

STRATEGIC PLACEMAKING SCRUTINY SUB-COMMITTEE

23 OCTOBER 2018

6.00 PM

**COUNCIL CHAMBER
CIVIC, CENTRAL MILTON KEYNES**

Members of the Committee:

Councillors: Marklew (Vice-Chair), McPake (Vice-Chair), two Conservative representatives and one Labour representative (to be advised)

If you have any enquires about this agenda please contact Shelagh Muir (Committee Manager) on 01908 254271 or e-mail: shelagh.muir@milton-keynes.gov.uk

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AGENDA

1. Election of Chair

To elect a Chair for the meeting.

2. Welcome and Introductions

The Chair to welcome Members and officer colleagues to the meeting and introduce those present.

3. Apologies

4. Disclosure of Interests

Councillors to declare any disclosable pecuniary interests, or personal interests (including other pecuniary interests), they may have in the business to be transacted, and officers to disclose any interests they may have in any contract to be considered:

5. Call-In of Cabinet Decision - 2 October 2018: Housing Infrastructure Fund - Forward Funding Bid for Land East of the M1 (MK East)

The Chair to outline the procedure to be followed at the meeting.

At the meeting of Cabinet on 2 October 2018, the following decision with reference to the Housing Infrastructure Fund - Forward Funding Bid for Land East of the M1 (MK East) was made:

“That a business case for an application to forward fund necessary infrastructure be developed and submitted to meet the December 2018 funding window and that the Leader of the Council will approve the final submission.”

This Cabinet decision has been called-in by Ward Councillors Bint and Morris for the following reasons:

- “1. that the officer submission of the original funding bid was contrary to the Council's policies at the time, including the emerging Submission draft of PlanMK, and therefore was improper in policy terms;
2. that the decision to submit the bid, without any consultation with residents living West of the M1, or their Ward Councillors, or their Parish Council, was contrary to the Council's commitment to transparent decision making, contrary to the published commitment to transparency with Ward Councillors, contrary to the Parish Protocol, and therefore completely improper in process terms;
3. that officers and/or the Administration have used the unauthorised funding bid to influence the outcome of the PlanMK EIP, creating a policy context for MK East that might not have existed if officers had followed Council policy and proper process ahead of submitting the HIF bid;

4. that the Council Leader publicly stated at Cabinet that this cabinet decision and the business case will have no presumption of any new Bridge, and that this assurance was incorrect as the Business Case must support the application and the application includes the Bridge (as effectively the biggest single item to be funded). Therefore Cabinet was misled;
5. that the Cabinet has received no traffic modelling data to indicate that the Bridge will improve traffic flow in the area, and therefore the entire funding application is currently without justification and the Business case "to support the funding application" is completely pre-judging what the transport modelling data will show;
6. that the officer paper to Cabinet fails to address the significant understatement of risk identified by residents and Ward Councillors in the officer briefing paper circulated at the recent MK East Stakeholders Group; and
7. that, in the light of the officer remarks at the Stakeholder Group meeting that if the Council gets offered the money it will be too politically damaging to turn it down, any future "consultation" on the project as a whole will be a sham, and therefore, the entire project will have been steamrollered with no consultation of any kind so far and no meaningful consultation possible at any point in the future."

The decision has also been called In by Councillors P Geary and Hosking for the following reasons:

- "1. the paper presented to Cabinet was scant on detail with little information on costs to the Council;
2. the paper and the decision to bid was taken with little or no understanding of the risks to the Council or the financial implications and that the risks highlighted were potentially misstated;
3. the idea that the detail of such a large bid will receive no scrutiny or no future public decision making, despite the financial risks runs contrary to good democracy; and
4. that the bid is premature to the planning process."

A copy of the report considered by the Cabinet member is attached at Item 5(a) (**Pages 5 to 7**) and the Decision Sheet is attached at Item 5(b) (**Page 8**).

The Sub-Committee is requested to consider the reasons set out in the call-in request and, in accordance with the Council's Constitution, either:

- (a) refer the item back to the Cabinet, setting out the nature of the Committee's concerns;
- (b) not refer the item back; or
- (c) refer its views to the Council.

HOUSING INFRASTRUCTURE FUND- FORWARD FUNDING BID FOR LAND EAST OF THE M1 (MK EAST)

Responsible Cabinet Member: Councillor Marland (Leader of the Council)

Report Sponsor and Author: Sarah Gonsalves (Director of Policy, Insight and Communications) – Tel 01908 253009

Executive Summary:

The Plan:MK submission proposes that land to the East of the M1 (MK East) should be developed for housing and other uses. The interim report from the Independent Inspection in Public indicates no major issues with the site. This paper seeks approval to develop and submit a business case to the Ministry of Housing, Communities and Local Government Housing Infrastructure Fund (HIF) by December to seek forward funding of the infrastructure that will be required to deliver the development site.

1. Recommendation

1.1 That a business case for business case for an application to forward fund necessary infrastructure is developed and submitted in the December funding window.

2. Issues

2.1 In July 2017, Government announced the Housing Infrastructure Fund, £2.3 billion of Government capital grant funding to forward fund infrastructure which will directly unlock homes in areas of high demand “to unlock the high quality new homes that this country so badly needs.” Government policy recognises Milton Keynes as an area of high housing demand, centrally located in the Cambridge – Milton Keynes – Oxford growth corridor.

2.2 Infrastructure before Expansion is a principle which has been critical to the success of Milton Keynes, ensuring as far as possible that existing communities are not adversely impacted by the continued growth of the city. The Housing Infrastructure Fund represents an opportunity for Milton Keynes to be proactive about growth, avoiding being done ‘to’ and secure Government funding for vital pieces of infrastructure .

2.3 The Council’s bid is to secure funding for key pieces of enabling highway infrastructure, and for a minimum of £15m of forward funding to deliver a primary school and a new health facility ahead of the homes. The infrastructure will promote sustainable methods of transport across this transport corridor, including linking into the existing Redway routes and a walking route.

- 2.4 A separate development framework process for the site design is underway due to the site’s inclusion within Plan:MK (Proposed Submission version: October 2017) as a contingent allocation, with the Council’s Planning and Urban Development teams working with the Local Stakeholder Group. A six week consultation period on this submission version of Plan:MK was held in November and December.
- 2.5 Public Engagement on this bid since the Council received notification that its Expression of Interest had been successful has included sessions with affected parishes in Willen and Olney Wards. Officers have also engaged with the Local Stakeholder Group for the Development Framework in two separate sessions.
- 2.6 The funding applied for from Government will not replace developer contributions for the site, which will secure the remaining site and social infrastructure required to support a new development area of the city long term. The funding applied for in the Council’s bid to the Housing Infrastructure Fund relates only to the enabling strategic infrastructure required to link the site to the city and provides the opportunity to secure government forward funding for a new Tariff style mechanism, ensuring infrastructure can be built before expansion. Discussions are underway with the developer regarding expected developer contributions.
- 2.7 If successful, a subsequent executive decision will be taken to allocate the funding.

3. **Options**

- (a) Submit the business case as outlined within the funding window.
- (b) Stop development of business case and do not submit to Government. This risks a development coming forward on this land with insufficient funding.

4. **Implications**

4.1 Policy

This supports the Council Plan vision for a ‘thriving, dynamic European Destination City of 500,000 people’.

4.2 Resources and Risk

The HIF bid, when submitted will be based on professional evaluations of the likely cost of providing the necessary enabling infrastructure for this development. The delivery risk will be shared with the site developers.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	N	Asset Management

4.3 Carbon and Energy Management

4.4 Legal

No legal implications

4.5 Other Implications

No other implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder

Background Papers: [Link to HIF bid website \(available on request\)](#)

DECISION: CABINET - 2 OCTOBER 2018



Minute Ref.	Accountable Cabinet Member	Subject and Decision	Borough Ward	Officer(s) Responsible for Action
C100	Councillor Marland (Leader of the Council)	<p>Housing Infrastructure Fund - Forward Funding Bid for Land East of the M1 (MK East)</p> <p>That a business case for an application to forward fund necessary infrastructure be developed and submitted to meet the December 2018 funding window and that the Leader of the Council will approve the final submission.</p>	All	Director of Policy, Insight and Communications