

Sent by email to: [MKFutures@milton-keynes.gov.uk](mailto:MKFutures@milton-keynes.gov.uk)

22/05/2020

Dear Sir/ Madam

### **Response by the Home Builders Federation to the consultation on the Milton Keynes Strategy for 2050**

1. Set out below are the comments of the Home Builders Federation (HBF) on the engagement draft of the Milton Keynes Strategy for 2050. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.
2. The consultation paper sets out a vision for Milton Keynes as a city region but with the caveats that Milton Keynes Council (MKC) is not in a position to impose development on its neighbours and this strategy does not represent the views of those authorities. By focussing on delivering longer term needs for Milton Keynes the approach being proposed seeks to provide the long-term vision necessary to grow the Milton Keynes Metropolitan area and increase the certainty required for long term investment in infrastructure and services. In addition, the Council considers the strategy to enable them move away from what it sees as the "*haphazard development*" in its area due to the reliance on developers for the task of delivery.
3. The decision to create a strategic vision for the future of the Milton Keynes Metropolitan area rather than be limited by administrative boundaries and one that seeks transformational growth is welcomed. However, alongside the vision their needs to be a practical and pragmatic approach to delivering that vision through successive local plans. This will need a wide range of stakeholders, including the investment, knowledge and skills of house building industry, to take forward. It will also need to ensure that the vision remains consistent with national policy and its delivery expectations.

#### **Working across the metropolitan area.**

4. It is important to recognise, as the strategy does, that to fulfil its ambitions across the Milton Keynes metropolitan area requires not just MKC but also its neighbouring authorities to deliver increased levels of development. However, strategy states that it will be for individual local planning authorities across the



Metropolitan Milton Keynes areas to consider the spatial framework and adopt them where appropriate. Whilst this is true it seems to strike a relatively passive approach to delivering the proposed strategy. It will be necessary for Milton Keynes to take a more proactive leadership role in securing the land and development to meet its goals. Councils with ambitious growth plans for their areas must be confident of what is needed from their neighbours and seek to ensure that these are delivered.

5. In the options document published alongside this plan outline that relying on other authorities to meet needs is a risk. We would agree and it will be important that MKC establishes the necessary partnership frameworks that can deliver the growth expectations early in the plan making process. Such discussions appear to have started but clearly changing structures in Northamptonshire and Buckinghamshire will require new agreements to be reached. However, these changes offer opportunities with regard to setting the necessary frameworks for ambitious joint planning around Milton Keynes. In the first instance it will be important that MKC and its neighbouring authorities seek to align plan preparation from the start. The lack of plan alignment across housing market areas has been a significant issue since the introduction of the NPPF with too many plans deferring cross boundary issues on this basis.
6. As such the need for early reviews of both the Bedford and Central Bedfordshire Local Plans and the establishment of the Buckinghamshire and Northamptonshire Unitary Councils offer opportunities for the alignment of plan preparation and establishing a shared time frame for the delivery of new local plans should be priority moving forward. By initiating a good partnership framework now will ensure that the local plans required to deliver the vision will not be beset by the problems we have seen in relation to cross boundary working and the failure of Council's to co-operate effectively in meeting needs. Ideally, as is suggested in the strategy, this joint working would lead to the development of a joint local plan for the metropolitan area that cuts across the relevant boundaries.

### **Housing growth**

7. MKC's ambitions to see its population reach 500,000 by 2050 and to plan for the level of development to support that level of growth. It is stated in the consultation document that this will require an additional 46,000 homes across the Metropolitan area to those already planned in adopted and emerging plans. Whilst we welcome the ambitions it will be important to ensure that the long-term aspiration continues to exceed the delivery expectations required by Government. Proposed development may need to be brought forward or additional growth identified through the preparation and review of local plans.
8. In delivering more homes the Council are looking to create high quality places and communities with more affordable housing and significant improvements in infrastructure such as the introduction of a new Mass Rapid Transit public transport network. Whilst we would not disagree with the desire to create high

quality places it must be recognised that the approach outlined will create additional costs and developer contributions and as such there will need to be careful consideration during the preparation of local plans to ensure that any proposed development remains viable.

#### *Building standards*

9. With regard to environment and building standards we note that the strategy states that the Council will respond to climate emergency and strive to meet higher standards such as Passivhaus and BREEAM. We recognise that new housebuilding has an important role in responding to the challenge of climate change. The Council will be aware that there are a number of initiatives emanating from central government that will set new standards for energy efficiency, renewable energy and biodiversity standards. As such any local plans covering the Milton Keynes metropolitan area will give careful regard to the progress of these new standards when developing specific policies to avoid the potential for duplication and confusion. For example, the Government's Future Homes Standard among other things, is likely to move away from optional standards and establish new standards relating to the construction of homes in relation to renewable energy (carbon reduction) and water efficiency. This should make it unnecessary to seek higher requirements in local plans across the Milton Keynes Metropolitan area.

#### *Meeting the needs of older people*

10. Whilst Milton Keynes has a relatively youthful population compared to the rest of the Country the strategy recognises that consideration will need to be given to the challenge of meeting the housing needs of older people. Once needs are established, we would recommend that a benchmark target for the provision of housing across the Milton Keynes Metropolitan area should be set. This would provide the basis against which delivery of such homes can be planned and monitored with appropriate interventions being put in place should delivery fall below expectations. The current and draft London Plans provide examples of how the Mayor of London has chosen to address this issue. Both plans include benchmark monitoring targets for the supply of older persons dwellings, that break these down for each of the London boroughs. HBF thinks this is a helpful approach.

#### **Locations for development – the 2050 Spatial Strategy**

11. Chapter seven sets out the broad spatial strategic for the metropolitan area. The HBF does not make comments about where development is located. Our main concern is that a diversity of sites, both in terms of location and size, are allocated through local plans. This is particular important if the level of growth aspired to in the strategy is to be consistently achieved. Slow delivery is often a result of Councils relying on a few strategic sites and the increased risk that delays in delivery to any of these sites would have a major impact on overall delivery. By

planning for the delivery of both strategic sites and a range of other smaller sites higher rates of delivery across an area are more likely to be maintained. It is also important to recognise that a diversity of sites leads to a diversity of developers operating in an area which has been recognised as important in delivering the scale a variety of homes required in most areas.

12. We are also concerned that the strategy outlines a potential routes, stations and park and rides for the proposed Mass Rapid Transit (MRT) system at this very early stage and without the robust evidence required to support these. We appreciate the ambition to deliver the MRT but such major proposals will need to be more thoroughly considered with a comprehensive and robust evidence base as to the costs, viability and site availability before the establishing the potential routes for such a major piece of infrastructure.

### **Delivering the strategy**

13. Section 8 sets out what the Councils consider to be needed in order to deliver the level of development required to achieve its ambitions. The Council is critical of the “*normal development process*” and its failure to meet all of their requirements for high-quality large-scale development. As such the Council is proposing to develop an alternative approach to development in Milton Keynes where it takes much greater control over the quality and in determining the phasing of any development.
14. The Council, like others across the country, are expecting substantial contributions from the development industry to support the delivery of affordable housing and the provision infrastructure and services yet are critical of delivery whilst taking none of the risks associated with that delivery. These risks are placed on the private sector developer and as such they should be able to manage the delivery of development on their sites in the way that best ensures those risks are mitigated as much as possible. Without any exposure to these risks the Council should concentrate on providing greater flexibility within its supply of development land, reducing rather than extending prescription within local plans and improving strategic infrastructure delivery.
15. In developing its approach to delivery, we would therefore suggest that the Council looks to work in partnership with the development industry to understand the viability and phasing of development and the barriers to delivering to the timescales and rates expected. These will include – but are not limited to – highly prescriptive policy requirements, numerous pre-commencement conditions, workforce, and delays in the planning and delivery of off-site strategic infrastructure beyond the control of the developer. In seeking to increase supply over the long term the Council and its neighbours will need to look at these issue and work with the development industry to address a wide range of factors that impact on the delivery what can be achieved on a variety of sites. This will, in turn, allow for a more effective approach to the allocation of sites and long-term planning.

## *Infrastructure*

16. The consultation document and the supporting evidence highlight the concern amongst the general population that increased development does not lead to the requisite improvements in infrastructure. However, what is not recognised in the consultation document is that the development industry contributes a significant amount of funds to support improvements to infrastructure. Across the country the house building industry contributes billions of pounds to support the delivery of affordable housing and infrastructure each year. Research commissioned from Lichfields by the HBF<sup>1</sup> showed that in 2017 the house building industry in the UK provided £4.2 billion of new affordable housing and contributed £841 million for new infrastructure to address the additional pressure created by new development. Recent research by the Government has estimated that housebuilders have made a significant contribution to the nation's infrastructure, providing some £21 billion towards infrastructure of all types including affordable housing since 2005.
17. As such many of the general populations concerns regarding infrastructure are not necessarily a result of additional development but a lack of investment over time by local Councils and infrastructure providers. The house building industry broadly accept the need for new development to consume its own smoke with regard to infrastructure but should not be required to pay for improvements that address existing shortcomings in infrastructure. As such any approach to developer contributions being considered by the Council must first fulfil the tests set out in paragraph 122 of the CIL Regulations 2010 (as amended) and paragraph 56 of the NPPF.
18. The Council will also need to ensure that the contributions required to support the delivery of infrastructure allow for a reasonable return to the developer and continues recognise the significant risks facing the development industry. Alongside the infrastructure requirements that are being proposed, including the new Mass Rapid Transit system costing an estimated £1.1 billion, the Council are also suggesting that development should provide a significant proportion of all homes as affordable housing and potentially deliver higher environment and building standards. Whilst we recognise that the level of these requirements will be tested in individual local plans it will be important to ensure the potential costs being placed on development within this longer-term strategy does not make development in future local plans unviable. There is a risk that if the Council seeks to capture too much value then development land will just not come forward.
19. The strategy highlights the MK Tariff and whether a similar approach would be possible. Our understanding is that the MK Tariff operated by obtaining agreements from the landowner as to the contributions to be made in relation to

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[https://www.hbf.co.uk/documents/7876/The Economic Footprint of UK House Building July 2018 LR.pdf](https://www.hbf.co.uk/documents/7876/The_Economic_Footprint_of_UK_House_Building_July_2018_LR.pdf)

that site and setting a timeframe as to when these would be paid. As such the expectation was that these costs could be factored into the land value and then collected through the tariff as a site was developed. However, it is noted in the strategy that a similar approach may not be possible as it would be more difficult to achieve such voluntary agreements with landowners. This is not surprising given the risks of entering such agreements and the uncertainty of securing planning permission in a timely manner and we would recommend caution in seeking to replicate this approach.

20. With regard to the delivery of infrastructure the suggested approach is for infrastructure to be in place prior to expansion. We would agree that the ability to provide strategic infrastructure prior to or alongside new housing development is beneficial. However, large scale infrastructure improvements take time and development that is reliant on major infrastructure can be delayed as a result. MKC and its partners will therefore need to ensure, as we highlight earlier, that there is flexibility in supply within local plans to offset any potential delays on strategic sites that is reliant on such infrastructure.

#### *Development corporations*

21. MKC have suggested that the best chance of the city achieving its ambitions is through the development of new partnership arrangements or a delivery body such as a new town development corporation. Whilst we recognise that such options must be explored the HBF is concerned that too much effort can be taken in establishing development corporations at the expense of vital strategic planning activity such as local plan production and review. We recognise that these are not mutually exclusive activities but care must be taken to ensure that the priority for those authorities in the Milton Keynes Metropolitan area is the alignment and delivery of local plans to secure the development that is needed over the next 15 years. If the Councils can agree to work together to align development objectives and local plans, then from this position they will be in a better position to consider establishing a development corporation or if indeed whether a development corporation is even necessary or appropriate. We believe there are other tried and tested approaches that offer public-private partnership working that can deliver as effectively, efficiently and without the potentially significant costs and extensive lead in times associated with setting up and running a development corporation not least implementation of such a corporation's aims/objectives.

#### **Conclusions**

22. As set out at the start of our response the HBF is supportive of Councils taking a long term approach to development as long as the approach when it is translated into local plans meets identified needs and there is sufficient flexibility to ensure those needs are met. It is also essential that the right stakeholders are involved from the start which over time should improve plan making. We therefore hope you find these representations helpful and would be happy to help facilitate any

discussions between house builders and those LPAs operating in the Milton Keynes Metropolitan Area.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Behrendt', with a stylized flourish at the end.

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