MILTON KEYNES COUNCIL RESPONSE TO INSPECTOR'S QUESTIONS FOR EXAMINATION HEARINGS – STAGE ONE

MATTER FOUR: THE OVERALL NEED AND REQUIREMENT FOR JOBS AND THE STRATEGY AND LAND SUPPLY TO MEET THE REQUIREMENT

QUESTIONS: Q4.1 – Q4.17

Issue 1 – Employment Development Strategy (Policy DS3)

Q4.1 Does the Plan set out a clear and positively prepared economic vision and strategy for the area (NPPF paragraph 21) consistent with the 2017 MK Economic Development Strategy (MK/EMP/005)?

4.1.1. Plan:MK aims to set out a clear economic vision and strategy for the area in line with paragraph 21 of the NPPF and to encourage sustainable economic growth. It assists in achieving the overarching aim of the MK Economic Development Strategy which is to secure strong and inclusive growth which benefits businesses and residents and sustains the reputation of Milton Keynes as a prosperous, innovative and culturally vibrant place. Plan:MK identifies the employment needs of the Borough over the plan period and aims to ensure that enough land of the right type is provided to meet those needs.

4.1.2. The Economic Development Strategy (EDS) is based on four key priorities:

- Brand – embedding a brand that makes Milton Keynes a special place with the foundations to build upon Milton Keynes environment, leisure and cultural strengths.
- Connections – working in local, regional, national and international partnerships to advocate for the city and secure physical and digital infrastructure and other investment to support inclusive growth.
- Enterprise – closer engagement with business and ensuring MK continues to be a place where businesses prosper and grow.
- Skills – ensuring residents and businesses can gain the skills they require to create a prosperous city.

4.1.3. These priorities of the EDS are reflected in both the Vision for Milton Keynes (Plan:MK p.7) and the strategic objectives of the Plan (p.8-9) particularly Objectives 1, 5 6 and 7. Objective 1 refers to:

- Making Milton Keynes the hub of the Cambridge-Milton Keynes-Oxford growth corridor.
- Enhancing lifelong learning opportunities through the establishment of a new university for Milton Keynes.
- Learning 2050 – providing world class education.

4.1.4. Objective 5 of Plan:MK (p.8) is 'To allocate and manage the development of employment land and pursue a vigorous economic development strategy so that the business sector and local economy are supported, existing firms can expand, new firms are attracted, the level of working skills among the local population is enhanced and the area's resident population can find employment locally.'

4.1.5. Objective 6 of Plan:MK (p.8) Refers to improving the local opportunities for learning and increasing the local level of knowledge and skills through the establishment of a new university for Milton Keynes, support for the development of MK College, the University Campus MK, Milton Keynes University Hospital and the creation of world class schools..

4.1.6. Objective 7 of Plan:MK promotes the development of Central Milton Keynes (CMK) as the vibrant cultural hub of the region.

4.1.7. Policy DS3 (Economic Development Strategy) presents a five point strategy , involving

1. The continued development of Central Milton Keynes as a hub for the knowledge economy.
2. Retaining and developing existing employment sites.
3. The allocation of new employment land at appropriate locations to provide a flexible supply of sites to cater for future employment needs.
4. Increased support for scientific and technical office–led developments.
5. Promoting the supply of superfast broadband to all employment and residential premises within the Borough to increase the attractiveness of the Borough as a business location and opportunities for home and flexible working.

4.1.8. Additionally this policy also makes reference to encouraging training and skills development, attracting new businesses, encourage business start –ups and assist businesses to grow. Other policies in the plan promote the growth of the local economy and allocate land for employment development. This represents a clear and positively prepared strategy and vision for the area, consistent with the 2017 MK Economic Development Strategy.

Q4.2 Is the Plan sufficiently clear in Policy DS3 on the number of jobs being planned for? In particular:
i) Should Policy DS3 contain a net jobs target for the plan period? Are the monitoring targets in Appendix F satisfactory in assessing the performance of the Plan?
ii) Should Policy DS3 contain a target for the provision of employment land?
iii) Is Policy DS3 clear on those key and strategic sites for local and inward investment which will meet anticipated employment needs over the plan period?

Is the Plan sufficiently clear in Policy DS3 on the number of jobs being planned for?

4.2.1. Policy DC3 in the plan does not give a figure on the number of jobs being planned for over the plan period. However, the plan does reference at para 4.34 two job forecasts in the 2017 Milton Keynes Economic Growth and Employment Land Study (ELS) for jobs growth over the plan period 2016-2031. The first forecast by Experian calculates around 28,000 additional jobs (around 1867 jobs per annum) will be provided. The second higher forecast using the East of England Forecasting Model (EEFM) forecasts around 31,932 jobs over this period (around 2,129 jobs per annum).

i) Should Policy DS3 contain a net jobs target for the plan period? Are the monitoring targets in Appendix F satisfactory in assessing the performance of the Plan?

4.2.2. The Council could consider committing to a target for jobs growth over the plan period 2016-2031. The recent performance of the local economy in delivering jobs has been very buoyant with the number of jobs from 2010-2016 significantly exceeding the number of dwellings resulting in a high level of in-commuting. There is a desire to continue to grow the local economy; however there is a need to achieve a better balance between housing and jobs growth.

4.2.3. A target for jobs growth over the plan period would need to be carefully considered one approach could be to have a figure of around 29,000 jobs consistent with the expected level of housing (OAN plus a buffer of approximately 10%) which would signal that the Council is seeking to achieve a better balance between the provision of jobs and homes over the plan period, a ratio of jobs to homes of around 1:1. It being clearly understood that this target for jobs growth is not intended as a development tool to constrain development. If monitoring showed that new jobs are growing faster than new homes, we would seek ways to increase the rate of housing delivery rather than restricting employment growth. Conversely if housing development is growing faster than jobs growth, we will institute measures to encourage jobs growth.

4.2.4. The Indicators in Appendix F shown in box number 5 (p.234) to deliver jobs to support housing in MK include a number of indicators to monitor performance. The first three indicators including net additional full time equivalent jobs per annum, completed floorspace by use class and total land available for development are considered to be amongst the most important indicators that the plan is able to influence. The other indicators provide additional information and context. These statistics have their advantages and disadvantages. For example, statistics on the number of jobs within the Borough are produced by the Office of National Statistics (ONS) after a considerable time lag. For this reason it would be most appropriate to have more timely monitoring information such as completed floorspace data which is monitored quarterly.

ii) Should Policy DS3 contain a target for the provision of employment land?

4.2.5. Yes, a target for the provision of employment land could be included in policy DS3. We suggest that this figure is the most up to date figure available on the amount of vacant employment land within the Borough of Milton Keynes.

Minor Modification: Add to policy DS3 a sentence detailing the amount of vacant employment land within the Borough.

iii) Is Policy DS3 clear on those key and strategic sites for local and inward investment which will meet anticipated employment needs over the plan period?

4.2.6. Policy DS3 already references Central Milton Keynes and in its response in MKE INS1a (MKC Response to Inspector's Preliminary Letter dated 3 June 2018) p.40, we agreed to modify the policy to refer to South Caldecotte and MKE.

Q4.3 Is there appropriate consistency between Plan:MK, the Council’s employment land evidence and the SEMLEPs Strategic Economic Plan on the approach to key future job sectors and key employment sites in the Borough?

4.3.1. Plan:MK seeks to continue Milton Keynes’ development as a major centre for employment within the region, with a strong focus on knowledge based jobs that builds on its existing strengths, maximises the potential of CMK and ensures that existing allocated and proposed new employment sites come forward for development.

4.3.2. The Experian forecast in Table 2.2 of the 2017 ELS (MK/EMP/003 MK) (p.7) identified that employment growth within Milton Keynes is forecast to be dominated by two key sectors – “Land Transport, Storage and Post” and “Professional Services where job numbers were forecast to increase by 4,500 and 4,400 jobs. The report commented (para 2.16, P.7) ‘*This is unsurprising given the focus of the MK economy in recent years, which has been particularly focussed on major office-based activities and regional/national scale distribution.’* The number of jobs is also forecast to grow in other sectors of the local economy including Accommodation and Food Services, Residential Care, Health, Education and Computer Services. Table 2.3 illustrates the alternative East of England Forecast model in the ELS forecast much higher job growth in sectors such as Professional and Business services and Computing.

4.3.3. The final version of SEMLEP's Strategic Economic Plan (SEP) for the South East Midlands (MK/MIS/006) was published in November 2017, setting out the strategic economic direction for the South East Midlands to 2050, focusing particularly on the next 10 years. The strategy has three core themes growing businesses, growing people and growing places all themes considered particularly appropriate to Milton Keynes as one of the fastest growing local authority areas in the country. It has seven priorities, which are reflected in Plan:MK:

- To drive growth in the Cambridge –Milton Keynes –Oxford corridor so it becomes a hub of knowledge intensive industry and build on the area's showcase sector strengths including Logistics , the Creative & Cultural sector and High Performance technology.
- To increase private sector and foreign direct investment in the area.
- To deliver new homes by resolving local housing infrastructure issues.
- To deliver the infrastructure to enable the area to achieve its full growth potential including East-West Rail and improved Broad band and wireless connections.
- To ensure growth promotes social inclusion, equality and environmental sustainability.
- To improve skills.

4.3.4. SEMLEP has also secured money from the Government's Local Growth Fund to improve transport infrastructure and unlock housing and employment land. Among the schemes being funded locally are improvements to Bletchley Station and the dualling of the A421 from the city to junction 13 of the M1.

4.3.5. There is clearly a synergy between the Strategic Economic Plan and the Council's employment land evidence and Plan:MK. All seek to encourage and bring forward sustainable economic development and develop key sectors of the local economy, improve skills and develop infrastructure. Milton Keynes is very fortunate it still has a significant amount of undeveloped land within the city to accommodate this growth including sites within the city centre. However, as the ELS identified although Milton Keynes can meet the needs for office and industrial needs over the plan period it cannot meet the forecasted need for warehousing floorspace. Plan:MK therefore has allocated additional land for warehousing at South Caldecotte and is prepared to see additional employment development coming forward alongside housing at MKE.

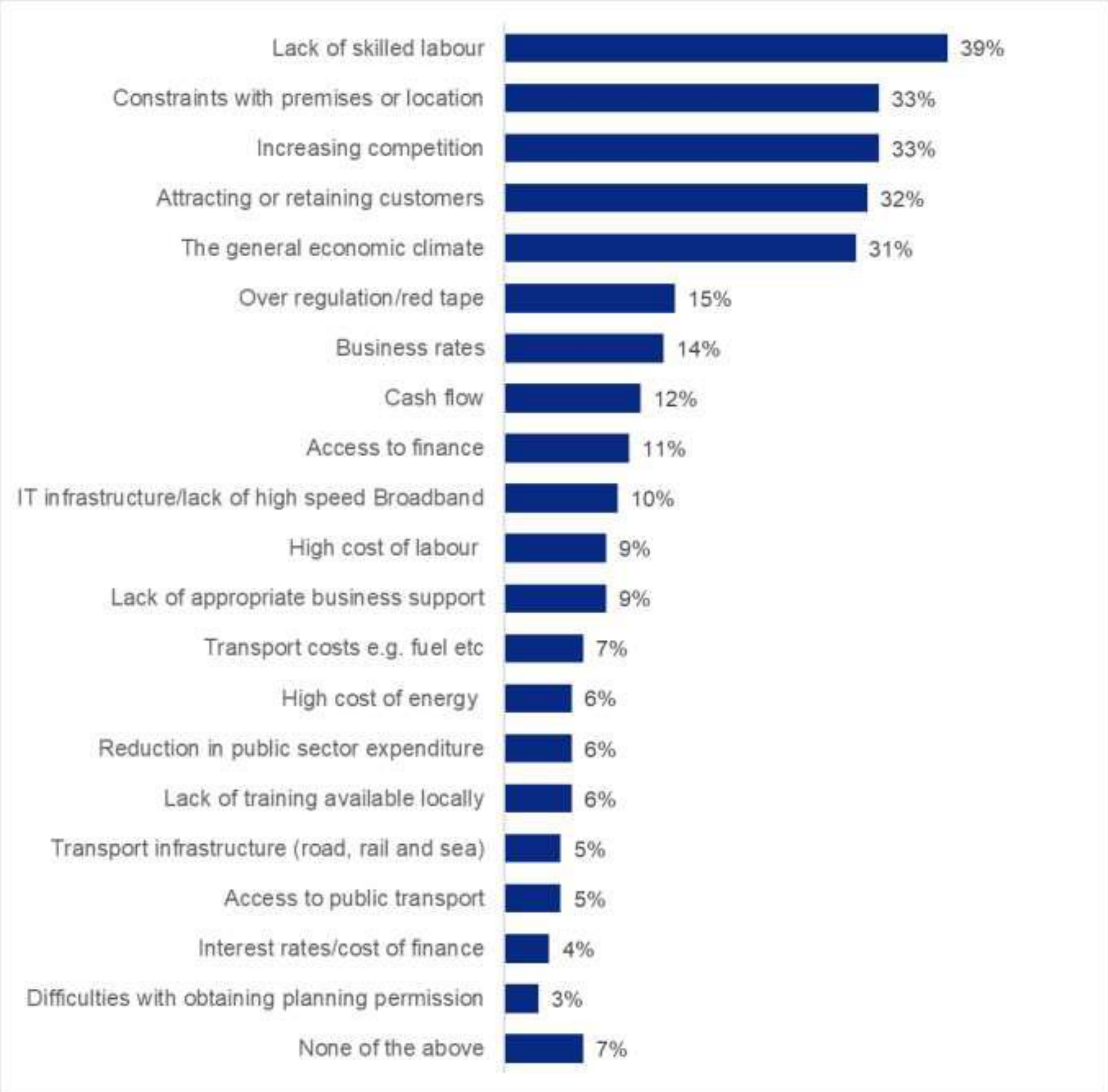
Issue 2 – Demand/Suitability of Employment Land Supply

Q4.4 How does the amount of employment land relate to overall jobs growth estimates and are there any factors in MK which may inhibit the economic potential of the area which Plan:MK needs to be alert to (NPPF paragraph 160)?

4.4.1. Not all forecasted future jobs in the Borough will come from the development of 'B' type uses (Offices, Factories, Warehouses) on employment land. The ELS (MK/EMP/003MK) (p.5) identified just under half of all new jobs forecast in the Borough over the plan period are expected to come from the growth of non-B type uses such shops, schools health centres etc.

4.4.2. The following table is taken from the latest SEMLEP Business survey for Milton Keynes in September 2017 (MK/MIS/007). It shows the constraints on business growth identified by businesses in Milton Keynes. The most common reported constraint on business growth in Milton Keynes cited by respondents was lack of skilled labour (39%) followed by constraints with premises or location (33%) and increasing competition (33%).

Figure 4.3: Constraints on business growth



Source: SEMLEP Business Survey: Milton Keynes Council Report September 2017
Number of respondents: 251.
Question asked: What do you consider to be constraints on your business growth? (Prompted list).

4.4.3. Improving education and skills within the Borough are important priorities for the Council. Plan:MK assists in the delivery of new schools and infrastructure and a new university MK:U for Central Milton Keynes specialising in STEM type subjects, which will increase the number of skilled workers in the city make it easier for local employers to recruit the staff they need. Transport improvements such as East-West Rail will also make it easier for Milton Keynes employers to recruit staff from a wider area.

4.4.4. Plan:MK (para 4.39) details potential obstacles to the expansion of the supply of office floorspace within CMK. Bidwells report on the M1 South Offices market (MK/EMP/009) identified that supply of Grade A offices in Milton Keynes had fallen to its lowest level since 2009 and demand had moved above 92,900 sq.m (1 million sq.ft) in 2017 the highest level since 2013. According to Bidwells there has been a 71.5% increase in demand for office floorspace in Milton Keynes in the past 12 months.

4.4.5. These trends should encourage some additional office development in CMK where development see Table B at the end of this report has been modest. Figures in Table B illustrates that the amount of office floorspace in CMK fell from 2012 to 2016 primarily due to redevelopment and changes of use from office to residential uses. Office floorspace grew in CMK in 2017, a year which also saw more office floorspace completed in CMK than elsewhere in the Borough for the first time since 2012.

Q4.5 Does the evidence, including the Employment Land Topic Paper (MK/TOP/001) robustly demonstrate the need to release additional employment land during the Plan period?

Table 1: Forecast Employment Land Requirements in the Borough of Milton Keynes 2016-2031

Category of Floorspace	Experian Land Projection in ha	EEFM Land Projection in ha
Office	17 (12.9%)	18 (20.7%)
Industrial	12 (9.1%)	2 (2.3%)
Warehouse	104 (78.8%)	66 (75.8%)
Total	**132**	**87**

Source: MK/EMP/003: Tables 2.3 & 2.4 in MK Employment Land Study, Supply and Demand - Partial Update (June 2017) p.10-11.

4.5.1. Focusing on B8 (logistics and warehousing) employment land, the Employment Land Topic Paper considered the evidence provided by the ELS 2015 and the ELS 2017. The Topic Paper concludes: "… the B8 pipeline supply is up to 56.5 ha (comprising Eagle Farm North 35.8 ha, Magna Park-Glebe land 9.8 ha and Pineham 10.9 ha) which, when considered alongside the forecast demand (104 ha) produces a shortfall figure of at least 47.5 ha (104- 56.5) to be met by Plan:MK." It is this identified shortfall in B8 land that demonstrates the need to allocate land for employment uses.

4.5.2. As detailed at para 6.12 of Plan:MK Milton Keynes has sufficient land to meet its needs for additional office and industrial floorspace over the plan period but it has a shortfall in the amount of land allocated for warehousing. This shortfall is one of the main reasons for the Council allocating South Caldecotte for warehousing.

Q4.6 Is Plan:MK (Policies DS3, ER1 and ER2) consistent with national policy in avoiding the long term protection of employment sites where there is no reasonable prospect of a site being used for that purpose?

4.6.1. Para 22 of the NPPF says that ‘Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose.’

4.6.2. In April 2016 at the start of the plan period the amount of employment land in the Borough was 160.3 ha. Table 2 below illustrates the latest information on the amount of employment land within the Borough of Milton Keynes. The base date for this information is April 2018, two years into the plan period. The total amount of land including the proposed South Caldecotte site is 173.8 hectares. If South Caldecotte is excluded the amount of available employment land within the Borough falls to 116.1 ha.

Table 2: Employment Land in the Borough of Milton Keynes

Grid Square Area	Use Class	Area (ha)
Bletchley Brickfields/Newton Leys	B1/B2/B8	2.4
Crownhill	B1/B2/B8	1.2
Eagle Farm North	B1/B2/B8	25.2
Knowlhill	B1/B2/B8	5.9
Linford Wood	B1	5.1
Magna Park	B2/B8	9.8
Mount Farm	B1/B2/B8	1.9
Pineham	B2/B8	10.9
Redmoor	B2/B8	1.7
Rooksley	B1/B2/B8	1.3
Shenley Wood	B1/B2/B8/C2/D1	10.8
Snelshall East	B1/B2/B8	4.7
Snelshall West	B1/B2/B8/C1	5.1
South Caldecotte	B2/B8	56.8
Walton	B1/B2/B8	2.2
West Ashland	B1/B2/B8	1.1
Western Expansion Area	B1/B2/B8	17
Willen Lake	B1	1.1
Wolverton	B1/B2/B8	2.6
Wolverton Mill East & South	B1/B2/B8	5.6
Wymbush	B1/B2/B8	1.2
Total amount of land		**173.8**
Total exc South Caldecotte		**116.1**

Notes

1. Base date for Table is April 2018
2. Figures in table exclude areas of less than 1 hectare and land for mixed use development in in Central Milton Keynes and land at MKE.

4.6.3. Excluding South Caldecotte, in two years the Council has reduced the supply of employment land within the Borough by 44.2 ha, from 160.3 to 116.1 ha, a reduction of 27.6%.

4.6.4. Over 5 years the reduction is even more dramatic, in April 2013 the supply of employment land in the Borough was 216.3 ha. From 2013 to 2018 the supply of employment land within Milton Keynes has been reduced by 100.2ha, a reduction of around 46.3% from the supply of employment land originally available in 2013.

4.6.5. This reduction has come about partly because some land has been developed for employment purposes but also as a result of conscious efforts by the Council to reallocate sites for employment uses to alterative land uses through mechanisms such as the Site Allocations Plan. Among the major employment sites allocated to other land uses are Towergate 7.5 ha, Walton 7.3 ha, Kents Hill 5.2 ha and Broughton /Atterbury 4.8 ha. A number of employment sites in places such Shenley Wood have also been redeveloped for new schools.

4.6.6. The evidence demonstrates that MKC is being very proactive in following the advice in the NPPF of avoiding the long term protection of employment sites where is no reasonable prospect of a site being used for that purpose.

Issue 3 – Strategic Employment Sites

Q4.7 Is the approach to the allocation of South Caldecotte as the principal strategic employment allocation based on a clear, robust process of site assessment (including the Employment Land Review and Economic Growth Study Phase 2 Delivery Strategy) and informed by sustainability appraisal? Were any reasonable alternative employment sites to South Caldecotte considered when preparing Plan:MK?

4.7.1. The role of the Sustainability Appraisal (SA) process is explained within Section 5 of the Employment Land Topic Paper, which states –

> *"The following three employment sites were identified as available and potentially suitable for meeting needs (i.e. delivering significant new warehousing): Caldecotte South; East of M1 / South of the A422; and North East of Newport Pagnell.*

4.7.2. *Two of these options were then progressed for further detailed consideration as elements of the spatial strategy RAs. Specifically: Caldecotte South - was included within four of the seven RAs (specifically those assuming non-allocation of East of M1); and East of M1 / South of Newport Pagnell - was included within three of the seven RAs (those assuming allocation of East of M1). Final points to note are –*

- *Each option assumed allocation of just one of the two competing employment sites. It was not considered necessary ('reasonable') to test any option involving allocation of both, given the need/demand for new B8 identified by the ELS.*
- *The one site not progressed for detailed consideration was North East of Newport Pagnell, on the basis that it was considered sequentially less preferable to the other two employment site options. The site is suitable for employment development in certain respects, including on the basis that it is quite well linked to the M1 (c.4km*

at its closest point, and c.7km when measured from the Chicheley Hill roundabout); however: the developable area is 25 ha, which falls well short of the identified shortfall; and the site is associated with Newport Pagnell, as opposed to the MK urban area. Also, the site does not relate well to Newport Pagnell in built form terms, even once account is taken of the committed strategic eastwards expansion of the town, and there is significant landscape constraint (albeit the developable area figure assigned does reflect this constraint)."

4.7.3. Additional information relating to site selection is also presented in Section 6 of the Topic Paper, which explains key issues which were raised through consultation.

4.7.4. In respect of the Employment Land Study, this provided evidence to inform site selection in that it identified that there is set to be a shortfall in supply of B8 land to accommodate the needs of the warehousing and logistics sector, which in turn served to inform the site selection process. The 2015 ELS did also recommend a focus of attention "within the M1 corridor", which was a consideration influencing site selection.

4.7.5. In respect of the Economic Growth Study Phase 2 Delivery Strategy (MK/EMP/002). The Council's Employment Land Study published in November 2015 identified that although Milton Keynes could meet its future needs for office and industrial floorspace, additional land would be required to accommodate the needs of the warehousing and logistics sector.

4.7.6. As previously stated an update of the study in June 2017 concluded that around 104 hectares of land for warehousing would be needed in the Borough over the plan period (2016 to 2031) for this purpose.

4.7.7. Milton Keynes has an existing supply of land for warehousing of 56.5 hectares and a shortfall of land for warehousing of around 47.5 hectares (104-56.5). In considering the alternatives to South Caldecotte.

- The Caldecotte Farm site promoted by Roxhill Developments next to J14 of the M1 at 19.3 hectares was too small.
- Land to the north-east of Newport Pagnell promoted by Rula Developments & M J Cook Shire Farms at 25 hectares if fully developed for Class B8 (warehousing & distribution) development was also too small.

4.7.8. Even if both of these sites were to be developed, there would be a marginal shortfall of 3.2 hectares.

4.7.9. Land to the east of the M1 motorway, the Berkeley Strategic site, a strategic urban extension for a mixed residential and employment scheme was estimated to provide around 75ha of B8 land with some B2 uses and around 25 ha of B1 uses but it was recognised that infrastructure would be need to be provided to enable this site to be developed and there was uncertainty about if and when it could be developed .

4.7.10. In conclusion based on the evidence of the sustainability appraisal detailed above and the fact that the Roxhill Development and Rula Developments even if combined would not meet the identified shortfall of warehousing land and given uncertainties about the delivery of the Berkeley site, east of the M1. South Caldecotte was selected as the preferred location for warehousing as it would meet the immediate need for warehousing land and could be developed quickly. On that basis it was included within Plan:MK.

Q4.8 Is deliverability of the South Caldecotte site likely to be affected by any final route options of either the Expressway and/or EWR?

4.8.1. All of the three Expressway corridors maps shown in Appendix A of INS1a MKC cover this site. The Expressway may well pass through the A5/A4146 roundabout, at the southern edge of the site, but the likelihood of the expressway passing through the site is considered low as this would affect the consented Eaton Leys residential scheme and scheduled monument of Magiovinium.

4.8.2. Regarding East West Rail, the railway passes along the northern edge of the site it is not expected to affect the deliverability of this site as it is an existing operational railway line for services between Bletchley and Bedford. There are local concerns that an increased frequency of trains on the line will worsen traffic congestion at the level crossing adjacent to Bow Brickhill Station, where Brickhill Street crosses the railway line.

4.8.3. This development is not expected to have an additional impact on the level crossing because the proposed routing restrictions in the routing plan for this site will mean that lorry traffic will be directed south toward the A5/A4146 roundabout when leaving the site and will arrive at the site via the A5/A4146 roundabout, turning left into the site.

Q4.9 What will be the impact on the landscape character of the Greensand Ridge, the special interests of Bow Brickhill church and Danesborough Iron Age Fort, on-site priority habitat (lowland meadow) and the settlement identity and living conditions of residents at Bow Brickhill? Can any potentially adverse impacts be satisfactorily addressed?

4.9.1. Taking each issue in turn:

4.9.2. Landscape character of the Greensand Ridge - the Landscape Sensitivity Study (MK MK/ENV/001) identifies this site as falling within a parcel of land with 'medium' sensitivity; however, this conclusion may relate more to land to the south (Eaton Leys, which is now a committed housing site), rather than to the Caldecotte South site. The study explains that: *"Residential development could not be accommodated without affecting key characteristics and/or values in the landscape. The area suffers from visual and auditory intrusion from the transport network." (Para 6.14.4)* There will be potential to mitigate impacts through careful layout, landscaping and design; however, the necessary height of warehouses will likely mean that some visual impacts are unavoidable.

4.9.3. Bow Brickhill Church and Danesborough Iron Age Fort are, respectively, c.1.2km and 2.2km distant from the nearest edge of the site, and traffic generation is not likely to be an issue because of the routing plan, the only issue is likely to be in relation to visual impacts. However, Danesborough Iron Age Fort which is a Scheduled Monument is completely wooded and not a significant visual component of the landscape. For Bow Brickhill Church, further details will need to be investigated through a landscape and visual impact assessment. The Development Framework will guide applications in order to avoid or mitigate any harm to these two heritage assets, their setting or special interest, consistent with Policy HE1 of the Plan, the NPPF and the Planning (Listed Buildings and Conservations Areas) Act 1990.

4.9.4. English Nature has identified part of the site as priority habitat (lowland meadow). The site is not designated as a Local Wildlife site. Development can be designed to mitigate the impacts on priority habitat in accordance with policies NE2 and NE3.

4.9.5. Every effort will be made by the Council to mitigate the impact of the scheme on the living conditions of Bow Brickhill residents through careful layout, landscaping and design. The proposed routing plan will direct traffic away from Bow Brickhill. The scheme is physically separated from the village so coalescence will not affect the settlement identity of Bow Brickhill.

Q4.10 Given the site is primarily intended for warehouse and distribution uses is it reasonably related to the strategic road network and wider accessibility via the M1? Is the site reasonably connected by transport modes other than the car for employees? Are there any local highway factors (for example proximity of level crossings) which would lead to a conclusion that the transport impacts would be severe?

4.10.1. Taking each matter in turn:

4.10.2. Milton Keynes location is about halfway between London and Birmingham and Oxford and Cambridge. The site is reasonably related to the strategic road network, with the A5 adjacent and the M1 accessible via junction 13 or Junction 11a. Once the Expressway is constructed the site is likely to benefit from improved accessibility to locations between Oxford to Cambridge. The UK's major conurbations, representing more than 45 million consumers, can be accessed within 1 HGV driver shift (4.5 hours' drive time) from Milton Keynes. (Source Google map adjusted to HGV speed limits).

4.10.3. The site is reasonably connected by transport modes other than the car for employees, given that Bow Brickhill Station is adjacent to this site. There are existing bus routes that pass the site and the Development Framework proposes an enhanced bus service to this site. The nearest bus stops to the site are in the city at Caldecotte and in Station road in Bow Brickhill village.

4.10.4. The Bow Brickhill level crossing is in close proximity to this site and does give rise to certain traffic issues; however, the transport modelling which the Council has undertaken (principally scenario 1 and 2a) indicates that there would not be a severe transport impact due to this development or in combination with the SE SUA. The Council is undertaking further transport modelling to test a range of highway network assumptions in the area to better understand the influence that a new road bridge(s) across the railway would have on traffic flows and congestion in the area and at the level crossings in particular.

Q4.11 Would the allocation be effective? (would it be delivered?) Is there market demand for the intended uses at this location?

4.11.1. The promoters of this scheme and their agents are very confident that this scheme would be delivered and there would market demand for it. Table 3 below lists the number of inquiries that Invest Milton Keynes, the inward investment agency for Milton Keynes has received in the past 12 months from April 2017 to the end of March 2018. Enquiries for industrial premises (including warehousing and logistics use) dominate with 90 inquiries over this period compared to 57 for offices, 35 inquiries for land which could also include warehousing and logistics uses and 19 inquiries for retail.

Table 3: Number of Inward Investment Enquiries for Land and Property in Milton Keynes from April 2017-March 2018

Month & Year	Office	Industrial	Land	Retail
Apr-17	5	5	2	2
May-17	2	5	1	2
Jun-17	5	7	3	3
Jul-17	3	8	2	3
Aug-17	3	9	4	2
Sep-17	5	7	3	2
Oct-17	7	7	2	0
Nov-17	9	4	5	0
Dec-17	3	9	2	0
Jan-18	2	13	4	2
Feb-18	6	9	4	1
Mar-18	7	7	3	2
Total	57	90	35	19

Source: Invest Milton Keynes

4.11.2. Two reports have been published by property consultants Bidwells on the M1 South Industrial property market (MK/EMP/008) and the M1 South Office property markets (MK/EMP/009) both reports cover Milton Keynes. The M1 South Industrial report surveys market demand for industrial floorspace including warehousing.

4.11.3. The report highlights that the take up of industrial floorspace in Milton Keynes and Northampton was 297,290 sq.m in 2017, up from 232,260 sq.m in 2016, with the largest transaction in 2017 at 69,680 sq.m in Milton Keynes for an H&M warehouse at Magna Park in Milton Keynes. Total demand for industrial floorspace was estimated at around 548,130 sq.m with 353,030 sq.m of demand for buildings above 9290 sq.m (100,000 sq.ft). Only two buildings according to Bidwells were ready to occupy above 9,290 sq.m were on the market at the end of 2017. Since this report was produced Tesco has announced that it will closing its Fenny Lock Distribution site in Milton Keynes in the Summer/Autumn 2018 with the loss of around 500 jobs.

4.11.4. The figures in Table A at the end of this statement illustrate that over the period 2004 - 2018, a total of over 584,000 sq.m of 'B' use floorspace was completed. The majority of this floorspace was for B8 warehousing floorspace. This accounted for some 440,611 sq.m of floorspace completed over this period, around 75.4% of all floorspace in the Borough. By contrast B1a office floorspace completions over the same period accounted for around 116,986 sq.m of floorspace, some 20% of all floorspace completions.

Q4.12 The Council has prepared a Consultation Draft Development Framework SPD for the proposed allocation dated February 2018. With regard to NPPF paragraph 153 what is the inter-relationship between the SPD and the content of Policy SD16? Should Policy SD16 and/or its supporting text cross-reference the SPD?

4.12.1. The role of the SPD for South Caldecotte is to give guidance to the applicant and help mitigate the impact of this scheme, ultimately assisting them in making a successful application for the development of this site rather than adding unnecessarily to their financial burdens.

4.12.2. The Council agrees that the policy and the supporting text should reference the SPD for this site and proposes to modify policy SD16 and accompanying text as follows.

Minor Amendment

In Policy SD16 amend second paragraph of policy. **<u>A comprehensive development framework for the site will be prepared and</u>** the development will be brought forward in line with all relevant policies in Plan:MK particularly policies SD1 , SD11, SD12 and INFI **<u>prior to planning applications being approved</u>**.

Add new sentence to paragraph 5.30. **<u>A comprehensive development framework for this site will be prepared and adopted by the Council prior to planning applications being approved.</u>**

Q4.13 What role, if any, would strategic employment land supply at MKE (Policy SD14) make during the plan period?

4.13.1. The role of this site would be to increase the supply of employment land within the Borough. The principal employment use of the site is expected to be for warehousing and logistics use. In terms of the development timetable, should the Council be successful with HIF bid and subject to master planning then the earliest employment floorspace could come forward at MKE is 2023/2024. This would be after housing development on the site which would be delivered at 2021 at the earliest. The scale of B8 warehousing development now being proposed is estimated at around 400,000 sq.m.

Issue 4 – Policies for managing Employment Development (Policies ER1-9)

Q4.14 Are the proposed policies for employment development effective, justified and consistent with national policy?

4.14.1. Policy ER3 restricts retailing on employment land to ensure it is directed toward the Borough's town centres unless it is ancillary to on-site production or storage and satisfies policy ER16 on car –related retail uses. Policy ER4 is a policy for home based businesses where an increasing proportion of economic and business activity is taking place. This policy aims to facilitate home working but also seeks to manage and mitigate any harm that may be caused by it.

4.14.2. Policy ER5 seeks to protect small business units where development would involve their loss important in an area with one of the highest start –up rates for new businesses in the UK. Policy ER6 identifies specific areas of the city for unattractive /bad neighbour industries, which were designed to accommodate these activities. Policy ER8 is a policy for the location of places of worship and associated community buildings on employment sites to address the problems many faith groups have in finding suitable and affordable premises. These policies are considered to be effective, justified particularly against the alternative of having no policy at all, and in line with national policy.

4.14.3. Section 10.18 of the SA Report deals with the effects of Plan:MK in terms of 'economy' objectives. Consideration is given to the merits of proposed spatial strategy and then 'other policies', before the conclusion is reached that *"…the plan performs well, recognising that provision is made for delivery of employment land over-and-above what is required. Significant positive effects are predicted."*

Q4.15 Do Policies ER1 and ER2 (as the principal policies) provide clear, justified and effective guidance for assessing proposals for employment land and premises?

4.15.1. Policy ER1 promotes the development of the sites listed in accompanying Table 6.1 for employment (B1/B2/B8 uses) with a threshold policy seeking to locate B1a office and B1b developments in CMK and encourage the growth and expansion of the knowledge economy there.

4.15.2. Policy ER2 seeks to protect existing employment land and premises from changes of use to another purpose and details the process applicants must follow to demonstrate their property is no longer suitable for employment purposes. The policy recognises the need for flexibility by acknowledging there can be uses, which may not be able to be accommodated other than in an employment area. A good example of flexibility on alternative land uses on employment sites in Plan:MK is allowing places of worship and associated community sites on employment sites provided certain criteria are met (Policy ER8). In conclusion policies ER1 and ER2 aim to assist the growth and development of the local economy with policy ER2 aiming to strike a balance between protecting existing employment land and premises whilst being flexible towards development proposals that cannot be accommodated other than in an employment area.

Q4.16 Does Policy ER9 provide appropriate guidance for proposals related to the rural economy?

4.16.1. As stated in paragraph 6.36 of Plan:MK the aim of policy ER9 (Employment Uses and the Rural Economy) is to support the rural economy and give guidance on the type of development proposals, which would be considered acceptable in the open countryside. Policy ER9 takes its cue from paragraph 28 of the NPPF which says that Local Plans should *'support the sustainable growth and expansion of all types of businesses and enterprises in rural areas, through conversion of existing buildings and well-designed new buildings*.' This policy aims to comprehensive on the type of proposals which will be permitted in rural areas to sustain and enhance the rural economy. However, there are caveats to the policy, about proposals being of an appropriate scale for their location and respecting the environmental quality and character of the open countryside. Policy ER9 does need to be read in conjunction with other relevant policies in Plan:MK such as policy D5.

Minor Modification: Criterion 2 of the policy reads better if 'the' between 'for' and 'farm' is deleted from the policy.

Amended criterion 2 to read:

2 "Schemes for ~~the~~ farm diversification involving small-scale business and commercial development"

Q4.17 Taken together with other policies in the Plan, do the policies for the Economy provide a sound basis for sustaining and promoting economic growth in the Borough?

4.17.1. The economic policies within Plan:MK aim to grow and develop the local economy, which one of the fastest growing and most dynamic in the UK providing jobs for thousands of people. We have a clear idea of where we want to be in the future and what we want to achieve (See the Plan:MK Vision and MK Future 2050 Commission report) and we are actively planning for future growth.

4.17.2. Plan:MK identifies the employment needs of the Borough over the plan period and aims to ensure that enough land of the right type is provided to meet those needs. Where these uses cannot be accommodated within the city, the Council is allocating additional land particularly for warehousing at strategic development sites e.g. South Caldecotte and MKE. The Council has assessed if its existing employment land supply is 'fit for purpose' and where it is not, it has reallocated land to alternative uses.

4.17.3. As recognised by the National Infrastructure Commission Milton Keynes is key part of the developing knowledge economy between Oxford and Cambridge. A major project for the city is the development of a new University MK:U in CMK. The economic policies in the plan together with other plan policies provide a vehicle to achieve the Council's aspirations and promote economic growth in the Borough.

Key Documents used in the Preparation of this Statement

1. MK/NAT/003 National Planning Policy Framework (March 2012).
2. MK/SUB/001 Proposed Submission Plan:MK (October 2017).
3. MK/MIS/001 MK Futures 2050 Commission report 'Making a Great City Greater;
4. INS1a MKC Response to Inspector's Preliminary Letter dated 3 June 2018.
5. MK/INF/004 National Infrastructure Commission: Partnering for Prosperity A new deal for the Cambridge-Milton Keynes-Oxford Arc.
6. Live Schedule of Main and Minor modifications to Plan:MK: Main Modifications MK/SUB/015, Minor Modifications MK/SUB/016, Policies Maps MK/SUB/017
7. MK/EMP/003 MK Employment Land Study, Supply and Demand - Partial Update (June 2017)
8. MK/EMP/008 Bidwells Our View on M1 South Industrial (Spring 2018)
9. MK/EMP/009 Bidwells Our View on M1 South Offices (Spring 2018)
10. MK/ENV/001 MK Landscape Sensitivity Study to Residential Development (October 2016)
11. MK/MIS/006 SEMLEP South East Midlands Strategic Economic Plan
12. MK/MIS/007 SEMLEP Business Survey: Milton Keynes Council Report September 2017
13. MK/EMP/005 Milton Keynes Economic Development Strategy
14. MK/EMP/001 MK Economic Growth and Employment Land Study - Technical Analysis Report (November 2015)
15. MK/EMP/002 MK Economic Growth and Employment Land Study - Delivery Strategy Report (November 2015)

Table A: Figures in sq.m on Losses,Gains and net Floospace Completions for 'B' type uses in the Borough of Milton Keynes 2004-2018.

		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total
B1a - Offices	Losses	5157	3269	5935	11661	18200	12605	9543	6751	12175	11108	5343	11009	60812	4596.3	**178164.3**
B1a - Offices	Gains	24415	21994	29736	18579	30172	62351	9029	4542	46400	3413	22779	8215	2638	10887.51	**295150.5**
B1a - Offices	Net	19258	18725	23801	6918	11972	49746	-514	-2209	34225	-7695	17436	-2794	-58174	6291.21	**116986.2**
B1b - R&D	Losses	0	0	251	0	0	0	0	230	0	0	0	0	0	0	**481**
B1b - R&D	Gains	3694	1118	1418	0	30166	0	0	0	2754	0	2523	8160	2478	2151	**54462**
B1b - R&D	Net	3694	1118	1167	0	30166	0	0	-230	2754	0	2523	8160	2478	2151	**53981**
B1c - Light Industry	Losses	9056	0	2732	4543	891	1201	6257	430	0	634	2286	300	360	348	**29038**
B1c - Light Industry	Gains	926	5729	6168	1894	1619	2200	1359	623	579	225	690	195	1766	150	**24123**
B1c - Light Industry	Net	-8130	5729	3436	-2649	728	999	-4898	193	579	-409	-1596	-105	1406	-198	**-4915**
B2 - General Industry	Losses	24113	14683	8280	5363	9536	12772	3944	14170	10685	1780	1886	3761	4645	3500	**119118**
B2 - General Industry	Gains	25243	426	10466	11278	5513	2718	4489	2381	10667	4582	16101	828	1483	289	**96464**
B2 - General Industry	Net	1130	-14257	2186	5915	-4023	-10054	545	-11789	-18	2802	14215	-2933	-3162	-3211	**-22654**
B8 - Storage & Distribution	Losses	18452	35534	3538	6025	21847	1058	13972	9182	2469	16194	38248	4645	23163	3384	**197711**
B8 - Storage & Distribution	Gains	33383	38759	81972	69573	16082	13315	42665	9512	15572	60522	109966	79069	2083	65849	**638322**
B8 - Storage & Distribution	Net	14931	3225	78434	63548	-5765	12257	28693	330	13103	44328	71718	74424	-21080	62465	**440611**
Total in each year	**Losses**	**56778**	**53486**	**20736**	**27592**	**50474**	**27636**	**33716**	**30763**	**25329**	**29716**	**47763**	**19715**	**88980**	**11828.3**	**524512.3**
	Gains	**87661**	**68026**	**129760**	**101324**	**83552**	**80584**	**57542**	**17058**	**75972**	**68742**	**152059**	**96467**	**10448**	**79326.51**	**1108522**
	Net	**30883**	**14540**	**109024**	**73732**	**33078**	**52948**	**23826**	**-13705**	**50643**	**39026**	**104296**	**76752**	**-78532**	**67498.21**	**584009.2**

Table B: Amount of net B1a Office Floorspace in sq.m completed within CMK and outside it 2004-2018.

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Within CMK	-2675	385	5010	-989	3708	18547	-1393	-2631	30860	-4527	-2627	-2625	-2461	4405.8	**38582**
Outside CMK	21933	18340	18792	7907	8264	31199	879	422	3365	-3168	20063	-169	-55713	1885.41	**73999.41**
Total B1a Offices	**19258**	**18725**	**23802**	**6918**	**11972**	**49746**	**-514**	**-2209**	**34225**	**-7695**	**17436**	**-2794**	**-58174**	**6291.21**	**116987.2**