Our Housing Strategy for Milton Keynes
2018-2023
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Foreword by Councillor Long

A decent, secure and truly affordable home is central to all residents of Milton Keynes being able to live full, prosperous and happy lives; it is vital to wellbeing, employment, children’s education and managing household debt.

Whilst recognising the National Planning Policy Framework (NPPF) and the Government’s definition of affordable housing, the strategy sets out this Council’s commitment to delivering truly affordable homes.

It sets out the need for an increased supply of housing and that this should be delivered through new council housing and by working collaboratively with partners who share our commitment to providing secure, truly affordable homes.

It recognises the need for a new approach by housing and planning services to deliver truly affordable housing and to better meet the needs of priority groups.

MK Homes

The strategy reaffirms the Council’s long term commitment to being a high quality landlord with a growing stock of homes, whilst recognising the need to modernise the service to become more customer focused.

The strategy commits the Council to increasing choice through the introduction of Choice Based Lettings. We see choice and control for tenants and leaseholders as central to a modernised and rebranded MK Homes landlord service.

Regeneration

We remain committed to regeneration, but recognise this needs a rethink. We want to ensure that regeneration proposals are financed from a range of sources and that communities define their regeneration needs.

We also aim, through our decent homes assessment to create a Milton Keynes Housing Standard and to reintroduce an annual capital investment programme for long term investment.

Homelessness

Tackling homelessness is our top priority, both for general needs homelessness faced by hundreds of families and for rough sleepers.

The former can only be addressed through the delivery of secure, truly affordable housing. The needs of rough sleepers will be addressed through our Housing First service that marries housing need with care and support.

Cllr Nigel Long
Cabinet Member for Housing and Regeneration
Executive Summary

The Housing Strategy identifies the key current and future housing issues in Milton Keynes and sets out the Council’s priorities for dealing with them. The strategy supports the delivery of the Council Plan and provides the strategic framework for the delivery of our four housing priorities:

Priority One: Increase the supply of housing
- Securing Cross Party Agreement to deliver more homes
- Establishing a housing growth area
- Securing additional inward investment in the provision of new homes
- Ensuring the provision of enough new truly affordable homes to meet local need
- Developing a model to compulsorily purchase suitable sites
- Encouraging small and medium enterprises to build
- Enabling the delivery of community led housing
- Providing clarity about the council’s priorities for affordable housing
- Providing an additional 500 new council homes for rent by 2022
- Establishing a housing company

Priority Two: Manage the demand for housing
- Focussing on prevention and support
- Introducing a Housing First model
- Being clear about how and when we will use temporary accommodation
- Being clear about who can apply for council housing
- Managing the list of people who apply for housing in a clear and transparent way
- Giving applicants more choice over where they live
- Developing a new Registered Provider Protocol
- Ensuring affordable housing is truly affordable
- Promoting support for first time buyers, key workers and rent to buy

Priority Three: Provide high quality local authority landlord services
- Being clear about how we use our income to invest in homes and provide services
- Having a clear Rent Policy
- Being more community focused and responsive to local needs
- Putting our tenants at the heart of everything we do
- Ensuring we maintain our stock to the highest standards
- Complying with the Homes England Regulatory Standards
- Being transparent about levels of customer satisfaction
- Ensuring the health, safety and wellbeing of all people who live on and visit council estates
- Ensuring that tenants have the opportunity to live independently in their own home
- Regenerating our priority estates
- Rebranding our landlord service as MK Homes

Priority Four: Create great places to live
- Adopting Plan:MK
- Preparing a Supported and Specialist Housing Plan
- Commissioning a private sector stock condition survey
- Implementing mandatory licensing of Homes in Multiple Occupation
- Working with landlords to improve conditions in the private sector
- Developing an Empty Homes Strategy
- Encouraging institutional investment in the market rented housing
- Establishing a new Milton Keynes Standard for new build
- Offering our services as management agent to other landlords in Milton Keynes
Introduction

This strategy identifies the key housing challenges facing Milton Keynes and sets out the Council’s priorities for tackling them. Our vision for housing is as follows:

To provide good quality housing that meets everyone’s needs, is truly affordable and supports the creation of great places to live. Such truly affordable housing must meet local priority needs.

Together with Plan:MK and MK Futures 2050, the Housing Strategy supports the delivery of the Council Plan and provides the strategic framework to deliver our housing priorities. The diagram below illustrates the interaction between these.

The Council Plan

This sets out the overall priorities and programme of work for the period 2016-20. Housing, homelessness and regeneration are key priorities, with an ambition that “every person can live in a good home, to buy or rent at a price people can afford in a great environment.”

Plan:MK

Plan:MK is the Council’s new Local Plan. It sets out our growth ambitions between now and 2031 and the level of new homes, jobs and infrastructure needed to support this.

MK Futures 2050

The MK Futures 2050 Commission report sets out a vision for Milton Keynes in 2050 and views on how to “make a great Borough greater.”
The Wider Context for the Housing Strategy

National Context

The UK has historically struggled to deliver the number of new homes required. This has resulted in house prices and private sector rents increasing beyond the reach of most households. Since 2010, the Government’s policies have reduced the number of affordable houses delivered (by reducing grant levels and imposing a viability constraint within the National Planning Policy Framework that limits affordable housing).

In February 2017 the Government published a housing White Paper, “Fixing our Broken Housing Market” which included a commitment to council house new build. This was followed in the Budget (November 2017) with the announcement of an additional £880m for local authority house building between 2019 and 2022. Councils in high demand areas will be allowed to bid to government to borrow more within their Housing Revenue Account (HRA). There are no details yet of what constitutes a high demand area.

The cap on the Housing Revenue Account artificially limits the Council’s ability to borrow against the value of its assets. Such restrictions would not be acceptable in the private sector and Milton Keynes Council will continue to argue for the right to invest and will continue to work with Government on proposals to remove this artificial and unnecessary barrier.

Local Context

Delivery of new homes

An additional 26,500 new homes are needed in the Borough between 2016 and 2031 to meet housing need. House builders in Milton Keynes have missed the annual housing target every year since 2007/08, with a total shortfall of 3,185 new homes since 2010/11. This has fuelled price increases as demand continues to outstrip supply. The cost of buying a home in Milton Keynes has increased 69% since 2010, compared to a 46% increase in England. This has led to a drop in home ownership of 8% since 2011, with a comparable increase in the number of families living in the private rented sector.

The failure of the National Planning Policy Framework to deliver affordable housing means that local residents are being let down and the Council and its partners are unable to deliver the homes needed that are truly affordable and meet local priority needs.

Homelessness

The Council faces two distinct challenges on homelessness. Firstly, there are a high number of households living in temporary accommodation due to the lack of secure, truly affordable housing. The termination of assured shorthold tenancies by private landlords is statistically the number one reason why families become homeless in Milton Keynes, contributing to a sharp increase in homelessness. The number of households in temporary accommodation has increased from 82 in March 2010 to 616 in June 2018. At its peak in June 2017, there were a total of 805 households living in temporary accommodation in Milton Keynes.

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1 As above
4 Section 6 Evidence Base
5 Section 7 Evidence Base

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The second area and the most visible sign of homelessness, is people sleeping rough on the streets. In Milton Keynes, the number of people sleeping rough has risen from 6 in 2012, to 38 in 2016\(^6\). However, the true number is estimated to be 120.

**Cambridge-Milton Keynes-Oxford Arc**

The National Infrastructure Commission (NIC)\(^7\) identified the Cambridge - Milton Keynes - Oxford Arc as key to the UK’s future economy. However, it noted that a chronic undersupply of homes could jeopardise this. It recommended that the Government should give local areas the powers and resources to shape high quality, well-connected places for new and existing residents\(^8\). The Council is working with the Government to achieve this.

**Economy, skills and jobs in Milton Keynes**

Between 1981 and 2013, Milton Keynes was the fastest growing economy in the UK\(^9\). A key driver in future will be knowledge intensive business services such as accountancy and information technology. It is important that we secure the skills in these areas to support growth. The Council is developing a new undergraduate technology university for up to 10,000 students which is due to open in 2023. This will however have an impact on the need for student housing.

**Private Sector**

In 2007, the Building Research Establishment estimated that there could be 13,326 non-decent private sector homes in the Borough. The 2011 census showed that 17% of residents in Milton Keynes live in the private rented sector. The three most significant issues reported by private tenants are fire safety, excess cold and damp/mould\(^10\). The areas with the highest level of reported problems are Campbell Park and Old Woughton Ward.

HMOs (houses in multiple occupation) are an important part of the Borough’s housing stock and many people rely on them to meet their housing needs. However, HMOs can lead to potential problems such as car parking and the impact on surrounding areas.

There are currently an estimated 508 empty private sector homes in Milton Keynes. Of these, 120 have been empty for two years or more. Properties left empty for this length of time can attract anti-social behaviour, often blight the neighborhood and represent a waste of potential housing.

**Decent Homes (Council)\(^11\)**

A stock condition survey carried out between September 2016 and April 2017 showed that the general condition of council homes is poor and that around 23% are non-decent. The English Housing Survey 2016/17 published by the Ministry of Housing, Communities and Local Government puts the average level of non-decent homes in the social housing sector at 13%. The high level of non-decency in Milton Keynes represents a significant investment need in order to secure the long term future of the stock and ensure our tenants have good quality housing.

Work is currently ongoing to ensure that the Housing Revenue Account is sustainable and can viably deliver local priorities.

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\(^6\) Sections 3.3 and 3.4 Evidence Base

\(^7\) See [https://www.nic.org.uk/our-work/growth-corridor/](https://www.nic.org.uk/our-work/growth-corridor/)

\(^8\) The NIC recommended the re-estabishment of Milton Keynes as a development location of national significance, through the intensification and expansion of the town to a population of at least 500,000 people.

\(^9\) P12 MK Futures 2050 Commission Report

\(^10\) Section 8.2 Evidence Base

Regeneration

The Council’s RegenerationMK 2030 Strategy identifies seven estates\(^\text{12}\) in the top 15% most deprived nationally. Its three priorities are **People** (people are empowered to take ownership of their future), **Place** (improved surroundings will help improve lives) and **Prosperity** (barriers are removed between people and jobs so ambitions can be realised). The Council is committed to working with local communities, putting local people at the heart of the decision making process to ensure that regeneration is shaped and delivered in a way that meets their needs.

Health and Wellbeing Strategy

Our Joint Health and Wellbeing Strategy for Milton Keynes 2018-2028\(^\text{13}\) continues to place our community at the heart of our wish to improve health and wellbeing, and to reduce health inequalities. The importance of income, employment, education, housing quality and crime play a role in physical and mental health. We need specialist and supported housing for a variety of client groups (such as older people, people with physical and learning disabilities and people with mental health problems)\(^\text{14}\). Our strategy is to keep people within the Borough rather than placing people out of the area. Good quality housing provision is vital to achieve this.

\(^{12}\) Fullers Slade, Bradville North, Lakes Estate, Tinkers Bridge, Coffee Hall, Beanhill and Netherfield

\(^{13}\) [http://milton-keynes.cmis.uk.com/milton-keynes/Calendar/tabid/70/cid/ViewMeetingPublic/mid/397/Meeting/5646/Committee/1177/Default.aspx](http://milton-keynes.cmis.uk.com/milton-keynes/Calendar/tabid/70/cid/ViewMeetingPublic/mid/397/Meeting/5646/Committee/1177/Default.aspx)

\(^{14}\) See the Strategic Housing Market Assessment 2017 for more details

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Our Priorities

Priority One: Increase the supply of housing

We are committed to securing a step change in the number of new homes being built and ensuring enough new homes are provided to meet the needs of local residents and to support the Council’s growth ambitions.

We will do this by:

- **Securing cross party agreement to deliver more homes** and ensure that all relevant Council Service Plans are aligned to this objective. This will include agreement to release more Council owned sites for new housing15,16

- **Establishing a housing growth area** by working with government, neighbouring authorities and other public and private sector partners to become a new growth area of the scale of the growth deals which have been offered to Cambridge and Oxford

- **Securing additional inward investment in the provision of new homes** by working more closely with registered providers and Homes England to enable the provision and variety of homes to meet different needs. We will look to support this through the use of our own investment opportunities and land17

- **Ensuring the provision of enough new truly affordable homes to meet local need** by prioritising planning obligations to deliver affordable housing over other obligations when negotiating planning applications, and expanding the Council’s new build programme to deliver more new council homes that are truly affordable for residents

- **Developing a model to compulsorily purchase suitable sites** such as those in the ‘Brown Field Register’ and working with development partners to deliver them

- **Encouraging small and medium enterprises to build** by working with local communities to identify small and medium sites for development

- **Enabling the delivery of community led housing** schemes by working with local communities to support the delivery of co-operatives, co-housing and community land trusts and encouraging more self-build

- **Providing clarity about the Council’s priorities for affordable housing** through the development of a new Affordable Housing Supplementary Planning Document

- **Providing an additional 500 new council homes for rent by 2022** by expanding the Council’s own new build and acquisition programme, and working with Government, Homes England and registered providers to secure investment and/or changes to the HRA borrowing cap to target the provision of an additional 37,500 truly affordable homes by 2050

- **Establishing a housing company** either wholly owned by the Council or as a subsidiary of YourMK, to maximise housing delivery of all tenures outside of the housing revenue account and make owning a home to rent or buy truly affordable

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15 Estimated by YourMK as being around 23% of the stock as at March 2017
16 As per Cabinet decision 2nd January 2018 – see http://milton-keynes.cmis.uk.com/milton-keynes/Calendar/tabid/70/cl/ViewMeetingPublic/mid/397/Meeting/5634/Committee/1172/Default.aspx
17 Including Milton Keynes Development Partnership land: the Partnership has recently been charged with delivering 36% affordable housing on its sites.
Priority Two: Manage the demand for housing

We will help and support people to prevent them becoming homeless and enable them to secure and maintain good quality permanent accommodation. In doing so, we will ensure that people have fair and equal access to affordable housing where appropriate, but recognise that the needs of some will be met by the private sector.

We will do this by:

- **Focussing on prevention and support** by producing a new Homelessness Strategy aligned to the Homelessness Reduction Act. This will set out how we will help people address their housing needs to avoid homelessness, by enabling them to remain in their current property or obtain alternative accommodation elsewhere, including in the private sector.

- **Introducing a Housing First model** by working with partners to implement the Rough Sleeping Reduction Strategy and commissioning specialist housing and support for homeless people with high needs and histories of entrenched or repeat homelessness, to enable them to live independently in their own homes.

- **Being clear about how and when we will use temporary accommodation** by developing a Temporary Accommodation Placement Policy that establishes a clear commitment to placing in-borough wherever possible and clear criteria showing how we will determine whether and in what circumstances, placement outside the borough is justified.

- **Being clear about who can apply for council housing** by implementing a new allocations scheme that will set out the criteria for applying for a council property, how people can apply and how applicants will be prioritised.

- **Managing the list of people who apply for housing in a clear and transparent way** by developing a new housing register.

- **Giving applicants more choice over where they live** by introducing ‘choice based lettings’ that will provide all relevant information about the properties available, including address, number of bedrooms, layout, weekly rent, service charges, and local amenities, and will allow applicants to bid for the property of their choice (subject to eligibility criteria).

- **Developing a new Registered Provider Protocol** in partnership with our partners that sets out how we will work together to establish a consistent approach to providing housing and support for local residents, coordinate our approach to estate management and enhance local accountability.

- **Ensuring affordable housing is truly affordable** by publishing an Affordability Statement that provides clear guidance to developers and registered providers on the levels of rent the Council supports in order to ensure that homes are truly affordable for local people.

- **Promoting support for first time buyers, key workers and rent to buy** to maximise the options available to local residents to access housing and explore the potential role of the Council in delivering these homes, either directly or through its housing company.
Priority Three: Provide high quality local authority landlord services

The Council is committed to being a high performing landlord and recognises that the housing service needs to be modernised. In doing this, we will lead the way in providing the highest quality housing services and ensuring that our tenants are at the heart of everything we do.

We will achieve this by:

- **Being clear about how we use our income to invest in homes and provide services** by developing and implementing a new Housing Revenue Account (HRA) Business Plan

- **Having a clear Rent Policy** that sets out the Council’s approach to setting rents in preparation for the end of the Government imposed annual 1% rent reduction and the move to localised rent setting from April 2020

- **Being more community focused and responsive to local needs** by developing and implementing a customer focussed, neighbourhood based approach to tenancy and estate management, underpinned by the development of local neighbourhood agreements that provide a local guarantee of the service levels that tenants can expect

- **Putting our tenants at the heart of everything we do** by working with them to develop a new engagement protocol that sets out how they will be involved and engaged in the design, delivery, review and scrutiny of the Council’s housing service

- **Ensuring we maintain our stock to the highest standards** by working with tenants to establish a decent homes standard for Milton Keynes housing, being clear about how we can achieve this and fund the existing backlog of repairs through the introduction of an annual capital investment programme linked to the standard

- **Complying with the Homes England Regulatory Standards** by developing the Council’s Local Offer, improving ways to engage and shape the service and publishing an annual report to tenants

- **Being transparent about levels of customer satisfaction** by carrying out and publishing an annual ‘STAR’ survey of tenants and residents

- **Ensuring the health, safety and wellbeing of all people who live on and visit council estates** by undertaking regular and frequent estate and block inspections, visiting all tenants annually and ensuring that all properties and common parts are maintained to the appropriate standards (whether required by statute, regulation or local agreement). We will also review our caretaking and cleaning provision with a view to providing an enhanced service

- **Ensuring that tenants have the opportunity to live independently in their own home** by working with colleagues in Adult Social Care to develop a plan for the provision of housing related support and the future of specialist and supported housing

- **Regenerating our priority estates** by working with residents on those estates to develop and deliver affordable and viable solutions that meet local need, generate new investment, create mixed communities and provide homes that are truly affordable

- **Rebranding our landlord service as MK Homes** to provide clarity to our tenants and leaseholders about their landlord, the services it offers and how they can influence and shape it
Priority Four: Create great places to live

Milton Keynes will build great places to live, where people are at the heart of change that shapes and creates prosperity for all. Housing will meet the physical and mental health needs of all residents, with an emphasis on meeting the needs of older and more vulnerable people (e.g. for people with disabilities and mental health problems) that will help them to achieve and/or maintain their independence within Milton Keynes.

We will achieve this by:

- **Adopting Plan:MK**\(^\text{18}\) which sets out the Council’s vision and approach for making Milton Keynes a great place to live and work

- **Preparing a Supported and Specialist Housing Plan** in partnership with colleagues in the People Directorate to commission the specialist housing that we need (e.g. sheltered housing, wheelchair standard housing, homes for people with physical and mental health disabilities) to promote and sustain independent living and enable people to continue living in their own homes for as long as possible

- **Commissioning a private sector stock condition survey** to identify and prioritise action for the areas in the worst condition

- **Implementing mandatory licensing of Homes in Multiple Occupation** to ensure that HMOs are of the highest quality

- **Working with landlords to improve conditions in the private sector** continuing to provide flexible home loans, information and advice to landlords and tenants, facilitate a bi-annual landlords forum, and develop a full housing management and lettings service provided by the Council

- **Developing an Empty Homes Strategy** to bring as many empty homes back into use as possible, by all means possible through the use of statutory powers\(^\text{19}\), including Empty Dwelling Management Orders and as a last resort, Compulsory Purchase

- **Encouraging institutional investment in the market rented housing** to encourage the involvement of reputable institutional investors in building bespoke private rented accommodation in Milton Keynes. We will also explore the potential to deliver private rented housing through a Council owned vehicle or joint venture partnership

- **Establishing a new Milton Keynes Standard for new build** that will apply to new council homes and those provided by the housing company where all new homes comply with Lifetime Homes, and exceed the minimum national space standard and Building Regulations

- **Offering our services as management agent to other landlords in Milton Keynes**, both private sector landlords and registered providers, to provide a seamless, joined up and more cost effective approach. Services we can offer to other landlords for a charge include managing voids, advertising vacancies, managing the offer process, managing the tenancy, carrying out repairs and maintenance, and managing the end of tenancy process

- **Ensuring there are sufficient permanent pitches** to meet the need for travellers in the borough

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\(^{18}\) Plan:MK is currently at ‘Submission Stage’ and still needs to be examined by a Planning Inspector.

\(^{19}\) Such as a notice under Section 215 of the Town and Country Planning Act 1990
• **Delivery and Monitoring**

The Housing Strategy sets out the strategic direction for housing in Milton Keynes and what we want to achieve, focusing in particular on the major changes required. It will be underpinned by a collection of policies and delivery plans to measure progress. A number of specific initiatives described in the strategy are already underway, in development or planned.

Leadership on housing in Milton Keynes extends beyond the Council. The strategic priorities set out within the strategy cannot be achieved without the collective commitment of the Council and its key partners and stakeholders. This partnership approach should apply to all housing in the borough, which means that everyone involved in building and managing homes, and supporting the people who live in them has an important role to play.

**This means we will:**

- Involve residents and partners in developing detailed proposals to deliver the strategic objectives.
- Be inclusive and transparent in developing our policies and delivery plans.
- Publish on the Council’s website a comprehensive collection of delivery plans and policies that underpin the strategy, such as our updated Allocations Policy, refreshed Homelessness Strategy and forthcoming Empty Homes Strategy.
- Publish details of our progress against the strategic priorities and the Council’s Corporate Plan.
- Report progress against the strategic priorities to Cabinet every six months and carry out a comprehensive annual review with stakeholders.