

**Report of the Housing Need Task and Finish Group**

**What Type of Housing Does Milton Keynes Need And How Can It be Delivered?**

**September 2023**

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**Note on the Text**

*After the first reference, the “What Housing Does Milton Keynes Need? Task and Finish Group” will be referred to as either “the TFG” or “the Group” and Milton Keynes City Council will be referred to as “the Council” throughout this report.*

**1. Introduction and Task and Finish Group Membership**

Task and Finish Groups (TFGs) are established by the Council’s Scrutiny Function to carry out time-limited examinations of specific issues of interest or concern. This may include reviewing particular proposals or decisions as well as giving input to policy development. They are small cross-party working groups of interested councillors who scrutinise an issue in depth.

The Housing Need Task and Finish Group was established during the 2021/22 council year by the Scrutiny Management Committee to identify the types of affordable and social housing the Council needed to build, acquire, or get built by others, to meet the needs of Milton Keynes residents, together with the most appropriate route for delivery, as councillors were concerned that this need was not being adequately met by current house building programmes.

Membership of the Group was cross-party, on a 2:2:2 basis. For 2021/22 Councillors Ferrans, Fuller, Hume, Marlow, Reilly and Verma were members of the Group, with Alex Melia as the Scrutiny Officer. Following changes to the make-up of the Council at the May 2022 elections, Councillors Marlow and Reilly stood down, being replaced by Councillors Balazs and Montague. Due to restructuring of the Democratic Services Department, Elizabeth Richardson replaced Alex Melia as the Group’s Scrutiny Officer.

The Group’s Terms of Reference can be found at Annex A.



Members of the TFG on a site visit to the new modular housing development at Pencarrow Place, Fishermead

*L to R: Councillor Jenni Ferrans, Elizabeth Richardson (Overview & Scrutiny Officer), Councillor Manish Verma, Councillor Ed Hume (Chair) and Councillor Donna Fuller*

**2. Foreword from the Chair**

This has been a wide ranging and difficult topic to scrutinise, set against an ever changing backdrop of the constantly changing housing policies from central government and the current financial crisis, which has meant a 7% cap on social housing rents, greatly reducing the Council’s income into the Housing Revenue Account (HRA) and its ability to borrow against that income in order to take its plans to both increase its housing stock and to improve the existing stock.

I would like to thank all the officers and witnesses for their support for this Task and Finish Group. Thank you to Elizabeth Richardson for all her excellent support in organising and drafting the report and the members of the Group who have asked searching questions.

It has not been the smoothest of Task and Finish Groups, as it has had to scrutinise a very broad and complex problem but there are some clear recommendations that can be taken forward, that whilst they won't bring a complete solution to the problem, will help the Council work with its partners to start improving the housing situation in Milton Keynes.

The purpose of this report is:

1. to outline the work the Housing Needs Task and Finish Group has carried out to identify the types of affordable[[1]](#footnote-2), social and other housing the Council needed to build, acquire, or commission, in order to meet the needs of Milton Keynes residents; and
2. to present the Group’s recommendations to Cabinet on 12 September 2023.

This report is the result of the Group’s evidence gathering, analysis and consideration of the factors which could affect the provision of suitable housing in Milton Keynes in the future.

On behalf of the Group, I commend it to Cabinet and the wider Council.

Councillor Ed Hume

Chair, Housing Needs Task & Finish Group

4 September 2023

**3. Task and Finish Group Work Programme**

The Group met on a number of occasions to consider the following:

|  |  |
| --- | --- |
| **Date** | **Subject** |
| 15 March 2022 | * *The Housing and Economic Needs Development Assessment (HEDNA) –* Principal Planning Officer
* Work of the Enablement & Partnership Team *-* Team Leader - Strategy & Commissioning
* *The Allocations Scheme - Demand and Need Overview -* Housing Allocations Manager
 |
| 28 July 2022 | Planning meeting to reset the work programme and timeline for the work of the group following changes to the membership of the Group and support officer resources |
| 22 August 2022 | A round-table discussion on the causes of housing need, what frees up available housing, whether the work of the Group could influence / impact the current housing crisis and how it could influence the medium to long-term supply of affordable housing in Milton Keynes and who does the Group need to hear from at future meetings?  |
| 15 September 2022 | This scheduled meeting was cancelled as it fell in the period of National Mourning for her late Majesty, Queen Elizabeth II |
| 29 September 2022 | * Raising the Local Housing Allowance
* Reviews & Business Improvement Manager
* Report on Level of Housing Benefit in MK
* Group Head of Revenues and Benefits
* Work of MKDP to Deliver Affordable Housing in MK
* Property Development Director, MKDP
 |
| 17 November 2022 | Closed Session: attended by the Housing Delivery Team |
| 13 December 2022 | Closed Session: Review of evidence and formulation of initial recommendations |
| 09 February 2023 | Meeting with the Housing Service Manager: Supply and Acquisitions and Private Sector Housing Manager |
| 14 February 2023 | Site visit to modular housing development at Fishermead |

|  |  |
| --- | --- |
| 19 April 2023 | Closed Session: Meeting with the Planning Policy Manager and Principal Planning Officer (Development Plans) to discuss the Housing and Economic Development Needs Assessment (HEDNA) |
| 5 July 2023 | Draft Report presented to Corporate Overview and Scrutiny Management Committee for approval |

At the meeting on 28 July 2022 the Group agreed that it would present the final report Cabinet as soon as practicable in the 2023/24 council year.

This was a longer timescale than would generally be needed for a Task and Finish Group, but it should be noted that during October 2022 and then January 2023, both the Chair and the Scrutiny Officer had needed to concentrate on the work the Budget and Resources Scrutiny Committee did in relation to the preparation of the Council’s draft 2023/24 budget. A further delay to progress was caused by the suspension by the Council of meetings during the period of National Mourning for HM, The Queen, during September 2022.

The agenda, reports, presentations and minutes for those meetings which were held in public are available on the Council’s Meeting Information System website (Modern.Gov): [Housing Need Task & Finish Group](https://milton-keynes.moderngov.co.uk/mgCommitteeDetails.aspx?ID=158)

**4. The Evidence**

Over the course of its work, the Group received a large amount evidence, both oral and written, which it has used to draw its conclusions and formulate the recommendations set out in this report. As well as the evidence received during meetings, the Group also undertook a lot of background reading and a list of those supporting documents is included at Annex B.

At its first meeting the Group received a number of presentations which covered the draft *Housing and Economic Needs Development Assessment,* the work of the Enablement and Partnership Team, an overview of the demands on the Council’s Housing Allocations Scheme and the needs of those using the scheme.

During the session the Group noted the following key points:

* That the housing need, including that projected at the time, for affordable housing of different sizes and tenures, is calculated as part of the national planning policy, using a standard formula. Councils may then add additional housing. Local Plans which do not meet the housing need formula are unlikely to be accepted;
* In 2020 there were 49 private registered housing providers working in Milton Keynes with 15,261 homes reported, 11,118 tenanted council houses, plus an additional 1,618 leasehold properties and 953 shared ownership properties;
* The average waiting time for a council property in Milton Keynes following receipt of an application was approximately 18 months, which was considered favourable in relation to other local housing authorities. However, this varied considerably, depending on the size of property required, and the need for disabled adaptations, with those needing larger properties having longer waits.

At its meeting in August, the Group considered the core question of “What causes housing need, what data is available to indicate that demand may change and how does the Council plan to resolve it?”, producing a list of a wide range of factors (see Table 3).

The Group then considered the question “What frees up available housing?”, coming up with a much shorter list than that for the causes of housing need (Table 3). The Group then raised a number of other questions and discussed possible witnesses for future meetings.

During the September meeting the Group received detailed presentations on the Local Housing Allowance (LHA) and the shortfall between that and the level of rents in Milton Keynes, the level of housing benefit in Milton Keynes and the work being done by the Milton Keynes Development Partnership (MKDP) to provide affordable housing for both sale and rent on its development sites in Milton Keynes.

The next meeting of the Group was a closed session attended by the Head of Housing Delivery and the Team Leader for Strategy and Commissioning.

Earlier that day, the Chancellor had announced a cap on social housing rents of 7%. Although below the current rate of inflation at the time (10.7%) this was better than the 5% cap which had been anticipated and on which the Finance Team had done some modelling of the possible effects of a cap at that rate. This work would now have to be redone and there would therefore be a delay before the full financial position was clear.

The key takeaway point from this meeting was that the current financial crisis meant that the Council had moved from having positive headroom for borrowing within the HRA to negative headroom. This would limit what it could deliver to increase its housing stock in the short-term, as well as having a negative impact on the work being done by the Repairs and Maintenance Service and the Regeneration and Renewal Programme to bring existing housing stock up to an acceptable standard.

The Group also noted that even if the Council was able to proceed with every development in its pipeline, it still wouldn’t be enough to fill the housing need gap by providing permanent homes for all those currently in temporary accommodation / on the housing register. This means that the Council remains very dependent on the variable provision of affordable housing to rent or buy by developers under S106 agreements.

At its meeting in December 2022, the Committee reviewed the draft report so far, agreed a number of additional sections to be included, started to formulate its recommendations and considered who else it needed to hear from in order to get an all-round grip on the issue.

In February the Group met with the Housing Service Manager: Supply and Acquisitions and Private Sector Housing Manager and were updated on the most recent figures for households in temporary accommodation, the number of rough sleepers, over-crowding rates, the need for more 2 and particularly 3-bed properties, the causes of delays in handing over newly completed social housing to the Council and work being done by the Supply and Acquisitions Team with private sector landlords to encourage them to take on council tenants with longer term tenancies to provide security for the tenants and support to landlords in managing their properties.

At its final evidence gathering session the Group met with the Planning Policy Manager and Principal Planning Officer (Development Plans) to discuss the housing aspects of the draft Housing and Economic Development Needs Assessment (HEDNA).

The HEDNA is an update of the 2018 Strategic Housing Market Assessment (SHMA) and will determine what housing should be planned for in Milton Keynes and influence future planning decisions. It will be used to formulate the new City Plan due towards the end of 2023 or early 2024. The data in the HEDNA would also be used by the Housing Department to decide strategy and plan the provision of social housing.

At this meeting, the Group also learnt that part of the work for the Local Plan was to be more creative in looking for alternative delivery mechanisms to provide the identified housing need. The Council was also looking at how developers could be required to match their affordable housing offer more closely to its needs. At the moment, the only policy was a city-wide average target, and there was no real mechanism by which the Council could be specific about what size of houses it expected to be delivered from any particular site. Sites being developed by MKDP received a planning brief from the Council at the start, but this did not apply for private developers. The Group agreed that the Council needed more confidence about what each site could deliver in the way of housing and welcomed the information that this would be more clearly addressed in the new City Plan with site-specific policies.

**5. Evaluation and Conclusions**

What is the Extent of the Housing Crisis in Milton Keynes?

As well as the long list of families to be rehoused, differential waiting times indicate that there is an imbalance between the types of housing needed and the types being developed. Councillors have been concerned for some years about whether the right mix of housing was being provided in Milton Keynes in both the private and public sectors to meet the needs of local residents. The anecdotal evidence, the time taken to sell properties and the waiting times for affordable housing all seem to indicate that there is too much provision at the lower end, ie 1 or 2 bedroom flats or at the upper end of 5 bedroom executive homes, with very little in the middle of average sized homes for average sized families with an average income. However, even this situation is somewhat skewed as many of the 1 or 2 bedroom flats are part of the luxury housing market, with prices for sale or rent way beyond that of the average person/family.

Although the Council has an ambition to provide many more council houses, as well as making significant improvements to its existing housing stock to ensure that it remains habitable, providing safe and decent homes well into the future, its ability to deliver on its ambitions is hampered by a constantly changing raft of government policies and regulations and the continuing squeeze on its finances.

The Group therefore set out to answer the question “What type of housing does Milton Keynes need and how can it be delivered?”

It was clear from the start of the Group’s work that the big issue was the availability of “affordable” housing across all sizes of housing and all tenures, and that the official definition of “affordable” housing (see Annex C) still put having a proper, safe and secure home of one’s own, whether that was rented, or purchased, beyond the reach of many of people.

During the course of its evidence gathering, the Group asked itself and witnesses a number of questions, identifying the core questions as being:

* What causes Housing Need?
* What frees up available housing?
* What can the Council do to impact/influence the current housing crisis and how can it influence the medium to long-term supply of affordable housing in Milton Keynes?

Other questions included:

* How many households are living in inappropriate housing (eg over-crowding)?
* On average, how many households are in temporary accommodation?
* Is relevant data from the latest census available and what can be learnt from it?
* Is it being used to calculate the future growth of Milton Keynes and the increasing needs of a local, ageing population?
* What is the ratio between births and deaths in Milton Keynes?
* Can the Council’s databases be used to predict possible demographic changes?
* How many young people brought up in Milton Keynes have moved out of the area as they can’t afford to stay?
* Are they moving back later in life?
* Are housing association tenants in shared ownership properties trapped in a system they can’t get out of due to a lack of suitable “move-on” housing?

For some of these questions there are many answers, some are difficult to quantify, as the situation is constantly changing, eg how many households are living in temporary accommodation, and for some there may be no answer at all.

In order to address some of these questions, the following tables and appendices are provided:

**Table 1:** Breakdown by Type of Milton Keynes City Council Social Housing Properties;

**Table 2:** Social Housing Waiting List in Milton Keynes

**Table 3:** A list of demographic factors that influence housing need and the nature of change they produce

**Appendix 1:** Housing Growth Predictions for Milton Keynes 2022-50

**Appendix 2:** Overall Housing Mix, Type and Size

**Appendix 3:** Housing supply diagram.

*Note: Where data has changed since the Group’s meetings, the most up to date information has been included in the report where possible*

What is the Impact of this Crisis/Shortfall?

What is the impact of the lack of genuinely affordable housing on the wider society, local creativity, cultural diversity and business entrepreneurship?

The following have been reported in economic surveys or in the census data:

* Difficulty in recruiting staff due to the lack of affordable housing in the area;
* Difficulty in providing services as a result;
* Loss of young adults to the city due to lack of affordable housing;
* Difficulty in working from home or starting up a business for many people due to overcrowding and thus restricting their employment options.

Conclusions

**Predicting Housing Need**

1. It may be useful to think of need in two timescales – the short-term need over the next 2 years, evidenced by the existing waiting list and known demographics of existing occupiers, ideally to be satisfied by relets and homes already under construction and the medium to long-term period after that.
2. The Strategic Housing Market Assessment (SHMA) would normally be the starting point for a long-term need prediction, but major changes to benefits levels, combined with the effect of COVID, have rendered the current SHMA significantly out of date, particularly as the 2018 SHMA was based on the data available in 2016, which is now 7 years out of date. Work is being done to update the SHMA, relabelled as the *Housing and Economic Development Needs Assessment* (HEDNA). This will form the basis of the new City Plan scheduled for publication later in 2023 or early 2024. The early draft conclusions of the HEDNA were reported to the April 2023 meeting of the TFG[[2]](#footnote-3).
3. The current housing list reflects the short-term need and trends which could be used to predict housing need over the next couple of years.
4. Data on household composition and need could also assist in predicting needs (eg the factors in Table 3 – Demographic Factors) over the next couple of years.
5. Similarly, trends in the availability of housing for relet could be used to predict the availability of housing from that source over the next few years.
6. Data is available from the Planning Team on what affordable housing is expected within the next few years, updated annually, and on some of the housing expected in the next 10 years, although long term delivery timetables are not reliable.
7. In general, any new build should address the longer-term need as indicated by the HEDNA, adjusted for the external factors that affect housing need as indicated in Table 3.
8. The difference between short term need and supply should show up serious short term shortages that need to be addressed by the new build programme.

**Ensuring Supply**

1. It is imperative that Registered Housing Providers (ie Housing Associations) do indeed offer the required number of relets to the Council as agreed in their policies, and the Council should monitor both their policies and the implementation for compliance.
2. The Council must seek to maximise the fit of residents to property in its existing stock and encourage Registered Social Landlords to do the same; the TFG welcomes the recent incentives encouraging council tenants to downsize.
3. The benefits of Sheltered Housing or other retirement facilities need to be promoted more positively to older and more frail residents, enabling them to down-size effectively.
4. Bungalows, rather than flats, were often seen as more desirable for older people but in reality, these bring maintenance problems, particularly gardens, with which eventually residents can no longer cope.
5. New homes come via council build, MKDP build and developer s106 provision. At present, there is a lack of detail in planning policy so that the Council cannot effectively require developers to provide the right size of housing that meets local need. This will be addressed in the updated Local Plan.
6. The Council also needs to influence the provision of low-cost private housing as far as possible in order to reduce the demand on affordable/social housing.
7. There is a massive discrepancy in the rates charged for 1-bed properties, particularly in HMOs[[3]](#footnote-4) when compared to the level of Local Housing Allowance (LHA) payable, which particularly affects young, single people who either have to, or want to, move out of the family home and more work may be needed on this.
8. The current squeeze on Council funding means that planned house building will be much reduced. Inventive thinking is urgently needed on how else Milton Keynes can acquire the affordable housing it needs.
9. The HEDNA conclusions on the housing needs of young people were not available for the TFG’s evidence gathering sessions. The availability of affordable housing for young people in Milton Keynes will also be affected by the possible future development of an undergraduate university and again more work may be needed on this.

**Ensuring Affordable Supply**

1. In some cases, 80% rents and private rents were above LHA rates, so costs need to be cut somehow and the use of social rent in new builds needs to address these categories in particular.

Housing benefit and other benefit levels are not affected by additional support schemes such as the Local Welfare Provision fund which provides assistance to those struggling financially to purchase necessities such as white goods, beds etc at low cost so it is definitely worth doing this.

1. Similarly, the provision of cheap goods by charitable efforts eg toys, school uniforms and food, does not affect benefit levels, so this too assists with meeting household costs.
2. The energy efficiency of homes does not affect housing benefits either, so measures to improve this would make existing homes more affordable to tenants and the Group welcomes the news that the Council has been successful in bidding for two grants from the Social Housing Decarbonisation Fund which will enable it to carry out insulation improvement works to 1,472 houses across 5 estates.
3. The use of factory-made homes may reduce costs, and this needs to be explored further, with positive engagement with residents to explain the benefits and dispel the myths around this type of housing. The new, modular housing scheme at Pencarrow Place, Fishermead, has recently been completed and is being used to provide temporary accommodation for those in housing need who qualify for assistance from the Council.
4. The Government needs to be asked to review LHA rates in Milton Keynes as a matter of urgency.
5. More liaison is also needed between the District Valuer and the Housing Department as to where to find cheap properties, as there is a difference between the prices typically found and the prices used to calculate 80% rent.
6. A fall in house prices might render more properties affordable to the Council to buy as part of its Supply and Acquisitions Programme, or to point applicants who might be able to afford to buy towards suitable properties.

Further work on young people’s accommodation should consider whether the Council should be building/converting its own HMOs to provide affordable accommodation for single people on lower incomes? Is a flat/house share scheme a viable idea? Or even a “buddy” scheme pairing young people with older people needing help at home.

The Group briefly considered the problem that shared ownership properties rapidly become unaffordable with high cash premiums being charged locally on top of the share sale price.

**6. Recommendations**

*Note: Where a recommendation refers to the ‘Council’ this is an umbrella term which includes both the Cabinet and council officers.*

General:

1. That the Council should monitor and model the short term need for affordable housing, considering:
* the need from the current housing register;
* the likely need due to demographic changes among its tenants;
* the likely relets indicated by trends in lettings;
* the housing expected from developments already approved.
1. That the Council should seek to use acquisitions to meet any shortfall in the short term need if funds and borrowing limits permit.
2. That as a matter of course, the Council collects the right data, including ages and gender of any children when households apply to go on the housing register, and update it periodically for existing, settled tenants, in order to predict the household’s changing needs in a few years’ time as the children grow up.
3. That the Housing Delivery Team liaises with the Planning Department to ensure that the development of s106 housing is maximised, and a detailed statement of need is produced which is updated quarterly, including which types/sizes of social rented housing are most needed and what level of subsidy others need.

Working with Developers:

1. That, when the Council advises developers on the need for affordable housing it should consider:
* the long-term predicted market demand;
* any shortfall indicated by the short term modelling not able to be met by acquisitions;
* the expected supply of already approved developments;
* the expected relets.
1. That a more sophisticated land assessment process to establish the sizes of affordable and market-rate housing to be developed on each site or type of site, should be included in updated versions of the Local Plan and be an integral part of future planning policy.
2. That the Council should monitor the response from developers, and if some types of housing consistently fail the viability test on developments, the Council should prioritise those on its own development programmes and those of MKDP.
3. That the Council considers developing an incentive scheme for developers to speed up the final “snagging” of houses allocated to the Council and other registered providers.

Working with Registered Housing Providers:

1. That the Council maximises the use of its nomination rights to Registered Housing Provider (ie Housing Associations) properties and that it robustly challenges any refusals by Registered Providers to take nominated tenants.
2. That the Council ensures that it has up to date copies of the letting policies from Registered Providers and monitors their implementation to ensure that they are in compliance with the Council’s own policy on lettings.
3. That the possibility of establishing more co-living developments for the over 55s if the Wolverton one is successful and a possible “buddy” system between young and older residents be explored.

Working with the Public:

1. That the Council increases the use of factory constructed kit houses and “container” developments to speed up housing provision, reduce prices and initiates an information campaign to dispel the myths about them covering such matters as outer appearance, quality, insulation, speed and nuisance from the build phase, cost etc and encourages private sector developers to also consider similar alternative means of construction.
2. That the Council undertakes a promotional campaign, including open days, to dispel myths about the nature of sheltered housing and the benefits it can provide for older tenants.
3. That the Council also undertakes a campaign to encourage more tenants between the “empty nest” and elderly housing provision or those with very busy lifestyles, to consider the benefits of living in a flat, rather than under-occupying a house.

Cabinet Member for Adults, Housing and Healthy Communities

1. That the Cabinet Member for Adults, Housing and Healthy Communities, on behalf of the Council, continues to lobby the Department for Levelling Up, Housing and Communities to change its policy on local authorities being able to retain 100% of their Right To Buy receipts and a reduction in the extent, or initiate local control of the Right to Buy policy generally.
2. That the Cabinet Member for Adults, Housing and Healthy Communities, on behalf of the Council, continues to lobby the Department for Levelling Up, Housing and Communities to revoke the Section 21 evictions policy.
3. That the Cabinet Member for Adults, Housing and Healthy Communities, on behalf of the Council, lobbies the Department for Levelling Up, Housing and Communities to remove the cap on social housing rents.
4. That the Cabinet Member for Adults, Housing and Healthy Communities, on behalf of the Council, lobbies the Department for Levelling Up, Housing and Communities to review the Local Housing Allowance rates for Milton Keynes as these are clearly insufficient in relation to the local, private sector rental market.

Response to the Housing and Economic Development Needs Assessment (HEDNA):

1. That the TFG welcomes the increased stress on the size mix in recent development plans reports and the resultant improvement in the numbers of affordable bedrooms achieved, although in total they still fall somewhat short of the old Strategic Housing Market Assessment target level of affordable bedrooms.
2. That the outstanding sections of the HEDNA and any changes from the draft be referred to the Housing, Planning and Placemaking Scrutiny Committee for scrutiny and comment once they are available.
3. **Acknowledgements, Thanks and Commendations**

The Group would like to thank all those who gave up their time to speak at the meetings, provided presentations or other written evidence at the request of the TFG and answered its questions as comprehensively as possible,

In particular, the Group is grateful for the diligence and patience of initially Alex Melia and then Elizabeth Richardson in steering it through an intense workload, and the complex amount of detail needed to enable the TFG to complete its work and produce this final report.

Thanks are also due to the IT Team who facilitated the set-up of the equipment necessary to record meetings and, where appropriate, facilitate remote participation by witnesses.

**Table 1:**

**Breakdown by Type of Milton Keynes City Council Social Housing Properties**

|  |  |  |
| --- | --- | --- |
| Property Type | Numbers of units | Shown as a % |
| Bungalows | 1971 | 17.5 |
| Disabled adapted bungalows | 573 | 5.1 |
| Sheltered bungalows | 111 | 1 |
| Houses | 5199 | 46.1 |
| Disabled adapted house | 12 | 0.1 |
| Sheltered houses | 1 | - |
| Flats | 2264 | 20.9 |
| Disabled adapted flats | 90 | 0.8 |
| Sheltered flats | 809 | 7.5 |
| Maisonette | 88 | 0.8 |
| **TOTAL TENANTED PROPERTIES** | **11,118** |  |
| Leasehold properties | 1,618 |  |
| Shared Ownership | 953 |  |

**Table 2:**

**Social Housing Waiting List in Milton Keynes**

*As at 04/09/23*

|  |  |
| --- | --- |
| Total number of households on waiting list | 571 |
| Number of households requiring 1 bedroom  | 170 |
| Number of households requiring 2 bedrooms | 80 |
| Number of households requiring 3 bedrooms | 267 |
| Number of households requiring more than 3 bedrooms | 54 |

**Overcrowding in Social Housing**

*As at 04/09/23*

|  |  |
| --- | --- |
| Number of overcrowded households in MKCC properties | 97 |
| Number of households requiring 2 bedrooms | 14 |
| Number of households requiring 3 bedrooms | 68 |
| Number of households requiring 4 bedrooms | 11 |
| Number of households requiring 5 bedrooms | 4 |

* *Households needing a three bedroomed house were likely to have the longest wait for suitable accommodation.*

**Table 3:**

**Demographic Factors Affecting Housing Need**

|  |  |
| --- | --- |
| **Causes** | **Effects** |
| * Current level of housing benefit is lower than commercial/private sector rents and caps on other benefits
 | Increased demand for social housing as commercial/private sector rents are not affordable to those on benefits or even to those who are working but on a low wage.Increased demand for social housing rather than affordable housing |
| * Wages are too low - could worsen due to inflation
 |
| * Changes to people’s financial situation, including changes to Universal Credit (eg a small wage rise could affect the level of in-work benefits, and the loss of the benefits was often greater than the wage rise)
 |
| * Increase in poverty levels as a result of the above – likely to get worse in current economic situation
 |
| * Section 21 evictions
 |
| * The Government’s definition of “affordable” isn’t genuinely affordable for most people
 |
| * Family / relationship breakdowns caused by Covid, lockdowns, cost of living crisis and other factors
 | Single household splitting into two or more other households |
| * Increase in family size / blended families
 | Two households merging – could need a larger property |
| * Age range & gender of children which make room sharing inappropriate
 | Single household, but needing a larger property |
| * Grown-up children wanting to move out to their own place
 | Lack of suitable ‘move-on’ properties for young people starting out  |
| * Young people not in employment, education, or training (NEETs) but can no longer stay in family home
 |
| * Rise in the number of single person households

*Although supply of 1-2 bedroom flats in Milton Keynes is good, they are often at the luxury end of the market* | Increased need for affordable and social rented property. |
| * Aging population wanting to downsize but needing adapted properties
 | Once adapted these properties can only be relet to those needing the same adaptations |

|  |  |
| --- | --- |
| **Causes** | **Effects** |
| * Older people being enabled to be independent in own homes with the assistance of care packages but who would rather be part of a retirement community to avoid loneliness and isolation
 | Single person occupancy of homes that are now too large and which could be released to house families if suitable alternative provision is available |
| * Population (of any age) with potential to downsize but unwilling to do so to the size recommended
 | Consider more work to investigate the different objections and consider ways to meet them |
| * More and more single occupancy homes occupied by people with mental health needs or other vulnerabilities
 | Again, more provision of properly supported accommodation needed |
| * Health changes, generally caused by aging, but not necessarily
 |
| * Domestic Abuse
 | Emergency accommodation often required |
| * Harassment or anti-social behaviour
 |
| * Possible pressure on private sector rentals if a proposed university in CMK becomes fully operational
 | Hopefully will be mitigated by the provision of specially built student accommodation, although some students will prefer to live in the community rather than halls/student flats and provision may be insufficient |
| * Migration from other more expensive locations, eg London, and increase in working from home
 | Pushes up house prices locally if demand exceeds supply, particularly if influx is from more expensive areas |
| * MK SEND offer very attractive to parents with special needs children
 | Sometimes requires extra bedrooms but generally this may have more impact on school provision rather than housing |
| * Developers supplying more smaller houses rather than family homes
 | Not enough provision of larger homes by developers leading to rising numbers in overcrowded houses |
| * City status likely to attract more businesses to MK and create additional need for housing for their staff
 | Supply of “executive” housing generally good which could attract business owners/bosses but again lack of small and medium sized, medium priced houses for staff an issue |

|  |  |
| --- | --- |
| **Causes** | **Effects** |
| * Current MKCC housing policy
 | Failure to provide regulated HMO accommodation adds to the problem for young adults. Failure to detail size of homes required leads to incorrect mix being provided |
| * Not enough homes of the right size and affordability being built in MK, either council, housing association or private sector
 | Demand in all sectors and price brackets is outstripping supply |
| * Marrying/moving in together
 | May release 1 property for relet |
| * Dying
 | May release a property for relet but tenancy inheritance rights may come into play |
| * Evictions
 | Can just move the problem down the line |
| * Job mobility
 | Net influx of people into MK may be greater than those leaving |
| * Building enough homes of the right size and affordability
 | The ideal solution but takes time and money  |

**Appendix 1: Housing Growth Predictions for Milton Keynes 2022-50**

The strategic approach for housing growth in Milton Keynes has been estimated as follows:

* 26,500 homes (across all types of tenure) over 15 years at a rate of 1,767 per annum set out in Plan:MK for the period 2016-2031;
* Current rate of delivery for new homes in Milton Keynes is approximately 1,917 per annum;
* The re-assessed Local Housing Need (LHN) figure using the Government’s Standard Method of calculation and based on 2014 data, is for a total of 53,200 homes over 28 years (2022-2050) at a rate of 1,902 homes per annum;
* A minimum of 511 of the annual 1,902 homes would need to be “affordable” homes;
* Growth ambitions for Milton Keynes as set out in the draft HEDNA, however, suggest that an annual figure of 2,265 new homes per annum is more realistic, giving a total of 63,400 over 28 years to meet the needs of an expanding Milton Keynes.

**Appendix 2: Overall Housing Mix, Type and Size Required**

Based on the Local Housing Need requirement for 53,200 new dwellings to be built over 28 years (2022-2050), the estimate is that the following types and sizes of homes will be needed:

* 37,600 dwellings at market value, as follows:
* 21,056 x 3-bed homes
* 10,904 x 4+-bed homes
* 3,800 x 2-bed homes
* 2,256 x 1-bed homes
* 376 x other homes
* 12,000 dwellings at affordable rent, as follows:
* 5,640 x 3-bed homes
* 3,360 x 2-bed homes
* 1,680 x 1-bed homes
* 1,320 x 4+-bed homes
* 2,300 dwellings at affordable homeownership:
* 989 x 2-bed homes
* 736 x 3-bed homes
* 391 x 1-bed homes
* 184 x 4+-bed homes
* 1,300 C2 bedspace allowance (residential care provision)

Over the period to 2050, the following additional needs have also been identified:

* 8,000 specialist homes for older people;
* 9,000+ adapted homes, including 3,000 wheelchair adapted;
* Possible accommodation for up to 12,000 students in the private sector (depending on whether plans for a university in CMK go ahead).

**Appendix 3: Housing Supply Diagram**

Housing Supply Diagram

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**Annex A: Terms of Reference**

* 1. To understand the housing needs of residents over the short, medium and long term.
	2. To provide recommendations to inform the Council’s policies on the quantity and type of affordable housing that is needed.
	3. To provide recommendations as to what housing types might be most difficult to source and should therefore be for the Council to either build or acquire.
	4. To provide recommendations to the Milton Keynes Development Partnership as to what types of housing it commissions from the new Local Housing Company.

**Annex B: List of Background Papers**

### [Taking on the Housing Challenge - A Scrutiny Councillors' Guide](https://mkcouncil.sharepoint.com/sites/files-deagov-DG02/DG2.6/Forms/AllItems.aspx?id=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers%2F01%2E%20CfPS%2DTaking%2Don%2Dthe%2Dhousing%2Dchallenge%2DWEB%2D31%2Epdf&parent=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers) (Centre for Governance and Scrutiny [CfGS])

### [What is Affordable Housing?](https://mkcouncil.sharepoint.com/sites/files-deagov-DG02/DG2.6/Forms/AllItems.aspx?id=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers%2F06%2E%20What%20is%20Affordable%20Housing%20%28HoC%20Library%20Briefing%29%2Epdf&parent=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers) (House of Commons Library Research Briefing)

### [The Affordable Housing Challenge - A New Honesty?](https://mkcouncil.sharepoint.com/sites/files-deagov-DG02/DG2.6/Forms/AllItems.aspx?id=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers%2F08%2E%20The%20Affordable%20Housing%20Challenge%5FA%20New%20Honesty%20%28LGIU%29%2Epdf&parent=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers) (LGIU Briefing Paper)

### [A Decent Place to Live - Homes for Key Workers](https://mkcouncil.sharepoint.com/sites/files-deagov-DG02/DG2.6/Forms/AllItems.aspx?id=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers%2F04%2E%20A%2Ddecent%2Dplace%2Dto%2Dlive%2Dupdated%2Epdf&parent=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers) (Unison/APSE)

### [Impossible Homes](https://mkcouncil.sharepoint.com/sites/files-deagov-DG02/DG2.6/Forms/AllItems.aspx?id=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers%2F05%2E%20ymca%2Dimpossible%2Dhomes%2Epdf&parent=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers) (A report from the YMCA on the barriers to independent living for young people)

* [Falling Short\_Housing Benefit & the Rising Cost of Renting in England](https://mkcouncil.sharepoint.com/%3Ab%3A/r/sites/files-deagov-DG02/DG2.6/2022%20-%202023/HOUSING%20NEED%20TFG/Background%20Papers/Falling%20Short_Hsg%20Benefit%20%26%20the%20Rising%20Cost%20of%20Renting%20in%20England.pdf?csf=1&web=1&e=Jn6pDY) (Crisis / Zoopla)
* [Social\_Housing\_and\_Overcrowding](https://mkcouncil.sharepoint.com/sites/files-deagov-DG02/DG2.6/Forms/AllItems.aspx?FolderCTID=0x012000161718C2FB39CB4CB624931E44455346&id=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers%2FShelter%5Fbriefing%5F%2D%5FSocial%5FHousing%5Fand%5FOvercrowding%2Epdf&viewid=5c24e1ee%2Dc4b1%2D4df3%2Db8f1%2D813ee462c5b9&parent=%2Fsites%2Ffiles%2Ddeagov%2DDG02%2FDG2%2E6%2F2022%20%2D%202023%2FHOUSING%20NEED%20TFG%2FBackground%20Papers) (Shelter Briefing)
* [Affordable Housing - MK Futures 2050.pdf](https://mkcouncil.sharepoint.com/%3Ab%3A/r/sites/files-deagov-DG02/DG2.6/2022%20-%202023/HOUSING%20NEED%20TFG/Background%20Papers/Affordable%20Housing%20-%20MK%20Futures%202050.pdf?csf=1&web=1&e=f8wE8b) (MK Strategy for 2050)

**Annex C: Glossary and Definitions**

**Affordable Housing:**

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

1. **Affordable housing for rent:** meets all of the following conditions:
* the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable);
* the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and
* it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
1. **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household’s eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
2. **Discounted market sales housing** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
3. **Other affordable routes to home ownership** are houses provided for sale that provide a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision or refunded to Government or the relevant authority specified in the funding agreement.

**Housing Allocation Scheme:** The Council’s arrangements for the qualification and prioritisation of residents joining the Housing Waiting List.

**Housing and Economic Needs Assessment (HEDNA):** an assessment of future housing needs, the scale of future economic growth and the quantity of land and floorspace required for economic development uses which will be used to inform the new City Plan in 2024/25.

**Housing Revenue Account (HRA):** The Local Government and Housing Act 1989 requires each local housing authority to keep a separate account for all transactions relating to housing provided by the Council. This is termed the Housing Revenue Account (HRA).

**Housing Stock:** Residential accommodation owned by a local authority and usually rented to local residents. Not all local authorities have housing stock, having undertaken a large-scale voluntary transfer (LSVT) to a Housing Association.

**Housing Waiting List:** The list of residents waiting for an allocation of social housing.

**House(s) in Multiple Occupation (HMO(s)):** A building that is occupied, as a main residence, by more than one household.

**Local Housing Allowance (LHA)**: effectively the maximum limit of how much Housing Benefit can be paid to people living in private rented accommodation (with a few exceptions). Housing Benefit falling under the LHA scheme is usually paid direct to the tenant.

**Social Rent:** The rent set by councils and housing associations, with a limited rent (either is set in accordance with the Government’s rent policy). Social rent is usually rent that is paid to registered providers and local authorities. It is low-cost rent that is set by a government formula. This means it is significantly lower than the rent a tenant would pay in the normal market.

**Strategic Housing Market Assessment (SHMA)**: the previous assessment of the number of homes needed in future to inform local plans and housing strategies, which seek to meet housing need, support a healthy economy and achieve a ‘balanced’ housing market. The current MKCC SHMA was published in 2018. It is due to be replaced by the **Housing and Economic Development Needs Assessment (HEDNA)** – see above**.**

**Scrutiny - An Explanation**

As Milton Keynes Council has a Cabinet (Executive) system it is required by law to have a Scrutiny function to support and scrutinise its executive decision-making arrangements.

Scrutiny committees and scrutiny task and finish groups are not “decision making” bodies but are bodies which monitor and influence the decision makers. The committees and task and finish groups are made up of non-Cabinet members, and are designed to support the work of the Council in the following ways:

* assisting the executive in research, policy review and development and thus helping drive improvements in public services;
* reviewing and scrutinising decisions to be taken, or ones which have been taken by the Cabinet and officers, also known as acting as a “critical friend”, challenging policy and decision makers;
* considering the Council’s performance;
* reviewing the work of external organisations operating in the Borough to ensure that the interests of local people are enhanced by collaborative working; and

# enabling the voice and concerns of the public to be heard and listened to.

Each scrutiny committee or task and finish group has its own terms of reference. The scrutiny committees / task and finish groups consider issues by receiving information in a number of ways including by receiving presentations and taking evidence from councillors, Council officers and external witnesses or partners to develop an understanding of proposals or practices. As scrutiny committees and scrutiny task and finish groups have no decision-making powers they can present their recommendations to the Cabinet, full Council, Council officers, or external partners. The committees will often request a formal response and progress report on the implementation of recommendations that they have provided to various parties.

**Attending Meetings of Scrutiny Committees / Task and Finish Groups**

Meetings of scrutiny committees and task and finish groups are held in public and are generally open for everyone to attend. If you would like to attend, then please just turn up.

If you would like to make a representation to councillors on behalf of yourself or others on one or more the items on the agenda, let us know you are attending before the meeting so that the Chair can be advised in advance, either by calling 01908 691691 (ask for the Scrutiny Team in Democratic Services) or by emailing democracy@milton-keynes.gov.uk You will have up to 3 minutes to address the meeting.

On occasions there are specific issues that the meeting must consider in private so everyone except members of the committee / task and finish group and key officers will be asked to leave.

If you want to speak on a matter that is not scheduled to be discussed by a scrutiny committee or task and finish group, then please either call or email the address above and we will contact you to discuss how best to take this forward.

Meetings are generally held at the Civic Offices, Central Milton Keynes, the Chair of the meeting will try and make the meeting as informal as possible, but, by their nature, local authority meetings must retain a degree of formality, with the meeting being controlled by the Chair.

If you are to speak on an agenda item, you will be able to speak when the item is considered. The Chair of the meeting will either call out your name when it’s your turn if you have given prior notice or ask if any members of the public wish to speak.

You will either be invited to come forward to speak or remain in your seat – the Chair will let you know.

Depending on the room in which the meeting is being held the committee / task and finish group may be using microphones. If so and you are asked to come forward to sit at the table provided, a microphone will already be there, if you are asked to remain in your seat, a colleague will bring a hand-held microphone to you.

When asked to speak, please give your name and let us know if you are representing any organisation or speaking in your own right.

The maximum time you will have to speak is three minutes. If there are lots of people wanting to speak, then the Chair might reduce the time per person to one or two minutes to enable everyone to have their say. Please try not to repeat what has been said before.

If you have been invited to give evidence to the scrutiny committee or task and finish group, you will be contacted by one of the Council’s Scrutiny Officers who will brief you on what the committee and task and finish group would like you give evidence on and what to expect at the meeting. You will be allowed sufficient time to speak to give your evidence. You will not be limited to 3 minutes.

Dates for the Council’s public meetings, together with the papers for the meetings, are available on the Council’s website at: <https://milton-keynes.moderngov.co.uk/mgListCommittees.aspx?bcr=1>

If you have any questions about the scrutiny process, please send them to: democracy@milton-keynes.gov.uk . The Scrutiny Team, Democratic Services, Milton Keynes Council, Civic, 1 Saxon Gate East, Milton Keynes, MK9 3EJ or call 01908 691691 and ask for the Scrutiny Team in Democratic Services.

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Milton Keynes Council

Democratic Services

Civic Offices

Milton Keynes

MK9 3EJ

1. See Annex C for a definition of “affordable” housing [↑](#footnote-ref-2)
2. A revised and updated HEDNA was published at the end of August, but this was too late for the TFG to take any changes into consideration as it had already drafted this report. [↑](#footnote-ref-3)
3. HMOs – Houses in Multiple Occupation [↑](#footnote-ref-4)