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Plan:MK

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**By Email Only**

9 May 2018

Dear Mr Cheston,

**Plan: MK Examination – Inspector’s Initial Observations and Questions**

Subsequent to your submission of Plan:MK for examination, I have undertaken a preliminary review of the Plan and the evidence produced. I am writing to you seeking clarification on a number of points.

**Duty To Cooperate (DtC)**

In addition to the evidence contained in the DtC statement (MK/SUB/008), it would be helpful if the Council could briefly evidence the frequency of meetings of both the SEMLEP Planners’ Forum and Planning Officers’ Group since 2014 and whether there have been any specific discussions at these meetings about the emerging Plan:MK (as opposed to a standard update item). The frequency of meetings at Appendix 1 of the DtC Statement is noted. Were there any minutes or recorded outcomes from these meetings? This evidence could be briefly assembled into an ‘addendum’ to the DtC Statement. In addition, a number of representations assert that there was limited evidence at the time of the pre-submission publication on whether or not the Duty to Cooperate was being complied with. I appreciate the DtC statement contains a number of statements of common ground (generally signed between January and March 2018) and all before submission of Plan:MK. Have there been any previous iterations of the statements of common ground or memorandums of understanding with DtC bodies predating those signed in 2018? Is it clear that there are no unmet needs or strategic cross boundary issues with South Northamptonshire, Wellingborough and Bedford?

It is also submitted that there has been insufficient cooperation with neighbouring authorities on the cumulative impact of growth proposed in Plan:MK together with planned strategic developments close to the administrative boundary of the Borough – for example housing to the south west of Milton Keynes in Aylesbury Vale and in the Marston Vale in Central Bedfordshire. Additionally, it is asserted that there has been little cooperation on the Bedford to Milton Keynes Waterway (although I note individual site policies and Policy D5 seek to safeguard the route for future delivery). What is the Council’s position on these matters in respect of cooperation and continuous dialogue to date? Is there anything further which can be added to the DtC evidence?

**Habitat Regulations Assessment (HRA)**

Have Natural England commented on or indicated agreement with the HRA findings? (The matter does not appear to be part of the SOCG in the DtC Statement).

**Sustainability Appraisal (SA)**

The November 2017 SA report appears to focus on ‘high level matters’, namely the strategy and strategic sites. I am unclear how the non-strategic sites (including proposed allocations at Appendix A, Table 18.2) and the development management policies in Plan:MK have been assessed. On the latter I note section 10 of the SA

provides commentary on where the policies contribute to objectives but my understanding is that SA (in incorporating SEA) should look at alternatives for policies including the option of 'do nothing'. Has this been done? It would be helpful to the examination if the SA scoping report and Interim Report of March 2017 are placed on the examination website as evidence base documents.

I also remain unclear on what growth level options have been systematically appraised and whether any growth level options have been considered 'unreasonable'. I note the SA discounted some site options on the basis that they would create a buffer in excess of 15% above OAN. The rationale for this approach needs to be examined, particularly if circumstances enable MKE to deliver during the plan period which the SA advises could result in a theoretical 21% buffer. Has SA examined any options of alternative plan periods and the emerging strategic growth context?

I note the approach to housing site options (and the representations that there are potentially issues with this approach) but has there been a comparable exercise for strategic employment sites? (similar to Table 6.3 and analysis at Appendix III for housing sites). In terms of the housing sites is it clear as to the status of the shortlist in Table 6.4 (are these reasonable alternatives)? The Housing Land Supply Topic Paper would appear to suggest they might be? Is that a correct interpretation (see omission sites below)? On a more practical level, I remain unclear on how SA arrived at the reasonable strategic housing site alternatives in section 6.5; what 'low' and 'high' mean in Table 6.6 of the SA report and what are the basis of the values in Table 7.1. Table 7.1 is described as a summary, is there a more detailed analysis? The 8 options assessed remain opaque as currently presented in SA and it is only in Section 8 that the scale of some of the options is articulated.

I also note that SA has screened out sites that are not compatible with Neighbourhood Plans (prepared against the out-going Core Strategy?) and that 'nil allocations' is the preferred option for the rural areas (were there any alternative options?). This is something I will wish to explore further. As well as more routine matters as to whether SA informs future monitoring requirements and provides a clear and robust audit trail of where and why unreasonable options have been discounted.

The issue of air quality has been raised in relation to SA. I see page 77 of the SA report briefly looks at the position. Is there anything further in the scoping report and how does air quality feed into the SA objectives and appraisal process?

### **The Development Plan**

It is noted that there is a concurrent examination of the Site Allocations Development Plan Document (SADPD) allied to the 2013 Core Strategy. Having read the submitted Plan and Local Development Scheme, I would welcome a brief clarification from the Council on the following: (i) the status of SADPD (given paragraphs 1.5 -1.10 of Plan:MK are silent on it) and any update of the examination; (ii) is the SADPD, or any parts of the SADPD to be superseded on the adoption of Plan:MK and would there be any associated updates to Appendix H of Plan:MK?: (iii) why is there a reference to the SADPD at paragraph 23.5 of Appendix F (in a paragraph which appears to be from the Core Strategy)? (iv) would the adoption of the SADPD trigger a need to update the submitted Policies Map?; and (v) what certainty can be ascribed to the housing capacity from SADPD sites and are any factual updates required in light of the proposed main modifications? My initial view is that there needs to be significantly improved clarity on the future role of the SADPD.

### **Inter-relationship with Neighbourhood Plans**

Plan:MK is not particularly clear on which are the strategic policies against which Neighbourhood Plans would be adjudged to be in general conformity with (NPPF paragraph 184). This could be clarified in paragraphs 1.4 and/or 1.10 of the submitted plan.

I address the settlement hierarchy below but make the general observation that national policy is clear that up-to-date Local Plans should set out the strategic policy framework against which Neighbourhood Plans should be prepared or reviewed. Is a strategic policy framework which allocates no additional, positive growth to the rural areas over the period to 2031 an appropriate and/or sound approach? Does Table 4.3 of Plan:MK on housing land supply potentially under-estimate what could be yielded in the rural areas over the plan period? Is the 35 dwellings per annum windfall figure for rural areas, in this context, robust?

I would be grateful if the LPA could explain further its position (please also see my comments below on Settlement Hierarchy). I also remain unclear (although I could pull it together from the SHLAA and Appendix A of Plan:MK) on what the level of committed growth is outside of the main urban area, including what I understand to be a significant 1200 home neighbourhood plan scheme at Tickford Fields, Newport Pagnell.

### **Context and Review**

I have noted the Council's submission that a combination of evolving national planning policy and ongoing work to establish key growth and infrastructure aspects of the Cambridge/MK/Oxford corridor have informed the Plan:MK content at paragraph 4.6 to commit to an early full review of the Plan. The soundness of this approach will be explored at the hearings but I would invite the Council at this stage to consider further formalising this position in a proposed policy. I will also want to examine what such a policy should like and to what extent, if any, the National Infrastructure Commission (NIC) 2017 Report recommendations should be taken into account in formulating a policy.

I would like the Council to prepare a brief paper outlining where matters have progressed to on a number of key initiatives that are likely to shape the future of Milton Keynes. In no particular order, the paper should address the following:

- (1) Whether 'Summer 2018' remains the timeframe for identifying the preferred route for the A421 Expressway and whether any further detail can be provided on the likely timing of the route announcement during the examination. Has the Council expressed a formal position on a 'preferred' route or any route options it would not support? What is the indicative timing of future stages of the project (examination, construction and operational)? Has any degree of commitment been provided to funding the scheme (noting the initial high-level costs are broadly £3.5billion for the "missing link" between MK and Bicester)?
- (2) Progress on the MKFutures 2050 report. Have the next steps for the 'Hub' Project and CMK Renaissance (p.41 & p.49 respectively) been taken forward? What are the next steps for MKFutures 2050 following the publication of the NIC 2017 report?
- (3) Have any of the recommendations in the NIC 2017 Report in relation to spatial planning, governance and infrastructure been enacted? Has there been any initial wider collaborative working in response to the NIC's recommendations on the growth potential of the arc/corridor?

## **Objectively Assessed Housing Need and the plan's housing requirement/target**

The examination will proceed on the basis of an objectively assessed need (OAN) based on the established approach rather than the nascent 'standardised OAN methodology'. With this in mind there are a number of steps (or adjustments) in calculating the OAN which warrant particular scrutiny to ensure the OAN is robust in meeting housing needs. The areas I will wish to focus on are as follows:

- (a) Whether the demographically adjusted starting point of 24,744 dwellings is justified in terms of migration change and household formation (suppression)
- (b) The robustness of the employment forecasts given the background in Milton Keynes has been one high jobs growth and relatively modest levels of housing provision. I need to be assured that the jobs forecasts are robust and not an under-estimate.
- (c) The validity of assumptions on working age population, double jobbing and commuting.
- (d) Is there any updated evidence on market signals for 2016/17? Is the SHMA clear on what is the rental affordability ratio in MK as a signal? Given the affordability ratios are significant and past housing delivery in MK has been adrift of the Core Strategy requirement, the examination will need to explore whether or not the proposed 10% uplift would be sufficient and the legitimacy or otherwise of factoring in concealed households as an alternative for any suppression in household formation rates as opposed to being part of the equation on market signals.
- (e) The SHMA recommends various uplifts to OAN including, amongst others, 10% uplift for market signals. Taking Figure 2 of the SHMA - the combined uplift (of balancing jobs, market signals and backlog) is 1,739 on the demographically adjusted 24,744 to arrive at the OAN of 26500. The 1,739 figure, as I understand it is the uplift for balancing jobs and workers. Whilst recognising there needs to be some caution that various uplifts can compound/overlap, I remain unclear on the judgement that has been applied that 1,739 is the appropriate basis to ensure that the OAN meets the full needs arising from issues around past delivery including affordability and ensuring the demand for future jobs can be sustainably met.
- (f) The OAN does not include C2 accommodation. The Plan in considering the SHMAs 1200 C2 bedspaces over the plan period at Policy HN3 sets no specific target or allocations but seeks provision on residential development proposals. Can I be clear on the following: what are the site size thresholds the LPA anticipates on-site provision; whether up to 15% is the anticipated level of on-site provision; whether the plan viability assessment has considered this requirement; and by not setting a C2 requirement should the OAN be increased by 878 dwellings as per paragraph 6.22 of the SHMA?

From what I have read the housing target in Plan:MK is the same as the OAN, in that there have been no adjustments to increase the housing requirement for policy objectives – for example increasing supply of affordable housing. Is that correct?

The SHMA also contains the Gypsy and Traveller Accommodation Assessment (GTAA). Para 5.117 refers to a separate briefing note to the LPA on interviews with stakeholders and neighbouring authorities. Is that note available to the examination? There is reference to a review of the GTAA in Autumn 2018. Will this be part of any

wider assessment of caravan and houseboat need as required by the Housing and Planning Act 2016?

### **Housing Land Supply**

As I understand it the plan has a strategic objective to deliver at least 26500 homes by 2031 but to create resilience it identifies a land supply (and a monitoring target) for 29000 homes<sup>1</sup> (approx. 10% buffer). To some degree, in light of paragraph 4.18 of Plan:MK, the resilience would appear to hinge on deliverability at South East Milton Keynes (3000 homes). The soundness of this key site will be an important area for the examination (see below). I note, however, that within the Housing Land Topic Paper the LPA outlines that there are other potential sources of supply over the plan period (smaller omission sites including some proposed during the pre-submission consultation, regeneration, capacity within Central Bletchley). Has the LPA sought to quantify what these sources may yield and would there be any duplication with sources of supply identified in Table 4.3 of Plan:MK? I note from various sources the imperative of estate regeneration in parts of the Borough over the plan period and beyond. Is it clear that the housing target in the Plan is a net figure?

What is the status of the sites listed at Table 18.1 of Appendix A of Plan:MK? They are described as 'commitments' to be 'carried forward' into Plan:MK. Are they sites with permission or prior approval? Or an amalgam of sites, including allocations (not yet with a planning consent) from the Core Strategy, SADPD or Neighbourhood Plans? Are there any plan allocations to be 'rolled forward' into Plan:MK?

Policies SD6-SD9 appear to carry forward urban extension sites from earlier plans including the south-east strategic land allocation (SLA) from the Core Strategy. Do these sites remain allocations or have they been permitted in whole or part? (For example, I note Eaton Leys is listed in Appendix A as a commitment within the 20,603 but is referred to as an allocation at paragraph 5.17). Are the policies necessary to manage development at these locations in the context of the new policy framework in Plan:MK? For example, could the principles (with amendment) in Policy SD11, together with the generic development management policies in Plan:MK, apply to all strategic sites? Is the wording of policies up-to-date (for example Policy SD8 refers to the Core Strategy and Core Strategy policies)?

Are the sites listed in Table 18.2 small and medium sized residential sites 'new' to Plan:MK from updated SHLAA work or does this list contain any sites from the SADPD process? The figure in Table 18.2 tallies to 2,978. Table 4.3 on housing land supply identifies 2,900 in the main urban area. Is this a rounding down of the 2978 figure? Is Policy DS2 sufficient in allocating these sites? Do any of the sites have particular issues which require specificity in terms of the PPG advice at paragraph 12-010-20140306 'the what, where when and how' questions? Are the sites in Policies SD20 and SD21 the only sites where a more detailed approach is justified? By simply listing the sites in an Appendix is there an appropriate awareness that these sites are being allocated for development? Did the Council contemplate a specific policy to allocate the small/medium housing sites and list them in policy with explanatory text to the approach?

As intimated at paragraph 2.2 of the HLS Topic Paper, if data for the 2017/18 monitoring year becomes available, this should be considered by the examination with a view to looking at the housing land supply situation as of 1 April 2018 and updating the trajectory accordingly. I note that commitments (section 3 of the HLS Topic Paper) have changed. I see this is reflected in the schedule of proposed modifications. I am keen to avoid partial updating and reviewing of the evidence on an ad hoc basis. It is important that any figures for commitments and completions are based on financial year periods so that there can be an appropriate balancing of additional commitments and updated completions.

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<sup>1</sup> Proposed to be modified to 29,500

I have seen the housing trajectory in the proposed schedule of modifications and the spreadsheet behind it. Going forward, this will need to be accompanied by text in the plan which explains the basis of the trajectory, the LPAs approach for dealing with any under delivery that has accrued since the start of the plan period and what buffer has been applied for competition and choice brought forward from later in the plan period. I remain unclear on whether the LPA has applied any form of discount for non-implementation on smaller sites. I would be grateful if the LPA could provide the examination with what it considers to be the five year housing land supply position on the basis of the submitted Plan:MK

- With and without the proposed modifications (but assuming the annualised trajectory)
- As of 1 April 2017 and as of 1 April 2018 (if the monitoring data is available). Exclude completions in 2016/17 and advise on the five year supply on plan adoption in accordance with NPPF para 49 eg 2017/18 – 2021/22 or 2018/19 – 2022/23.
- Applying Sedgefield (the preference for which is clearly expressed in the PPG at 3-035) and for comparative purposes Liverpool.
- Applying a 20% buffer for choice and competition

Housing Land Supply is likely to remain a fluid matter for the examination, including the robustness of individual site trajectories (especially strategic sites). The LPA should be ready to update and rework its housing land supply assessment as the examination progresses, where required.

#### Omission Sites

I note the Council's pragmatic position in the Housing Land Supply Topic Paper that there are omission sites which could feasibly be considered (and have been looked at through the sustainability appraisal as part of a 'long list'). My starting point is, however, to examine whether the submitted Plan is sound. Stage One hearings will assist my findings on the soundness of the housing numbers being planned for and the delivery and development of sites, including the need to have a five year deliverable supply on adoption. This may trigger the need for additional work but at this stage I am not purposefully examining particular omission sites.

#### **Settlement Hierarchy and Spatial Distribution of Housing**

Policy DS1 sets out in Table 4.2 a settlement hierarchy. Policies DS2 and DS3 set out development strategies for the delivery of housing and employment, respectively. Beneath Milton Keynes City, the second tier of the hierarchy identifies 3 'key settlements' and then a broader third 'tier' of villages and rural settlements. Paragraph 4.24 of the Plan provides a brief description that the approach to delivering development in "...villages and other rural settlements now places the emphasis on neighbourhood plans." Plan:MK assigns no specific additional growth to the second and third tiers of the hierarchy beyond that already set out in the Core Strategy and associated Neighbourhood Plans. Consequently the sustainability appraisal of Plan:MK has not considered options at these two tiers. Is that a correct interpretation?

Can the Council please clarify the following: (a) whether paragraph 4.24 also relates to 'key settlements'; (b) how Plan:MK will guide the preparation and review of neighbourhood plans over the period to 2031; (c) how many settlements are within the tier 3 villages and other rural settlements; (d) do all key settlements and villages/rural settlements have made neighbourhood plans and what level of growth is anticipated in the current round of neighbourhood plans and over what period; and (e) whether Plan:MK leaves a policy gap, in broad terms, of what is expected in the key settlements and rural areas. In particular, I find the presentation of Policy DS1 particularly vague in relation to the role of key settlements and how future 'windfall'

development proposals would be determined. I would be grateful to know why the LPA has chosen this approach to tier 2 and 3 settlements in Policy DS1 and why is it considered to be the most appropriate.

### **Strategic Sites**

#### South East Growth Area (SEMK)

I note there is flexibility in capacity at SEMK to accommodate 3000 dwellings and this figure could be reduced subject to potential alignments of east west rail and expressway. Notwithstanding that the principle of the allocation remains to be examined, has the Council given consideration to an alternative figure that would be a realistic minimum that could be increased subject to the finalisation of any strategic infrastructure across this location? Additionally, what has informed the LPAs proposed modifications to Policy SD13?

#### Milton Keynes East (MKE)

I would be grateful if the Council could advise me on any factual update on the HIF bid in relation to Milton Keynes East (MKE). I note the contents of paragraph 8.5 of the Housing Land Supply Topic Paper but what does this now mean in practical terms and for potential delivery within the plan period?

The role, status and capacity of MKE would benefit from clarification. Have any circumstances changed since submission that would enable the plan to be clearer on the role of MKE? If it is not a site for this plan period, is the Plan sound in identifying the location now in advance of wider, strategic caMKox arc choices that could emerge from the MKFutures 2050 and NIC direction of travel on substantial strategic growth?

#### Strategic Employment Land

Policy DS3 omits a reference to South Caldecotte and MKE as part of the Employment Development Strategy. Is this purposeful?

#### General

Paragraph 5.18 refers to unallocated strategic development sites. Should 'strategic development sites' be helpfully defined in the glossary so that future decision makers are clear as to what scale of development Policy SD11 would apply to?

### **Other Evidence Base**

The Transport Topic Paper at paragraph 3 refers to ongoing testing of highway mitigation measures. Is there is a timescale for when the outputs of this work will be available to the examination?

I remain unclear on whether all of the proposed policy standards (in particular those at Policies HN4 and SC1) have been viability tested. Can the LPA confirm this has been the case?

### **Key Diagram**

As required by the NPPF the submitted plan contains a key diagram at Figure 2. This should be reformatted into a more schematic diagram which simply shows the extent of the main urban area of Milton Keynes, the key settlements, key transport corridors and the proposed strategic sites.

### **Schedule of Modifications**

The submitted list of modifications should be separated out into separate schedules of **main** and **additional** modifications. The main modifications should be renumbered

and referenced with the prefix MM. These schedules should be maintained as 'live' documents, together with a schedule of amendments to the Policies Map.

### **Overall and Looking Forward**

All of the issues I have raised can be addressed and many relate to soundness matters that are capable of remedy. I ask that you now consider the issues that I have raised and progress matters so that I and others with an interest in the examination can be clear on the LPAs position. It would be helpful if as many points are clarified by the LPA as possible by the end of this month in order to work to an expedient timetable for the examination. Please be rest assured that I will do what I can to assist where further clarification and or guidance is required.

I trust that you find this letter helpful. I am happy to answer any questions you may have in relation to procedural issues.

*David Spencer*

Inspector.