

Affordable Housing Supplementary Planning Document

Adopted March 2013



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Preamble

The Government intends that everyone should have the opportunity of having a decent home. Local Councils have a significant role to play in addressing housing requirements. Historically the main emphasis would have been through the provision of Council housing for rent and Milton Keynes Council still provides a large amount of housing as a landlord. This is still critical in addressing a sector of housing need. However, whilst the Council is returning to the role of providing new Council housing, its main role is that of 'enabler' and 'regulator', assisting others in meeting the housing requirements of the community. The Housing Strategy 2012-2015⁽¹⁾ outlines how the Council will work corporately and in partnership with others where it can to meet this goal.

The planning system, through its influence on new development plays a critical part in addressing the housing needs of the community. Local Planning Authorities have to take into account and plan for local community housing needs in aiming to achieve sustainable communities. This includes the provision of affordable and supported housing for which there is a requirement in Milton Keynes. This Supplementary Planning Document (SPD) has a role in making this process clear and transparent.

Since its designation as a New Town in 1967, Milton Keynes has grown rapidly with the Borough now having a population of over 248,000 people (2011 Census). Milton Keynes is a focus for growth, and the emerging Core Strategy provides a target of 28,000 new homes to be built between 2010 and 2026. The delivery of affordable homes is also an important part of the Core Strategy, as reflected in Policy CS10.

This review of the Council's position on affordable housing and the tenures that it wishes to see delivered in new development is in response to the changes in the funding and support that the Homes and Communities Agency offers to Registered Providers in the delivery of affordable housing. The Council believes that affordable housing should be provided that meets the range of needs that residents of Milton Keynes have and the rent levels they can afford. It accepts that a pragmatic stance needs to be taken to ensure that the delivery of affordable housing as part of wider residential development is viable and achievable.

This SPD therefore reflects the position that allowing the provision of Affordable Rent provides the most realistic approach to achieving the delivery of affordable units in many cases. Nevertheless, the Council's Housing Strategy (adopted in June 2012) contains a commitment to work with the Local Government Associations and others on a replacement housing system when the current Affordable Homes Programme expires in 2015.

Status of Document

Officers of the Council have prepared this SPD to support policies in the Milton Keynes Local Plan (December 2005) and supersede the Affordable Housing SPD adopted in July 2007. The SPD is also a continuation of the MKC Cabinet decisions of November 2011 and June 2012 to accept Affordable Rent in developments where viability concerns would make Social Rent undeliverable. This document will be considered a material consideration in the determination of planning applications submitted to the Council.

This Affordable Housing Supplementary Planning Document was adopted by the Cabinet of Milton Keynes Council on 13 March 2013, and supersedes the previous Affordable Housing SPD adopted in July 2007.

Consultation on the draft SPD

A consultation draft of this SPD was subject to public and stakeholder consultation between 31 October 2012 and 9 January 2013, including with a variety of organisations including Town and Parish Councils, developers and housebuilders, landowners, Registered Providers of affordable housing and individuals. It was made available on the Council's website and in Milton Keynes Council libraries.

1 <http://www.milton-keynes.gov.uk/housing-strategy/displayarticle.asp?id=87616>

Responses received during the consultation were reported to Cabinet on 13 March 2013, together with officer responses and some minor amendments to the document, for the final SPD to be approved for adoption.

Purpose of this Supplementary Planning Document

The SPD will help to ensure that the Council meets the Local Plan and Core Strategy policy objectives with regards to housing and to help meet housing need. In particular, it aims to assist the delivery of good quality affordable housing of the most suitable type, tenure and size through the planning process. It clarifies the roles that the Council, Landowners and Developers, Registered Providers and Town and Parish Councils will undertake in the provision of affordable housing. It aims to provide greater certainty and a consistency of approach to dealing with planning applications and their implementation. It also provides clarity in the Council's approach to Affordable Rent as a new tenure in the provision of affordable housing.

The SPD also brings to developers/landowners attention that planning obligations will be required to accommodate affordable housing, including housing for specific groups. This requirement will ultimately need to be reflected in land purchase and development costs for sites on which affordable housing will be required.

The objectives of the SPD are to:

- a. Provide clear guidance on how the Council will interpret Local Plan policies for affordable housing;
- b. Increase the efficiency of Section 106 negotiations and reduce the time taken to determine planning applications to ensure that housing delivery targets are met;
- c. Enable the delivery of affordable dwellings of a tenure, type and size that helps to meet housing need in Milton Keynes;
- d. Highlight the thresholds of sites on which affordable housing will be sought;
- e. Introduce Affordable Rent as a tenure for affordable housing to be delivered in Milton Keynes;
- f. Outline factors which may reduce the amount of affordable housing sought and the mechanisms that will be used to assess financial viability;
- g. Ensure that affordable housing is effectively integrated within development sites that are 'tenure blind' in terms of location and design to create mixed and balanced communities;
- h. Give an indication of when it may be appropriate to locate affordable housing on alternative sites or provide payments in lieu; and
- i. To provide more clarity on options for affordable housing delivery in rural areas.

Structure and Content

Part 1 outlines planning policy guidance on housing as outlined in the National Planning Policy Framework, Milton Keynes Local Plan December 2005 and the emerging Milton Keynes Core Strategy.

Part 2 provides more detailed guidance on how affordable or supported housing should be delivered.

Part 1: Planning Policy Framework for Affordable Housing

National Planning Policy Framework

1.1 In March 2012, the Government replaced its suite of Planning Policy Documents and Guidance notes with a single National Planning Policy Framework (NPPF), covering a wide range of planning issues. Affordable housing is discussed under 'Delivering a wide choice of high quality homes'. Specifically, paragraph 50 sets out the following guidance for delivering homes of all tenures and types.

1.2 NPPF, paragraph 50, says:

"To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
- where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time."

1.3 The NPPF (at paragraphs 54 and 55) also supports the delivery of affordable housing in rural areas through the use of rural exception sites, where appropriate. Part 2: 'Planning Guidance' of this SPD considers this in the Milton Keynes context.

Milton Keynes Local Plan, adopted December 2005

1.4 Policies H2 to H6 of the Milton Keynes Local Plan set out the Council's approach to delivering affordable housing. The objectives of these policies are to:

- H2 - Ensure that housing is provided over the Plan period that meets the Borough's priority requirements
- H3 - Define what the Council considers to be affordable housing
- H4 - Set out the proportion of affordable housing the Council will seek and the site thresholds above which the policy will apply
- H5 - Show that the Council will take into account the economies of provision and the particular circumstances of each site when applying the affordable housing target
- H6 - Set out when the Council's rural exceptions policy will apply, and ensure that any such schemes are rigorously assessed as to their suitability and legitimacy for meeting local housing needs.

1.5 Milton Keynes Council is preparing a new Local Plan, called Plan:MK which will replace these existing policies. As part of this process, it may be necessary to undertake a further review of the Affordable Housing SPD as a result of any changes to the Council's approach.

Milton Keynes Core Strategy

1.6 Policy H10 in the emerging Milton Keynes Core Strategy states that the “Council will plan to meet specific housing needs across the Borough including the following: affordable housing, multiple occupancy, elderly persons, special needs, single people, religious, ethnic or lifestyle groups”.

1.7 As part of the Examination process for the Core Strategy, additional wording has been recommended to further the support for delivering affordable housing, as follows: “An affordable housing target will be set in the Plan:MK. In the interim, the amount of affordable housing sought on qualifying sites, as set out in the Affordable Housing Supplementary Planning Document 2007 (or successor Affordable Housing SPD), will continue to be determined in accordance with the saved adopted Local Plan Policy H4 target of 30% on all sites of 15 or more units.”

1.8 Paragraph 10.6 also refers to the role of the Affordable Housing SPD to provide additional guidance, with regard to tenure mix for example, and that the SPD will be updated when necessary or following any new evidence prepared as part of the Plan:MK.

The Corporate Plan 2012-2016 and Housing Strategy 2012-2015

1.9 Securing sustainable housing growth and ensuring residents have access to all the services and support the need to enjoy a healthy and good quality of life is part of the Council’s Corporate Plan. These priorities have been incorporated into the recently approved Housing Strategy (adopted June 2012), which covers three Strategic Priorities, which this SPD has a role in achieving:

1. To increase the supply of housing
2. To tackle housing conditions
3. To improve access to and affordability of housing.

Part 2: Planning Guidance

Need for Affordable Housing in Milton Keynes

2.1 The definition of affordable housing within Milton Keynes is set out in Local Plan Policy H3. The Local Plan definition aligns with the definition given in the National Planning Policy Framework (Annex 2, page 50 and in the Glossary of this SPD). Affordable housing within Milton Keynes is housing provided by means of a subsidy that will enable the asking price or rent to be lower than the prevailing market prices or market rents in the Borough. It is provided to eligible households whose needs are not met by the market.

2.2 The relationship between incomes and housing costs and also what can be regarded as affordable housing is dynamic, and this has particularly been the case in the unstable economy of the last five years. Factors such as benefits levels, changes in interest rates and mortgage lenders' practices or fiscal incentives issued by Government can have an impact on affordability levels.

2.3 Therefore, on this basis, a definition of what is affordable housing in terms of cost to the customer that is expected to endure for the lifetime of a Local Plan is unlikely to be possible. A Strategic Housing Market Assessment (SHMA) gives a snapshot at a particular moment, taking factors that define affordability into account. In Milton Keynes there is also a significant level of in-migration. This migration, combined with the level of available housing stock, has an impact on affordability levels and housing demands and needs. Taking these circumstances into account, the Council is committed to undertake regular research and is commissioning a new SHMA which will be used to develop future affordable housing policies for the Plan:MK.

2.4 The 2008 SHMA carried out by Opinion Research Services (ORS) takes into account a household's ability to afford certain housing types. It uses a comprehensive assessment of a household's resources. This includes income, savings, debts, equity and the amount that they can borrow. It does not allocate affordable housing to households who are realistically able to afford housing in the private sector. ORS updated the SHMA in 2009.

2.5 ORS used 25% of gross income as the amount that a household can be expected to spend on housing costs. This was supplemented by the use of the McClement's Equivalence Scale to take into account the impact of a household's composition on the amount of expenditure that is available for housing costs.

2.6 The Housing Technical Paper (February 2011 and March 2012 update⁽²⁾) sets out how the Council set its target for the amount and type of housing to be delivered through the emerging Core Strategy over the plan period. The amount of affordable housing to be delivered on qualifying sites is calculated from that total housing target.

Sites on which a contribution to Affordable Housing will be sought

2.7 Policy H4 of the Local Plan sets the threshold where an affordable housing contribution will be sought. Since April 2007, in line with national planning policy at the time, the Council has applied a standard threshold of requiring affordable housing to be provided on sites of 15 dwellings or more, across all locations in the Borough. It is intended that this threshold will continue to be applied through this SPD, but it may be reconsidered alongside a wider review of affordable housing and planning obligations policies in the future, through the Plan:MK process.

2.8 There may be occasions when the Council will seek to enter into negotiations to encourage developers to provide affordable housing. This includes situations where a housing proposal is below the threshold, but a) in the Council's opinion the site could legitimately be seen as part of a wider area that could be developed for sufficient dwellings to take it over the threshold, or b) the site could reasonably be expected to accommodate

2 February 2011, http://www.miltonkeynes.gov.uk/planning-policy/documents/Housing_Technical_Paper_24.3.2011.pdf.
March 2012,
http://www.miltonkeynes.gov.uk/planning-policy/documents/ID-9_Updated_Housing_Statement_and_Windfall_Overview.pdf

enough dwellings to take it over the threshold given its characteristics, e.g. where the proposal is for a very low density scheme, or on a site adjacent to a district centre where development could be at a higher than average density.

2.9 These thresholds do not preclude developers from providing affordable housing on smaller sites. The Government encourages developers to consider such provision where they think it feasible and appropriate.

Amount and type of Affordable Housing sought

2.10 As evidenced by the SHMA, there is a significant shortfall of affordable housing to meet the needs of the population of the Borough. It also showed that affordable housing should consist of 25% Social Rented housing and 7% intermediate tenures (such as Shared Ownership or Intermediate Rent). Therefore the Local Plan and this SPD seek to secure 30% of residential development on sites of 15 or more dwellings, as affordable units.

2.11 Policy H5 of the Local Plan states that “the proportion of affordable housing that the Council will seek on individual sites may vary, depending on site and market conditions”. Within major developments, for example whole grid squares, or expansion areas, where 30% affordable housing is sought, the Council may seek a higher proportion in locations characterised by close proximity to facilities and public transport. However, this will be offset by lower provision elsewhere in the same development. The level sought in these locations will however, have regard to sustainability issues, and in particular ensuring the aim of creating mixed communities.

2.12 Historically, the Council has required the delivery of Social Rent as a significant proportion of its affordable housing target. However, the changes made in 2011 to the Homes and Communities Agency’s funding arrangements mean that Social Rent is generally no longer deliverable by RPs. The Council accepts that given the Government’s current grant funding regime, Affordable Rent provides the best opportunity to maximise the delivery of residential development, including affordable housing.

2.13 As the Council wishes to see delivery of homes to meet all levels of housing need in Milton Keynes, developers should provide units at a range of rent levels at up to 80% of market rents within their affordable housing proposals, including a proportion of units (approximately 5% of the total) at levels broadly equivalent to Social Rent (at the time an application is considered)⁽³⁾. These units should be provided under the HCA’s Affordable Rent model.

2.14 Developers should also provide a proportion of units (5% of the total) as Shared Ownership (or Newbuild Homebuy). The table below summarises the Council’s standard affordable housing requirements.

30% of units on residential developments of 15 units or more, consisting of:
25% of units for rent at a range of rental levels up to 80% of market rents, under the Affordable Rent model, including approximately 5% at a level broadly equivalent to Social Rent (at the time an application is considered)
5% Shared Ownership/Newbuild Homebuy (minimum 25%-50% equity range)

2.15 Local Plan Policy H9 seeks to ensure that all developments of more than five dwellings should incorporate a range of house sizes and types. It is intended that the affordable housing element of a residential development should reflect the mix of unit types and sizes being delivered across the wider scheme. However, the tenure mix, dwelling types and sizes may be a matter for negotiation on each site and could be subject to variation where

³ Appropriate Social Rent levels will be calculated using local benchmarking data, eg. Hometrack, for new build properties

there is agreement between the Council and developer depending on the location, site characteristics and financial viability. For affordable housing, the majority of need (64%) is for one and two-bedroom dwellings (17% one-bed, and 47% two-bed)⁽⁴⁾.

2.16 As part of the SHMA, some analysis was undertaken to take account of the specific needs of particular groups. These groups included key workers, older people, black and ethnic minority groups and those with a disability or needing supported housing. The Council may on occasion seek specific forms of housing that reflect the needs of these particular groups rather than general affordable needs when coming to an agreement with the landowner/developer on the size and mix of the affordable housing.

Balancing Affordable Housing with other Section 106 obligations

2.17 As part of a residential development, the provision of affordable housing should be balanced with the need to deliver other services and infrastructure through planning obligations. These developer contributions will be negotiated by the Council on a case-by-case basis. Nevertheless, it is expected that subject to considerations of viability, all eligible residential development should meet the affordable housing requirements set out in this SPD plus any other developer contributions, in accordance with Local Plan Policy H6.

2.18 When a charging schedule is adopted in Milton Keynes (planned for April 2014), the Community Infrastructure Levy will introduce a non-negotiable charge on development, which will contribute towards strategic infrastructure projects. As this has the potential to affect the amount of affordable housing that is viable on a development, the general cost of meeting the Council's standard affordable housing requirement will be accounted for in the setting of that standard charge to ensure the total developer contribution package does not unduly affect viability. This is considered on a Borough-wide basis, not through case-by-case negotiations.

The factors which may allow a reduction in the proportion of Affordable Housing sought

2.19 In line with Local Plan Policy H5, it is accepted that there might be occasions where site characteristics could be regarded as a legitimate reason for a reduction in the proportion of affordable dwellings sought. This might relate to exceptional costs, perhaps related to previously unidentified contamination or allowing for the conservation and/or enhancement of historic assets on a development site, which may be in the public interest. However, in the case of brownfield sites, it is expected that the need for decontamination or site clearance should be adequately reflected in the price offered for the site.

2.20 The Council is mindful of the wider agenda of increasing housing supply and its targets set in the emerging Core Strategy. It has a positive approach to new development and the potential benefits that it can bring. The Council is aware that on some sites, particularly brownfield sites in regeneration areas such as Wolverton and Bletchley, that financial viability may be an issue if the Council's normal range of Section 106 obligations are sought. In addition, on some sites there may be other higher priority objectives that provide wider benefits to Milton Keynes which may mean a reduction in the amount of Section 106 obligations that the development can sustain. The Council, consistent with Policy H5, accepts that the proportion and/or tenure mix of affordable housing that it will seek on individual sites may vary in relation to site and market conditions.

2.21 Where the developer is proposing that costs associated with the level of affordable housing sought by the Council will make a development unviable, an 'open book' approach verified by a Council-appointed appropriately qualified chartered Quantity Surveyor or Valuer will be sought. This will be used to determine the extent to which affordable housing can be provided as a result of development of the site. The information provided by the developer will, where appropriate, remain confidential to protect the developer's commercially sensitive information. However, developers should reflect the requirements of the Local Plan and this SPD of the need to provide affordable housing in the purchase price for the site. Officers of the Council will be willing to advise developers on likely affordable housing and wider planning obligation requirements prior to site purchase.

2.22 Where the level of affordable housing provisions is considered to adversely affect viability, the Council will firstly seek a testing of using alternative tenure mixes. If viability is still adversely affected with a change from the preferred usual tenure mix, then the Council will work with the developer to assess any proposed reduction in the level of affordable dwellings provided.

Location of Affordable Housing negotiated

2.23 In order to promote more mixed and balanced communities, the affordable housing should be provided on the proposed development site. The affordable housing should be 'pepper potted' throughout the site and it is expected that affordable housing 'clusters' should generally not exceed 12 dwellings.

2.24 Within flatted developments there is merit in having a concentration of affordable housing of the same tenure type. This will help with management issues, such as the provision of lower than market rate service charges. However, it is expected that blocks of flats should generally be designed to be no greater than three-storey if a lift is not being provided. In addition, blocks should be designed in such a way that no more than 12 dwellings will be in one block. Examples of exceptions could be in areas where the density of development is significantly higher than average, such as in Central Milton Keynes, or some supported schemes such as sheltered housing.

2.25 There may be exceptional situations where the type of development proposed is such that it is not considered appropriate to make on-site provision. Examples of this might be the conversion of a Listed Building, sites where there could be a high service charge, or within an older people's scheme where a need has been identified for family housing. In such cases, the Council will seek contributions to off-site provision, equivalent to the cost of providing on-site provision. In all cases, the Council will need to be satisfied that an alternative layout or design cannot be accommodated on-site to overcome the reason that off-site provision is sought.

Provision of Affordable Housing on an identified alternative site

2.26 There may be exceptional cases where the provision of affordable housing on an identified alternative site is the preferred solution for both the Council and the developer. If this were the case, the Council's preference would be for the affordable housing to be located on a nearby site.

2.27 There may be cases where the alternative site proposed is also over the threshold on which the affordable housing requirement will be sought. In these scenarios, the developer will be expected to contribute to the affordable housing that would have been sought had this alternative site also been subject to housing development in addition to the affordable housing transferred from the other site. The funding mechanisms are expected to be the same as those for on site provision.

Payments in lieu of on-site provision

2.28 In exceptional circumstances, it may be appropriate for the Council to accept financial contributions in lieu of the provision of built affordable units. Payments in lieu of on site provision will be based on the amount of subsidy that the developer would have had to provide if the affordable housing was on site.

2.29 Any such contributions will be consistent with the advice contained in paragraphs 203-206 of the National Planning Policy Framework.

Design of Affordable Housing

2.30 Developers are expected to reflect the Council's other design guidance in any residential proposals, including the Residential Design Guide. The design and materials used, and amenity provided within any affordable housing scheme on a site should be characteristic of the rest of the development in which it is included. This will help in creating developments that are 'tenure blind'. The environmental quality that dwellings are expected to meet is set out in Milton Keynes Sustainable Construction Guide SPD.

2.31 All affordable housing should be built to the standards set out in guidance 'Standards and quality in development; a good practice guide (2nd edition)'. This is higher than the HCA's minimum Design Quality Standards and is comparable to Lifetime Homes. It not only addresses the size issue, but also stipulates layouts and storage requirements.

The Council's Approach

2.32 In order to ensure that the process of providing affordable housing as part of the planning process is concluded as efficiently and effectively as possible, the Council recommends that early consultation prior to an application being submitted is undertaken. The Council's Officers will undertake the following procedures:

- The developer or landowner will meet with Planning, Housing and Planning Obligations Officers to discuss initial proposals. The Council will clarify its expectations in relation to the development meeting affordable housing requirements. Officers will initially advise the amount, tenure mix, size and location of affordable housing to be provided on-site. In the case of major development, e.g. a new grid square, this will be done at the masterplan stage for the main development areas. Where appropriate, sources of funding for affordable housing will be identified, Registered Providers identified and other planning obligations sought confirmed. Alternatively, in exceptional appropriate circumstances, the principle of off-site provision, or a payment in lieu will be confirmed.
- This will lead onto the submission of a planning application which meets:
 - The considerations of Local Plan Policies H2-H6 and other relevant policies in the Local Plan and emerging Core Strategy;
 - A draft Section 106 agreement, with an affordable housing scheme, including; a management schedule, a description of the affordable housing units provided, how they meet needs identified in the SHMA, how they will be managed and allocated, levels of service charges anticipated and how the dwellings will be pepper potted across the site.
- Planning permission will be granted subject to the completion of the Section 106 agreement and planning conditions.
- The developer will then implement the permission, subject to terms of the Section 106 agreement and planning conditions.
- The Planning Officers will then inspect for compliance with planning conditions and ensure that the affordable housing element meets the requirements of the Section 106 Agreement.

Content of Section 106 Agreements

2.33 Planning obligations will be used when granting planning permission where affordable housing is sought to ensure that it is provided as approved and occupied as intended.

2.34 Section 106 agreements may include:

- Mix of affordable housing types and sizes.
- Location or distribution of affordable housing within the development site.
- Occupancy criteria for the proposal where a partner RP is not involved.
- Minimum design requirements for the affordable housing units.
- Timing of construction and the occupation of the land or affordable element in relation to the development of the whole site.
- The timing and conditions for the transfer of the land or affordable housing to a Registered Provider.
- Arrangements regarding the future affordability, management and ownership of the affordable housing, particularly if a Registered Provider is not involved. On non-rural exception sites a 'mortgagee in possession' clause may be used. The Council will seek nomination rights in relation to affordable units provided.

- Alternative scenarios for the provision of affordable housing should the developer not be able to conclude the initial preferred solution concluding with a financial payment from the developer in lieu of affordable housing on site.
- That the full schedule of affordable housing locations and tenure types to be agreed with the Council prior to the commencement of development.
- Measures to ensure that payments to the Council by developers are spent on affordable housing within a certain time period, or when certain conditions are met and if not, are paid back.

Rural Housing Needs

2.35 Policy H6 outlines the criteria in which planning permission for new housing on “rural exception” sites may be granted. These are small-scale developments on sites of up to 0.5 hectares or 12 dwellings. This allows for the potential development of affordable housing meeting local needs outside the development limits of rural settlements as an exception to normal planning policies. Approval for these sites will only be granted where there is a demonstrable need for affordable housing that cannot be met from the development of planned sites in the locality.

2.36 The National Planning Policy Framework (paragraph 54) states that 'Local planning authorities should in particular consider whether allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs.' The Council will take a flexible approach to such proposals where the inclusion of a small proportion of market housing helps to deliver the aims of this SPD and Local Plan Policy H6.

2.37 The SHMA recognises that there is a need for additional affordable residential units at the Borough-wide level. It does not however, disaggregate this requirement at a settlement level. Therefore where an exception site is being proposed, an up-to-date Housing Needs Study of the settlement's (and where appropriate adjoining settlements') requirements will be sought. This should be no more than one year old at the time of submission of a planning application for the development. The Study will be used not only to justify the necessity for the release of the site, but also to ensure that the housing proposed meets identified needs. In the majority of cases it is expected that the needs assessment will be initiated through and supported by the local community. This may be something that Parish Council's address in a Neighbourhood Plan for their area. In addition, one of the aims of the forthcoming SHMA is to obtain a better strategic understanding of the needs of the rural areas generally.

2.38 The exceptions sites will be required for local housing need, therefore the Council will expect occupancy controls that reflect priority to be given to locals in perpetuity. This will include those that are within the settlement, those that have strong ties to the settlement, either through former occupation, or existing or former family bonds, or where appropriate the same criteria in adjoining settlements. Only in circumstances where households that meet these criteria cannot be found, should alternative occupiers be offered the property.

2.39 In deciding on the appropriateness of the proposal, the relationship of the proposed site to the existing settlement will also be taken into account. Generally the site should be well related to the existing settlement. The preference would be for the exceptions sites to be located in close proximity to amenities and facilities required to facilitate more sustainable lifestyles, e.g. shops, schools and public transport routes.

Appendix A: Glossary

Affordable Housing - The National Planning Policy Framework (NPPF, March 2012, p50) defines Affordable Housing as “Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.”

Affordable Housing Programme (AHP) – The Homes and Communities Agency’s funding mechanism approved by Government for bids by Registered Providers to finance affordable housing that reflects priority themes. The current programme runs from 2011-2015.

Affordable Housing Provider - Registered Provider within the meaning of the Housing and Regeneration Act 2008 and registered with the Homes and Communities Agency pursuant to that Act, or such other body eligible to receive grant monies from the Homes and Communities Agency and/or capable of owning or managing Affordable Housing Units, or is otherwise approved by the Council. References to Registered Providers throughout this SPD should be taken to include all Affordable Housing Providers.

Affordable Rent – rented housing let by Registered Providers of social housing to households who are eligible for Social Rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Core Strategy – an emerging Development Plan Document which sets out the over-arching strategic policies for the development of the Borough between 2011 and 2026, including an overall housing target, of which affordable housing will form a part.

Homes and Communities Agency (HCA) – the registration, regulatory and main funding body for Registered Providers (RPs) in receipt of Affordable Housing Programme grant funding

Local Plan - the statutory planning document which this Supplementary Planning Document supports. The Milton Keynes Local Plan was adopted in December 2005, and a new Local Plan (Plan:MK) is being prepared to replace it.

Lifetime Homes - A standard developed by the Joseph Rowntree Foundation that promotes a series of design features that allows a dwelling to be more easily adapted to a household’s changing circumstances.

Mortgagee in Possession Clause - where a local authority seeks to secure occupancy controls, lenders of private finance often require the Registered Provider to negotiate for the inclusion of clauses in planning obligations. These enable the lender to dispose of the property on the open market, as a last resort, if the Registered Provider is in financial difficulties, subject to a cooling off period, usually maximum of three months to enable the Council or a Registered Provider to keep the property as affordable housing.

Newbuild Homebuy/Shared Ownership – a leasehold form of tenure introduced to help households on the margins of home ownership to get a foot on the market housing ladder. It enables the occupant to part-rent and part-purchase a dwelling unit from a Registered Provider, with an option to increase the part-purchase element through 'staircasing' up to outright ownership.

Pepper-potting - the dispersal of affordable housing units within residential developments to promote mixed communities and minimise social exclusion.

Plan:MK – see Local Plan

Appendix A: . Glossary

Registered Provider (RP) - a landlord registered under the Housing and Regeneration Act regulated by the HCA, usually set up to provide affordable housing for people in need on a not-for-profit basis. References to Registered Providers throughout this SPD should be taken to include all Affordable Housing Providers.

Section 106 Agreement - a legal contract under Section 106 of the Town and Country Planning Act 1990 between the local authority and named parties stating the terms of planning obligations imposed by the local planning authority in relation to a planning application. Planning permission is not granted until the Section 106 Agreement has been completed.

Social Rented Accommodation – provided by local authorities, Registered Providers at a rent that is usually heavily subsidised and therefore significantly below market levels.

Shared Ownership - see Newbuild Homebuy

Supported Housing – Housing for those with special needs, such as young single people, students, older people (especially frail older people), disabled (including people with learning difficulties or mental health problems), homeless, rough sleepers, those recovering from addictive illness and women at risk, including those with children. Usually provided by a Registered Provider, local authority or bona fide group, charity or organisation.

Appendix B: Relevant Local Plan and Core Strategy Policies

Policies H2 – H6 of the Milton Keynes Local Plan, Adopted December 2005

POLICY H2 - PRIORITY HOUSING REQUIREMENTS

Within the context of overall housing need the Council will seek the provision of housing which meets the following priority requirements:

- (i) Affordable housing (including key workers)
- (ii) Supported housing
- (iii) Housing for older people (bungalows and sheltered homes)

POLICY H3 - AFFORDABLE HOUSING: DEFINITION

Affordable housing is defined as housing provided by means of a subsidy that will enable the asking price or rent to be lower than the prevailing market prices or market rents in the Borough.

Such housing should be subject to arrangements that will ensure its availability as affordable housing to all subsequent as well as initial occupiers.

The Council will give preference to those tenures that, in its opinion, best match the needs evidenced by the Milton Keynes Housing Needs Study 1999 (and Supplementary Analysis of Migration Findings) and model (and updates)

POLICY H4 - AFFORDABLE HOUSING: TARGET AND SITE THRESHOLDS

The Council's target will be to secure 30% of new housing in the Borough as affordable housing. It will seek affordable housing in the following circumstances:

Settlements in excess of 3,000 population

- (i) from housing developments of at least 25 dwellings, or
- (ii) residential sites of at least 1 hectare, irrespective of the number of dwellings

Settlements with a population of 3,000 or fewer

POLICY H5 - AFFORDABLE HOUSING: SITE AND MARKET CONDITIONS

The proportion of affordable housing that the Council will seek on individual sites may vary, depending on site and market conditions.

In assessing the suitability of sites for affordable housing, and the proportion of affordable housing, the Council will take into account:

- i) the site size, suitability and economics of provision and
- ii) the need to achieve a successful housing development

The Council may also seek a financial contribution towards affordable housing provision on another site elsewhere in the Borough instead of on-site provision.

POLICY H6 - RURAL HOUSING NEEDS

Planning permission for affordable housing to meet local rural needs may be granted on exception sites in the following locations:

- (i) Outside the limits of development of villages as defined on the Proposals Map, or
- (ii) In smaller settlements where no limits of development have been defined in this local plan.

In every case, proposals should meet all the following criteria:

- (i) An up to date housing need survey has been carried out and agreed with the Council, which shows that there is a need arising from the settlement for the type, scale and tenure of the proposed affordable dwellings at the estimated out-turn prices or rents.
- (ii) Arrangements are in place to reserve the housing for local needs in perpetuity.
- (iii) The site is no more than 0.4 hectares in size and will provide no more than 12 dwellings.
- (iv) The site is well related to the existing pattern of development in the surrounding area.

Policy CS 10 of the emerging Milton Keynes Core Strategy (incorporating changes proposed in the Core Strategy examination hearings, July 2012)

POLICY CS 10 - HOUSING

The Council will work with the Homes and Communities Agency, developers and registered social landlords to meet the Council's housing requirement, as set out in Policy CS2 'Housing Land Supply'

New and refurbished housing should meet the needs and aspirations of the existing population and of the future residents by the provision of an appropriate range of sizes, values, styles, tenures and densities. Infill developments should respect the style and scale of buildings and the mix of dwelling types in the surrounding area.

Housing should meet the Council's adopted standards of energy efficiency, renewable energy generation, carbon neutrality, safety and 'lifetime' homes. Some dwellings should support 'home-based working' and all homes should have high quality ICT connectivity.

Residential neighbourhood design should encourage access by walking, cycling and other forms of non-car travel within the neighbourhood and across the city. Car parking standards should meet the projected levels of car ownership (in addition to visitor parking).

The Council will plan to meet specific housing needs across the Borough including the following: affordable housing, multiple occupancy, elderly persons, special needs, single people, religious, ethnic or lifestyle groups.

An affordable housing target will be set in the Plan:MK. In the interim, the amount of affordable housing sought on qualifying sites, as set out in the Affordable Housing Supplementary Planning Document 2007 (or successor Affordable Housing SPD), will continue to be determined in accordance with the saved adopted Local Plan Policy H4 target of 30% on all sites of 15 or more units.

For traveller sites, a local assessment of need will be undertaken in line with national policy requirements. This will be completed as part of the Plan:MK and will inform the allocation of sites, where a need is identified, within that plan. In the interim, need will be met in accordance with national policy and saved adopted Local Plan Policy H12.

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