

**ANNEX A TO MINUTES
CMK PARTNERSHIP EXECUTIVE COMMITTEE**

18 APRIL 2000

This report was considered by the Local Plan Sub-Committee at its meeting held on 13 April 2000

JOINT VENTURE FOR INTEGRATED DEVELOPMENT IN CMK

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1. Purpose

- 1.1 To advise Members of a proposal for a Joint Venture with English Partnerships to co-ordinate and promote development in the city centre and seek agreement in principle to draft Heads of Terms.

2. Summary

- 2.1 Following several years of partnership working on parts of the city centre, MKC and EP are to review the overall strategy for CMK, as reported to Environment Committee. To support this a Joint Venture is proposed, of which Heads of Terms have been drafted, into which land ownership would be pooled and uplift in value shared. The Joint Venture would promote development across CMK and then move on to Bletchley and other parts of the borough

3. Recommendations

- 3.1 The Sub-Committee is recommended :

- (a) to note progress of the Joint Venture proposal; and
- (b) to agree the principle of the approach set out in the latest draft Heads of Terms (**Annex to this report**) and indicate areas which may need changes in emphasis.

4. **Background**

- 4.1 Discussions have taken place over many months on how best to progress development in CMK. The consensus is that close working between the Council and English Partnerships is of great importance, and has already had significant influence on the work of the CMK Partnership and its aspiration to provide “a vibrant, prestigious, friendly and convenient regional centre”. A Joint Venture is being explored, whereby the two public authorities would pool energies and resources in order to maximise the added value created in the city centre.
- 4.2 Progress on CMK has been reported to several Council committees, including an innovative approach to Cultural Planning in the centre reported to Policy and Resources Committee. Progress was also reported to the Environment Committee on 3rd February and further discussed at an informal workshop on 17th March. The Environment Committee agreed, among other things, that “officers be authorised to explore with English Partnerships and others a joint development mechanism for CMK, in which the Council can exercise its land ownership and statutory powers to maximum effect” (EN89/00 refers).
- 4.3 MKC and EP officers have discussed possible Heads of Terms for a Joint Venture for co-ordination of the development process, here reported for Members to take a view and give further guidance. There is some pressure to reach a firm agreement by mid-June in order that the proposed strategic review can be forward-funded by EP under the terms of the Joint Venture. An initial Member discussion in mid-April would allow further work for refinement by mid-June. This would allow formal appointment also in mid-June of the consultants conducting the study, for which selection is underway. MKC officers are involved, with EP officers, in the selection process.

5. **Issues and Choices**

- 5.1 The purpose of the Joint Venture is to provide more effective co-ordination over planning and investment across the two principal public bodies involved, Milton Keynes Council and English Partnerships. Assuming that co-ordination, coupled with an increase in intensity of activity and development, produces a net increase in value, the Joint Venture provides for this to be reinvested by the two principals into the city centre’s public infrastructure. It also provides for net proceeds to be invested outside CMK, specifically in Bletchley, on agreed projects. The Joint Venture could be terminated by either or both parties, and any assets shared between them.
- 5.2 Central to the proposed Joint Venture is the joint preparation of a development strategy for CMK. This would need to embrace not only the development opportunities in CMK but also their contribution to transforming the cultural role of the city centre and to ensuring the comfort, convenience and stimulation of anyone visiting. Once prepared and agreed, and supported by detailed planning and development briefs, the

development strategy would be the basis for progressive implementation of development in the city centre, which would be subject to normal statutory planning processes through one or other of the parties. EP has planning powers in relation only to developments already authorised by the Secretary of State under Section 7(1) of the New Towns Act 1981. Approval of the CMK development strategy would be achieved through adoption as Supplementary Planning Guidance or incorporation into the Local Plan, always assuming it was acceptable to the Local Planning Authority.

- 5.3 EP would take responsibility for funding, appointing and managing the consultancy for preparation of the development strategy. Decisions would be taken jointly with MKC representatives and costs of the work could be reimbursed in due course from the proceeds of strategy implementation. The same would apply to other forward-funded costs associated with strategy development.
- 5.4 EP would also be responsible for funding any acquisitions or public infrastructure needed to implement the agreed strategy, and for marketing and promoting development opportunities.
- 5.5 Both parties would contribute their CMK land-holdings into the Joint Venture and would commit to use their statutory powers to promote the agreed scheme. In the Council's case, the principal relevant powers would be as planning authority and highways authority, but other powers might also be useful. Any such commitment would, however, be subject to normal statutory constraints (such as having to determine planning applications "on their merits", etc). The Council would, however, commit to preparing planning briefs for key sites and to dealing expeditiously with proposals as they came forward.
- 5.6 The Joint Venture would be managed by a board consisting of Members and officers of both organisations, meeting regularly to review progress of the agreed strategy and its implementation. The board would make recommendations to the two principal organisations. The Council and its partners would also be in a position to take forward other elements of the vision for the centre, not dependent upon particular physical development proposals.
- 5.7 The work of the Joint Venture would need to dovetail with the work of the CMK Partnership, and other consultative processes that can secure community involvement and ownership in the city centre.
- 5.8 The broad Heads of Terms attached can be welcomed as a positive move towards more joined-up governance of CMK. A number of key issues will need to be refined before mid-June, however :
 - (a) The extent of land-ownership the Council wishes to commit to the Joint Venture;
 - (b) The relationship between planning gain obtained from planning approvals and the general uplift in values achieved through more effective development of CMK;

- (c) The apportionment of the general uplift in values between the two principal parties;
- (d) The means of agreeing how proceeds might be applied to Bletchley and other areas needing regeneration;
- (e) The nature and working arrangements of the Joint Venture Board and the resources committed by both public authorities to supporting the board;
- (f) The reconciliation of opportunities in CMK with the emerging borough-wide and regional frameworks resulting from Local Plan and Structure Plan reviews and Regional Planning Guidance; and
- (g) The relationship between the work of the Joint Venture Board and the work of the CMK Partnership.

6. **Implications**

6.1 Environmental

The Joint Venture would need to take into account best environmental practice both in the projects to be implemented and in the means of implementation. The move towards a more intensively used city centre is likely to result in significantly more sustainable patterns of living and development.

6.2 Equalities

The Council has a commitment to making and keeping CMK an Inclusive City Centre, catering for the needs of all and accessible to all, as it develops its successful economic role. The Joint Venture will be expected to contribute to this.

6.3 Cultural Planning

The Council is also committed to generating a city centre that provides a wide range of urban experiences. These should include community, cultural, social, learning, educational and economic development. Achieving this overall broadening of activity will require the contribution of all members of the CMK Partnership and a wide range of community organisations. It will also be an important target for the Joint Venture, both in steering and agreeing the development strategy, and in implementing development in CMK and elsewhere.

6.4 Financial

The Council would not bear any costs since EP would :

- take responsibility for funding the consultancy;

- bear the costs of the work, which could be reimbursed in due course from the proceeds of strategy implementation. The same would apply to other forward-funded costs associated with strategy development.
- be responsible for funding any acquisitions or public infrastructure needed to implement the agreed strategy, and for marketing and promoting development opportunities.

Any net increase in value will be reinvested by the two principals into the city centre's public infrastructure. Any net proceeds can be invested outside CMK, specifically in Bletchley, on agreed projects.

6.5 Legal

In entering into this arrangement the Council must not compromise the integrity of its planning functions or the legal requirement under s.123 Local Government Act 1972 to secure the "best consideration that can reasonably be obtained" for any land it proposes to sell.

The Council will also need to clearly identify the legal powers it is using to enter into the proposed arrangement with EP.

6.6 Staff and Accommodation

At this stage there are no implications for the Council's staff and accommodation. The CMK Partnership is addressing the need for its work to be properly supported and staffed by contributions from partners, and this is being progressed separately. The Joint Venture is not in itself expected to place an additional load on Council resources, other than the load resulting from the increasing pace and scale of development that will result. Initial resources are proposed to be met by EP in the first instance, if Council resources are not available, for reimbursement out of value generated. If staffing demands arise in future, proposals will be brought to the appropriate Council body for decision.

7. Conclusions

- 7.1 A more joined-up way for the two principal public bodies to manage and promote CMK as an Inclusive City Centre is to be welcomed and is likely to release considerable additional energy and value. The proposed Draft Heads of Terms provide an excellent basis for further refinement that should be finalised in June to allow development to proceed.

Background Papers: None