



Minutes of the meeting of the REGENERATION SCRUTINY COMMITTEE held on THURSDAY 19 DECEMBER 2019 at 7.00 PM

- Present:** Councillor Baume (Chair)
Councillors Baines, Exon, Petchey, Rankine, Trendall, Walker and Wilson
- Officers:** M Kelleher (Director, Housing & Regeneration), A Umoren (Interim Head of Regeneration), P Brown (Head of Democratic Services) and E Richardson (Overview and Scrutiny Officer)
- Also present:** E McCabe-Smith (Political Assistant), J Payne (Political Assistant) and 2 members of the public
- Apologies:** Councillor Cryer-Whitehead

RG16 DISCLOSURES OF INTEREST

There were no Disclosures of Interest.

RG17 MINUTES

With reference to Minute RG15, clarification was sought from the Director of Housing and Regeneration about the future statutory requirement to phase out gas boilers as a means of providing heating and hot water in residential properties. He confirmed that by 2025 all new properties would no longer be built with as boilers as the source of heating and hot water provision. The Council was already seeking alternative sources of heating and hot water for installation in any new properties being built before 2025 as this would be more cost effective than installing gas boilers now which would have to be replaced in 5 years' time. He anticipated that the Council would have moved to the retro replacement of existing gas boilers by 2030.

Councillor Rankine requested that the Committee receives a report in relation to the proposals for alternative heating and hot water systems in new council properties, giving guarantees that council tenants, many of whom could be categorised as vulnerable and on low incomes, will not be financially harmed or suffer from a poorer performance from any new, centralised, off-grid heating provider.

RESOLVED –

1. That the Minutes of the Committee's meeting held on 30 October 2019 be approved and signed by the Chair as a correct record.
2. That the Chair's thanks to the Vice-Chair, Councillor Trendall for stepping in at short notice to Chair the meeting on 30 October be recorded.
3. That the Committee receives a report in relation to the proposals for alternative heating and hot water systems in new council properties, demonstrating that a proper risk assessment has taken place that assures the Committee that council tenants, many of whom can be categorised as vulnerable and on low incomes, will not be financially harmed or suffer health issues from a poorer performance from any new, centralised, off-grid heating network powered by an air source heat pump.

RG18

REPORT ON SITE VISITS BY THE REGENERATION SCRUTINY COMMITTEE

The report on the Committee's site visits to Fullers Slade and Serpentine Court/Lakes Estate was introduced by the Chair who outlined the Committee's findings from the visits.

In response to a question from the Secretary of RoRE (Residents of Regeneration Estates) the Chair advised that Chair of the Lakes Estate Residents' Association had been present at the Spotlight Centre when the Committee visited, although she had not attended the walk-about. The Director of Housing and Regeneration also made it clear that the Council was fully engaged with the Lakes Estate Residents' Association and that it was being consulted as part of the wider regeneration of the Lakes Estate. He rejected the view that the Resident's Association was not involved as members were always regular attenders at the various meetings about Serpentine Court and the Lakes Estate.

During discussion of the report, the Committee noted that:

- (a) Regeneration needed to happen across the borough as a cohesive process, rather than doing estates individually. Regeneration in the broadest sense was both desirable and overdue;
- (b) In the two years since a previous scrutiny committee site visit to Fullers Slade very little had moved on;

- (c) Communication between the Council and residents appeared to be the main problem;
- (d) Residents' Associations on both estates did not necessarily reflect the views of council tenants living in these areas;
- (e) The Committee had been seriously shocked by the low standards of accommodation at Serpentine Court;
- (f) That in order to meet residents' expectations the Council needed to act quickly. If it did not have the resources to deliver a regeneration programme, then it was better not announce any future plans;
- (g) Lack of information, or action on information available was causing a great deal of distress and the comments of residents made during the site visits flagged up these issues clearly;
- (h) The Council had underestimated the challenge presented by the regeneration of Fullers Slade. There had been no overall control of communications (or so it appeared) and the output of mixed or wrong messages had seriously damaged the Council's reputation;
- (i) At Fullers Slade one of the issues had been the number of different tenancy types and how to approach this had not been clearly thought out.

In response to the Committee's comments, the Director of Housing and Regeneration explained that one of the early problems was that, having announced plans for regeneration there was then nothing to communicate for a long time. A communications vacuum had developed as there had been a lack of things to say, which was compounded by YourMK not working to the same aims and vision as the Council.

He added that many of the points raised by the Committee were already reflected in the new draft Regeneration Strategy which would be presented to Cabinet in January with a request for a further public consultation period which would include the next meeting of the Committee on 17 March. The Cabinet Regeneration Sub-Committee would also be rolling forward the lessons learned from the work done so far on the Serpentine Court/Lakes Estate and Fullers Slade Regeneration programmes.

With regard to community engagement, residents' associations would be a key part of the new strategy. Residents' Steering Groups were still an option to oversee and manage local community

engagement if that is what the local residents' association wanted, but no area would be forced to have a steering group.

During further discussion of the regeneration programme with the Director of Housing and Regeneration the Committee noted that:

- (a) The Council needed to be realistic about what it could achieve within various timescales, including when it went to press and having the right information ready before it went public;
- (b) A number of fundamental points had not been agreed before the Council went public, such as what the term "regeneration" actually meant. There had been a lot of misunderstanding, with many residents equating "regeneration" with "demolition";
- (c) Not having a clear line of communication with non-council tenants had generated fear of the process amongst those residents;
- (d) Residents' associations were not always representative of all residents in a particular area as local membership tended to be low and therefore they should not be allowed to dominate the community engagement process;
- (e) Possible demolition of properties had not been ruled out, as, in some instances, it might be the only option. However, it was not the Council's preferred course of action;
- (f) If demolition was an option residents wanted real reasons for it; they were not necessarily afraid of demolition but did need to trust the information being given to them. The Council needed to be seen as rational and coherent about any proposals it was making.

The Committee then discussed stock condition surveys with the Director of Housing and Regeneration. The Committee suggested that one of the causes of mistrust of the Council and the regeneration process by residents of Fullers Slade was the reluctance of YourMK to share the results of the Stock Condition Survey. The Director of Housing and Regeneration gave assurances that in future the Council would make sure the results from all future surveys were published in a timely manner and provide factual data. He advised that the stock condition surveys had not been to determine which properties would be scheduled for demolition. They had not even been about other possible regeneration options, but were about informing the Council's planned maintenance programme, particularly the upgrading of kitchens and bathrooms.

RESOLVED –

1. That as regeneration was a long term process, the Council's approach needed to be based on cross-party consensus in order to mitigate any political risk to the regeneration programme due to a change in administration.
2. That any regeneration programme should aim to deliver maximum benefit for the minimum of physical disruption to residents.
3. That the timescale from announcing a proposed regeneration programme to commencing delivery needs to be carefully planned in order to meet the expectations of residents.
4. That the framework for consultation needs to be clear and well defined before the Council goes public on any future regeneration projects.
5. That the Council should engage with any pre-existing residents' groups from the outset, rather than trying to construct new groups.
6. That where any new residents' groups are set up, clear rules of governance, operation and democratic engagement must be established from the beginning.
7. That in future every effort needed to be made to bring communities together to ensure that the regeneration programme was a success.
8. Regeneration programmes must be community-led; they could not be half and half and a ballot on any proposals was essential.
9. The Council must not overreach itself; it should only do what is in its gift and not promise things it was unable to deliver.

RG19

FEEDBACK REPORTS ON THE FULLERS SLADE REGENERATION BALLOT

The Chair read out an e-mail (see Annex A for text) the Committee had received on behalf of the Fullers Slade Residents' Association, as no-one from the Residents' Association was available to attend the meeting. In relation to the points raised in the e-mail, the Committee noted that:

- (a) At this stage there was only so far the Council could go with providing possible costings for the three options; it would be too expensive to provide such detail for all options;

- (b) Neither the full proposal nor the planning application had been developed yet so it was not possible to provide costs;
- (c) It was not the Committee's place to request a peer review at the behest of the Residents' Association;
- (d) All three options had been scrutinised in detail by the Council's independent property advisor, Savills, who also provided a cost consultancy service. They had provided the same service for the Serpentine Court/Lakes Estate regeneration programme;
- (e) The information available to residents was accurate at this point in time but will change as plans are developed and the project progresses;
- (f) The concerns of home owners were understood but it was not possible to give exact costs at this stage for the reasons given above;
- (g) A contractor had not yet been appointed but the Director of Housing and Regeneration advised that support packages for homeowners would be available. A lot of work needed to be done and plans would be developed with residents so that they were kept aware of what was happening;
- (h) A housing needs analysis to understand the households on Fullers Slade and identify the most vulnerable would be undertaken in the new year.

The Head of Democratic Services then introduced the report from the Council's Election Team on the recent Fullers Slade Regeneration Ballot.

He explained that although there had been challenges in the delivery of the ballot, not least the work associated with the snap General Election on 12 December and the smallness of the Elections Team, he was satisfied with the conduct of the ballot and the turnout had been good.

The Chair commended the openness and honesty of the report, which the Committee welcomed and found helpful. In discussing the report with the Head of Democratic Services, the Committee noted that:

- (a) In places the process had not picked up the lessons learned from the Serpentine Court ballot in 2018;
- (b) It was important to make sure that all timescales were clear;

- (c) The potential number of people registering for the ballot had been significantly larger than the general register as it had included 16-17 year olds, local businesses and private landlords;
- (d) Of those eligible to register for the ballot, 791 (73%) had done so;
- (e) There had been some confusion about registration as it involved two separate processes as well as a certain amount of misinformation which had circulated amongst residents;
- (f) The result had been a 55% - 45% split in favour of Option 3; a turnout of 65%.

The report from the Elections Team included a suggestion that the Council considered contracting a third party to organise and run any future regeneration ballots. However, the Committee took the view that this would not be necessary as the Council's Election Team had a good reputation for fairness and integrity and although there were some practical improvements which could be made to the process, there was nothing with which the Elections Team could not cope. The Head of Democratic Services explained that at any one time there might be capacity issues which could affect the Elections Team's ability to deliver such ballots and although there would be additional costs involved, possible outsourcing of a regeneration ballot should not be ruled out. The Fullers Slade ballot had fallen in the middle of the preparations for the snap General Election and had added considerably to the Election Team's workload.

The Committee also discussed whether a straight majority in favour of one option was the most effective means of deciding the outcome of such a ballot. Ranking the options in order of preference or having a % threshold which had to be reached before a decision was reached were suggested as alternatives. However, there was a confidence amongst some members of the Committee that the majority of residents would get behind Option 3. The Director of Housing and Regeneration advised that the final details of Option 3 were not yet fully fixed and that these needed to be discussed with residents.

The Committee then received and discussed a report on the ballot from the Regeneration Team, presented by the Director of Housing and Regeneration, noting that:

- (a) The Regeneration Team had been able to engage with 85% of households on the estate which was sufficient under Electoral Commission guidelines to trigger a ballot;

- (b) At this stage Option 3 was an indicative plan; it could change, but not significantly. There would be no building outside the “red line” designated area and the Council would work with residents to ensure their views were taken into account and their housing needs met;
- (c) The total costs of implementing Option 3 would not be known until the final plans were agreed. However, there would be a cross-subsidy within the programme as some of the proposed new properties would be for general sale; the money raised from these sales would go back into the Fullers Slade Regeneration Project;
- (d) The HRA would be pump-priming the project but would not, ultimately be bearing the full cost of the project;
- (e) The Director of Housing and Regeneration recognised that there were issues between the Residents’ Association and the Residents’ Steering Group and that there was a need to bring both sides together in order to achieve the best outcomes for the estate.

Following further discussion of the report and in answer to questions, the Committee was advised that:

- (a) Although there had been 85% pre-ballot engagement with residents, the actual turnout was only 65%. One reason cited was possible apathy due to the length of time the process was taking;
- (b) A decision based on a majority vote had been agreed to encourage participation by keeping the process simple and easily understood;
- (c) The porta-cabin had originally been commissioned by YourMK but the Regeneration Team was not initially aware of this or that a number of permissions were needed before it could be installed. This and a lack of funding had caused delays in getting the porta-cabin operational. Not having the promised base could well have had a detrimental effect on the level of engagement with residents, but now it was there the Regeneration Team were planning to make full use of it;
- (d) When the Council had taken the YourMK service back in house it was poorly resourced and it had been a struggle to get the right resources in place. However, the Council was now successfully recruiting more engagement and development officers;

- (e) On the issue of indicative plans the Council could be between a rock and a hard place. If it was explicit about what it would provide and then have to change it, the Council would be accused of not delivering on its promises. Numbers were not absolute at this stage as there was the potential for them to change slightly;
- (f) Even though the Serpentine Court Regeneration Project was now at the Planning Application stage, it was still not possible to give exact costs;
- (g) Proper local engagement with residents was an issue across the whole of the Housing Service. More engagement officers were being recruited in order address this and enable the Council to provide a more co-ordinated approach
- (h) Regeneration was one of the largest functions in the Council which also included asset management and repairs and which, in the past, had not been resourced properly. The Housing Service had spent the last 12 months trying to rectify this and the work was now nearing completion.

RESOLVED –

1. That the Head of Democratic Services and the Director of Housing and Regeneration be thanked for their reports and their contributions to the Committee's scrutiny of this item.
2. That the Committee has every confidence in the Council's Elections Team's integrity, fairness and ability to deliver any future regeneration ballots.
3. That the Director of Housing and Regeneration be asked to provide to the Committee with a timeline for the implementation of the Fullers Slade Regeneration Programme for scrutiny once this information has been worked out and is available.
4. That the redevelopment plans for Fullers Slade be brought to the Committee for scrutiny once these have been developed and agreed.

RG20

REVISED WORK PROGRAMME 2019/20

The Committee received and discussed the Proposed Work Programme and agreed that scrutiny of the new draft Regeneration Strategy should be the main item for discussion at the next meeting.

Given the concerns raised by Councillor Rankine as to the financial implications for residents of the proposed heat pump technology it

was agreed that the report, once received, would be circulated to the Committee between meetings. The Committee's Planning Group would then decide whether the response was sufficient or whether further scrutiny was required.

Following the success of the recent site visits in providing the Committee with valuable background information it was agreed that further site visits should be undertaken as the current programmes progressed and as and when new regeneration programmes came on stream.

RESOLVED –

1. That Scrutiny of the new draft Regeneration Strategy be the main agenda item at the meeting scheduled for 17 March 2020.
2. That the report on heat pumps requested by Councillor Rankine above be circulated to the Committee between meetings when the Committee's Planning Group would decide whether further scrutiny was necessary.
3. That the Committee continues the policy of undertaking relevant site visits as the various regeneration programmes progress as seeing estates for itself and speaking to local residents whilst out and about has proved invaluable in providing greater understanding of the issues at a grass roots level.

THE CHAIR CLOSED THE MEETING AT 9.04 PM

Annex A

Text of E-mail on behalf of the Fullers Slade Residents' Association

19 December 2019

Dear Regeneration Scrutiny Committee,

as the Fullers Slade Residents Association is unfortunately unable to be present in person at todays meeting I would like to request to address you by email.

Please find below some of the issues we would like you to look into, as we fear that these could create problems in the long run regarding the regeneration of Fullers Slade.

We are not convinced that the cost side of the project has been properly inspected and scrutinised. Having drawn up plans for the regeneration of the estate without analysis of the groundworks to ensure streets can be rerouted and services moved and new properties build in the areas suggested under option three does not fill us with much confidence and leaves the worry and risk of a financial fail of the whole project.

We therefore propose to the scrutiny committee that an independent peer overview is essential and urgent...to be carried out by someone like ARUP, BDP International, ATKINS, Sir Robert McALPINE, LAING O'ROURKE to ensure that the planned regeneration of Fullers Slade is financially viable and correctly planned. This is to ensure the regeneration of the complete estate is manageable for MKC and is not underlying a risk of being only partly completed.

Arup : <https://www.arup.com>

BDP: International: <https://www.bdpinternational.com>

Atkins: <https://www.atkinsglobal.com/en-GB>

Sir Robert McAlpine Ltd: <https://www.srm.com/about-us/>

Laing O'Rourke: <http://www.laingorourke.com/>

We would also like to suggest that MKC must draw up a contract detailing the offers made to residents in regards to the regeneration of the estate and the financial and other impacts are detailed in it.

Homeowners have been left so far without a clear picture of the financial impact on them and how the council is expecting them to pay for the "buy in options" for improvements to their homes or how payments for new houses are to be made, if new mortgages cannot be applied for buy home owners, as they are pensioners or low income households, etc.

Bianca Bendig-Ceesay

19 December 2019