has not been delivered and therefore the housing waiting list has grown with more people in bed and breakfast accommodation. In the last year, just 1,000 homes were completed which means even if 30% were affordable (the current target), only 300 homes would have been completed against a need suggested in the SHMA of 605 homes (see Table 6 'SHMA conclusions on Affordable Housing Requirements').



**115** This emphasises the issues with reliance on affordable housing being provided mainly as a percentage of homes on sites led by private market sale - if there is limited demand for market housing, the deliverability of the affordable housing requirement is affected. Therefore, if a lower overall housing target were to be pursued, the percentage of affordable housing sought per site would need to increase accordingly.

**116** The SHMA also shows that whilst 60% of total future household need is generated from the growth in the existing population, growth of the existing population accounts for 72% of the need for future affordable housing. In terms of looking after the local population, this further emphasises the need to maximise affordable housing provision,

**117** The SHMA however also includes a viability assessment (see page 149). This assessment suggests that there are likely

to be viability issues when considering the delivery of the full affordable housing requirement and all of the Council's other planning obligations. This is a challenge that the Council will have to address in the development of an affordable housing policy in Plan:MK and reviewing its other planning obligations.

**118** The Provision of Physical and Social Infrastructure Topic Paper picks up issues regarding viability and planning obligations in more detail, however there are a number of points specific to housing and the delivery of affordable housing that need to be noted here around flexibility.



**119** The NPPF and PPG set out that planning obligations policies should be sufficiently flexible to prevent planned development coming forward. This means that in developing Plan:MK, the Council will need to establish how best to build flexibility in to its policies.

**120** Flexibility could be provided by establishing different affordable housing targets for different areas of the Borough, or different types of site, depending on their relative viability. For example the Council could set a lower affordable housing requirement for the development of brownfield sites, where development costs are often higher (see PPG, paragraph 025).

**121** Flexibility could also be provided by establishing priority contributions, setting out which obligations are priorities for the Council in any negotiations with developers. This would need to consider the relative importance of affordable

housing in relation to obligations for other requirements such as schools and health provision, as well the alternative sources of funding that are available for each requirement.

### Question 9

#### Affordable Housing Requirements

- Do you agree with the SHMA conclusion that the affordable housing target should be set at 35% of a housing target of 1,750 homes per year? If not, how do you think the affordable housing requirement should be adjusted?
- Should the Local Plan and Core Strategy threshold for affordable housing remain at sites of 15 or more units?
- Do you have any views on how to provide flexibility in the application of planning obligations policies? Should affordable housing be seen as a priority above other sorts of 'infrastructure'?
- Do you think we should consider the approach of using different affordable housing targets for different parts of the Borough and/or type of site, depending on development viability?

#### Specialist housing requirements

**122** The SHMA sets out that there are specific requirements for certain types of specialist housing. Of the need it concludes that over the period between 2011 and 2031 homes are needed for:

- Learning difficulties - 120 homes
- Mental disabilities - 15 homes
- Physical disabilities - 12 homes



**123** MKC needs to ensure that policies are in place to allow these homes to be provided. Such homes depend on the specific needs of individuals or groups but can range from independent living through to sheltered style schemes with on-site support, such as Perrydown in Beanhill.

**124** In the past, this form of development has tended to be accommodated on reserve sites allocated in the various city estates. This approach has worked as it has ensured that land in suitable locations is available at a reasonable price, helping make specialist housing provision deliverable. However, in some cases local residents have not been happy about proposals, believing that they may have a detrimental impact on their local community and area.

**125** There are still numerous vacant reserve sites across the city. These could provide opportunities to accommodate this specialist need. However, there may be other better ways to accommodate it into the future development of the city.

**126** There is also a need for 4,700 homes for older people over the plan period. These are part of the wider need already established, not additional homes, and whilst some of this need will be accommodated in market housing, ensuring a range of suitable homes for older people will become increasingly important as the population ages.

**127** This will include looking at how extracare provision can be made and also how the development of bungalows can be encouraged.



**128** In recent years two significant extracare facilities have been built at Shenley Wood and Willen. These developments occurred on sites that were not originally identified for such a use; Shenley Wood being on an employment allocation and Willen on part of the site of an old school.

**129** There is likely to be a need for further developments of this kind over the plan period and consideration will need to be given to how best the Council supports such provision to ensure need is met. This could potentially be through allocating suitable sites for such uses, or setting a criteria based policy against which any proposals that come forward that could be considered. Such a policy may set out how the Council will be flexible in the application of land use designations to support the delivery of key facilities.

**130** Key to meeting the housing need of older residents is the ensuring the provision of smaller homes in appropriate locations across the Borough. This is partly covered earlier in this section, where the need for one and two bedroom properties is highlighted. However, also important is the provision of bungalows, which are particularly important for older residents



with mobility issues, and units specifically for the retired, potentially with communal facilities.

**131** Also important to meeting the needs of an ageing population is the variety of approaches that are adopted, being careful to avoid stereotypical approaches that there is only one way to address people's needs. The pilot in flexible and extendable housing at Tattenhoe Park has suggested that this could provide a solution to the future needs of older people and people with disabilities, as well as helping to ensure homes are easily adaptable for the changing needs of all families. Overall, the promotion of the Lifetime Homes standard (or any future standard) could meet the future needs of people in their own homes. The issue of Lifetime Homes and Flexible and Extendable Housing is considered further in the Quality of Place Topic Paper.



**132** MKC has started building its first Council housing again in 2014 and this includes new bungalows. However, to meet the need for bungalows it is likely that there will be a reliance on the open market. Therefore, as with other specialist housing needs, the Council will need to give consideration how it supports this provision, be it through the identification of suitable sites or through encouraging bungalows through a more general policy on housing mix.

**133** On top of the requirements established in the SHMA, there may be other specific housing requirements that

MKC should be taking into account when developing its planning policies. To this end, the need for more executive housing has already been mentioned. However, MKC needs to ensure that there is a range of housing to meet the needs of Milton Keynes' diverse population. This includes catering for the particular needs of our growing ethnic communities and any particular groups of society who have specific housing needs.

### Question 10

#### Specialist Housing

- Do you agree that reserve sites remain the most appropriate locations to meet specialist housing need across the city or do you think there is a more appropriate alternative way of enabling delivery?
- Should the Council be looking to allocate specific sites for extracare provision? If so, where do you think this might be appropriate?
- Would you support a more flexible approach to land use designations to support the delivery of specialist housing in appropriate locations?
- Do you have any views on how the Council can best support the delivery of additional bungalows and specialist homes needed by the aging population?
- Are you aware of any particular housing need that is not specifically set out above?





## Gypsy and Traveller Needs Assessment

**134** A Gypsy and Traveller Needs Assessment has been undertaken as part of the SHMA. As a baseline this shows that across Milton Keynes there are currently 18 pitches on public sites for Gypsies and Travellers. The SHMA shows that there are currently no Travelling Showpeople living in Milton Keynes.

**135** The Assessment looks at whether there is a need for any further pitches to meet future need. The conclusion of the SHMA (Para 6.213, page 128) is that there is a need for 12 new pitches for Gypsies and Travellers across the Borough. This need is generated solely from new household formation, rather than people moving from elsewhere or the accommodation of concealed households or those on sites with temporary permission, which may have been the case. The SHMA concludes that there is no need for and pitches for Travelling Showpeople.

**136** There are already several sites allocated in the Local Plan for Gypsy and Traveller pitches in the Borough. Two of these sites (at Bottledump roundabout and Mount Farm) are now considered to be uneconomical to develop after further analysis<sup>(10)</sup>.

**137** This leaves two sites allocated in the 2005 Local Plan as part of expansion areas. These are in the Western Expansion Area and Newton Leys. Both of these sites remain suitable for development and developable.

**138** In total these sites could accommodate more than the 12 pitches required to meet need up to 2031. It is therefore suggested that if these sites are carried forward no additional sites need to be found through the development of Plan:MK.

**139** The SHMA does acknowledge that this position could change over time and that it is sensible to have a criteria based policy against which any proposals for future sites can be considered as they emerge.

### Question 11

#### Gypsy and Traveller Provision

- Do you agree with the analysis of future provision of Gypsy and Traveller need set out in the SHMA? If not, why?
- Do you agree that it is appropriate to carry forward the existing allocations and that there is no need to allocate any new site to meet the needs of Gypsy and Travellers and Travelling Showpeople?
- Do you agree that it is logical to have a criteria based policy to consider any applications for future Gypsy and Traveller/Travelling Showpeople provision? In developing such a policy what issues does MKC need to consider?

10 See Cabinet report on Fenny Lock review from February 2012:  
<http://cmis.milton-keynes.gov.uk/CmisWebPublic/Meeting.aspx?meetingID=9676>

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