

**REGENERATIONMK – RESPONSE TO ISSUES ARISING FROM COUNCIL 22  
NOVEMBER 2017**

Responsible Cabinet Member: Councillor Long (Cabinet Member for Adult Care & Housing)  
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**Executive Summary:**

In December 2015 Cabinet approved the establishment of a partnership to undertake:

- (a) Regeneration activities in the priority areas;
- (b) Total asset management of all Council owned housing stock; and,
- (c) Development opportunities on Council owned sites in non-priority regeneration areas.

The overarching framework for regeneration is the Council's Regeneration MK 2030 Strategy, with all activity to be community led and commercially framed.

In March 2016, YourMK was formally established. In April 2017, alongside the publication of the YourMK 5 Year Business Plan, it was confirmed that regeneration work on Fullers Slade would commence in July 2017, and on Serpentine Court in October 2017.

In line with the original commitment, YourMK has developed a community led approach to regeneration which fully incorporates a resident led 'co-design' process that seeks to develop a range of possible masterplans upon which the resident community will be balloted. This is fully aligned to current national best practice.

At full Council on Wednesday 29 November, a motion was passed that confirmed cross party support to a community led approach to social, economic and physical regeneration and recommended:

- (a) A ballot containing a clear YES and NO option;
- (b) An increase in engagement and communications with residents;
- (c) A reaffirmation of the commitment that council tenants will be offered accommodation at least equal to their current circumstances (in room number) and any new social housing will meet Parker Morris space standards;
- (d) That YourMK ensure all information in the public domain is easily accessible and available to residents;
- (e) That YourMK engage and develop the role of ward councillors and Parish Councils in the regeneration process.

This report responds to these recommendations.

**Councillor Nigel Long**  
**Cabinet Member for Adult Care & Housing**

## 1. **Recommendation(s)**

### 1.1 That Cabinet notes and supports:

- (a) The progress made against the RegenerationMK 2030 Strategy objectives (see **Annex A**);
- (b) The extension of the Fullers Slade engagement offered by YourMK, with the ballot date to be set in consultation with the local Residents' Steering Group, but likely to be late summer / early autumn 2018;
- (c) The current timeline for regeneration of Serpentine Court, with the community ballot scheduled (although subject to continual review) for March 2018;
- (d) YourMK ensuring the release of information pertaining to regeneration onto its website, including the policy document referred to in the recent Council motion;
- (e) The Council making available stock condition data relating to Council assets, in the format as set out at **Annex B**, whilst noting further modelling will refine this data; and
- (f) The provision of additional funding by the Council to support increased engagement and communication across the regeneration areas.

### 1.2 That Cabinet approves:

- (a) The regeneration ballot including a 'no' option, with this 'no' option being clearly defined and explained by Milton Keynes Council. This is to be framed by the Housing Revenue Account (HRA) Business Plan, and presented to Cabinet for approval in March 2018 alongside the Housing Strategy and the HRA Business Plan;
- (b) The use of Democratic Services to undertake a ballot of residents and homeowners on the regeneration areas;
- (c) the threshold for turnout and age of those allowed to participate in the current ballots being presented to Cabinet for approval by June 2018 noting this will be on an area by area basis;
- (d) the ballot only being triggered once 60% of residents and 80% of households have been formally engaged; and
- (e) a Cabinet Sub-Committee being established to review the financial implications of providing like for like replacement homes with the financial model being informed by the HRA Business Plan and with the Sub-Committee presenting a recommendation to Cabinet in March 2018.

## 2. Context and Issues

- 2.1 The Regeneration MK Strategy 2015-2030 highlights that the Council wishes to use the money spent within the Housing Revenue Account (HRA) differently to secure better outcomes for local people. This work is about building stronger communities and increasing community capacity, about improving prosperity, life chances and opportunity and about creating great places and homes that improve lives, health and the quality of life.
- 2.2 The Council was not prepared to allow current health inequality and deprivation to persist. By improving estates, homes, community capacity and individual skills, step changes across a range of objectives would be seen. It was and still is a core element of the Council's Strategy to support communities to stay together and grow together. To this end the Council has already committed to the one for one replacement of any social house lost with a new, truly affordable, home – maintaining individuals' current terms. YourMK has already committed to build units that exceed 'Parker-Morris' standards. Further this paper reinforces the need for a referendum, and to protect the number of rooms for any replacement units. YourMK is already engaging with private renters and owners to allow those people to remain within the community.
- 2.3 The HRA is a ring fenced account that can only be used on the provision, improvement and management of Council dwellings and related services, and in considering wider regeneration, HRA assets will be used to lever in additional funding to support these proposals.
- 2.4 The programme plan established and being followed for regeneration in Milton Keynes is aligned to the Department for Communities and Local Government's National Strategy, and strives to deliver best practice in community led regeneration.
- 2.5 Since July 2017, YourMK has held several engagement events and initiated a best practice and intensive co-design process that seeks to deliver a genuinely community led regeneration vision and outcome. This extends beyond what would be expected on most estate regeneration processes as it embeds community involvement in the fundamental design and decision making process. For information, at the Fullers Slade community co-design workshop run on Sunday 26 November 2017, first drafts of one infill option and two more ambitious options were worked up by architects in real time with residents. In total 49 residents took part and feedback was very positive from a strong majority of participants. 60% found the sessions useful and 71% enjoyed it.
- 2.6 As at the time of writing the overall engagement process on Fullers Slade has currently met with 48% of residents on the estate (51% of households), against a target threshold of 60% of residents and 80% of households at the point of ballot. These targets relate to residents and households within the 'red line' regeneration area. It is proposed that a ballot can only be triggered once these targets have been met.

- 2.7 Some concerns have been raised relating to the extent and pace of consultation and resident engagement on the Fullers Slade regeneration programme. This is, in part, due to a lack of clarity and understanding around who is, and to what extent they are, affected by the regeneration programme. It is important to both the Council and YourMK that people feel fully engaged in the process and own the outcomes.
- 2.8 Additional concerns have been raised about the availability and validity of the stock condition data for the regeneration areas and the resulting investment needs of the stock. This data belongs to the Council and will be released. It should be noted that the model is built up of actual surveys and modelling and shaped by a number of assumptions about future standards and component life-cycles. As further evidence is available – particularly the HRA Business Plan – these assumptions, and the model, will be refined.
- 2.9 No significant issues have been raised about the process or pace of the regeneration of Serpentine Court at this point in time. On that basis, it is proposed that the ballot go ahead as planned, however should concerns arise this can be changed.
- 2.10 At full Council on Wednesday 29 November 2017 (Minute CL75 refers) a motion was passed that supported a yes/no ballot/referendum being undertaken at the end of the consultation process. In addition the motion proposed a ‘like for like’ housing re-provision irrespective of need.
- 2.11 The Council is currently preparing a Housing Strategy and Housing Revenue Account (HRA) Business Plan. Collectively these documents will set the strategic direction for housing in Milton Keynes, including regeneration. The HRA Business Plan is particularly relevant in terms of regeneration on Council estates as it will set out the long term investment needs of the Council’s entire stock as well as the cost of other activities carried out within the HRA, for example, the provision of sheltered housing. This document will inform future decisions based on the long term sustainability of the stock. If it is not sustainable to maintain the stock in the long term, and regeneration does not proceed, other options, including stock transfer to another landlord may have to be considered. These documents are due to be presented to Cabinet for adoption in March 2018.
- 2.12 It should be noted, as per 2.1, that the original driver for RegenerationMK was not about the sustainability of the HRA, but was about the wish to secure better outcomes from the money the Council spends.
- 2.13 Some concern has been expressed that Mears Group PLC, the Council’s partners in YourMK, will secure significant work on the basis of regeneration and therefore have a ‘commercial’ interest in substantial changes via regeneration. This is not true. Mears Group PLC will only secure work by demonstrating they are value for money and have no exclusivity on any development or regeneration schemes.

- 2.14 In light of the concerns expressed on Fullers Slade, specifically by the tenants' and residents' group, the idea of pausing the ballot is supported. This would enable YourMK and the Council to ensure the engagement process is fully engaging and informing local people. The 'pause' would also enable the Council to secure additional resources to engage with tenants and residents.

### 3. Options

- 3.1 Do nothing

- 3.2 Stop the regeneration activity on Fullers Slade.

That YourMK be approached to consider the cessation of the regeneration activity on Fullers Slade.

The Index of Multiple Deprivation has shown that over the past five years the social and economic conditions in all of the regeneration areas are worsening, and in these same areas there is a significant need for investment in the Council owned stock.

Full Council on 29 November 2017 reaffirmed its commitment to social, economic and physical regeneration. The cessation of the regeneration activity on Fullers Slade would not deliver against this commitment and would present a considerable risk of delivering it in the future. Stopping the regeneration activity on Fullers Slade is therefore **not the preferred option**.

- 3.3 That YourMK be approached and that the following changes are made:

- (a) A resident ballot based on a choice of jointly worked up options will be held in all regeneration areas, limited to those residents and homeowners who will be directly impacted by the proposals. This ballot to include a 'No' option and clarity on 'like for like' replacement which will be articulated by the Council, and framed by the Housing Strategy and HRA Business Plan;
- (b) The ballot on Fullers Slade will comprise only those residents and households within the 'red line';
- (c) Additional resources be secured to enable increased engagement and communication; and
- (d) Regular member briefing meetings to be held for each affected ward, and regular updates for all councillors to be issued.

**This is the preferred option.**

### 4. Implications

- 4.1 Policy

The successful delivery of the Regeneration programme will positively contribute to a range of Council plans and strategies, not least the RegenerationMK Strategy and the Council Plan.

## 4.2 Resources and Risk

- 4.2.1 Further uncertainty may undermine the process and potentially damage the reputation of the Council and the ability of the Council and/or its partners to successfully deliver regeneration in the future.
- 4.2.2 The anticipated costs of the extended consultation at Fullers Slade will in part arise from the staffing costs of the Regeneration Team, which are provided for within the current 2017/18 and draft 2018/19 budget. The balance of costs will arise from prolonged engagement of external agencies (e.g. architects and independent advisors) which are not expected to exceed £140,000.
- 4.2.3 Since the extension is at the Council's behest, the costs incurred by YourMK will be fully met by the Council, and not be contributed to by Mears Group PLC, the Council's 50/50 partner in YourMK.
- 4.2.4 The additional costs of external support are expected to fall 70% on the Housing Revenue Account and 30% on the Housing and Regeneration (General Fund) budget, in proportion to the tenure mix in the regeneration area of Fullers Slade. The costs will be in addition to those budget pressures currently included in the draft 2018/19 budget. However, Your MK has been very successful in securing Government grant to support regeneration and costs will be managed accordingly.

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

## 4.3 Carbon and Energy Management

None noted at this stage.

## 4.4 Other Implications

As a community led programme of regeneration a wide range of stakeholders will be engaged and consulted to develop and help shape commercially framed regeneration proposals. This process will ensure that the proposals are inclusive and reflective of the changing needs of each community. This will also add to compliance with the Equalities Act, and the Council's undertakings in this regard.

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

Background Papers:           RegenerationMK motion to Council 22 November 2017  
   RegenerationMK 2030 Strategy 2015 - 2030

Annex:                           **Annex A** – Progress made against RegenerationMK 2030 Strategy  
   **Annex B** – Stock condition data release template  
   **Annex C** - Fullers Slade and Serpentine Court regeneration areas