

Minutes of the extraordinary meeting of the CABINET held on MONDAY 21 DECEMBER 2015 at 6.30 pm

**Present:** Councillor Marland (Chair),  
Councillors Clifton, E Gifford, Long, Middleton, Miles and O'Neill

**Officers:** C Mills (Chief Executive), M Bracey (Corporate Director - People), T Hannam (Corporate Director - Resources), D Sharkey (Corporate Director - Place), N Jones (Service Director Finance and Resources), S Gerrard (Interim Service Director [Legal and Democratic Services]), J Reed (Service Director [Housing and Community]), K Eames (Head of Regeneration), D Gleeson (Regeneration Programme Director) and S Heap (Committee Services and Scrutiny Manager)

**Also Present:** Councillors Bald, Baume, Bint, Burke, D Hopkins, R Gifford, Lewis, McDonald, Morris, Wallis and Wilson and 31 Members of the Public.

**Apology:** Councillor Legg

**C114 DISCLOSURES OF INTEREST**

None Disclosed

**C115 PROCUREMENT OF A REGENERATIONMK PARTNER**

The Cabinet noted that the Council had, in June 2014, embarked on the procurement of a commercial partner with whom to deliver a regeneration programme across seven priority areas, prior to the Cabinet approving the RegenerationMK 2030 Strategy in July 2015.

It was reported that the regeneration programme was to be underpinned by a total asset management approach to the Council owned stock which had been refined through a competitive dialogue exercise supported by specialist advisors, and had resulted in Mears Group Plc being identified as the preferred partner.

The Cabinet received details of key elements of the agreement, together with information on how the agreement would work in practice.

Councillor O'Neill (the responsible Cabinet member) thanked all who had been involved in working on the regeneration project, including members of the Cabinet Advisory Group, officer colleagues and the communities that had participated and had been instrumental in helping form the proposals.

Councillor O'Neill, in introducing the report, outlined the need to regenerate a number of the Council's housing estates, referring to the inequalities and levels of deprivation being experienced on some estates and the impact they had on life expectancy and life chances. The regeneration would be based on people, prosperity and place.

Councillor O'Neill recognised the levels of concern which the proposals might be causing to residents and sought to reassure residents that the regeneration would be community led and

community centred and nothing would be done without full community engagement.

Councillor O'Neill also referred to the Neighbourhood Employment Programme which was addressing the issue of low skills and unemployment across Milton Keynes.

The Cabinet heard from Councillor D Hopkins, Chair of the Scrutiny Management Committee, who highlighted the overriding concern of the Committee regarding the potential risk of local objections to development and the impact this could have on potential funding streams for the Project. Councillor Hopkins also referred to other issues raised by the Scrutiny Management Committee, which in summary, included the:

- (a) impact on owner occupiers on the priority estates;
- (b) importance of the non-housing benefits of the RegenerationMK Project;
- (c) need for carefully selected private sector representation on the RegenerationMK Board and public accountability for the proposed Limited Liability Partnership;
- (d) use of innovative consultation techniques when consulting on future development plans;
- (e) need for the intended committee of the Council to oversee the project, to have clear terms of reference which gives it power and a clear role in the mitigation of risk;
- (f) potential risk of an additional financial commitment from the Council being required; and
- (h) need to take account of the lessons learnt from the Council's previous relationships with Limited Liability Partnerships.

Councillor O'Neill's responses to the points raised by the Scrutiny Management Committee, which were also provided in greater detail as a written response and circulated at the meeting.

The Cabinet received a number of questions and comments from residents as follows:

Ms N Johnson (Tinkers Bridge Residents Association)

Ms Johnson, expressing concern that residents had not been part of the selection process for the preferred partner, asked about the resources and experience available, including legal advice, to the Regeneration Team to monitor, manage and enforce the contract, as compared to the legal resources available to a national company like Mears Group Plc.

Councillor O'Neill provided a written response which, in summary, outlined that residents were involved in the evaluation of the bids through three resident evaluation panels. External advice was available to the Council in procurement, finance and law and arrangements had been developed, to give the Council the ability to manage and monitor the contract, including key performance

indicators, around which the success of the Partnership would be assessed.

Councillor O'Neill also stated that any surpluses generated would remain in the Partnership to contribute to the costs of regeneration.

As a supplementary question Ms Johnson asked why, when the two contractors who had scored the highest in the evaluation had similar scores, had the contract not been split and what benefit did the Council expect to gain by having only one partner.

Officers explained that the packaging of the contract had been assessed based on the values involved and it was believed that the Council was likely to get a better offer and better value for money if the regeneration was let as just one contract.

Mr J Orr (Tinkers Bridge Residents Association)

Mr Orr, noting that Mears was to be expected to carry out works to the Council's housing stock, asked what form that might take in Tinkers Bridge.

Councillor O'Neill provided a written response which, in summary, outlined that no decisions have been made about future works. In the first year of the Partnership, all Council owned stock across Milton Keynes would be subject to a detailed stock condition survey. The information from the survey would be used to inform the investment plan for every property that the Council owned.

Mr Orr commented that he owned a former Council house and it provided him with no problems to maintain. The houses were sustainable, had a low carbon footprint and would be easy to upgrade. He therefore challenged the assertion that the properties were unsustainable.

Ms K Higgins (Tinkers Bridge Residents Association)

Ms Higgins referring to the density of housing in some new developments and the rumoured future density of 40 Dwellings per Hectare (DPH) on regenerated estates, which compared to a current density of 12 DPH on Tinkers Bridge, asked what density of housing was actually envisaged for regenerated estates.

Ms Higgins also referred to the potential loss of community as a result of the regeneration.

Councillor O'Neill provided a written response which, in summary, stated that the full participation of residents and community stakeholders was fundamental to the successful design and delivery of RegenerationMK, and activities would include public design workshops which would allow residents, designers and others to collaborate on a vision for development. Whilst density levels would potentially increase, depending on the regeneration plan for each priority area, plans would be developed with communities, covering all aspects, including housing development and community infrastructure.

Councillor Marland also referred to the Neighbourhood Plan being developed by Woughton Community Council which, once adopted, would become part of the policies of Milton Keynes Council, which any regeneration plans would have to take account of.

Ms Higgins commented that the community in Tinkers Bridge wanted to work with the Council, but it was worried about the regeneration as it was not clearly understood what it entailed and its implications for Tinkers Bridge. Residents really feared losing their houses. Ms Higgins also referred to the Tinkers Bridge Community Plan which would feed into the Woughton Community Council's Neighbourhood Plan.

Councillor O'Neill responded that now that Mears Group was to be engaged, the Company's representatives would make efforts to explain how the Company worked. Councillor O'Neill recognised that regeneration would only work if communities positively engaged.

Ms S Smith (Coffee Hall Resident)

Ms S Smith, referring to the four estates in the Woughton Community Council area that would be affected by regeneration asked what, if anything, had the Council promised its prospective partner if after the consultation period residents of an estate did not want any major new development and what were the likely repercussions for the residents.

Councillor O'Neill provided a written response which, in summary, reaffirmed that no decisions had been made about whether there would be redevelopment and, if there was to be, what scale the development would be. Regeneration plans would be worked up with each community on a bespoke basis and there would not be a one size fits all approach.

Councillor O'Neill also reiterated that any surpluses generated would be put back into the regeneration project. Mears Group was also to be contracted to deliver the repairs and maintenance of Council owned properties, for which they would receive a commercial return, but this was independent of the regeneration project.

Mr D Boatwright (Tinkers Bridge Residents Association)

Mr D Boatwright, referring to a possibility that houses might be demolished, asked what plans did the Council have to compensate or rehouse private property owners after Regeneration.

Councillor O'Neill provided a written response which, in summary referred to the statutory guidelines which applied which would be strictly adhered to. The Regeneration Team, in conjunction with communities, would develop a response for Council tenants, owner occupiers, private tenants and landlords as part of the regeneration plan. If the programme involved redevelopment and replacing existing houses with new ones, the Team would meet with all residents impacted to individually determine the best outcome for them, within the limits of available funding.

As a supplementary question Mr Boatwright, asked what legal documentation would be generated for signature by individual residents to confirm this approach.

In response Councillor O'Neill said that the project was not that well developed, so at this stage it was impossible to say.

Ms L Berry (Tinkers Bridge Residents Association)

Ms Berry asked whether in Year One Mears Group would have identified land, costed its development and assessed the profit to be accrued and if so would the public have access to this information.

Ms Berry also asked how the development would be correlated with the Council's PlanMK.

Councillor O'Neill provided a written response which, in summary outlined that the Partnership would assess stock condition across all of the Council owned housing stock. This data would be used to establish likely funding requirements and what made best investment sense in terms of achieving value for money. Only after that time could there be meaningful detailed discussion with that community. Any proposals would need to comply with Plan:MK and other legislative requirements.

Mr D Lee (Tinkers Bridge Residents Association)

Mr Lee asked if an estate was not selected for immediate regeneration, what measures would be put in place to ensure that the estate was not neglected in the meantime and what minimum standards of maintenance could residents expected for the houses in terms of ensuring that they were free from water ingress, mould and other issues which would causing deterioration to the property.

Councillor O'Neill provided a written response which, in summary outlined that the Partnership would deliver the repairs and maintenance of all Council owned properties, including those in priority areas not earmarked for immediate regeneration activity. In all cases properties would be maintained to an acceptable standard and planned investment decisions would reflect the needs identified in the detailed stock condition survey.

Councillor O'Neill also stated that services to support employment and community development, specifically the Neighbourhood Employment and Community Partnership Programmes, would continue in all priority areas regardless of the regeneration programme.

As a supplementary question Mr Lee asked if there was a written definition of 'acceptable standard' and also sought confirmation that the streets, including trees, would also continue to be maintained.

Councillor O'Neill pointed out that landscape maintenance was carried out by Woughton Community Council. In terms of roads and pathways Councillor O'Neill encouraged the continued reporting of defects as these should be repaired. As far as housing was concerned the Council was required to comply with the Decent

Homes Standard. Councillor O'Neill undertook to make details available of the Statutory requirements in respect of Council housing.

Councillor Marland reiterated that repairs and maintenance would continue to be carried out on regeneration estates, including repairs to the highway.

Mr Orr also asked about whether any expenditure on car parking projects or landscape maintenance in Tinkers Bridge had been deferred, or would be withdrawn as a consequence of the impending regeneration project.

Councillor Marland clarified that he expected any planned capital schemes, such as redeveloping garage sites, or creating new parking areas to be deferred to allow the RegenerationMK Project the maximum flexibility over the use of the land for the benefit of the Project.

The Cabinet also heard from three members of the public who raised concerns about the following issues:

- (a) The levels of ongoing maintenance of pavements and trees and parking on verges;
- (b) The future of the Tenants' Building Services Group;
- (c) The accuracy of the maps showing the potential Regeneration Areas which were being considered by the Cabinet;
- (d) Community involvement with the Regeneration Partnership Board;
- (e) The validity of the Lakes Estate Neighbourhood Plan as few people had participated in its preparation and its currency if the Estate was not to be redeveloped for a number of years;
- (f) future maintenance works to Serpentine Court;
- (g) the status of the Partnership and the difference between that and an Arm's Length Management Organisation (ALMO); and
- (h) the need for a further stock condition survey.

Councillor Marland asked Councillor O'Neill to take up the issue of vehicles parking on highway verges in Tinkers Bridge, both as a Ward Councillor and as Chair of SaferMK.

Councillor O'Neill responded to the points raised and stated that she personally welcomed the continuation of the Tenants' Building Services Group as she believed it did good work and provided an important input from tenants.

Councillor O'Neill recognised the issues around the Lakes Estate Neighbourhood Plan and the need to encourage involvement from the community in the regeneration process. Both Councillor O'Neill and Councillor Marland pointed out that any planning documents adopted after the Neighbourhood Plan would supersede the Plan, but the Plan would still be considered as part of the Plan:MK process.

Councillor O'Neill stressed that the regeneration project was a partnership which an ALMO was not. Also the previous stock condition survey was only a sample so could not be used in this instance.

Councillor Marland stressed that the regeneration project was a partnership with Mears Group. Mears Group would also be undertaking the maintenance of Council housing properties, but the two were quite separate and no council owned stock would transfer to Mears Group.

The Cabinet also heard from Councillors Morris, Burke, Bint, Bald, R Gifford and Long, who, amongst other matters, raised the following issues:

- (a) the importance of not forgetting the people and prosperity aspect of the regeneration which was at least as important as improving the housing;
- (b) the recent Bradwell Stock Condition Survey and whether or not it could be used to inform the regeneration project;
- (c) the availability of figures setting out the likely number of properties to be redeveloped;
- (d) whether residents would be able to veto any developments in their areas similar to how residents in regeneration areas appeared to be able to veto the regeneration plans;
- (e) the need for greater clarity around the governance arrangements and the relationship between the Limited Liability Partnership and the Council;
- (f) the importance of ensuring that the project improved life chances for residents in the long term; and
- (g) the contribution working with Mears Group in partnership would make to the Council's overall experience of good partnership working.

Councillor Marland stated that this decision was the beginning of a very important process and was one of the biggest decisions ever taken by the Council. Both he and Councillor O'Neill stressed that the regeneration would be community led and there was no intention to breakup existing communities.

**RESOLVED:**

1. That the selection of Mears Group Plc (Mears) to form a joint venture Partnership with Milton Keynes Council be approved to deliver the following range of activities:
  - (a) regeneration activities in the priority areas;
  - (b) total asset management of all Council owned housing stock; and

- (c) development opportunities on Council Housing revenue Account owned sites in non-priority regeneration areas.
- 2. That the Corporate Director - Place, in consultation with the Leader of the Council and the Cabinet member for Housing and Regeneration, be authorised, in respect of the contract documentation to:
  - (a) make any minor amendments to reflect the proposal; and
  - (b) sign on behalf of the Council.
- 3. That the Repairs and Maintenance contracts for reactive and planned investment works be awarded to Mears, to be managed by the Partnership.
- 4. That the Council be recommended to agree:
  - (a) To the governance for the project being provided through a Main Board appointed by the Council;
  - (b) That the Regeneration Business Plan and Strategy be added to the list of Policy Framework documents included in Article 4 of the Constitution; and
  - (c) To establish a politically balanced committee which will:
    - (i) Recruit qualified individuals to represent the Council on the Main Board;
    - (ii) Have the power to remove its representatives from the Board for poor performance or misconduct;
    - (iii) Have oversight of the annual Business Plan review process; and
    - (iv) Report (at least annually) to Cabinet and Council on the performance against Business Plan.
- 5. That the Council use its statutory powers to support the delivery of the regeneration proposals.
- 6. That the use of Housing Revenue Account and, including potential disposal, be delegated to the Partnership noting the retained controls over best consideration.

## **C116**

### **COUNCILLORS' QUESTIONS**

Question from Councillor Bint to Councillor Marland (Leader of the Council)

Councillor Bint, referring to the parking permit provision, ask Councillor Marland if he or an appropriate officer colleague could provide a briefing note on when it is acceptable for the Cabinet to disregard a decision of the Council, with particular reference to the

decisions of the Council in February 2015 to implement a new parking strategy; which had not happened, the provision of 1000 more car parking spaces; which had not happened and the restoration of one off funding to the base budget, which also had not happened.

Councillor Marland stated that he believed the assertion to be an arguable point which could be discussed by the Council at an appropriate time.

THE CHAIR CLOSED THE MEETING AT 7.47 PM

DRAFT