

Minutes of the meeting of the PLANNING CABINET ADVISORY GROUP held on WEDNESDAY 25 JANUARY 2023 at 6.00 pm

Present: Councillor Marland (Chair)(Leader of the Council & Cabinet Portfolio Holder for Planning)

Councillors Ferrans, Mahendran, McLean, Taylor and Trendall. H Chipping (SEMLEP) , J Race (Community Action).

Officers: J Palmer (Head of Planning), A Turner (Planning Policy Manager) , M Moore (Principal Planning Officer), C Stevens (Principal Planning Officer) and G Vincent (Democratic Services Officer).

Others Present: S Hardisty (HJA: Economic Workstream), J Lee (ORS: Housing Workstream)

Apologies: Councillor D Hopkins (substituted by Councillor McLean), R Kurth (Parishes Forum representative) and Youth Cabinet Members.

CAG 15 WELCOME AND INTRODUCTION

The Chair welcomed members and advised that the recording of the meeting would be made available on the Council's You Tube channel.

CAG 16 DECLARATIONS OF INTEREST

Councillor Ferrans advised for transparency that she was a member of the Milton Keynes Development Partnership (MKDP) .

CAG 17 MINUTES

A Member suggested that moving forward, recommendations and actions be noted in the minutes to ensure nothing was missed, in response, the Chair advised the Group that they were an advisory body, and as such could not make recommendations , but that the point was noted.

RESOLVED –

That the Minutes of the meetings held on the 20 JULY 2022 & 17 AUGUST 2022 be agreed as an accurate record and the Chair to sign them as such.

CAG 18 NEW CITY PLAN

The item was introduced by the Planning Policy Manager, who informed the Group that he would be providing a brief verbal update, key points of the update are detailed below:

- That a consultation on the ambitions and objectives of the New City Plan was due to begin on the 30th of January, and would run for 6 weeks.
- That there was an upcoming planning event with external speakers scheduled for the 1st March 2023 to discuss themes, which members of the CAG would be invited to.
- An update on the progression of evidence base work was given, with the officer advising members that it was progressing well, but that there had been some issues relating to data.

- An update on various studies was provided, such as a blue-green infrastructure study, a climate study, a study on mass rapid transport, as well as a unique study on growth and placemaking in CMK.

This item was then opened for discussion with key points detailed below:

- A member queried the length of time required for the infrastructure study, and asked why it took so much time, as well as stating that if it could be completed earlier, the plan could be brought forward.
Officers responded, stating that the study was still in the commissioning phase, and that they were in line with the time estimations set out in the Local Development Scheme.
Officers further stated that significant data as well as engagement with stakeholders was needed to establish an evidence base, but that output would be received as the study progressed.
- The Chair commented on the relationship between housing need and infrastructure development, and advised the group that they were seeking to define the study according to needs.

RESOLVED –

That the Verbal Update was discussed and noted.

CAG 19

MILTON KEYNES NEW CITY PLAN EVIDENCE UPDATE - HOUSING AND ECONOMIC DEVELOPMENT NEEDS ASSESSMENT (HEDNA)

The Chair introduced the item, taking the opportunity to advise the group that they were only seeking feedback on the study. He proceeded to emphasise the importance of shaping the study, as well as suggesting that a brief outline in the changes to the NPPF would be a helpful addition to the report.

The Chair commented that changes in government policy would not affect the plan as it was already being developed, which was confirmed by officers.

Members commented on this, stating that they had taken this approach previously, but that this had led to national policy taking precedent over the local plan. Officers responded, advising the group that there was always a level of uncertainty, but that it was a constantly evolving system and that they could not wait and see. They further stated that central government would be introducing national development management policies, but that this was a discussion for another day.

The item was broken down into two parts, with the Housing aspect of the [report](#) presented by Jonathan Lee, and the Economic aspect presented by Stuart Hardisty.

The Housing Development Need was presented first, with the consultant highlighting key points within the following areas:

Government “Standard Method” for Local Housing Need

A breakdown of the calculation for Local Housing Need (LHN) was provided, which resulted in an Annual Local Housing Need of 1902 dwellings as a minimum.

Population Trends and Projections

The Group were informed that official projections had predicted a slower rate of growth, but that the census data indicated a higher level of growth than projected.

The Group were then advised that in order to meet the objectives for growth set out in the Plan and to reach the 410,000 target, the rate of growth would need to remain at the rate it had been over the last twenty years.

Future Growth Scenarios

Three scenarios were detailed to the group, these were:

- One based on the household projection-based housing need, which would require 1100/1200 dwellings a year, totalling 152,000 dwellings by 2050.
- Another using the Government's "standard method" calculation: which would require 1,902 dwellings per year, which would result in a total of 173,100 dwellings by 2050. A further point was made stating that increased household formation rates would negatively impact this, and would result in fewer people overall.

The Group were advised that this was viewed as the most likely scenario.

- A third scenario based on MK2050 aspirational growth, which was based on reaching a population of 500,000 persons by 2050 with 410,000 persons resident within the LA Affordable Housing and Housing Mix. This would require 2265 dwellings per year, and would reach a total of 183,700 dwellings.

Affordable Housing and Housing Mix

The Group were advised of the differing groups who require affordable housing need which are set out in the NPPF, and that this had been changed to include those who can afford to rent but want to buy.

The consultant subsequently stated to members that of the 53,200 dwellings, 12,000 of these would be rented affordable homes, 2,300 being affordable home ownerships, and 37,600 market dwellings, the various types and sizes of these dwellings was also raised.

The following areas were highlighted to the group for consideration, these were:

- Whether an uplift to the Local Housing Need (LHN) could be justified.
- Whether the balance of rented affordable housing and ownership was right.
- Whether there should be a policy aim to reduce the number of those renting privately with housing benefit.
- The mix of development sites
- The local viability assessment.
- The timing of the need.

Needs of Specific Groups: Older Person Housing, Adapted Housing, Student Housing

Subsequently, the consultant advised the group of the projections by age, and that whilst there was growth in all age groups, there was considerable growth in the older age groups.

The Group were provided with an overview of the various increases in housing need, these were as follows:

- That there would need to be 8000 older person dwellings.
- That there would need to be between 9,700-22,400 adapted, which included 3000 wheelchair adapted dwellings.
- That there would need to be provision for 5000 students by 2030, and 15,000 from 2030.

At this stage, the Chair reiterated to members that the 1,902 dwellings per year was a minimum number, which was confirmed by officers. He then invited comments and questions from members, these are detailed below:

- A member began the discussion by commenting that whilst the report included the unmet need for people in affordable accommodation, it did not address the previous issues with the waiting list for those with mental health issues or learning disabilities, the member proceeded to suggest they needed an assessment on the current waiting times.
- Further comments were made by the member, where they advised that there had previously been a 10% buffer and that they would be more comfortable with a higher amount. Officers responded by advising that there was a significant buffer, and that this was not uncommon.
- A member stated that the Plan should aim for a higher housing formation rate, they advised the group that in 2018 there had been a high level of overcrowding. The same member proceeded to express their concern that following changes to HIMO benefit for young people, as well as changes to rules which helped young people with housing need, they had not updated the data, and as such it would be good to update it with data from current levels.
- This was emphasised by the Chair, who asked officers how confident they were that the numbers would not change following the changes listed by the member. In response, officers advised that there were levels of uncertainty, but that the effect of different household formation rates could be looked into, and that these would be included in the final version of the report. Officers commented on trends relating to young single persons, and that the group was projected to halve throughout the period, and alternative provision such as co-housing were being looked into, but that cost implications would need to be considered and fed back on. Members made comments on this, stating that the current subsidy paid on HIMO's for young people was roughly £900 a week, and therefore there were considerable cost implications.
- The Group were informed by a member that the section of the report relating to students was missing, the member asked officers for the correct version to be included in the report.
- The use of the term extra care housing was highlighted by a member, who sought clarification that this was not referring to the company Extracare, and asked for it to be defined in the report. Officers acknowledged the interchangeable terminology for sheltered housing, and that it would be good to clarify what each meant, and the number they corresponded to. They further stated that the extra care housing in the report was sheltered housing, and would be classified as C3.

- The Chair sought answers from officers regarding the impact of previous house purchases on the affordability ratio, and stated that the number of affordable houses projected was low. Officers subsequently advised that the affordability ratio was informed by the workplace income in the area, and that this was the minimum amount of affordable housing required and that there was a large overall provision.
- Following comments from members, officers further stated that a policy target would need to be set to ensure the percentage of affordable housing would be high enough to allow for developers who could not provide affordable housing.
- The Chair proceeded to comment that Local Authorities could look to provide for the needs of those who wish to buy, but could not afford to, and that not providing for this need was unviable. It was further stated that when calculating the baseline number of houses needed, the Plan should deliver policy aims, and not just the minimum number, and that it would be good to meet some of the unmet demand.
- A member queried whether student numbers were included in the housing need figure, and whether they impacted the type of housing provided. Potential issues with this approach were raised, with the member stating that there was less certainty around achieving those numbers until the funding is committed for MK:U and that there may be different models such as studying remotely. In response, officers advised that there was no specific adjustments, but that there would be a significant population growth for the age group. They were further informed that the aspiration to have a university had not changed, and if the Plan's aspiration were reached, there would be an impact on the area around the campus. Finally, it was stated that whilst the student accommodation was not included in the 1902 target, it would count towards it when delivered.
- This was queried by members, who asked how demand would be assessed if 1000 of the 1902 were student housing, in response, officers stated that this would be factored differently and would need to be additional if looked at by an inspectorate. This was followed by questions from members who asked if the numbers accounted for those who would travel in, as well as for refugees, they were advised by officers that both international and national movements had been factored in.
- Members stated that they were concerned about the underwhelming number of affordable homes provided and planned, and there was not enough to cater for Milton Keynes becoming a logistics hub, which would attract younger people who wish to purchase property.
- Further questions were asked by members, who inquired what the buffer of additional houses would be and whether it would be tempered by deliverability. Officers advised that it was measured against the 1902 target, and that previously there had been a 20% additional buffer allocated for Plan MK which allowed for overprovision, but that they would need to demonstrate that there was sufficient land available. Moreover, the Chair and officers advised members that the new NPPF would alter these requirements and that were unable to allocate sites twice. Officers stated that there were different methods for provision, but that this would be discussed in more detail at a later stage.
- A member voiced their concern that there was a background problem when it came to assessing the viability of housing mix, stating that developers were providing less bedrooms, and that this needed to be looked at when assessing viability. They suggested that the number of bedrooms should be considered and included in

reports. In response, the Chair advised that this would require an evidence base, with Officers commenting that it was important to consider when assessing viability, but would be covered in more depth in the viability study.

- A member proceeded to seek clarification whether part time students were factored in separately, officers confirmed that they were not considered separately and were factored in.
- Members asked the following questions, which would be responded to by officers following the meeting:
 - Whether there would be a tapering of the affordable housing provided, as it was currently 31%, and would become 27%.
 - Did 10 or less properties count as a small site?
 - In relation to the surplus of stock till 2030 referred to in the report, whether this was private or social?

The Chair then took the opportunity to summarise the debate, noting the following:

- That the 1902 dwellings per annum was a starting point, and that the group needed to understand the sites it unlocked and required, and whether this delivered the infrastructure and aspirations of the city. The Chair further emphasised the need to understand how to evidence a suitable number that delivered the needs and aspirations of the plan.
- That more information regarding the affordability ratio was needed, with an emphasis on providing an evidence base which would accommodate for the need of the aspirational.
- That there was a need to understand and address student numbers within the Plan.

Officers commented on this, stating there would be a review stage of the Housing Need Assessment, and that it was now the role of the officers to work across the evidence base.

The section of the report detailing the Economic Development Need was then presented, with the consultant's presentation focusing on the following areas:

Functional Economic Market Area (FEMA)

The Group were advised that analysis was carried out on the basis of a FEMA and was not fixed to a Local Authority. The Group were then informed that whilst there were significant economic links to other areas, Milton Keynes was considered a FEMA.

Labour market conditions

Subsequently, the consultant highlighted to group members that Milton Keynes had a higher economic activity rate than the South East and National average and that Milton Keynes had the same unemployment rate as the South East average, but a lower rate than the national average. The Group were advised that this resulted in a tight labour market.

Consultation findings

An overview of the consultation findings was presented to this group, these were as follows:

- That there were very positive expectations for future growth, with the general view that growth would continue at least at historic rates.
- That there was an aspirational culture, and that Milton Keynes was strengthening its skill infrastructure and was maturing.
- That global and national economic headwinds would need to be considered, but that the Labour market would be the key potential constraint.
- That there was significant uncertainty over office requirements post Covid, which could potentially slow rate of growth for office space.
- That the proposals for Central Milton Keynes represented a new model, and carried risks.
- That there was a need to provide affordable business space, affordable housing, and to address deprivation challenges.
- A number of concerns were highlighted, that logistics would crowd out other industrial activity, that there was a large amount of ageing property and that there was a reliance on cars.

Economic growth scenarios

Growth scenarios produced by Oxford Economics and Experian were detailed to the group.

It was stated by the consultant that Experian's projection was based on historic growth, however Oxford Economics' was considered far too pessimistic, and a midpoint between the two projections would be used as the low point. This resulted in a range of employment change between +1600 – +2700 jobs per annum, which broadly aligned with both the MK 2050 adapted growth range, and the demographic and housing work.

Commercial market overview

The Group were advised that Lambert Smith Hampton had provided commercial advice for this section of the report. The Chair sought clarification on this, as it could be considered a conflict of interest. In response, the Group were informed that the advice was not site specific, and that the consultee needed to be involved in the Milton Keynes market to understand it.

Subsequently, the Group were advised of the following points relating to the Office market:

- That Milton Keynes had been identified as a major office centre, and was doing better than other areas.
- That the pandemic had a major impact on the office market.
- That there was a substantial stock of aging office buildings.
- That there was an absence of high quality stock which would inhibit the ability to attract new occupiers.
- That the viability of new development likely to remain challenging.

This was followed by a breakdown of the Industrial & Logistics market, where the below points were detailed:

- Milton Keynes was a very strong industrial and logistics location.
- That there had been a significant elevation since Magna Park Development in 2014.

- That the pandemic had intensified the need for space, particularly big box market
- That there was a decreased quantity of second-hand smaller stock.
- That changing energy prices rises and business rates reassessments may have impacted demand.

Sites and premises requirements

The Group were informed of the method used to calculate the sites and premises requirements, which utilised the baseline to assess future need, they were further advised that it was a two step process which allowed for replacing existing stock.

The consultant proceeded to advise the Group of the historic growth levels, and the need to replace and provide both office and industrial stock.

The amount of projected office space required in a variety of scenarios was demonstrated, these scenarios included the effect of hybrid working, replacement of office stock, and usage of current sites.

This resulted in a central figure of 16,000 sqm pa, and a total of 440,000 sqm. It was further highlighted that replacing and upgrading existing stock would be the key driver and that whilst the required space was below historic levels, it would need to be monitored closely.

This was followed by a projection of the industrial space required, which was slightly more than was needed historically. The Group were informed of alternative scenarios such as high replacement of stock, and high on site replacements, although it was stated that the extent to which sites could be recycled was uncertain.

This resulted in a central view of 19-22 ha pa. It was emphasised to members of the group that logistics and warehouses were a key demand, with a SEMLEP study indicating a high demand for this sector.

The item was then opened up for discussion:

- A member began by asking for a glossary of the acronyms used for the final report. This was followed by a request for clarification of the definition of CMK boundary mentioned in the report. The member highlighted to the group the uncertainty in the Economic Development section. Officers responded to the member's comments, stating that they would ensure that the acronyms would be set out for the final report, and that the CMK boundary was shown on a map in the report.
- The Chair queried what the impact would be if Milton Keynes was not considered as a FEMA. Officers advised that if this was the case the study would need to be conducted over the entire larger FEMA and allocate employment sites accordingly.
- The Chair emphasised to the Group the importance of affordable business space and that the existing stock would need to be replaced, moreover, the group were advised that there would be market pressure for sheds rather and light industrial use. He proceeded to inquire whether there was a 5-year land supply policy test applied to economic sites, but was advised by officers that this was not the case.
- Further comments were made by the Chair, who stated that they were seeking to promote good quality development and limit the amount that was converted to residential. Additionally, the Chair advised the Group that whilst Logistics companies

liked to be near transport links, constructing the necessary infrastructure was expensive, and there was potential for pushback from residents. In response, officers present advised that there was an opportunity in Central Milton Keynes to achieve a higher office density, which would deliver on policy ambitions and ensure sites are not lost to residential use.

- The importance of collaborative work with other Local Authorities was highlighted by the Group.
- A member inquired whether the usage of a site could be dictated to be an affordable business site. Officers advised that this would be difficult, but could be influenced through policy, and that ways to stimulate this needed to be established. This was echoed by the Chair, who stated that this would be considered moving forward, to ensure policy helped to deliver need.
- A member asked officers whether smaller sites which aren't big enough for warehouses would be good for light industrial use. They were advised by officers and the Chair that it was market led, and that Local Authorities were struggling to encourage and protect smaller sites. In particular, it was highlighted that due to Milton Keynes's atypical stock, it would be difficult to deliver what was needed, especially considering the needs of residents and resources of certain developers. It was acknowledged by the Chair that this would be a difficult area, but that they would try to promote affordable business spaces.
- A member raised an issue to the group, advising members that the infrastructure had aged, and would also need updating.
- In response to comments from members, officers informed the Group that SEMLEP were looking to commission a piece of work which would help to identify how to incentivise and deliver smaller business spaces. Additionally, the Group were told that there were placemaking challenges, but the shift in the employment mix would need to be considered. This was added to by the Chair, who emphasised that older logistics hubs would be impacted when companies modernise.

RESOLVED –

That the Housing and Economic Development Needs Assessment was discussed and noted.

CAG 20 ANY OTHER BUSINESS

At this stage the Group were advised by the Chair that referrals had been received from Planning Committee, but as CAG was an advisory group and not a decision-making body, the referrals would be referred to Cabinet.

The Chair proceeded to suggest that if Councillors came across an issue at Planning Committee, they should email their concerns to Andrew Turner, who would ensure that it was considered when the area is discussed at a meeting of the Planning CAG and would help to interpret and establish future policies.

The Chair subsequently invited further comments and questions from members.

A member requested that the missing sections of the HEDNA report be circulated, and it was agreed by officers that they would be circulated when available.

A Group member voiced their concerns over the high-rise development which would be needed over the next 28 years in Central Milton Keynes. The member asked whether the Group should consider creating a detailed SPD for High Rise buildings that defines what it is that the council think Milton Keynes should look like, rather than it being dictated by individual developers.

This was responded to by both officers and the Chair, it was acknowledged that the current policy was restrictive, but that moving forward development in CMK would be based on an evidence-based plan. It was further stated that an SPD would be ineffective and could not create policy. The Group were subsequently advised that due to upcoming changes proposed by central government to the SPD system, any SPD implemented now would only be in effect briefly.

A member commented on the Planning Committee's referral to Planning CAG to review Policy CT8 of Plan MK, and suggested to the Group that the wording regarding section D3 needed to be clearer. In response the Chair reiterated that as an advisory body, the Group was unable to consider this referral, and it would be responded to at Cabinet.

RESOLVED –

That the Group's comments be noted, and that the referrals from Planning Committee be considered by the Cabinet Member for Planning at the Cabinet meeting on 7 February 2023.

MEETING CLOSED AT 20:40