

Matter 2: Meeting Milton Keynes Housing Needs

Issue 1

Whether the Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to meeting housing needs.

Relevant Policies – GS2

Housing needs overall

2.1 Has the calculation of Local Housing Need (LHN) been undertaken correctly?

Yes. HBF consider the Council to have undertaken the assessment of local housing need correctly. However, as stated in our representations and outlined below we have concerns as the period over which the assessment of needs is then applied.

2.2 Has the correct median workplace-based affordability ratio been used to undertake the LHN calculation having regard to the date of submission of the Plan?

PPG states in paragraph 2a-006 that the most recent years for which the data is available should be used. At the time the Council published its local plan for the regulation 19 consultation this was 9.23. In March 2026 these figures were updated, and it remained the case that upon submission of the local plan the five year average work place based affordability ratio was 9.23.

2.3 Are there any exceptional circumstances which justify an alternative approach to using the LHN standard method? If so, what are they, and what should the housing requirement be?

HBF do not consider there to be exceptional circumstances for the use of an alternative approach to assessing local housing needs.

2.4 Are the additional 9,407 homes above the output from the calculation of the standard method to be provided as a buffer justified?

Yes. The Council is reliant on a number of urban extensions to meet housing needs and as such any unforeseen delays to the delivery of these extensions, or slower than expected build out rates could lead to housing needs not being met in full over the plan period. As such is a significant contingency in housing supply to ensure needs are met in full is essential. As to what is an appropriate level of contingency HBF considers an additional supply of between 10% and 20% to be appropriate, with local plans reliant on a small number of strategic allocations requiring a greater degree

of contingency as there is a higher risk that delays to any of these sites will mean housing needs not being met in full or the Council not being able to demonstrate a five year supply of deliverable sites.

Housing requirement

2.5 Have there been any requests to accommodate unmet housing need from any other authorities? If so, from who and when were such requests made?

This is for the Council to answer.

2.6 Should the housing requirement be altered as a result of the additional homes to be allocated above the standard method output?

No comment.

2.7 Have any alternative options for the housing requirement been considered in the SA? If so, what were the results?

No comment.

Plan period

2.8 Does Policy GS2 clearly set out the housing requirement for the plan period on an average annual basis?

No. While the need across the plan period is identified HBF would support a modification to include the annual requirement in GS2 to ensure clarity for decision makers and applicants alike.

2.9 Would the submitted housing and delivery strategy policies look forward 15 years from the anticipated adoption date of the Plan? Should it look further having regard to paragraph 22 of the Framework?

HBF consider the strategic policies in relation to housing are consistent with paragraph 22 of the NPPF and the requirement for them to look ahead for at least 15 years.

2.10 Is the commencement of the Plan period prior to the calculation date of the LHN justified?

It is not clear why the Council are proposing to start the plan period in 2022 given that the assessment of housing need is a forward-looking assessment of housing needs and undertaken in 2025.

The PPG is clear in 2a-011 and 68-031 of PPG that any past supply is taken into account when the local housing needs assessment is undertaken. In effect what was delivered prior, the assessment of needs being undertaken has been factored into the standard method and what must be planned for in the future, to then use past over supply to reduce the number of homes to be built in future is wholly at odds with the standard method and simply double counts the impact of that over supply.

To back date the standard method as proposed fails to recognise this key principle in the standard method. This was most recently recognised by the Inspector examining the Winchester Local Plan, which also looked to back date the standard method in order to take account of supply in excess of the standard method prior to the point at which it was

calculated. This was discussed at length at the hearing with inspector concluding in her post hearing note

“However, I am not convinced by the way in which the Council has derived the Plan’s housing requirement from LHN. The Plan’s most recent calculation of LHN was in 2024. The Plan’s housing requirement as set out in policy H1 runs from 2020-2040. The Plan’s housing requirement therefore includes completions since the start of the Plan period. It therefore includes completions that took place before the latest calculation of LHN.

The calculation of LHN is a forward-looking assessment of housing needs. From the point at which LHN is calculated it takes account of what has happened in previous years. The National Planning Practice Guidance (PPG) confirms that in calculating LHN using the standard method, the affordability adjustment is applied to take account of past under delivery. Whilst the PPG refers to past under delivery in this light, and is silent on over-delivery, I take a common-sense approach on this matter. For this reason, past supply prior to the latest calculation of LHN (2024) should not be taken into account in deriving the Plan’s housing requirement due to the effect of the affordability ratio in the standard method.”

This approach was then confirmed in paragraph 98 and 99 of her final report:

“98 Local plans should be up to date, and the calculation of LHN should be a forward-looking assessment of housing needs. National guidance expects LHN to be calculated at the start of Plan making and kept under review and revised where appropriate. However, each calculation of LHN amends the previous calculation.

99. Using the most recent calculation of LHN results in a LHN of 10,816 dwellings 2024-2040. The Plan should be corrected to indicate the latest calculation of LHN in 2024 running to the end of the Plan period which is 2040. That is necessary to ensure that the Plan accords with national policy, is positively prepared, justified and effective.”

The HBF considers it necessary for the plan period to be amended if the plan is to be consistent with national policy and sound. HBF accepts that in cases where there is under supply, this is not carried forward from the point at which needs are assessed – and that this approach is consistent with national policy. To therefore allow back dating such as being proposed will create confusion and simply allow local authorities to adopt the approach that best meets their own circumstances – a situation that cannot be considered a correct approach to planning and the application of national policy and guidance.

2.11 Should the Plan period be altered? If so, what should the overall housing requirement be?

Yes. The total housing requirement should be 44,975 over a plan period 205/26 to 2049/50. This would in turn reduce the buffer between housing needs and supply from 9,407 to 7,673.

Issue 2

Whether the Plan will deliver an appropriate mix of housing to meet the various housing needs over the Plan period and whether these are justified, effective and consistent with national policy.

Relevant Policies –HQH1, HQH2, HQH3, HQH4, HQH5, HQH7

Appropriate mix of housing overall

2.12 Is the Council's evidence for the mix of housing for supported and specialist homes justified? Is it up-to date?

HBF are concerned that there is insufficient evidence supporting the requirement for 5% of plots to be provided for self-build.

2.13 Should the requirements for older persons and specialist housing be set out within a strategic policy rather than the reasoned justification? Is the Plan effective as a result?

HBF would consider a policy that establishes the specific requirements to meet the need of older people to be more effective. This gives a clear indication as to what must be delivered and that decision makers should give significant weight to ensuring these needs are met.

2.14 Is the Plan's approach to meeting the identified needs for older persons and specialist housing within the strategic city extensions justified? Will it be effective?

Meeting some of the needs for older people and specialist housing on strategic sites is not unreasonable as along this this does not undermine the viability of those strategic sites. However, HBF considers it necessary for further clarity as to what this entails on the basis that if provision is not made then the policy states a contribution will be required to ensure these needs are met elsewhere. This would suggest that the needs being met are for those who are unable to afford to meet their own needs and falls under the definition of affordable housing. If this is the case, then more clarity is needed in the policy as at present paragraph 260 indicates that market led specialist housing would form part of this provision.

2.15 Should the Plan identify the number of bedspaces expected to be developed for older persons and specialist housing within the respective strategic city extension policies? Is the Plan positively prepared as a result?

No comment.

Policy HQH1 – Healthy Homes

2.16 Is Policy HQH1 positively prepared, justified, effective and consistent with national policy? Responses should specifically address the following:

a) Are the proposed tenure splits and proportions of different house sizes justified? Does it provide sufficient flexibility?

No, the policy does not provide sufficient flexibility. Firstly, the Council require development of all sizes to reflect the council's latest assessment of housing need. The Council cannot require development to meet the mix of a document that is produced after this plan has been examined as the consequences of that updated mix will have been open to the scrutiny and challenge that is required of a local plan policy. The Council can state that development proposals should have regard to the mix of homes in the most recent assessment of housing needs but not to reflect them. HBF would also suggest that in addition to the Council's latest assessment of needs reference should be made

to other robust sources of evidence. Secondly, while part C provides some flexibility the policy refers to situations where a greater variety of tenure size and type of home is not feasible. This should be amended read “*Should the nature of the proposal site mean that it is not possible to meet the required mix applicants are expected to submit robust evidence to justify an appropriate alternative*”. At present the policy appears to suggest that only if a development is unable to meet a greater mix than that established in the HEDNA will the council consider justifications for an alternative approach.

b) Does the operation of the policy anticipate future alterations to the Council’s evidence on housing mix? Would this affect viability?

In requiring development to reflect the most up to date assessment of need the Council are expecting future updates of the HEDNA to impact on the operation of this policy. This may or may not impact on the viability of development and for this reason it is not appropriate for the Council to require development to reflect the latest evidence. As suggested above the sound approach to this would be for the policy to require development to take account of the latest evidence on housing need while also taking into account other robust sources of evidence on needs and viability.

c) what evidence is there to support the requirement for the inclusion of the Nationally Described Space Standards (NDSS)? Should this be included within the policy itself?

While NDSS are currently required by policy HN4 of the adopted local plan and it will be necessary for the Council to provide evidence as to whether it should be taken forward in this local plan.

d) What is the evidence to support the requirement for 5% of the total dwelling plots on sites of 100 homes and above to be for custom and self-build?

The evidence supporting this requirement is in the Housing Topic paper (paragraphs 4.23 to 4.25) and is based solely on the number of individuals on the Self-Build Register. What is not clear from this is whether the register has been reviewed recently to remove those on the list who, for whatever reason, are no longer looking to build their own home. There will inevitably be a degree of attrition that needs to be taken into account when considering how many people are likely to want, and are able to purchase, a plot for a self-build home.

e) Are the requirements for 75% of all affordable and market homes to be built to Building Regulations Part M4(2) accessible and adaptable dwellings, and 5% of all market homes and 10% of affordable homes to be built to Building Regulations Part M4(3) wheelchair accessible standard justified? Is it viable?

The proposed policy is in broad alignment with Policy HN4 in the adopted local plan with the only change being a higher requirement for the provision of home built to M4(2). With regard to M4(2) it was expected that this would become mandatory however the proposed changes are still to be adopted and it is not clear whether they will. Looking at the draft NPPF there is a suggestion homes should be built to part M4(2) and M4(3) should reflect local need.

HBF are concerned that the assessment of needs for wheelchair user accommodation could be overstating demand as it does not appear to take into account the fact that many of those who will require a wheelchair adaptable home are already living in the area and will more likely seek to adapt their own home. HBF would have also expected the

Council to have discussed with developers how many homes built to part M4(3) have been purchased by those in need or affordable homes built to M4(3) have been allocated to housing an individual in a wheelchair. This type of information would have been helpful in understanding whether the assessment of needs is reflected in the market.

As for viability our main concern that the policy lacks the flexibility to ensure that it can be amended to support development viability. In some case the requirement to meet these standards can be more expensive to deliver, for example where they require lifts to ensure level access, or reduce the number of units that can be built. These concerns are recognised in paragraph 56-008 of PPG and HBF would recommend that the policy is made more flexible by stating that these requirements will only be applied where step free access can be achieved without making the scheme unviable.

The policy will also need to amend part G.2. as the standard relating to market housing should be for wheelchair adaptable housing. As set out in 56-009 of PPG wheelchair accessible housing should only be applied where the local authority is responsible for nominating the person to live in that dwelling.

Policy HQH2 – Affordable Homes

2.17 Is Policy HQH2 positively prepared, justified, effective and consistent with national policy? Responses should specifically address the following:

a) Are the percentages of affordable housing justified? Are they viable?

HBF would question why a distinction has not been made between Housing sites in Viability Area 1 which the WPVA states in paragraph 8.15 should be 30% is required to make the same contribution and for greenfield strategic sites. If there is a difference in viability between these two typologies and the Council is looking to set variable rates on the basis of viability, then it cannot be justified to require 40% on all such sites.

However, HBF are increasingly concerned about the ability of development to meet all the policy costs being placed on them by development plans in the face of increasing build costs. Research undertaken by the HBF provide some context as to why many house builders are struggling to bring forward development with the cost of building a new home increasing by over £70,000 per dwelling since 2020. In particular the material and labour costs have increased significantly rising, on average, by £38,000 per home. However, the higher cost of labour and materials will also impact on the cost of delivering new infrastructure. Where significant improvements in local infrastructure are required to make a development acceptable then higher build costs will translate into higher S106 costs for house builders. Given significant uncertainty in the market the Council must be certain that its policies are viable not just at the point they adopted but into the future.

b) What evidence is there to justify each of the respective viability areas?

For Council.

c) Is the housing mix justified? Is it sufficiently flexible to allow for changing circumstances?

No comment.

d) How are off-site contributions to be calculated and is this set out in the submitted Plan?

Mark Behrendt

Regional Planning Manager – SE and E