

# HOUSING STATEMENT (APPENDIX 3) MILTON KEYNES EAST MARCH 2021



# **Milton Keynes East Housing Statement**

**Hybrid Planning Application**

St James Group Limited

March 2021

**LICHFIELDS**

12491/04/MS/HBE  
19387755v4



## 1.0 Introduction

- 1.1 This Housing Statement has been prepared by Lichfields on behalf of St James Group Limited ('St James') in relation to the submission of a hybrid planning application. This application seeks permission for the majority of development allocated as part of the Milton Keynes East ('MKE') strategic urban extension.
- 1.2 The application site totals approximately 437 ha of land located to the east of Milton Keynes, east of the M1 motorway and south-east of Newport Pagnell. The proposed application development includes 4,000 up to 4,600 new homes (including later living accommodation), 403,650 sqm of employment floorspace, with associated transport infrastructure, community infrastructure, green and blue infrastructure, and other associated development. Detailed permission is sought for the development of key highways infrastructure. All other uses – including all residential and employment development proposed – is within the outline element with all matters reserved.
- 1.3 The purpose of this Statement is to demonstrate that the development can deliver an appropriate mix of housing types, and an appropriate proportion of accessible, adaptable, and innovative homes. It has been prepared in accordance with the guidance set out in the Milton Keynes Council ('MKC') Local List (Version 1.5, May 2020). As per the local list, such a statement is a requirement for all major residential developments as a validation requirement.
- 1.4 Appended to this Housing Statement is an 'Affordable Housing Statement' prepared by St James (Appendix 1). This report should be read alongside this Housing Statement.
- 1.5 This Statement is structured as follows:
- **Section 2.0** sets out the context for the need for new homes;
  - **Section 3.0** details and justifies the proposed housing mix, tenure split and other relevant housing design standards; and
  - **Section 4.0** sets out our conclusions.

## 2.0 The Need for New Homes

### National context

- 2.1 The National Planning Policy Framework (2019) ('NPPF') sets out a national framework for plan-making and decision-taking in respect of planning in England. Paragraph 59 of the NPPF affirms the Government's objective to significantly boost the supply of homes that, inter alia, addresses the needs of groups with specific housing needs. Paragraph 64 of the NPPF also requires that major housing developments provide at least 10% of homes available for affordable housing ownership.

### Milton Keynes Borough

- 2.2 Milton Keynes Council has an ambitious growth vision for over the period to 2050. Policy DS2 of Plan:MK (2019) sets a minimum housing requirement for Milton Keynes Borough of 26,500 net additional dwellings over the plan period (2016 to 2031). This equates to an annualised housing requirement of 1,766 dwellings per annum; a figure alike to the more up-to-date assessment of local housing need for the Borough using the Standard Method<sup>1</sup>. The Council's

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<sup>1</sup> The current standard method figure for local housing need in Milton Keynes Borough is 1,787 dwellings per annum.

Strategic Housing Market Assessment (2017) establishes a need for an additional 8,200 affordable homes over the plan period. This equates to 30.9% of the full objectively assessed need for homes (26,500 units).

2.3 In respect of housing mix and type, there are several relevant policies in Plan:MK (2019) including:

- **Policy HN1:** ‘Housing Mix and Density’;
- **Policy HN2:** ‘Affordable Housing’;
- **Policy HN3:** ‘Supported and Specialist Housing’;
- **Policy HN4:** ‘Amenity, Accessibility and Adaptability of Homes’;
- **Policy HN5:** ‘Self-build and custom housebuilding’; and
- **Policy D4:** ‘Innovative Design and Construction’.

2.4 Table 2.1 shows the recent housing delivery since the start of the plan-period to the latest full monitoring year (2019/20). In the first four years there has been a shortfall in delivery; however, it is clear delivery has begun ramping up. The Council has also published data for the first three quarters of 2020/21. Despite the impact of the initial COVID-19 national lockdown (in April 2020 where many sites would have stalled), 1,254 completions (net) have been recorded to 31<sup>st</sup> December 2020 with 2,089 starts<sup>2</sup>. Therefore, it should be expected that delivery will continue to be maintained at a high level for 2020/21.

Table 2.1 Recent Housing Delivery in Milton Keynes Borough

Year	2016/17	2017/18	2018/19	2019/20	Total
Delivery (Net)	1,230	1,518	1,781	2,076	6,605
Requirement	1,766	1,766	1,766	1,766	7,064
Difference	-536	-248	15	310	-459

Source: MKC

2.5 The aim of the housing growth proposed in the city is to help address affordability issues and support the economic growth anticipated as the city capitalises upon its central location within the OxCam Arc. The Government’s OxCam Arc joint declaration report highlights<sup>3</sup> that the economic growth of the Arc “*is constrained by poor east-west infrastructure and a lack of suitable housing that hinders the continued success of the area.*”<sup>4</sup> Therefore, additional housing in Milton Keynes not only helps meet local needs but also supports the Governments ambitions for housing and economic growth across the Arc.

## Milton Keynes East

2.6 Milton Keynes East is allocated to help meet housing local housing needs within and beyond the current plan-period. Policy SD12 requires that MKE delivers a comprehensive new residential and employment development that will contribute to meeting the long-term needs of the city. In respect of housing, Policy SD12 requires future proposals to meet set criteria, including:

*“Delivery of around 5,000 new homes, including at least 1,475 homes within the plan period, providing a range of sizes, types and tenures, including affordable housing, in accordance with other policies in the Plan.” (C.1)*

<sup>2</sup> <https://www.milton-keynes.gov.uk/your-council-and-elections/statistics/housing-statistics> (Data up to

<sup>3</sup> The Oxford-Cambridge Arc: Government ambition and joint declaration between Government and local partners (2019)

<sup>4</sup> Box 2.1

## 3.0 Proposed Housing

3.1 This application proposes the development of around 4,000 up to a maximum of 4,600 new homes in total. St James control approximately 80% of the MKE allocation and therefore will bring forward a proportionate amount of the “around 5,000” homes for which the site is allocated. The below considers the proposed housing by affordable and market tenure.

3.2 It is noted that the housing element of the scheme is within the outline element of the hybrid planning application with all matters reserved. The development proposed is a major urban extension that will be built over a long period of time: likely more than 25-years. Consequently, the exact housing mix (particularly for the market tenure) and the standards of future homes is not known at this stage. Therefore, much of the detail will come forward as part of future reserved matters applications assessed against prevailing policy, building regulations and legislation, taking account changing needs over the build-period.

### Affordable housing

3.3 The appended ‘Affordable Housing Statement’ fully details the proposed affordable housing provision as part of this application. This includes the relevant housing mix (by size), Extra Care provision, and accommodation by type (flats/homes). In summary:

- **Number of Affordable units:** The development will deliver 1,240 affordable units (i.e. 31% of 4,000 units – in accordance with planning policy) which includes an element of Extra Care provision.
- **Tenure split:** The proposed tenure split will be 20% affordable rent, 5% social rent, and 6% shared ownership (against the total 4,000-unit development). This is compliant with Policy HN2.

Flexibility in terms of the tenure split and mix (by size and type) is built in to the overall provision given the timescales involved in developing the scheme; for the affordable element this is suggested to be incorporated as ranges around the current identified mix (%) within Plan:MK and the accompanying SPD. This will allow for future changes to meet any changes in demand.

At present no ‘First Homes’ are included in the mix; however, this will be for future consideration in Reserved Matters applications as and when Government guidance is released;

- **Flats/Homes split:** Including the provision of Later Living Extra Care units and based on the affordable housing mix proposed, 34% of affordable homes will be flats and 66% will be houses (or a 24%/76% split excluding Extra Care units). This is a greater proportion of flats in comparison to the SHMA (2017) need; however, the greater provision of flats above the SHMA identified need (as per Table 7.1 in Plan:MK) is consistent with the wider objectives for the MKE urban extension (including policy SD12 and the MKE Development Framework SPD);
- **Phasing** Regarding phasing, the delivery of affordable homes will be linked to the delivery occupation of market homes. The scheme will be also be designed as tenure blind with affordable housing ‘pepper-potted’ throughout; and
- **Space Standards:** As a minimum, all affordable homes will be designed to Nationally Described Space Standards.

3.4 As noted in the appended ‘Affordable Housing Statement’ prepared by St James (Appendix 1), prior to the first Reserved Matters application an Affordable Housing Plan will be produced.

Then prior to each subsequent Reserved Matters application the Affordable Housing Plan will be updated to take account of cumulative delivery. This will show the affordable provision proposed in each relevant phase and the updated cumulative position against the flexible mix proposed. Overall, the proposed affordable housing mix generally accords with the current development plan but includes flexibly to adapt to changing future demands.

## Market housing

- 3.5 Based on a minimum delivery of 4,000 homes and the 1,240 affordable units proposed, this application will deliver a minimum of 2,760 market units. Across the site, a full range of sizes and types of market homes will be delivered: from 1-bedroom flats in higher density areas near the Community Hub to larger family homes in lower density character areas.
- 3.6 The precise mix of market homes proposed will be determined on a phase-by-phase basis as each Reserved Matters applications come forward. The mix will be agreed as each phase comes forward taking account of both relevant policy and guidance (i.e. Policy HN1 and Table 7.1 in Plan:MK) as well as the cumulative delivery mix to that point. However, it is expected that the provision of flats in the development will be higher than that indicated in the Council's SHMA (2017). This divergence is justified given the need to deliver the number of homes as per the allocation (Policy SD12) and in order to be in general accordance with the adopted MKE Development Framework SPD (2020).
- 3.7 If appropriate the applicant would be pleased to agree with MKC how a flexible approach to the private housing mix could be accommodated within any planning permission and accompanying conditions. The need for flexibility in respect of the market housing mix reflects the need to respond to changing customer choice, changing trends, and also transport improvements across a potentially 26-year build period.

## General housing matters

- 3.8 There are a number of other policy requirements with regards to housing standards. The below considers each of these in turn:
- **Space Standards (Policy HN4):** As a minimum all homes will be designed to national space standards. This will be demonstrated on a phase-by-phase basis;
  - **Adaptable and Wheelchair Accessible Homes (Policy HN4):** Detail will be provided as reserved matters applications come forward taking account of relevant building regulations and prevailing policy at the time. The scheme and proposals can accommodate adaptable and wheelchair accessible homes (as per Part M4 of building regulations) and as such will address this requirement;
  - **Self-Build (Policy HN5):** There is no specific self-build element or location proposed as part of this application; though it is anticipated the wider Milton Keynes East allocation site has the capability to accommodate the 1ha provision envisaged within the Development Framework SPD. However, the parameters provide the flexibility for St James to provide self-build serviced plots in the future and the wider allocation can provide for self-build provision should an area not be provided by St James. It will be for Bloor and MKC to demonstrate collectively how this is delivered; and
  - **Innovative Design and Construction (Policy D4):** St James are committed to innovative design and modern methods of construction. Berkeley Group (of which St James is a part) has an operational modular home manufacturing facility in Northfleet, Kent, which is at the cutting-edge of delivering volumetric modern methods of construction, whilst maintain the exceptionally high design standards for which Berkeley is renowned. St James are exploring opportunities to delivering an element of the new homes at MKE using

such modern methods of construction. Precise details of these will be provided as Reserved Matters applications come forward taking account of prevailing policy at the time.

## 4.0 Conclusions

- 4.1 Lichfields on behalf of St James have submitted a hybrid planning application seeking permission for up to 4,600 homes (all in outline with all matters reserved). Subject to the grant of planning permission the baseline position is that at least 4,000 homes will be built on this site of which 1,240 will be affordable (i.e. 31% of 4,000). The development represents planned growth that underpins Milton Keynes Council's ability to meet its housing targets in Plan:MK (2019) and is, therefore, imperative to meeting Milton Keynes' growth needs in a plan-led manner.
- 4.2 This Housing Statement details key housing information with regards to St James proposed development at MKE and should be read alongside the St James 'Affordable Housing Statement'. Overall, St James's proposals will provide a range of housing sizes, types and tenures, including affordable housing. However, much will be for future consideration as part of Reserved Matters applications taking account of relevant policy and guidance, including any updated assessment of local needs. In this context, it is considered the proposed housing is justified against the relevant policies of the local plan, and that this housing statement provides the Council with sufficient information, as required by the Local Validation List, to determine the application.





# **Appendix 1 St James: 'Affordable Housing Statement' (March 2021)**

**MILTON KEYNES EAST**  
**AFFORDABLE HOUSING**  
**STATEMENT**  
March 2021

St James

Designed for life



Berkeley  
Group

## **MILTON KEYNES EAST – BACKGROUND AND AMBITION**

Berkeley Group control approximately 80% of the land east of the M1 known as Milton Keynes East (MKE). Berkeley are to bring forward approximately 4,000 homes at Milton Keynes East over a period of approximately 24 years as part of a wider allocation of approximately 5,000 homes. The balance of the site allocation will be delivered by Bloor Homes, delivering approximately 650 homes and MKC approximately 350 homes.

Berkeley focus on individually designed tenure blind masterplans to build new communities where people want to live, work and spend time.

The Berkeley vision for MKE is to focus on a healthy place to live, work and spend time focussed on a green landscaped grid for people and nature. The concept is the 15-minute neighbourhood where the natural choice is to walk and cycle. Milton Keynes East is also proposed as the pilot study site for MKC's guidance on "Dementia Friendly Neighbourhoods". This will include ensuring proximity of older persons housing to schools, local centres, the community hub and green spaces.

A Development Framework was adopted for MKE in March 2020 for the site allocation. The Development Framework proposes a density average for the Berkeley land of up to 40 dwellings per hectare to create a critical mass to support a new Mass Rapid Transit transport hub at the local centre and community health hub. The site allocation will also deliver over 4,000 - 5,000 new jobs at the site (B1/B2/B8). This Development Framework density will require a minimum of up to 30% - 35% apartments and some urban houses across all tenures. This proportion of apartments is in excess of the 18.5% in the adopted Local Plan (2019) and 13% within the Affordable Housing SPD (2020).

## AFFORDABLE HOUSING AND TENURE

- Policy HN2 requires 31% affordable housing, split 20% Affordable Rent, 5% Social Rent and 6% Shared Ownership.
- Berkeley propose to provide a fixed provision of 1,240 affordable homes (31% of 4,000 homes) with a policy compliant (Policy HN2) tenure split:

Tenure	Fixed No.	%
Affordable Rent	800	20%
Social Rent	200	5%
Shared Ownership	240	6%
<b>Total</b>	<b>1240</b>	<b>31%</b>

- The proposed affordable mix by tenure is set out below:

Type	Bedrooms	Affordable Rent		Social Rent		S. Ownership		Total	
Flats	1 bed	88	11%	0	0%	38	16%	126	10%
	1 bed extra care	0	0%	128	64%	0	0%	128	10%
	2 bed	80	10%	0	0%	58	24%	138	11%
	2 bed extra care	0	0%	32	16%	0	0%	32	3%
	3 bed	0	0%	0	0%	0	0%	0	0%
Houses	2 bed	332	42%	0	0%	100	42%	432	35%
	3 bed	300	38%	0	0%	44	18%	344	28%
	4 bed*	0	0%	40	20%	0	0%	40	3%
	5 bed*	0	0%	0	0%	0	0%	0	0%
	<b>Total</b>	<b>800</b>	<b>100%</b>	<b>200</b>	<b>100%</b>	<b>240</b>	<b>100%</b>	<b>1240</b>	<b>100%</b>

- \*Officers were interested in exploring the provision of 5 bed Social Rent properties in lieu of 4 bed properties of the same tenure, this has been addressed in the flexibility mechanisms set out in the Flexibility For The Future section below.

## AFFORDABLE MIX BY TYPE

- The mix of affordable housing proposed by St James equates to a fixed 66% house/34% apartment ratio including the Extra Care provision and a 76% house/24% apartment ratio excluding the Extra Care provision:

Type	Incl. Extra Care		Excl. Extra Care	
	No.	%	No.	%
Apartments	424	34%	264	24%
Houses	816	66%	816	76%
<b>Total</b>	<b>1240</b>	<b>100%</b>	<b>1080</b>	<b>100%</b>

- The predominant unit types are 49% 2 bedroom (apartments and houses) properties and 28% 3 bedroom (houses) properties. When Extra Care is excluded from the analysis, this increases to 53% 2 bedroom properties and 32% 3 bedroom properties:

Bedrooms	Incl. Extra Care		Excl. Extra Care	
	No.	%	No.	%
1 bed	254	20%	126	12%
2 bed	602	49%	570	53%
3 bed	344	28%	344	32%
4 bed	40	3%	40	4%
5 bed	0	0%	0	0%
Total	1240	100%	1080	100%

### AFFORDABLE BY HABITABLE ROOMS

- As part of the total proposed mix for Milton Keynes East, the agreed affordable mix will provide 24% of the total habitable rooms. This calculation is shown below:

Tenure	Homes		Habitable Rooms	
	No.	%	No.	%
Market	2760	69%	15736	76%
Affordable	1240	31%	4850	24%
Total	4000	100%	20586	100%

### AFFORDABLE HOME OWNERSHIP

- The NPPF paragraph 64 required planning policies and decisions to expect at least 10% of total homes as affordable home ownership (e.g. Shared Ownership or similar).
- Milton Keynes Council's Policy HN2 was examined/adopted against the 2012 NPPF (which did not have the above requirements) and required only 6% Shared Ownership. There is therefore inconsistency between NPPF and the adopted Local Plan policy.
- Proposals should be decided in accordance with the statutory development plan unless material considerations dictate otherwise. The NPPF is a clear material consideration of particular standing, and the degree of inconsistency means the NPPF should ordinarily take precedence.
- It is anticipated that it will be agreed with the Council how this divergence from the NPPF will be dealt with.

### EXTRA CARE PROVISION

- Across a range of strategic sites in the South East, Berkeley deliver a range of tenure blind communities including housing for older people in the form of Extra Care (typically through Registered Provider partners).
- The Council's SMHA (2017) and Local Plan (2019) both recognise an ageing population in Milton Keynes and the need for supported housing (including Extra Care). This serves the dual purpose of freeing up underutilised family housing and also to allow many, as they grow older, to live within a more appropriate environment to meet their needs.

- Milton Keynes Council's Housing and Regeneration Team confirmed that the Council's emerging draft Specialist Housing Strategy establishes the need for Extra Care provision at Social Rent levels in this area.
- Given the need to provide these homes at local affordability levels, St James can confirm that the affordable Extra Care provision will be provided at Social Rent levels.

## **FLEXIBILITY FOR THE FUTURE**

- Considering the timescales involved with housing delivery at MKE, Berkeley and the Council's Housing and Regeneration Team agreed that flexibility should be built in to the affordable housing mix to allow for future changes in Milton Keynes' housing need, evidenced by future Strategic Housing Market Assessments.
- It was agreed that this flexibility will be delivered through a two tier mechanism:
  - Tier 1: Each apartment/house type can be 'flexed' to the maximum/minimum parameters of plus/minus 10% whilst maintaining the ratio of apartments/houses in each tenure (and therefore the total affordable apartment/house ratio). Please see tables detailing these parameters for each tenure below.
  - Tier 2: If there is a significant change in the housing need which requires an update of the affordable mix above the parameters allowed by the Tier 1 mechanism, through agreement by both parties of a suitable arrangement, the mix can be changed to reflect the need set out within the latest Strategic Housing Market Assessment.
- Please note: For the avoidance of ambiguity, the below tables show the maximum parameter of each unit type (+10%). This will need to be offset by the reduction of another unit type whilst maintaining the fixed ratio of apartments and houses set out within this statement.

		Affordable Rent		
Type	Bedrooms	Lower (-10%)	Base	Upper (+10%)
Flats	1 bed	1%	11%	21%
	1 bed extra care	0%	0%	10%
	2 bed	0%	10%	20%
	2 bed extra care	0%	0%	10%
	3 bed	0%	0%	10%
Houses	2 bed	32%	42%	52%
	3 bed	28%	38%	48%
	4 bed*	0%	0%	10%
	5 bed*	0%	0%	10%
			100%	

		Social Rent		
Type	Bedrooms	Lower (-10%)	Base	Upper (+10%)
Flats	1 bed	0%	0%	10%
	1 bed extra care	54%	64%	74%
	2 bed	0%	0%	10%
	2 bed extra care	6%	16%	26%
	3 bed	0%	0%	10%
Houses	2 bed	0%	0%	10%
	3 bed	0%	0%	10%
	4 bed*	10%	20%	30%
	5 bed*	0%	0%	10%
			100%	

		Shared Ownership		
Type	Bedrooms	Lower (-10%)	Base	Upper (+10%)
Flats	1 bed	6%	16%	26%
	1 bed extra care	0%	0%	10%
	2 bed	14%	24%	34%
	2 bed extra care	0%	0%	10%
	3 bed	0%	0%	10%
Houses	2 bed	32%	42%	52%
	3 bed	8%	18%	28%
	4 bed*	0%	0%	10%
	5 bed*	0%	0%	10%
			100%	

- Prior to the first Reserved Matters application an Affordable Housing Plan will be produced, then prior to each subsequent Reserved Matters application the Affordable Housing Plan will be re-visited. This will show the affordable provision proposed in each relevant phase and the updated cumulative position.
- At these points in time and if both parties agree, the above two-tier mechanism can be used and the affordable mix updated as necessary.

### FIRST HOMES

- Although First Homes and the potential impact this tenure may have on the affordable housing mix was discussed, it has not been assumed within the affordable housing mix. Berkeley and the Council's Housing and Regeneration Team agreed to discuss this further once relevant government guidance has been released.



## **AFFORDABLE HOUSING PHASING**

- St James will endeavour to bring forward the affordable housing at the same rate as the market provision but bringing forward exactly 31% affordable in each phase in unlikely and dependent on both market conditions and the need in Milton Keynes.
- St James would therefore look for the affordable delivered in each phase to be within a pre-set range. This would stop a phase being dominated by affordable housing, whilst restricting the delivery of too few affordable homes, which would not create the balanced community Berkeley envisage at Milton Keynes East.
- It is proposed the affordable delivery range in each phase would be between 16% and 46%, this represents a plus or minus 15% range on the policy level of 31% affordable homes.
- To give the Council additional comfort that the affordable housing will be fully delivered, St James has proposed occupation restrictions on the market housing connected to the delivery of affordable homes, this is set out below:
  - No more than 25% of market homes will be occupied prior to 25% of the affordable homes being delivered.
  - No more than 50% of market homes will be occupied prior to 50% of the affordable homes being delivered.
  - No more than 75% of market homes will be occupied prior to 75% of the affordable homes being delivered.
  - No more than 100% of market homes will be occupied prior to 100% of the affordable homes being delivered.

## **AFFORDABLE HOUSING TENURE PLAN**

- An Affordable Housing Tenure Plan detailing the approximate proposed locations of the affordable housing throughout the scheme will be issued to the Council prior to the first Reserved Matters application and updated prior to each and every Reserved Matters application, to show the updated cumulative position.

## **TENURE BLIND DEVELOPMENT**

- Berkeley's vision for MKE is to create a tenure blind scheme with mixed and balanced communities. To achieve this, the affordable housing will be 'pepper potted' throughout the scheme to avoid creating large affordable housing clusters.
- The delivery of housing, apartments and Extra Care apartments will be tenure blind with un-restricted access to the extensive open space throughout the scheme.

## **AFFORDABLE HOUSING DESIGN**

- As a minimum, all homes will be designed to NDSS standards.

**SITE SPECIFIC S106 AGREEMENT**

- Berkeley will seek to agree the finalised affordable housing provision and relevant related matters that are discussed within this statement as part of the S106 agreement and will work with Milton Keynes Council in order to achieve this.

