



Milton Keynes Council

Regeneration Committee Away Day

YourMK, Woodlands Business Park
8 November 2016

Context

YourMK is a joint venture formed by Milton Keynes Council and Mears Group, in a 50:50 partnership to support and deliver regeneration activities across seven priority estates, and strategic asset management services to the Council-owned housing stock. Its Board will consist of six Directors, three appointments from each side. The Council has invested a lot of time and energy in its long term vision, its regeneration strategy, and the JV partnership so it must make these work to deliver more than the sum of its parts. This is a complex situation and poses challenges around systems leadership, accountability and performance management, and public engagement/locality focus.

The Chair of the Regeneration Committee (RC) of the Council requested an away day to discuss the role of the YourMK Board, the role of the RC, and the wider complementarity with the Council's governance landscape. Ruby Dixon (Head of Local Government at Alpine) and Cynthia Griffin (Director at Shared Intelligence) came together at short notice to facilitate the away day at short notice on 8 Nov 2016. This paper constitutes the detailed report of the away day discussions (pages 1-8). Facilitators' observations and conclusions are outlined in the appendices (pages 9-12).

How we worked with you

This was a structured event, using the following engagement principles

- **Reflective participation** – a consistent understanding of the role of YourMK Board
- **Appreciative inquiry** – acknowledging your achievements of MK housing, regeneration strategies and asset management
- **Experiential learning** – it's a new joint venture so there's a lot to learn
- **Consensus building** – agreeing core competencies and governance options for appointing and performance managing the Council's representatives to the YourMK joint Board
- **Enhancing governance** – support you need to do this effectively

Reminder for elected members by Duncan Starkey (Director of Place):

Members should please have a look at the contract for the JV, available at YourMK

Outputs

Session 1 – Summary of Councillor Wilson’s paper

- A duty to appoint Council 3 directors to the Partnership Board
- Your MK JV is both strategic (regeneration) and operational (e.g. housing repairs)
- Systems Leadership challenge: clarity of relationships & responsibilities
- Skills/competencies, role, remit and performance management of the 3 Board posts
- Elected members to consider where this Committee fits in
- Managing expectations and risks
- Ensuring locality/place focus.

Other key considerations and sensitivities highlighted:

- Dispersed power
- How the RC engages with the public on these issues
- Community referenda only part of the wider consultation process and JV not compelled to take this into account so public participation may be negated
- Currently lack of clarity on ‘the givens’ of Mears position and also the powers of the partnership
- C-word – ‘Committee’ : public perceptions of RC’s role, connotations/expectations of the word ‘committee’ (consider revising role, re-naming and re-branding)
- Key issues - the ‘D’ words: Demolition, (re-)Development, Densification
- MK can’t do all its needs on its own
- Vision and shared purpose: success isn’t just bricks and mortar but improved quality of life and increased prosperity for all
- JV must be investment-friendly, trust-based structure
- YourMK is a 50:50 partnership with Mears, so need to assert the Council’s objectives
- Profit capped at 3% per partner, more about social reinvestment and sustainability
- NED roles – working roles, very different from elected member roles
- It’s the role of the Executive to monitor JV delivery and development; so how can this ‘council board’ (RC) hold the YourMK Board to account?

Table 1

Hopes	Fears
<ul style="list-style-type: none"> • Hard and soft influencing and networking role • Accountability and Support • Balancing objective (appoint, monitor & appraise performance of Directors) v subjective roles (resident engagement & participation, transparency, emotional identification with neighbourhoods) • YourMK is a 50:50 partnership with Mears, so need to assert the Council’s objectives • Making it work, developing trust – setting the right tone 	<ul style="list-style-type: none"> • Perceptions and engagement with public – elected members will be first point of contact • concern about the profit and commercial interests of Mears • Unusual structure in the market

Agreed: Focus constructively on what RC has influence over, and lead

Actions identified

Communications

1. Work up a script of what the Regeneration Committee does/does not do
2. Work up a script for elected members to communicate of what remit of the JV (in light of shared vision and purpose for strategic regeneration)
3. Schedule of regeneration – target easy win estates first, to show others ‘art of the possible’

Governance: systems leadership

4. RC acts as ‘internal board’ to ensure Directors are appointed/act in a principled manner, are performance managed effectively
5. Role and influence: ensuring democratic accountability via appointments, support and performance management of these Non-Executive Director (NED) posts
6. Shared understanding of where things sit, e.g. draw up an organogram of governance fit

Accountability

7. Use as a basis for an accountability framework jointly signed off by this RC and Portfolio holder

Session 2 – Role, Skills and Competencies specification

Discussion of draft role specification of Directors shared by officers

Table 2a

MK Council	Mears plc
<ul style="list-style-type: none">• Regeneration• Legal and Financial• Commercial Plus <ul style="list-style-type: none">• Community engagement• Customer Service	<ul style="list-style-type: none">• Strategic Asset Management• Governance (legal, financial)• Corporate Leadership (strategy)

Other key considerations and sensitivities highlighted:

- Initially there was some concern about whether these were the best fit
- More information was requested on the profile Mears had drafted and how they had selected/appointed to the posts
- Parity (skills and competencies, incentivisation) to avoid ceding power
- Process is now time critical – Mears has some internal interim appointments in post to ensure momentum, so the Council now on catch up

Identifying Skills and Competencies of the Board posts

Elected members used a worksheet, and in pairs/small groups of mixed political representation, they worked together to identify the essential and desirable technical skills and management competencies for the JV Director posts.

Table 2b

Essential	Desirable
<ul style="list-style-type: none"> • Regeneration (inc. social housing) • Financial • Housing Operations Strategy & Management (e.g. repairs and building maintenance) • Options appraisal (inc. Cost Benefit Analysis) • Public sector governance/complex environment 	<ul style="list-style-type: none"> • Legal • Community engagement • Political acumen, high profile • Proven networks and connections • HRA and public sector finances • Experience of similar JV environment

Skills and competencies



Session 3 – Incentivisation

Again, elected members worked in the same pairs/small groups to discuss remuneration and incentives. They immediately asked for information on how Mears was remunerating its posts. That detailed information was not available, but members could discuss remuneration in principle, including parity. These are captured in Table 3 below:

Table 3

Remuneration	Added Value (non-financial pulls to the role)
<ul style="list-style-type: none"> • ‘If you pay peanuts you’ll get monkeys’ • Yes – to a level that doesn’t denote inferiority of Council’s Board members • Parity (within limits) 	<ul style="list-style-type: none"> • Fastest growth trends • High profile roles: visibility and communication roles across public and private sectors • Public recognition • Helping to re-develop a new town • Promoting Council and Board objectives • Multi-level challenge • Key opportunities • Shaping long term 2050 Agenda • Changing Lives for the better • Making a difference to people and places • Being at heart of innovation • Scale and scope of the strategy • Opportunity to re-develop seminal 1970s/1980s housing stock • Building trust • Partnership working • Celebrating equality, enhancing cohesion • Supporting social mobility • Unity of growth and regeneration • Digital leadership – SmartMK

Some key considerations and sensitivities highlighted in discussion:

- Time commitment – circa 40 days a year
- Likelihood of high level people they require expecting remuneration (market rate c £40kpa)
- Importance of quality people across both the strategic and operational remits for the Joint Venture
- Timing of process up to April appointment date
- Flexible ways of working required by members to engage with this outside of the meeting cycle.

Session 4 – Key Performance Indicators

In this session, we used a worksheet to unlock some thinking about high level performance indicators for the NED roles, what sort of information might be needed and how often elected members might want to see this. Members felt this was challenging, and that the recruitment companies should scan and draft allowing for adaptation by MK, but they gave a steer of the things they’d like to see:

Table 4

Indicative PIs	Info/evidence you'll need	Frequency
<p>Operations</p> <ul style="list-style-type: none"> • Development delivery to plan • Resident satisfaction levels <p>Customer services</p> <ul style="list-style-type: none"> • Key targets met for housing repairs, re-housing, complaint resolution etc. <p>Contract compliance</p> <ul style="list-style-type: none"> • SMART indicators • H&S/risk mitigation <p>Quality of life indicators</p> <ul style="list-style-type: none"> • Wider MK perceptions (+) • L/t poverty reduces (-) • Fuel poverty reduced (-) <p>Governance</p> <ul style="list-style-type: none"> • Cohesive Board • Effective communication across the Board • Trust relationships improved across MK <p>Financial</p> <ul style="list-style-type: none"> • Transparent, effective financial management • Return on Investment (ROI) by priority areas <p>Community Engagement</p> <ul style="list-style-type: none"> • Positive engagement across different segments (e.g. parishes, businesses, RAs) 	<p>MK infrastructure data (S/t) MK social/cultural data MK resident engagement Regen and market data trends</p> <p>Resident surveys</p> <p>Contract specification Compliance to Companies Act 2006</p> <p>Outcomes in relation to corporate objectives and Local Plan Indices of deprivation (L/t)</p> <p>Effective secretariat Board 360 degree feedback Perception of openness Staff development (l/t) Shared information Positive media Positive perceptions of JV</p> <p>Financial accounts Mid-term financial plan Levels of investment and deliver</p> <p>Positive narrative and feedback from consultations, e.g.</p> <ul style="list-style-type: none"> • Increase in % who feel they get on with people in their neighbourhood • Increase in % who feel they are listened to and their voice makes a difference • % strong identify and connection to MK 	<p>Quarterly or by exception</p> <p>Partnership Annual report</p> <p>and</p> <p>Housing services: Trimester by Housing Committee, filtering - to feed into any observations, sensitivities or risks to RC and Executive</p>

Session 5 – Support moving forward

Members had shown a high level of engagement and energy throughout the afternoon, and to harness that energy, we asked what support they need to retain momentum across the Regeneration Committee.

Support actions identified were:

8. Create a clear process
9. Further detail – e.g. on clarity of the role, recruitment, shortlisting, agencies invited to tender, remuneration by Mears, Mears' posts, timetable
10. Collective reflection to seize the opportunity to shape and steer the regeneration agenda; and revise and rebrand the role of members to influence beyond regeneration
11. Timely information to enable RC members to work engage on-and-off line in between the formal cycle of meetings (on catch up)
12. More facilitated support such as today's session

6. Chair's closing comments

Although the Chair had been sceptical about facilitators he and the group had found it enormously helpful and participants agreed they'd like to call on facilitated support in the future, once they have had a chance to review and reflect upon the outputs of the day. Thanks shared all around, and Ruby agreed to contact YourMK for the use of the venue and hospitality.

7. Next steps

Ruby and Cynthia agreed to share the outputs and some of their observations and suggestions of the day by close of play on 11th November 2016.

Appendices

- 1) Our observations and issues for consideration
- 2) Summary graphic of governance fit
- 3) Initial mapping table of who does what