



milton keynes council



Our approach to improving  
housing supply across the  
Milton Keynes Council area

## **HOUSING DELIVERY ACTION PLAN**

**October 2018**

# INTRODUCTION

The delivery of new homes is a national issue affecting the economy, productivity, health and well-being. Over recent years various Government programmes have come forward together with ongoing reform of the planning system to help stimulate and support house building.

The Government is introducing a new 'Housing Delivery Test' as the mechanism to monitor delivery locally. This measures net additional dwellings provided against the homes required with results on performance for each local planning authority in England issued annually in November.

**The consequences of failing the Test are set out in the revised National Planning Policy Framework (NPPF). All local planning authority with a delivery performance of less than 95% must prepare an Action Plan. This is set out in the National Planning Practice Guidance as:**

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*A document produced by the local planning authority to reflect challenges and identify actions to address under-delivery against the housing requirement in the area. The document's purpose is to detail the reasons for under-delivery and the steps the authority intends to take in mitigation and drive up delivery in the area. A good action plan will identify ways to reduce the risk of further under-delivery and set out the case for measures to maintain or improve levels of delivery.*



An Action Plan is intended to be a practical document, focussed on effective measures aimed at improving delivery within an area underpinned by local evidence and research of key issues. This is Milton Keynes Council's first Action Plan, and one of the first nationally to be drawn up by a local planning authority in response to the Test.

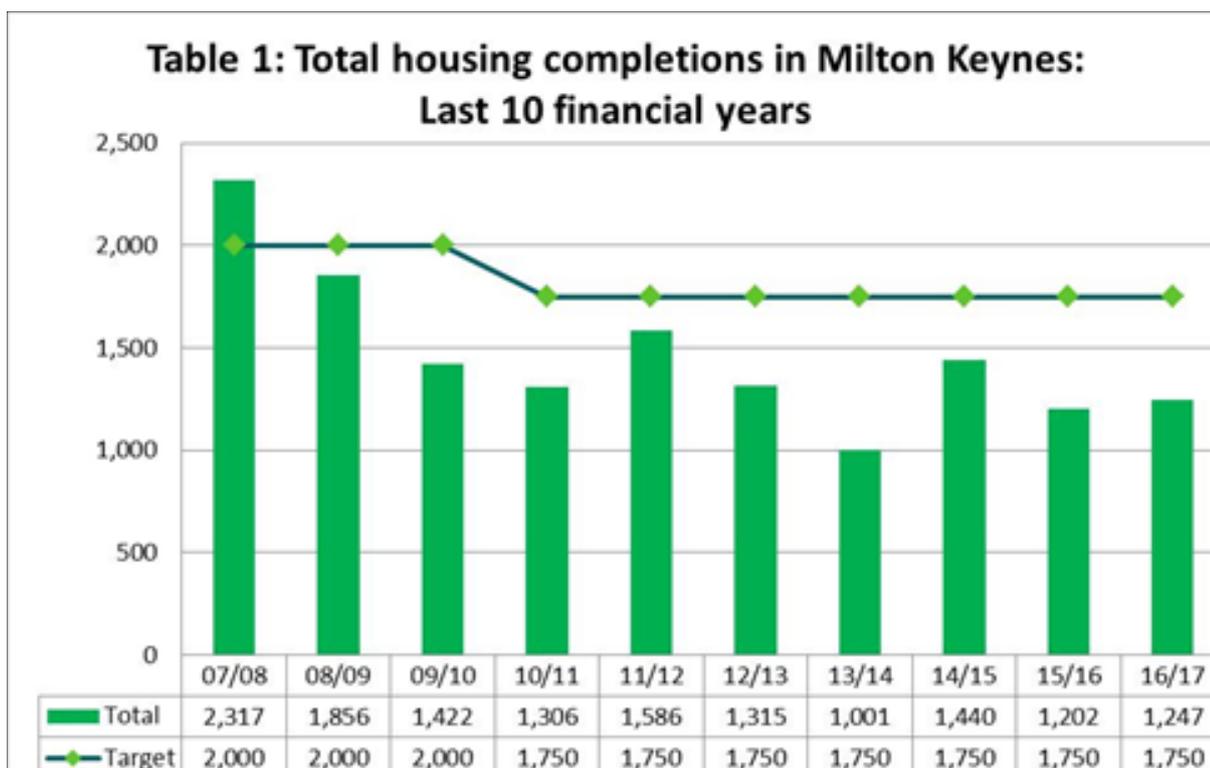
# HOUSING DELIVERY IN MILTON KEYNES

Milton Keynes is well known as a highly successful forward-looking place, recently celebrating 50 years of a pioneering approach to placemaking and town planning. There is a strong and compelling vision for the future - for Milton Keynes to be known internationally as a great city with a reputation as a pleasurable and exciting place to live, work, play and visit. However there has been a long standing issue of delivering enough homes.

Whilst the Council has identified sites and planned for growth, actual delivery rates over recent years have not matched those set out in planning policy.

- **Against the new Housing Delivery Test MK's delivery rate is at 74% - well below target.**
- **Within this there is estimated to be a shortfall of 41% against the affordable housing target.**

Milton Keynes has not delivered its annual housing target in any one year since 2007/08. Since the beginning of the Core Strategy period (2010/11), there has been a persistent record of under delivery resulting in a current shortfall of circa 3,000 dwellings.



Current delivery rates are below thresholds as set out in the Government's new Housing Delivery Test guidelines. There is not one single cause of under performance and therefore not one solution. An interlinked set of issues are all contributing, and a 'whole-system' approach to solutions is required.

# UNDERSTANDING THE KEY ISSUES

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The Council has gathered a broad range of evidence and views from key stakeholders involved in the planning and housing supply process in order to better understand the key factors influencing and driving low delivery rates. This has been considered alongside direct knowledge of local sites, land and development activity. A number of key themes emerge from this analysis:

## Theme 01 PLANNING PROCESS

- Whilst growth is an agreed principle as an overall destination, the perception is that individual planning decisions do not always reflect this. This can cause frustration, uncertainty, and slow the pace of housing delivery;
- A positive approach to community engagement helps to generate interest and input to planning decisions, but can at times raise inappropriate expectations amongst consultees for an outcome that will always satisfy objections, can add delay and be unsatisfactory both to developers and consultees;
- There can be a default position to object, with disproportionate attention sometimes given to the strongly held views of a few, adversely affecting housing delivery for everyone else in the city;
- Some planning applications could be determined more efficiently and effectively with meaningful pre-application advice, faster feedback from consultees, better briefings, processing legal agreements quicker, and imposing less pre-commencement and ancillary conditions;
- Anecdotal evidence from applicants and agents suggests that the process of agreeing developer contributions to affordable housing and infrastructure through legal agreements (Section 106 agreements) can delay delivery.

## Theme 02 INFRASTRUCTURE AND PUBLIC SERVICES

Putting in infrastructure up front in developments can de-risk sites and can speed up the delivery of units and has been a key foundation of Milton Keynes from its early phases of development. However, a number of key issues & challenges remain:

- Recent growth has however introduced tensions with keeping pace with infrastructure provision, especially as funding opportunities have become more limited;
- Both large and small sites have an impact on public services which can slow delivery, but also negatively impact services especially where challenges exist to being able to increase local service capacity;
- Larger sites are often built out much more slowly than anticipated, with new services provided and utilised before new development occurs;
- The inability to agree realistic and consistent phasing of housing delivery and hold developers to account is detrimental to public services and budgets, the authority's reputation, and to residents.

## Theme 03 SUPPLY-SIDE ISSUES

The majority of development in Milton Keynes is on 'greenfield' sites, even in the urban area. Whilst there may be fewer physical constraints to site development than in other traditional urban areas, the context provides a different set of challenges.

- There is a heavy reliance upon a number of large, strategic growth areas.
- There are currently 8,000 unbuilt housing permissions across MK. Far from leading the market, the evidence suggests MK is being pulled along by the market at close to the lowest level possible for housing delivery;
- The market in Milton Keynes is dominated by a few key landowners and a handful of large house builders on a small amount of large sites, including sites in public ownership - a legacy from the Development Corporation. The business model for developing this land is not incentivised toward consistently large scale or accelerated housing development, and squeezes out small and medium sized house builders;
- Supply of housing is in turn dependant on the supply of materials and labour, both of which are in increasingly short supply. The lack of 'affordable' housing in the area has resulted in less skilled labourers living in the immediate area - this has brought about a local skills shortage;

## Theme 04 DEMAND-SIDE ISSUES

Although demand for housing in MK remains high, affordability is rapidly becoming a major issue, exacerbated by the slow rates of build and reduced scale of delivery which are driving prices even higher.

- There are limited choices on offer in terms of house types and the diversity of the local offer with the market generally producing relatively standard products, not experimenting or market-making, which was a trademark of the New Town;
- For some there are problems with the perception of the place, with a stigma of it being a New Town and a perceived lack of history, character and services;

Social housing need in MK is increasing. Shared ownership provides a mechanism to assist residents on the journey to ownership but insufficient properties are coming forward.



# KEY ACTIONS & RESPONSES

This Housing Delivery Action Plan sets out a range of practical and proactive measures that the Council is putting in place to address low rates of delivery, and a process to monitor implementation. Five key strands of activity have been identified by the Council where action is needed.

## Strand 1 CORPORATE PRIORITISATION OF HOUSING DELIVERY

Housing delivery in Milton Keynes is fundamental to many of the strategic ambitions for ongoing growth and investment in the city, but it is currently not a sufficiently cross-cutting objective or driver of activity. Strong corporate leadership is required to provide a focus on housing delivery across the Council and beyond. As part of the response the Council will:

- Establish a focussed 'Growth Delivery Board' within the Council will bring together the key internal stakeholders and help to embed the corporate importance of housing delivery across the Council as a whole;
- Through this establish a shared narrative, consensus and culture change for housing growth.
- Continue to maintain a strong housing-related evidence base and set future goals for housing delivery in the full knowledge of what decisions are required to achieve them, and then consistently action these;
- Through this Action Plan provide a strategic approach for housing delivery, and a 'can-do, can-build' culture, which improves results and takes a whole-system approach, instead of isolated initiatives which are less likely to succeed;
- Embed a strong culture at all levels to make the delivery of new homes a guiding principle in decision **making**<sup>1</sup>.
- Support Councillors to develop a cross-party agreement on the importance of delivering new homes will be developed and all relevant Council Service Plans be aligned to it.



**1.** The Planning Service has developed an approach to assessing corporate capital projects based on how much housing the project supports. This is feeding into the development of the Council's Capital Programme for 2019.

## IMPROVED PLANNING PROCESSES AND CONSISTENCY IN DECISION MAKING

The Council recognises the importance of its planning service in enabling and supporting growth and ensuring the delivery of an efficient and effective service. The Council will:

- Ensure that planning can support future housing delivery and wider growth through ongoing service improvements;
- Adopt **Plan:MK<sup>2</sup>** in 2019 to set a clear planning policy framework for future growth;
- Evolve site specific guidance including development frameworks to provide an efficient process of masterplanning leading to timely submission of planning applications on key sites;
- Ongoing use and promotion of the Premium Planning Service and use of **Planning Performance Agreements<sup>3</sup>** as structured approaches to managing and resourcing larger and/or more complex schemes;
- Implement new **technologies<sup>4</sup>** to streamline processes and free up resources to focus on strategic matters;
- Improve early engagement on strategic sites to involve representatives of local communities in early place-shaping activity to ensure local views are understood from the outset, generate greater ownership and buy-in to the planning process;
- Improve **S106 procedures<sup>5</sup>** including a consistent approach to negotiations, decision making and streamlining of internal processes, including a consistent approach to the consideration and prioritisation of developer contributions to infrastructure projects;
- Review of the use of planning conditions to ensure these are applied in a reasonable and proportionate manner;
- Implement and promote fast-tracking certain types of applications;
- Prepare the Brownfield register and enable use of the permission in principle mechanism;
- MKC will continue to monitor and review the impact of specific aspects which can often influence decision making (such as local parking standards) on the delivery of homes.

**2.** Plan:MK will set the planning policy framework to 2031. It already includes more sites for development than the housing target (because of historic under delivery). It also includes more small and medium sized sites than previous Local Plans to diversify the Market.

**3.** Our Planning Performance Agreements use 'road maps' to set out the key milestones in project delivery and give greater visibility and certainty about when decisions need to be made to support delivery of homes against targets..

**4.** In 2018 the Council was awarded funding to develop an Artificial Intelligence platform to provide customer service. The Planning Chatbot was launched in September 2018. This has potential to learn and start to take on some of the technical and administrative tasks in the Planning Service.

**5.** A new Planning Obligations SPD is being prepared to support Plan:MK and comply with the new NPPF. The Planning Service is also investing in new software to help manage s106 milestones and data to support a managed approach to infrastructure delivery.

## Strand 3 SUPPORTING THE MARKET TO DELIVER

The Council will have a role to play in supporting the market to deliver through with land available for development at a range of locations and scales. The Council will:

- Consider the potential to develop sites in Council ownership which could be brought forward in partnership with local communities;
- Develop a model to intervene through compulsory purchase where this is necessary and is suitable for implementation locally, working with development partners to deliver them;
- Evolve suitable approaches to the delivery of smaller sites which are suitable for new homes and, critically, would help diversify the market by bringing smaller players in, addressing a key reason for current delivery failure;
- Explore models of delivery (for example Community Land Trusts, co-living, self-build, and off-site construction) with a number of different partners, designed to accelerate that delivery.

- **The Council** has prepared a Housing Strategy (consultation draft, July 2018) which identifies and supports delivery of new homes that meet identified need in light of the key challenges in Milton Keynes. This sets out a wider strategy for a five year period from 2018-2023, and considers issues relating to supply, management, place making and the Council as landlord.

- **The Council** is progressing a regeneration programme focused on making positive and long lasting differences for people and families in Milton Keynes by improving homes and neighbourhoods, providing opportunities to get jobs and training, and supporting the involvement of local people and groups in their community (as set out in the Regeneration:MK 2030 Strategy).

- **The Council** is also working on a Housing Revenue Account Business Plan for its own housing stock that will cover the repair/refurbishment of its existing stock and the scope for building new council homes.



## STIMULATING DEMAND THROUGH EFFECTIVE PLACEMAKING, MARKETING & PROMOTION.

There are opportunities to work across local authority boundaries and with Government departments and agencies to access funding in exchange for delivery of homes at scale. The Council will:

- Continue to proactively market the city to potential development partners through a coordinated, corporate approach involving all relevant departments;
- Promote key locations & sites, such as the significant potential in **Central Milton Keynes (CMK) and Bletchley**<sup>9</sup>, to attract interest and investment in residential development;
- Act proactively to seek out opportunities such as attending conferences and construction industry events to market the city to potential new investors.

9. A 'prospectus' has been developed to market the opportunities for development in the City Centre as part of the Renaissance of Central Milton Keynes. A similar prospectus is being developed for Central Bletchley, where key housing and regeneration opportunities exist around Bletchley Station, one of the stations on the proposed East West Railway, linking Oxford and Cambridge.



## Strand 5

# WORKING WITH GOVERNMENT & OTHER STAKEHOLDERS

The Council recognises that it will not be able to act alone and that a key relationship with Government will be needed to help improve local delivery. The Council will:

- Work with neighbouring authorities to explore similar opportunities and seek to establish closer working relations with relevant government departments and agencies;
- **Monitor and bid for infrastructure funding as and when opportunities arise<sup>10</sup> ;**
- **Directly engage with Government officials with respect to a potential 'Housing Deal' for Milton Keynes to match local ambition with funding support<sup>11</sup>;**
- Explore opportunities to align a range of current ambitions and strategies and think ahead to the role and fit of local growth aspirations with wider ambitions across the CaMKOx corridor.

**10.** The Council have been shortlisted for a Housing Infrastructure Fund bid to support the accelerated development of 5-8,000 homes east of the M1. The Council amended its draft Local Plan policy on the site to bring it forward subject to HIF funding. A Business Case is being prepared for December 2018, and a Development Framework has also been commissioned to support the planning process should funding be forthcoming.

**11.** At the time of publishing this Action Plan the Council is at an advanced stage of negotiations with Government on a 'Housing Deal', which would be an agreement around local freedoms and flexibilities the Council can have (on matters such as planning and infrastructure funding) in order to deliver an agreed housing programme.



# MONITORING & PERFORMANCE

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The success of this Action Plan will ultimately be evaluated through the impacts that occur with housing delivery.

Throughout the course of the year, actions and initiatives will be considered primarily through the Growth Delivery Board which will monitor and report on delivery, consider actions to address underperformance.

A full review of the Action Plan will occur annually to consider additional actions or necessary amendments.





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