



Strategic Planning & Research Unit

For and on behalf of
Bloor Homes Ltd

Representation to the Plan:MK Examination
Matter 3

on behalf of
Bloor Homes Ltd

Prepared by
**Strategic Planning Research Unit
DLP Planning Limited**

Date: June 2018



Strategic Planning & Research Unit

Prepared by:

Roland Bolton BSc
(Hons) MRTPI Senior
Director

Approved by:

Roland Bolton BSc
(Hons) MRTPI Senior
Director

Date: June 2018

Strategic Planning & Research Unit

4 Abbey Court
Fraser Road
Priory Business Park
Bedford
MK44 3WH

V1 Velocity Building
Ground Floor
Tenter Street
Sheffield
S1 4BY

Tel: 01234 832740
Fax: 01234 831 266

Tel: 01142 289190
Fax: 01142 721947

DLP Consulting Group disclaims any responsibility to the client and others in respect of matters outside the scope of this report. This report has been prepared with reasonable skill, care and diligence. This report is confidential to the client and DLP Planning Limited accepts no responsibility of whatsoever nature to third parties to whom this report or any part thereof is made known. Any such party relies upon the report at their own risk.

0.0 INTRODUCTION

- 0.1 These responses to the inspectors matters and questions are made on behalf of Bloor Homes Ltd who have land interests in the Milton Keynes East (MKE) allocation to the south of Newport Pagnell East of Milton Keynes and the M1. These interests consist of three parcels. The larger of the three areas is allocated as part of the MKE to come forward after 2031 or earlier if government funding is available. The other two areas of land are between the identified Reserve Site and the settlement of Newport Pagnell and are not identified for development.
- 0.2 In order to avoid repetition, the responses to the question are short but they do provide reference back to the SPRU Regulation 19 submission and so should be read in conjunction. It also contains as an appendix a recent proof of evidence relating to 5 year land supply which sets out our detailed analysis of past delivery performance in Milton Keynes and evidence that is directly relevant to the inspector's questions.
- 0.3 It should be set out in clearly at the start of this matter that the inspector should investigate all sustainable options for increasing the rate of delivery of housing in Milton Keynes to ensure that the OAN is fully met in Plan:MK . The lessons of the past should be learnt and Plan:MK should contain suitable allocations and policies to ensure that issues of under delivery in the past are not repeated.

MATTER 3: THE OVERALL NEED AND REQUIREMENT FOR HOUSING. THE STRATEGY AND LAND SUPPLY TO MEET THE REQUIREMENT. (PRINCIPALLY POLICY DS2 AND TABLE 4.3)

a) Issue 1 - Context and potential transformational growth

i. Q3.1 Does Plan: MK avoid duplicating planning processes that will apply to the neighbourhood areas? In particular, with the CMKAP, as well as the various NPs for communities within urban Milton Keynes and the rural NPs?

- 1.1 It is not considered that DS2 duplicates the planning process in terms of Neighbourhood Planning.

ii. Q3.2 Should the proposed housing numbers in the reports be regarded as: (1) evidence of an objectively assessed housing need; or (2) a policy objective for growth that informs a higher housing requirement; or (3) neither at this stage on grounds of prematurity?

- 1.2 It is unclear which reports are being referred to here – if it is the statements in MK Futures 2050 of 2,000 a year to 2026 and then between 1,750 and 2,000 dpa then as stated in the Executive Summary this is an assessment of need. This is explained further on page 35 of the MK Futures 2050 report which states that these figures have been produced by modelling population growth and migration. In light of this statement it would be correct to regard these figures as an assessment of housing need.
- 1.3 The doubling of the level of housebuilding referred to in the NIC commission “partnering for prosperity” report is required in order to “achieve its economic potential”. Paragraph 158 of the Framework requires the assessment of and strategies for housing, employment and other uses are integrated. It is therefore possible that the level of growth being modelled is in line with the future “policy off” economic projections which

simply model the impact of planned infrastructure provision and as such may also be regarded as an objective assessment of need. As the proposed infrastructure has not been incorporated into a plan it would be premature to reach any conclusion as to what a future integrated housing and economic strategy would require based upon these proposals although this is clearly a reasonable attempt to demonstrate the direction of travel.

b) Issue 2 – Determining the full OAN

i. Q3.3 Having regard to NPPF paragraph 159 (first bullet point), for MK is the functional housing market assessment wider than the administrative boundary? If so, is the evidence and approach to the HMS justified in determining the housing numbers for Plan:MK, including the approach of adjoining authorities who may be partially within the ambit of a wider MK housing market? Is it clear there is no unmet need from adjoining authorities?

- 2.1 There is strong evidence that the housing market of Milton Keynes extends well beyond its own borders and that the draw of the local economy is substantial influencing both patterns of migration and commuting (see tables 3, 4 and 5 on pages 14 and 15 of the SPRU Reg19 submission for Various Clients).
- 2.2 Other studies such as the CURS work published by DCLG and the GL Hearn SMAVS (SPRU Reg19 pages 12 and 15) also conclude that MK sits central to a much wider HMA than is defined by just its own boundary.
- 2.3 There is an unmet need in Luton. At present there is no other adopted local plan which is accommodating this identified unmet need.
- 2.4 As presently being planned there is also likely to be unmet need from the Buckinghamshire HMA as the approach to identifying the OAN is considered to be flawed. Likewise, the approach adopted by the same consultants in Central Bedfordshire also remodels housing need substantially below that projected by using the 2015 DCLG household projections as a base figure.
- 2.5 Lastly MK has strong links to London as set out in paragraphs 4.14 to 4.19 and continued undersupply of housing in the capital for the foreseeable future will also influence future demand for homes and house prices in MK.

ii. Q3.4 Has the housing requirement figure of at least 26,500 dwellings (2016-2031) (equivalent to 1766dpa) as set out in policy DS2 been informed by a robust, credible assessment of the full objectively assessed need (OAN) for housing and is it positively prepared and consistent with national planning history?

- 2.6 No.
- 2.7 The housing evidence is contained within MK/HOU/005 Milton Keynes Strategic Housing Market Assessment 2016-2031 Report of Findings February 2017. As such there was not the opportunity for this evidence to be considered and commented upon as part of the consultation on the submission plan.
- 2.8 It is not considered that the approach adopted is a credible position. In particular we consider that the uplift of just 10% in response to household formation rates and market indicators to be insufficient and the uplift should be 20% for the reasons set out in section 5 of the SPRU Reg19 submission.

- 2.9 We further consider that the final OAN figure of 1,739 which is based upon a reworking of the output of the EEFM not to reflect the requirement of being positively prepared. The outputs of the integrated EEFM models includes both population and housing need. The EEFM produces a requirement 30,240 for the plan period. The outputs of the EEFM are set out in table 15 page 34 of the SPRU Reg 19 and while the advice on the EEFM web page is that it is logically inconsistent to apply different assumptions to these in the model we accept that it is appropriate to review the model to see if the outputs generated are credible.
- 2.10 The SHMA provides no justification for remodelling the commuting assumptions from the EEFM in paragraphs 2.34 and 2.35.
- 2.11 The translation of 2,400 extra workers to 1,700 is left unexplained. However, there are a number of steps in this calculation including assumptions regarding the age/sex of migrants, unemployment and economic activity rates none of which have been explained and more importantly the SHMA does not provide a sound justification for moving away from the outputs of the integrated EEFM.
- 2.12 It should further be noted that both the EEFM and the SHMA assume that there will be additional workers available outside of Milton Keynes to fill the additional jobs. This approach has been rejected by the previous inspectors at Aylesbury Vale and South Worcestershire who have suggested that amending the commuting ratio was in effect a policy based decision and that the ratio should be maintained as a constant.
- iii. Q3.5 Has the SHMA given sufficient attention (sensitivity testing) to the potential suppression of household formation rates, particularly in the 25-34 and 35-44 year old cohorts, having regard to the advice at PPG paragraphs 2a-015 and 2a-017?**
- 2.13 The SHMA explains (paragraph 2.59) that the changes in household representation rates since 2008 were anticipated and these reflect real demographic trends, and therefore they should not be adjusted further; although the extent to which housing supply may have affected the historic rate is one of the reasons that they also consider market signals when determining the OAN for housing.
- iv. Q3.6 Taking into account the SHMA's approach to other adjustments, is a 10% uplift for market signals a reasonable adjustment in light of the evidence on house prices and affordability in the context of the wider HMA?**
- 2.14 No.
- 2.15 Section 2 of the SPRU Reg19 submission highlights why a 20% uplift should be applied to the demographically calculated need. In summary this is because:
- Evidence from NHPAU indicates that the scale of the proposed uplift in the South East ranges from 9% (demographic approach) to 31% (stabilising affordability). Whilst it is acknowledged that it would not be fitting to simply apply these percentages, it does provide an appropriate range to consider in addressing affordability issues in Milton Keynes.
 - Land prices: Milton Keynes is amongst the most expensive areas in the HMA with values higher than Bedford, Central Bedfordshire and Luton. It is also considerably higher than the national average (England excluding London).
 - The House Price Index signifies that average house prices in Milton Keynes appear to be rising faster than Bedford, London and nationally (England excluding

London). However, the ratio of lower quartile house prices to lower quartile earnings shows Milton Keynes fares quite well when compared to other areas within the HMA.

- d. Rental costs; VOA data indicates that MK is one of the most expensive areas in the HMA.
- e. Rates of housing delivery in Milton Keynes have been very low over the CS period (from 2010 onwards). Milton Keynes has experienced prolonged periods of under delivery, resulting in increased affordability ratios.
- f. Homelessness is much higher than other areas within the HMA when considering the number of households per 1000 households which are in need. Rates of homelessness in Milton Keynes are higher than in London.
- v. **Q3.7 Is the 2016 EEFM a robust starting point to understand past economic trends and assess the likely change in job numbers and working age population? With regard to PPG paragraph 2a-018 should the SHMA give consideration to other models and /or past employment trends?**

2.16 Yes, although this is an integrated model and therefore the other outputs such as the population growth and housing requirement should be given equal weight.

- vi. **Q3.8 How does the EEFM model deal with the following:**
 - (i) *Commuting ratios;*
 - (ii) *Economic activity rates, unemployment, double-jobbing and any assumptions on increased economic activity in those aged 65+;*

In applying the “current (commuting) ratio” taken from the 2016 EEFM what commuting figure was used in the SHMA?

2.17 The EEFM is an integrated model and as such it makes internal adjustments to the above within set parameters. The economic activity rates are usually higher than those assumed by the Office for Budget responsibility and therefore there may be a justification for sensitivity testing the projection with OBR rates, but this would increase the population required to fulfil the jobs and as such increase the dwelling requirement associated with the level of projected employment.

- vii. **Q3.9 The SHMA identifies a positive uplift of 1739 dwellings to balance jobs and workers, contributing towards the submitted OAN of 1766dpa. What should be made of alternative submissions that the EEFM provides an output for MK of 32,331 dwellings (2,155 dpa) for the plan period? Please explain how the SHMA arrive a different figure from the EEFM and what assumptions have been applied. If those assumptions vary from the EEFM, how should I interpret the EEFM advice (April 2017) that it is an integrated model that should not be subjected to alternative estimates?**

2.18 As stated above there needs to be a justification to move away from the assumptions in the integrated model. For example:

- a. The assumption made by the model that there will be additional workers outside of the city that can commute in to fill jobs that cannot be met by the city's own population growth might require an assumption that the level of net commuting is

held constant and all job growth is met by increased population in to the city. This would increase the number of dwellings required to meet the job growth projected from that produced by the model.

- b. The assumption in the model that activity rates will increase faster than the national average as measured by the office for Budget Responsibility might also be challenged, as again this would result in a higher level of housing being required than that projected by the model.

2.19 The SHMA has provided no justification for making alternative assumptions and it would appear that unlike the usual sensitivity testing (i.e. holding net commuting or remodelling national OBR changes to the activity rate which tend to increase the dwelling requirement) the HMA is instead making assumptions that result in a lower requirement which is a product of the SHMA utilising even higher activity rates than the EEFM. The lack of justification for these changes renders the results of less weight.

- viii. **Q3.10 Jobs growth has notably out-performed housing delivery in recent years (para 4.33 of Plan:MK) at a ratio of 3.5 jobs per dwelling. The submitted Plan states that the OAN aligns to the more cautious assessment of jobs growth in the Experian model at 1.06 jobs per dwelling and if the EEFM is realised the ratio would be 1.2 jobs per dwelling. Has the SHMA applied or sensitivity tested the Experian model and how is the ratio of 1.2 jobs per dwelling calculated?**

2.20 The consequence of the job growth outstripping housing supply is the substantial increase in net commuting into the city as highlighted by chart 6 of the SPRU Reg19 (page 32) which shows the percentage of job growth in MK out performing Great Britain and the South East (especially since 2019).

2.21 This growth in jobs has also, at least since 2011, coincided with a significant rise in the level of net commuting from 15,000 in 2011 to just under 30,000 in 2017 (SPRU Reg19 chart 3 page 32)

- ix. **Q3.11 Does the adjustment of 1739 (116dpa) provide sufficient flexibility to meet forecast employment needs? Is there plausibility to the submissions that the adjustment (and therefore the full OAN) is too cautious?**

2.22 No

2.23 The calculation requires a specific set of assumptions to be met with regard to increased economic activity rates, increased numbers of in commuting, as well as other assumptions within the consultant's model. These assumptions all tend to increase the number of workers that are to be expected from the same population and appear to be at the far end of the range. As such there is little or no flexibility, and if they are proven to be over ambitious the result will either be further levels of in commuting and/or the economic costs of labour supply impacting on economic growth. Both potential results would be unsustainable.

2.24 Our Reg19 analysis suggests that the job forecasts themselves are much lower than past rates of growth so there would be a need to consider flexibility in this respect as well.

- x. **Q3.12 The SHMA finds a basis for making a series of adjustments for demographic factors, market signals/affordability and future jobs which cumulatively add up to 28,615 (or 1,908dpa). What justifies an approach of calibrating that adjustment to only the 1,739 for future jobs so that the**

OAN is 26,493 (or 26,483)? In this regard is the SHMA consistent with PPG (para2a-005-20140306) that assessment findings should be “transparently prepared”?

- 2.25 The calculation is not transparent. In fact, the final jobs led figure of 1,739 dpa in the SHMA requires a number of steps that are far from clear both in terms of what the assumptions have been made and why. For these reasons the SHMA output regarding the balancing of jobs to dwellings is not to be preferred and the EEFM forecast of dwelling requirement must be considered more robust in these circumstances.
- 2.26 Paragraph 19 of the executive summary states that the cumulative impact of these identified adjustments increases housing need by an additional 1,739 dwellings over the Plan period, but this is not the cumulative impact it is simply the uplift to balance jobs and housing growth.
- 2.27 The argument that is advanced by the consultants is that the increased level of dwellings to meet the increased population required for job growth will also provide for concealed families who are already in the city as well as providing for extra choice for surpassed households in the city. In such circumstances the consultants argue one may either use a jobs lead approach or a demographic approach with market uplift in a response to market indicators.
- 2.28 If the increased dwelling requirement is to provide homes for additional workers moving into the area to take up jobs, then the additional provision will not be available for existing population either to relieve concealed households or increase market choice and improve availability for the existing population. This is especially the case where the uplift is so modest as is the case with the SHMA results.

xi. Q3.13 Have any reasonable alternative OAN figures been assessed as Part of sustainability appraisal?

- 2.29 No
- 2.30 Alternatives of 30,000 dwellings (Option B) and past build rates (Option C) were assessed (page 16 top page 23 Initial SA). Option B scored the same as Option A the figure of 26,650. Option A is preferred because of the uncertainty over emerging strategies MK Futures 2050 and EWR and the fact Option B would require the Council to find more greenfield land

c) Issue 3 Translating OAN into a housing requirement/target

xii. Q3.14 Are there any constraining factors (PPG paragraph 2a-004) that would inhibit consideration of a higher housing requirement/target than the OAN?

- 3.1 No

xiii. Q3.15 Will the housing requirement in Plan:MK significantly boost the supply of housing as sought by paragraph 47 of the NPPF? Does it reflect the objectives to keep the planned growth of MK ‘on track’?

- 3.2 The housing requirement will not significantly boost the supply of housing because it will not result in a significant identification of new sites, and an over reliance on the existing strategic sites will mean that delivery will not necessarily improve. Boosting the supply of housing is not just about the plan having the correct overall target but it is also about securing the right range of sites in the right locations.

xiv. Q3.16 What explains previous under-delivery of housing in MK? If the housing requirement were to increase in the plan period what evidence would indicate that it would be (a) sustainable and (b) deliverable?

- 3.3 It is important to note that in reaching a conclusion on the OAN considerations such as constraints including issues such as suitability and deliverability are not material. These might however be a consideration in determining the final housing requirement.
- 3.4 It is our view that the past under delivery of housing in Milton Keynes is explained by the over optimistic approach taken by both the council and the developers at the Core Strategy Examination in suggesting that the main strategic allocation will come forward quicker and deliver at a faster rate than had been previously experienced. This lead to an over reliance on a small number of SUE's.
- 3.5 The two policy instruments put in place to address this potential issue at the CS examination namely a Sites Allocation Plan to identify 1,000 units on smaller easier to develop sites and an early review of the plan both failed to materialise in the expected timescale this is explained more fully in chapter 6 of Appendix 1.
- 3.6 At the previous planning appeal inquiries it has been a matter of common ground that the industry could deliver the required number of completions. The difference between ourselves and the council was that we argued to do so would require a greater mix of sites as too much reliance was being placed on high levels of completions from a few strategic sites.
- 3.7 The analysis to support this view of the market is set out in Chapter 6 of appendix 1 and in particular section 6 which analyses the level of new build transactions as a percentage of overall activity which clearly indicates the potential for increased sales of new properties.

xv. Q3.17 Has SA of the housing requirement in Policy DS2 assessed reasonable alternatives? How has sustainability appraisal been used to support the scale of housing provision in the Plan? [Are there negative (unsustainable) effects of lower or higher housing provision?]

- 3.8 According to the initial SA pages 16 to 24 the impact of 26,650 and 30,000 dwellings are similar although the latter might require further green field release.

xvi. Q3.18 Is the housing requirement in Policy DS2 expressed as a net or gross figure? Has the figure taken into account the effects of estate regeneration? Is there any anticipated loss of existing housing stock?

- 3.9 The figure is a net figure as no allowance has been made for demolition in the calculation of the figure.

xvii. Q3.19 Would an adjustment to the housing requirement for affordable housing provision be justified? (PPG para 2a-029-20140306) What overall percentage of affordable housing has been achieved over recent years? Based on the thresholds in Policy HN2 how many affordable housing units are likely to be delivered in the plan period on qualifying sites and from any other sources?

- 3.10 According to the SHMA there is a need to provide some 8,200 affordable dwellings in the plan period which represent some 31% of the 26,650 minimum number of dwellings being planned for.
- 3.11 As of December 2017, there were 641 households spending Christmas in a home they could not call their own.

3.12 The Shelter Report, “Far from alone: Homelessness in Britain in 2017” (November 2017, estimated that there were 2,358 adults and children and a further 38 people sleeping rough in Milton Keynes. The Borough was ranked as experiencing the second highest problem in the South East, and the 4th highest outside of London.

d) Issue 4 Wider Accommodation Needs

- xviii. Q3.20 Is the 2017 Gypsy & Travellers Accommodation Assessment up-to-date and does it provide a robust and justified evidence base? Is the identified need for 19 pitches justified?**
- 4.1 No Comment
- xix. Q3.21 Is there any evidence that the Plan should make provision for short stay stopping sites(transit sites) in line with Planning Policy for Traveller Sites? The GTAA refers to an Autumn2018 Review, is there a commitment to undertake this and when would outputs be available?**
- 4.2 No Comment
- xx. Q3.22 How will the needs of people who have permanently ceased to travel be addressed? Has consideration been given to a wider assessment of caravan and houseboat needs as required under Section 124 of the Housing and Planning Act 2016?**
- 4.3 No Comment
- xxi. Q3.23 Explain how the needs of different groups in the community have been addressed in the SHMA and then the Plan, such as, but not limited to, families with children, older people, people with disabilities and people wishing to build their own homes. What conclusions does the 2017 SHMA reach in terms of the scale and mix of housing type needed, including in terms of tenure and size? (NPPF paragraph 159) How does the Plan reflect the findings?**
- 4.4 No Comment
- xxii. Q3.24 Is there evidence for the Plan to make specific provision for accommodation for elderly persons either as part of the housing mix (Policy HN3) or specific allocations for sheltered and supported accommodation? (See also PPG para 12-006-20150320).**
- 4.5 No Comment
- xxiii. Q3.25 Overall, is the housing requirement in the plan justified? If not, what should it be?**
- 4.6 No
- 4.7 For the reasons set out in the SPRU Reg19 submissions the overall level of provision should be 2,155 dpa. This is based upon the EEFM projected dwelling to meet the forecast level of employment growth. This level of growth is lower than that which has occurred in the past at 2,129 jobs per year (SPRU Reg19 table 15) compared to an average of 3,133 jobs per year 2000 to 2015 (SPRU Reg19 table 12).
- 4.8 This figure however contains no uplift to reflect market indicators (this should be 20%) and makes no allowance for reduced Household formation rates. As such provision of this level of dwellings in the context of the forecast job growth is unlikely to have any impact on improving affordability.

e) Matter 3: Issue 5 - Housing Land Supply

xxiv. Q3.26 Overall, will the submitted allocations in Plan:MK provide sufficient flexibility to help deliver the spatial strategy?

- 5.1 No
- 5.2 For the most part the plan is reliant on existing allocations and urban sites many of which could have come forward without the adoption of the local plan. As such the proposed allocations many of which already have planning permission are unlikely to deliver the step change required to meet housing needs.
- 5.3 The issue of land supply and the reliability of the Council's forecasting method has been subject to 4 appeals which SPRU have been engaged in 3 of which the inspectors have found there not to be a five year supply of land based upon the council's over optimistic approach to forecasting completions.
- 5.4 The most recent proof of evidence on behalf of an appellant for Laurie Lane (APP/Y0435/W/17/3182048) is included as an appendix to this submission as it sets out in detail much of the relevant evidence required to respond to the inspector's questions. Also included are the three appeal decisions as these will be referenced in this section, the above appeal plus Land at Linford Lakes (APP/Y0435/W/17/3175391) and Long Street Road, Hanslope, (APP/Y0435/W/17/3177851)

xxv. Q3.27 Having regard to the Housing Supply Topic Paper (MK/TOP/002) and proposed trajectory and accompanying spreadsheet of sites submitted in the schedule of proposed modifications (SUB/MK/004), is the housing implementation strategy in Policy DS2 sufficiently clear? In particular is the submitted Plan clear on: (i) what comprises and justifies the housing trajectory?

- 5.5 The spread sheet of sites is clear in terms of how the trajectory has been derived however the assumptions regarding the levels of completions are not soundly based.
- 5.6 The projected level of completions reaching 3,697 in 2020/21 is based upon projections of completions on the SUE's which is in excess of anything that has been experienced locally, or indeed nationally.

xxvi. (ii) What is the anticipated deliverable and developable supply of housing land over the plan period, including any contingency for resilience (for example: the submitted 9.7% buffer)?

- 5.7 The trajectory suggests that a total of 28,361 dwellings will be delivered by 2031 (see table in main modification MK/SUB/004a2).

xxvii. (iii) How decision makers should calculate a five year deliverable supply?

- 5.8 Decision makers should calculate the 5 year land supply against the housing requirement and use the Sedgfield method as the trajectory produced by the council demonstrates that the shortfall can be met within the next five years.

xxviii. (iv) What contingency measures would be called upon were monitoring to identify a deficiency in the deliverable supply prior to a plan review?

- 5.9 According to the plan contingency is provided by the small sites identified in the SHLAA some of which are allocated (paragraph 4.4).
- 5.10 Paragraph 23.5 refers to the core strategy and the contingency provided by the site allocation plan, but these are now both superseded by allocations in Plan MK.

5.11 Appendix F of the submission plan sets out the target of 29,000 dwellings by 2031 and identifies the actions. One of the triggers is under delivery by 20% consideration should be given to changing this to 15% to reflect the Housing Delivery Test in the latest consultation from the MHCLG

xxix. Q3. 28 Should Plan:MK include a policy to ensure that sufficient housing land is delivered if monitoring identifies that any of the strategic sites would be appreciably delayed? If so, what action would be appropriate and how and when would it be triggered?

5.12 Yes

5.13 Firstly, however the plan needs to address the over reliance on just a few large scale SUE's.

5.14 This requires two courses of action:

- a. Rather than holding back the Reserve Site East of the M1 it should be allocated now so that the planning for infrastructure can take place and the site can be brought on stream in a phased way, with infrastructure being provided at the appropriate time
- b. There is a requirement for a greater variety of sites which can be developed alongside these large strategic sites. In some cases, these might consist of smaller allocations next to these sites that can come forward prior to the infrastructure requirements of the larger site being met and in other cases they will be smaller and medium sites that offer a very different character and location to these larger scale allocations.

5.15 It is our view that these changes should be made to the plan via main modifications, the alternative is to provide a trigger for the release of the smaller and medium sites based we would suggest on the under delivery of 15% against the requirement when averaged over the past 3 years.

5.16 We do not consider there should be a trigger for the allocation of the Reserve Site it is considered this should be allocated now but accept that the lead in time will be dependent on securing the relevant infrastructure required for each phase of a phased development.

xxx. Q3.29 Is there robust evidence underpinning the calculation of the land supply for the Plan Period? In particular:

i) are the allowances for total existing commitments clear? To what extent, if any, does it include allocated sites from the un-adopted Site Allocations DPD? Do any allowances from SADPD allocations take into account proposed main modifications? to that plan?

5.17 All allocations should be included in Plan MK there should not be a reliance on earlier plans and their allocations. Such allocations need to be included and tested within this plan.

ii) Is the capacity from estate regeneration and urban intensification (for example Campbell Park) justified?

5.18 No – see paragraph 8.39 to 8.43 of appendix 1.

5.19 In addition, many of the sites within the existing urban area have already been identified for development or would come forward as windfall.

iii) Is the windfall allowance adequately justified?

5.20 No comment

iv) Has appropriate consideration been given to lapse rates for planning permissions?

5.21 No consideration has been given to lapse rates for planning permissions in the context of the whole plan period – although clearly some large scale sites have been subject to renewal of planning permissions and there is evidence of sites lapsing.

v) Is there any dispute that a 20% buffer should be added to the deliverable supply to address persistent under-delivery?

5.22 No, it is clear that 20% should be applied see evidence in Appendix 1

vi) Having regard to the PPG (3-035-20140306), and the preference for Sedgefield, what would be the justified approach to make good the shortfall in delivery since 2016?

5.23 The PPG makes it clear that prior to adopting the Liverpool approach councils will need to approach other LPA's in order to establish if they are able to assist in meeting the unmet need within the five years.

5.24 The council have not done this and as such the Liverpool approach is not justified.

5.25 Furthermore, the trajectory in the main modification demonstrates that the council consider they have over a six years' worth of housing land supply using the Sedgefield approach. Further details regarding the caselaw relating to this issue is set out in Chapter 4 of Appendix 1.

xxxi. Q3.30 Does the evidence indicate that reasonable conclusions have been drawn about site capacities, having regard to density assumptions and any specific viability, infrastructure or other barriers to delivery? [Please note: the specifics of individual strategic sites will be considered separately under Matter 5].

5.26 We have no comment in general on site capacity

xxxii. Q3.31 What lead-in times and delivery rates (including number of developers/outlets per site) have been used to underpin the assumptions regarding the deliverability of strategic sites (in particular SD6, 7, 8, 9, 13, 15)? What is this based on? Where is it set-out? Are the projected delivery rates, particularly in the next five years, on some of the established strategic sites (notably SD6, 7 and 8) reasonable given past performance?

5.27 This is set out in the council's trajectory.

5.28 The assumptions are based upon the council's approach of contacting the developer/land owner with a proposed lead in time and rate of completion. The council then consider any response prior to making an assumption.

5.29 There is extensive evidence of lead in times and past performance (both Local and National) which could be relied upon to consider the appropriateness of the council's assumptions. These issues are dealt with in detail in chapter 6 of appendix 1 which concludes that nationally strategic sites of over 2,000 dwellings are on average likely to deliver some 171 dpa, but that locally the eastern expansion area has averaged 284 dpa (Table 10 page 64) this is when it consisted of two "quarters" and had on average

12 individual active parcels and over 15 different developers engaged in its delivery. This scale of subdivision and diversification is not being demonstrated on any of the Allocations with the exception of the Western Expansion Area (see appendix 1 table 17 page 86).

5.30 In terms of the lead in times and proposed completions rates on the selected sites these are summarised below with reference to more detailed information in Appendix 1 chapter 8

a. Policy SD6 EASTERN EXPANSION AREA

- i. There are five parcels with dwellings under construction out of a total of 15 parcels. These are being built out by two developers with reserved matters consents: BDW Trading Ltd (Barratt and David Wilson Homes) and Places for People Developments Ltd. This is in comparison to the 12 active parcels and 15 developers who delivered the early part of the Eastern Expansion Area.
- ii. With Broughton now complete, the delivery rate may increase in Brooklands, but with only 2 developers, albeit operating under 3 sales outlets, it is difficult to see how more than 250 dpa might be achieved, which was the last year's level of completions. At this level, MK would still have two of the highest performing national Urban Extensions within its boundaries.
- iii. The trajectory suggests that some 1549 dwellings will be delivered on Brooklands and 224 on Broughton Gate over the next five years. This suggests a higher rate of completions than that which has occurred in the past but from a much reduced number of active plots and far fewer developers. These assumptions do not appear to be based on sound evidence.

b. Policy SD7 WESTERN EXPANSION AREA

- i. This is made up of two quarters area 10 and area 11
- ii. Appendix 1 (Table 3 of Appendix 1) outlines the parcels within Area 10 and their current status. Bovis have 5 sites, and the other 5 sites are shared between Bellway Homes, Abbey Developments Ltd and Taylor Wimpey (South Midlands).
- iii. In Area 11 (Fairfields), is controlled by just one developer (BDW Trading) delivering completions on the site from two outlets; Barratt and David Wilson Homes.
- iv. The highest achieved average local rate of delivery was 284 dpa was on the Eastern Expansion Area. The rates of delivery in the trajectory considerably exceed this for all but the last 4 years of the plan period, in fact by 2018/19 and 2019/20 over 700 and then almost 800 completions are forecast. Such levels are unprecedented in MK and are far in excess of the average for strategic sites nationally which average a rate of 171dpa for greenfield SUE's of over 2,000 dwellings.
- v. There is no evidence presented to this examination to support such a divergence from both local and national rates of delivery. The site is not so substantially different from the Eastern Expansion Area to justify such a change in the rate of delivery

c. Policy SD8 STRATEGIC LAND ALLOCATION

- i. A full assessment of the site can be found in Appendix 1 of Appendix 1 (paragraphs 1.78 to 1.130). This concludes that this area will deliver some 724 completions in the next five years. As this is considered to be a realistic level considering lead-in times and rates of completions when compared to both national and local evidence on delivery of sites of this size.
- ii. Our assessment is at variance with the trajectory which suggests completions will peak in 3 years' time at 570 dpa and that the average rate of delivery over the first five years will be 1,944 dwellings in total averaging at 389 dpa. Again, this is a much higher average rate than experienced locally and is from an area which is not being delivered by a lead developer but has a number of landownerships and developers, so it is not as coordinated as other SUE's in terms of delivery of infrastructure etc.
- iii. The proposed trajectory for the next five years is not considered to be based on sound evidence.

d. Policy SD9 NEWTON LEYS

- i. No comment

e. Policy SD13 SOUTH EAST MILTON KEYNES STRATEGIC URBAN EXTENSION

- i. It is noted that from 2026 onwards the projected rates of completion are both higher than those delivered locally and much higher than the national average. There will need to be convincing evidence that these rates have been achieved by the developers in the past and that this success is likely to be replicated here if these levels are to be retained in the trajectory.

f. Policy SD15 LAND AT EATON LEYS, LITTLE BRICKHILL

- i. The original application extended across two local authority areas with 600 dwellings in MK and the larger number, 1,200 dwellings, in Aylesbury Vale District Council. The applicant is JJ Gallagher Ltd. The applicants withdrew the application for the part of the site that was in Aylesbury Vale.
- ii. It is not clear how the removal of the larger part of the strategic site will impact on the delivery of the MK element of the scheme given that the area was designed as a whole.
- iii. In respect of the level of completions the average level of build-out rates for a site of this size (now reduced to 600) is 86 a year (Appendix 7, NLP table 3 page 19). The Gallagher's approach has at times led to increased levels of completions compared to the national average, but also has longer lead-in times.
- iv. The full site assessment can be found in Appendix 1 of Appendix 1 (paragraph 1.131 to 1.150).

xxxiii. Q3.32 As of 1 April 2018 (or 1 April 2017 if 2018 data not available) what would the five year requirement be, for both the 'Sedgefield' and

'Liverpool' methodologies, assuming a 20% buffer for under-delivery against an annualised, flat trajectory?

5.31 According to the trajectory there would be 6.2 years supply under Liverpool and 6.04 years supply under Sedgfield.

5.32 It is our view that the level of housing land supply is in the order of 3 years (see Appendix 1 table 29 page 103)

xxxiv. Q3.33 Is there robust, credible evidence demonstrating the capacity of the development sector to complete and sell this quantity of housing in the Borough in the next 5 or so years?

5.33 At the previous inquiries we have been engaged in it was a matter of common ground that the industry could deliver the required number of completions. The difference between ourselves and the council was that we argued to do so would require a greater mix of sites as too much reliance was being placed on high levels of completions from a few strategic sites.

5.34 The analysis to support this view of the market is set out in Chapter 6 of Appendix 1 and in particular section 6 which analyses the level of new build transactions as a percentage of overall activity which clearly indicates the potential for increased sales of new properties.

xxxv. Q3.34 What has inhibited the achievement of comparable annual housing delivery targets in the 2013 Core Strategy? Is Plan:MK's approach to strategic sites at risk of repeating a similar performance? If so, what measures have been considered to de-risk delivery of the Plan?

5.35 The risk of over reliance on a few strategic sites which require a long lead in time was highlighted at the examination of the CS and this was to be remedied by the quick production of a Sites Allocations Plan to allocate small sites predominantly in the rural area which would have increased the choice of sites and the location of development as well as a quick review of the Plan. Neither were completed to the timescale given.

5.36 A different approach needs to be adopted to this issue at this examination if similar outcomes are to be avoided. This approach should:

- a. Address the issue of lead in time for strategic sites it has been suggested that the Reserve Site MKE is made an allocation and that provision be made for it to be phased so elements may come forward prior to securing all the required infrastructure – this will speed up the delivery of this site.
- b. Addressing the issue of enhanced choice of sites and the over reliance on large scale sites does not require the deletion of such sites as they are a proven way of delivering substantial quantum of development. They are not going to deliver all of the required development and additional sites are required to allow smaller builders and indeed national builders to respond quickly to increases in demand for housing in a way that is not possible on the larger sites. In addition, such sites can be delivered in a range of locations. Therefore, the second part of the remedy is to increase the number and locations of non-strategic allocations.

xxxvi. Q3.35 Is there a sufficient range of housing supply sources (and sites) in Plan:MK to bolster delivery? To achieve significant growth in a sustainable way (including critical mass to support infrastructure) are there realistic, reasonable and sustainable alternatives in a MK context

other than sustainable urban extensions? How have the SHLAA and SA processes considered small and medium sized housing sites?

- 5.37 No – see response to Q3.34
- 5.38 The SA considered the allocation of small non-strategic sites (option E) as an alternative to the allocation of SUE's (Option B)
- 5.39 The SA concludes Options B and C are more likely to deliver homes in the long-term whereas Options A, D and E are likely to be able to deliver some homes in the short-term. It also concludes that Options A and E are likely to have the lowest negative impact on the environment compared to the other options which involve significant development on greenfield land.
- 5.40 It is not clear why given these conclusions a mixed approach of allocating both strategic sites with supporting smaller sites was not evolved as a further option.

xxxvii. Q3.36 Is the proposed buffer in the housing land supply (29,000 homes to meet the need for 26,500 homes equivalent to 9.7%) justified and positively prepared? Does this provide a sufficient and robust approach for potential uncertainties over capacity at South East MK? Would a 9.7% buffer in supply provide reasonable resilience?

- 5.41 No
- 5.42 It is unclear how the buffer has been devised. Certainly, other assessments of need especially those relating to employment growth would require a much higher level of provision as would meeting the objectives of the MK futures 2050 and the NIC report.
- 5.43 The buffer is also considered insubstantial when considered in the context of the long established record that the Council have of overestimating delivery rates and underestimating lead in times for development, ultimately leading to a failure to meet need. The evidence to support this position is highlighted in paragraph 5.29 above.
- 5.44 The evidence to support this position is highlighted in paragraph 5.29 above. In particular table 6 page 52 of appendix 1 shows that since 2007 MK has only delivered 57% of the forecast completions in the 2007 AMR. Since 2011 some 85% of forecast completions in the 2011 AMR have been delivered.
- 5.45 Table 7 of appendix 1 (page 53) undertakes a similar calculation for the first 5 years of the forecasts. This suggests on average only 75% of the forecast level of dwellings are delivered.
- 5.46 There is clear evidence in Appendix 1 that a buffer above the OAN is justified. In terms of available evidence there would appear to be a justification for between a 15% to 25% buffer.

f) Housing Land Supply Conclusions

xxxviii. Q3.37 Will there be a five year supply of deliverable housing land on adoption of Plan:MK?

- 6.1 Not if a realistic view is taken of the delivery rates on a number of the major allocations see conclusions to Appendix 1.

xxxix. Q3.38 Will there be a five year supply of deliverable pitch provision for gypsies and travellers?

- 6.2 No comment

- xl. Q3.39 Is there likely to be a sufficient supply of developable housing land throughout the lifetime of the Plan?***
- 6.3 The present distribution of housing suggests that there might not be sufficient sites allocated of the right type in the right place to secure the completions required to meet the required level of need
- xli. Q3.40 Is there appropriate consistency and totalling between the figures for various sources of supply within Chapter 4 of Plan MK (Tables 4.1 and 4.2) and between figures in Chapter 4 and Appendix A of the Plan (Table 18.2)?***
- 6.4 No comment
- xlii. Q3.41 For those who submit the Plan would be unsound in terms of housing delivery, how should Plan:MK be changed to ensure that it is deliverable and therefore effective?***
- 6.5 See response to Q3.34

BEDFORD - BRISTOL - CARDIFF - LEEDS - LONDON - MILTON KEYNES - NOTTINGHAM - RUGBY - SHEFFIELD

BEDFORD

4 Abbey Court
Fraser Road
Priory Business Park
Bedford
MK44 3WH

Tel: 01234 832 740
Fax: 01234 831 266
bedford@dlpconsultants.co.uk

BRISTOL

Broad Quay House (5th floor)
Prince Street
Bristol
BS1 4DJ

Tel: 0117 905 8850
bristol@dlpconsultants.co.uk

CARDIFF

Sophia House
28 Cathedral Road
Cardiff
CF11 9LJ

Tel: 029 2064 6810
cardiff@dlpconsultants.co.uk

LEEDS

Princes Exchange
Princes Square
Leeds
LS1 4HY

Tel: 0113 280 5808
leeds@dlpconsultants.co.uk

LONDON

The Green House
41-42 Clerkenwell Green
London
EC1R 0DU

Tel: 020 3761 5390
london@dlpconsultants.co.uk

MILTON KEYNES

Midsummer Court
314 Midsummer Boulevard
Milton Keynes
MK9 2UB

Tel: 01908 440 015
Fax: 01908 357 750
miltonkeynes@dlpconsultants.co.uk

NOTTINGHAM

1 East Circus Street
Nottingham
NG1 5AF

Tel: 01158 966 620
nottingham@dlpconsultants.co.uk

RUGBY

18 Regent Place
Rugby
Warwickshire
CV21 2PN

Tel: 01788 562 233
rugby.enquiries@dlpconsultants.co.uk

SHEFFIELD / SPRU

Ground Floor
V1 Velocity Village
Tenter Street
Sheffield
S1 4BY

Tel: 0114 228 9190
Fax: 0114 272 1947
sheffield@dlpconsultants.co.uk