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ITEM 4



Minutes of the meeting of the COMMUNITY AND HOUSING SCRUTINY COMMITTEE held on WEDNESDAY 8 SEPTEMBER 2021 at 19:00

Present: Councillors Balazs, Ferrans (Chair), Fuller, Hume, Marlow, Reilly, Nazir, Verma (substituting for De Villiers) and Wallis

Officers: V Collins (Director Adult Services), M Hancock (Group Head of Commissioning), D Wilson (Supply and Acquisitions Service Manager), W Rysdale (Head of Housing Delivery), N Sainsbury (Head of Placemaking), E Richardson (Overview and Scrutiny Officer)

Also Present: Councillor Darlington (Cabinet Member Adults, Healthy Communities and Housing)

Apologies: Councillor De Villiers (Councillor Verma substituting)

CH09 DECLARATIONS OF INTEREST

Councillors Fuller and Wallis both advised that they were tenants of Milton Keynes Council.

CH10 MINUTES

RESOLVED -

That the Minutes of the meeting of the Community and Housing Scrutiny Committee held on 20 July 2021 be signed by the Chair as a correct record.

CH11 TEMPORARY ACCOMMODATION UPDATE

Witnesses: V Collins (Director of Adult Services), M Hancock (Group Head of Commissioning), D Wilson (Supply and Acquisitions Manager)

Councillor Darlington gave a brief introduction to the item, explaining that the use of temporary accommodation wasn't just a financial issue for the Council, but that it also disrupted families and their lives, which often had a consequence for other council services.

The work which had been done by adult services staff was revolutionising the way in which the Council used temporary accommodation to house those in need and she thanked them for their hard work on a difficult issue.

The Director of Adult Services explained that the Council's Homelessness and Temporary Accommodation Teams had moved into the Adult Services Directorate last year, just before the start of the pandemic. They had spent the last 18 months working on improving how the Council both used temporary accommodation to house those in need and how it acquired and maintained a supply of suitable properties.

A separate Supply and Acquisition Team had been established as part of the Council's Commissioning Service, to work with landlords to improve the quality of accommodation on offer, reduce the length of time a household stayed in temporary accommodation and reduce costs. The overall aim was to reduce the amount and use of temporary accommodation by the Council by moving households on to secure, longer term tenancies and accommodation. She and her team would be happy to bring an update on progress to the Committee in 6 -12 months' time once the new system had had a chance to bed in.

The Group Head of Commissioning then explained that the use of temporary accommodation had increased over the years, without any way out for many of the households who had been placed there. Some households had been in temporary accommodation for years, which meant that it was no longer really temporary. The problem was how to find long-term, permanent accommodation for households, so that temporary accommodation was only used in times of crisis. How this was being addressed was set out in the report included in the agenda pack.

During the ensuing discussion, the Committee noted that:

- a) The Government's "Everyone In" agenda at the start of the pandemic to get rough sleepers off the streets into proper accommodation had had a significant impact on the team's workload as it often took longer to accommodate single people due to the lack of suitable properties locally;
- b) The pandemic had led to a higher number than usual of family breakdowns, with parents asking second generation family members to leave home;
- c) The number of evictions was likely to increase, now that the temporary ban on evictions during the pandemic had been lifted;

- d) The reduction in the level of Universal Credit from the end of September and the proposed increase in National Insurance in April 2022 were also likely to have an impact on the number of evictions for non-payment of rent;
- e) The Council was now sign-posting residents to all relevant services eg mental health support, financial advice, drug and alcohol support services, at the first point of contact when a household presented as in housing need;
- f) Where appropriate, the Council was also working with households in temporary accommodation on debt resolution so as to make moving on easier;
- g) Not everyone in temporary accommodation was entitled to council housing, but the high cost of rented accommodation in the private sector made finding something suitable very difficult. Many properties were being let at London prices, but Milton Keynes was outside the area for London Weighting on both wages and benefits;
- h) House prices generally had also increased during the pandemic, making it harder for the Council to buy suitable properties on the open market to add to its stock;
- i) The Supply and Acquisitions Team were working with the private rental sector and registered providers to increase the supply of suitable properties for use as temporary accommodation and longer term, more secure accommodation;
- j) The Council had developed a number of incentive schemes to encourage private sector landlords to engage with the Council, including a cash incentive scheme, an inspection regime, support services to help them manage tenancies or working with owners to bring empty properties back into use, which were gradually producing results and increasing the supply of suitable properties.

RESOLVED –

1. That the Council's Director of Adult Services, Group Head of Commissioning and the Supply and Acquisitions Service Manager be thanked for their presentation of this item and contributions to the ensuing discussions with the Committee.
2. That the Housing Service Team be congratulated on their work to develop and introduce a radical new system which is making a dramatic difference to the number of households in Temporary

Accommodation in the short period of time it has been operating and thus keeping the situation manageable.

3. That the Cabinet be requested to consider lobbying the Ministry of Housing, Communities and Local Government, together with the MPs for Milton Keynes, by whatever means possible, in order to raise the Council's concerns about the lifting of the current ban on Section 21 evictions as it does not consider this the right time to lift this ban which is likely to lead to an increase in homelessness.

CH12

NEW NON-REGENERATION COUNCIL HOUSE BUILDING PROGRAMME – PRE-PLANNING PROCESSES

Witnesses: W Rysdale (Head of Housing Delivery) and N Sainsbury (Head of Placemaking)

Councillor Darlington introduced the item by explaining that in the past the Council had not built enough council homes in Milton Keynes and needed a programme of council house building to catch-up with demand. The Council was currently identifying possible suitable locations across the whole of the borough. This work was being led by a new team with the right skills to move the programme forward at scale and they deserved a lot of credit for the work they had done so far.

The Head of Housing Delivery introduced the report, explaining that the Council had ambitious targets to improve the supply of council housing. This was a cross-departmental programme and working together with colleagues in other departments, such as Finance, had made it easier to get the project moving.

Work had started on 5 sites, with 7 more currently going through the planning process. The aim was to create a rolling programme of council house building, so that once one site was completed, the contractors could move onto the next site without delay.

There was an existing protocol for development briefs and the report presented a number of recommendations which would improve the process further. He requested the Committee's endorsement of these recommendations.

He explained how schemes were selected and finally agreed, and the amount of pre-work which had to be done internally, which included cross-departmental working on all aspects before a scheme was ready to be presented. This joined-up approach should produce a plan of what was possible for any particular site and what the known limitations were, which could be consulted on locally in order to

manage residents' expectations. His team then worked with the Placemaking Team in order to produce a development brief for the site.

The Head of Placemaking added that it was important to have stakeholder engagement early in the process by advising residents that a brief was being prepared and the location of the site. If the initial work indicated that the site would be financially viable then his team would talk to the portfolio holder, ward councillors and parish councillors, explaining that the Council was confident it could deliver for this particular site and seek their views in principle. If agreed, then work would be done to develop the brief. Development briefs had to conform to the Council's current planning policies and if done correctly they could be streamlined through the planning process, which provided more certainty for all involved.

The Head of Housing Delivery commented that smaller sites (under 10 units) did not necessarily meet the standard development brief qualifications therefore there was an additional recommendation in the report, for which he requested the Committee's support, that all sites, regardless of size, be subject to the same, standard, development brief process.

The Committee then discussed the report with the Head of Housing Delivery, the Head of Placemaking and the Cabinet member for Adults, Healthy Communities and Housing, noting that:

- a) The Council needed to achieve value for money across all sites. The vacant Cripps Lodge site was a priority as planning permission was now in place. Once the finance had been approved, an invitation for a detailed design tender would be issued as soon as possible;
- b) Even once planning permission had been granted, it still took time to get to the stage where contractors could start work on a site. There was a need for the Council to streamline its internal approval processes to ensure projects progressed smoothly. The lack of a coherent process was due to the Council having not built any new council housing on a regular basis for many years;
- c) The Council was in favour of establishing mixed communities and it was looking at potential sites across the whole of the borough; there was no set list of preferred sites as new council housing was needed across the whole area;

- d) The hierarchy of land availability was first HRA¹ land, then other council owned land and whether it could be transferred into the HRA, then Milton Keynes Development Partnership land. The Development Partnership now offered any plots it was thinking of selling to the Council before putting it on the open market;
- e) Once the Council's Local Housing Company was operational the Council would be able to develop larger sites itself, rather than having to rely on external contractors;
- f) Work was being done to understand the extend of housing need in Milton Keynes and new staff had been taken on to work on this;
- g) All available sites were being reviewed for viability and sustainability. The Council would be acting as developers with a social conscience rather than just managers of the HRA;
- h) The global parameters used to assess a site had been agreed with the senior Finance Team and the Director of Property and Environment. These would go into the template for the Proval² financial appraisal system so that when the Team set up a new site appraisal, the process would be consistent all the way through;
- i) Future proposals were brought forward to either Cabinet, Council or Delegated Decision for decision on pink papers to ensure commercial confidentiality as it would be inappropriate for other developers or those tendering for the work, to see the information at that stage;
- j) The HRA Business Plan was always brought forward and published as part of the Council's annual budget setting process.
- k) There was a need to develop the Cripps Lodge and Buckland Lodge sites quickly, as the sooner they were completed, the sooner the rents from the new properties would bring money into the HRA which could then be used to fund subsequent projects;
- l) Of necessity the Council needed to have a wider conversation with the residents of designated "regeneration" estates which was being done through the establishment of Estate Renewal Forums and their housing sub-committees. Not all regeneration sites would have new council housing, on some the existing stock

¹ Housing Revenue Account

² Profile Viewing and Analysis

would be refurbished and brought up to modern housing standards;

- m) The new council housing referred to in the report was in addition to the provision being made in the Regeneration Programme;
- n) The point of the development brief was to iron out issues internally before it was presented for planning permission in order to reduce unrealistic expectations.

Councillor Darlington explained that although the Government had lifted the cap on what local authorities could theoretically borrow for council house building, under the prudential regulations governing local authority borrowing, the Council had to set its own limit on how much it borrowed in relation to its ability to make repayments, even though once built council houses were a tangible asset with a guaranteed income. She would also like to see local authorities being allowed to retain 100% of the receipts from the Right to Buy sales of council houses; ideally she would like to see the Right To Buy scheme stopped completely.

Finally, Councillor Darlington expressed her concerns about the current shortage of both skills and supplies in the house building sector and the rising cost of inflation, making the cost of building new council houses more expensive and limiting the Council's ability to respond to the current demand.

RESOLVED –

1. That the Head of Housing Delivery and the Head of Placemaking be thanked for their introduction to this item and contributions to the ensuing discussions with the Committee.
2. That the Committee endorses the recommendations set out in the officers' report and recommends to Cabinet that these be adopted as standard operating procedures:
 - a) That officers gain a more detailed understanding of the site in question by undertaking a detailed site constraints survey in order to highlight all underground utilities etc that may affect the viability of a site's development. A capacity study that reflects the Council's current planning policy should also be completed.
 - b) That following these steps, work must be completed on an early site financial viability appraisal before any engagement is undertaken. This will not only help ensure that only deliverable sites are progressed in a timely manner but will help keep stakeholders informed and to manage expectations

as it is important that these are not raised to levels that are not deliverable.

- c) That the Housing Delivery Team undertakes an outline financial appraisal of the site, making use of the Proval system. This financial appraisal will make use of recently agreed global financial parameters, which have been pre-agreed with the Finance Department.
 - d) That the Housing Delivery Team engages with internal stakeholders across the Council to gather an understanding of the requirements and restrictions that may impact on any potential new scheme.
 - e) That once the new steps above have been completed and the initial financial appraisal demonstrates that the site might support development (at an approved value for money level), officers engage with their relevant Cabinet Member, followed by local ward and town or parish councillors to discuss the principle of council house building on any specific site.
 - f) That development briefs for new council house sites are produced for all sites, regardless of size and potential number of houses.
 - g) That the layouts proposed in development briefs be scrutinised carefully before publication for consultation to ensure that they do indeed meet planning policy in order to avoid creating unnecessary concern among residents.
3. That individual Cabinet Members respond effectively where clashes between portfolios are identified in relation to new proposals for housing sites.
 4. That the Cabinet gives a commitment that these smaller development sites will be distributed across the borough and not be limited to long-standing council estates in order to promote the integration of mixed tenure communities in Milton Keynes.
 5. That the Cabinet writes to the Government requesting that the current rules on prudential borrowing and the risk regime for council house building be reviewed to provide a more favourable financial environment to enable local authorities to meet their obligations to provide sufficient social housing for those in need in their areas and writes to the Milton Keynes MPs to request their support.

6. That the Head of Placemaking circulates to the Committee the list of criteria used for selecting potential sites for the erection of new council housing.

CH13 2021/22 WORK PROGRAMME

RESOLVED –

That the latest version of the Committee's Work Programme be noted and that any comments or suggestions for other items for scrutiny be addressed to the Committee's Planning Group.

CH14 INFORMATION ITEM:

Delivery Plan for the HRA Business Plan

The Council's Head of Housing Delivery provided the following statement:

"With regards to the delivery plan, we are currently working with our finance colleagues in prioritising the new build council housing schemes and how these fit within the HRA. We are also actively looking for alternative sources of funding, including Homes England Grant and other specific grants, such as those related to sustainability / carbon reduction improvements as well as looking to make best use of and maximise our retained Right to Buy funding. We know that some regeneration and renewal schemes have elements that could be funded by the Council's General Fund and we are currently taking external specialist advice on the appropriateness of cost splits and assumptions. These will all be reported back to Cabinet in December, but importantly will have a direct impact on the delivery plan and how it can be brought forward."

RESOLVED –

1. That the update from the Head of Housing Delivery on the progress of developing the Delivery Plan for the refreshed Housing Revenue Account Business Plan be noted.
2. That the Head of Housing Delivery circulates as an information item, the Delivery Plan to the Committee once it is available.

THE CHAIR CLOSED THE MEETING AT 21:13 PM

All the presentations referred to in this document can be found on the Council's Committee Management Information System (CMIS) at: [CMIS: Community & Housing Scrutiny Committee - 08 September 2021](#)

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