

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)

Board Meeting

5th July 2021

10:30 – 13:00

Council Chamber & Video Conference via MS Teams

Board Members Present:

Michael Bracey, Chief Executive MKC, (MB)
Nicola Sawford, Independent Chair, (NS)
Bernadette Conroy, Independent Board Member, (BC)
Huw Lewis, Independent Board Member, (HL)
Steve Mallen, Independent Board Member, (SM)
Roger Bell, Independent Board Member, (RB)
Cllr Rob Middleton, (RM) **From Item 6**
Cllr Jenni Ferrans, (JF)
Cllr David Hopkins, (DH)

In Attendance:

Tracey Aldworth, MKDP, Managing Director (TA)
Mike Clarke, Independent Committee Member, (MC)
Matthew Green, MKDP, Property Development Director, (MG)
Tim Roxburgh, MKDP, Special Projects Director, (TR)
Kath Corbett, MKDP, Chief Finance Officer, (KC)
Ellenor Scott, Trainee Solicitor, MKC, (ESc)
Emma Staffell, Finance Business Partner, MKC (ESt)
Allison Pettifer, MKDP, Secretary to the Board, (AP)

Item		Action
	The Chair introduced and welcomed Kath Corbett, new CFO, to MKDP and the Board.	
1	Apologies:	
	None	
2	Declarations of Interest:	
	Cllr Middleton declared an interest in item 7.4, Agora Redevelopment in that the Agora sits within his Ward and the Cabinet member proposing it to full Council.	
3	Previous Board Minutes:	
	The minutes of the meeting held 24.5.21 were approved. Matters arising: All actions were completed or form part of the agenda. Several actions assigned to the previous CFO will be reassigned.	
4	Sub Committee Minutes:	
4.1	Finance Audit & Governance - 12.5.21 - The Board noted the minutes and were advised that all actions had been completed or remain as work in progress.	
4.2	Property Projects & Investment 14.5.21 - The Board noted the minutes and were advised that all actions had been completed. Matters Arising: Covid Testing Site: Post meeting note: Following the May sub-committee, the Dept of Health were advised of MKDP's agreement to the removal of the break clause. A revised draft lease was issued to MKDP, which was commented on with some minor revisions made. A revised plan	

	and background detail requested that was not on file from the original lease (Traffic Management Plan, schedule of condition). The Traffic Management plan has now been received with the schedule of condition video link to follow. Responses to Kevin Monkton comments anticipated shortly. Lawyers appointed to cast their eye over the lease to ensure no loopholes.	
4.3	<p>Matter Arising – MD Delegations: In order to address the outstanding matter of the MD Delegations Board approved the addition of Managing Director where reference is made to the Chief Executive to the schemes of delegation for items inside budget.</p> <p>Board requested the Company Secretary function to:</p> <ol style="list-style-type: none"> 1 Tidy inconsistencies ie levels of OJEU 2 Review ultra vires decisions and confirm 3 Conflicts of interest of the MD role to be monitored 	ESc
MATTERS FOR DISCUSSION & APPROVAL		
5	MKDP Strategy:	
	<p>The final draft of the strategy document was presented and approved by the Board. The next stage is to prepare the more detailed Business Plan for approval by Board in September 2021.</p> <p>Actions:</p> <ol style="list-style-type: none"> 1. Strategy document to be circulated to the Board which includes recent comments received. 2. Review timetable to be incorporated. 3. Include financial/economic numbers to assist with trade-offs. <p>Comments:</p> <ul style="list-style-type: none"> • A concern was expressed at the level of resources for both the LHC and MKDP. • Moving forward need to be mindful of the change of direction and of the whole agenda that MKDP has eg: LHC; generating value; placemaking; commercial. • LHC timings: It was confirmed that MKDP will know where it stands with the LHC and with the Regulator before the first properties will be available, (c2.5/3 years at best). If the LHC doesn't happen at the appropriate time, say for example if registration as a provider of social housing was not achieved or delayed, then MKDP could either continue with its historic approach and sell the homes to another register provider or, if the homes were not grant funded and able to be held outside a registered provider, choose to hold them and let them as unregulated affordable housing. 	TA
6	Finance Report:	
	<p>The Financial performance for the 2 months ended 31.5.21: The report was considered and noted. The Board noted that MKDP have performed better than budget due to an uplift in parking income.</p> <p>Financial Results to year ended 31.3.21: The Audit is moving forward. The strategic report is to be worked on following the framework used last year with Inter Direct. Board were invited to note that the Pension Liability had increased significantly due to changes in Financial Assumptions. The Pension report is still under reviewed. The Chair requested it be reviewed by FAGsc at the end of July.</p>	KC/Est

	<p>Board requested future reporting of the Financial Results to show total staff costs against budgets before capitalisation as well as the net revenue impact.</p> <p>External Audit: It is proposed that Hillier Hopkins attend FAGsc in September to present their findings.</p> <p>Financial Statements: To be presented to FAGsc in September with approval from Board in September. Board were advised that significant work is required on the narrative and design of the accounts.</p> <p>Distribution of profits (known as the dividend): Outstanding whilst DevelopMK Ltd confirm where the payment should be made.</p>	
7	Property Matters:	
7.1	<p>Campbell Wharf – Bulk Sale & Replan: The Board were asked to consider approval of</p> <ul style="list-style-type: none"> • The replan of Block 5, increasing the units from 66 to 85. • Bulk Sale of Block 4, which contains 79 open market units. The intention is to let the units to key workers through a discounted rent PRS Fund. It was noted by Board that the freehold of the land would transfer out of the current building lease to the Fund ahead of completion but with a development agreement obligating delivery. <p>Following a robust discussion around policy compliance; positive financial appraisals; PR, Board gave their approval.</p> <p>Board also approved the delegation to the Chair and Executive for approval of the Block 5 planning application and legal documentation of the block 4 bulk sale.</p>	
7.2	<p>B3.3N – CMK:</p> <p>Following a presentation by Sterling/MODA on the plans for the site, PPIsc gave their support for the scheme to proceed on the condition they be held to the timing in the Planning Performance Agreement (PPA).</p> <p>Board were updated that since the presentation there had been good progress on the project and the PPA had been signed and the timetable set out. Detailed planning application is to be submitted by December 2021</p> <p>With commitment from both Developers to a full PPA timetable and credible offers of funding, the Board Approved the request to update the exiting contract to include the PPA deadlines and the plans presented are used as the Approved Plans for the contract. Board also gave their approval of any minor variations to be delegated to the Chair and Executive.</p> <p>A watching brief on the effect that the amount of PRS being delivered within CMK is having to be maintained with Savills to be commissioned to refresh their original report.</p>	
7.3	<p>Kents Hill:</p> <p>Following the marketing exercise a total of 11 bids were received and subjected to an extensive bid scoring process incorporating input from MKC Housing and the</p>	

	<p>Urban Design team resulting in 2 very strong contenders. The Board reviewed the evidence and confirmed their support for the preferred developer.</p> <p>Board gave their approval of the recommendations to</p> <ul style="list-style-type: none"> • Appoint Taylor Wimpey as the preferred developer • Delegation of approval of the Head of Terms and the instruction of solicitors to the PPI subcommittee. <p>On a point of process, it was confirmed that through the robust consultation processes on Kent Hill, neighbouring businesses were invited to share their views.</p>	
7.4	<p>Agora – Wolverton:</p> <p>MKC has requested that MKDP assists in holding the residential element of this part of the Council Plan priority project in the centre of Wolverton. MKC have requested that MKDP takes a 50 year lease to aid the financing of the project. MKC are taking a report to cabinet and require MKDP's confirmation of taking on the lease. Board members expressed a concern at the length of the term and felt it to be at the top end in terms of viability.</p> <p>Due diligence: Due to the very high-level nature and lack of information regarding the scheme, MKDP's approval to commit to the project is carefully caveated on a significant amount of due diligence/guarantees from MKC. It was noted that the commercial element of the scheme had been removed from the proposed lease from MKDP to MKC. MKC take the risk on letting the commercial units. MKC guarantees that the scheme will be delivered in an appropriate form thereby taking all the development risk. MKDP to complete the lease once the full scheme has been delivered.</p> <p>The recommendation is to approve confirmation to MKC that, subject to the necessary due diligence on the product offered and its delivery processes, MKDP will commit to the 50 year lease on the basis of the proposal offered. The Board approved the recommendation.</p>	
8	<p>CMK Update: The Board noted the following updates</p> <ul style="list-style-type: none"> • City Gateway: Block A and Station Square. Political discussions are ongoing. • Midsummer Boulevard East <ul style="list-style-type: none"> ○ Open Market revitalisation ○ Operational approaches ○ A paper to PPIsc on the options and level of cost to be presented at the end of the month. • The Point: The Executive advised that the MKDP offer had been received by Hammersons but was not accepted. • R:CMK strategy development: Report to be submitted to PPI in July with delivery approaches to be presented to Board in September. 	<p>TR</p> <p>TR</p>
9	Reports:	
9.1	<p>Chair's report:</p> <p>The Board were apprised of activity undertaken, which covered meetings on Strategy, Placemaking, Agora Redevelopment and the convening of the Nom & Rems subcommittee. In addition, the Chair had been invited to be involved in the MK</p>	

	<p>Justice Centre and be part of the Council's stakeholder panel for the Director of Planning, Strategic Transport and Placemaking.</p> <p>The Board members were reminded to respond, if not done so already, to the survey on future meetings.</p> <p>The Chair mentioned recent webinars on the residential market and particularly the new entrant funding in the social housing sector which could be useful for a future Learning & Development matter for the Board.</p>	
9.2	<p>MD's Report: Several matters for noting were brought to the attention of the Board.</p> <p>Council Plan: A number of actions within the recently adopted plan were brought to the Board's attention. MKDP Executive will be working with MK Council colleagues to set out how MKDP can contribute to the actions where MKDP are expected to be involved.</p> <p>Communications, Media & Marketing Plan: External support is to be procured to produce a marketing plan with a pipeline of positive messages. The Board supported the communications objectives.</p> <p>LHC: Final legal checks are in train prior to taking to Cabinet on the 13th July.</p> <p>Property Management Function: The initial phase of transferring MKDP properties to MKC continues with the second phase of properties passing across by the end of September 2021. The Board noted that the existing MKDP ERP system and bank account are being utilised. A request for PPI to request from MKC good compliance reporting stats.</p> <p>Staffing update: Recruitment of potential candidates to support the team for the next 6-9 months continues to replace 2 leavers at the end of July 2021.</p>	
9.3	<p>Chief Executive Update MKC: Regional Working: Board were advised that the review of the Local Enterprise Partnership (LEP) by Government concludes the end of July. Some of the responsibilities are like to move to local authorities.</p> <p>Government have requested MKC to submit a range of proposals for investments for the central areas - 6 Councils between Oxford and Cambridge. MK:U and Transit are MKC's main events.</p>	
10	AOB	
	<p>The Board meeting of the 16th August is to be cancelled. Any urgent matters that need Board approval will be circulated by email.</p>	
11	Board Only Item	
	The Board were updated on employment matters covered at recent R&N meetings.	

	Huw Lewis' term comes to an end on 31 July 2021. R&N recommended that this be extended by 6 months to tie in with the governance review. The Board unanimously agreed the recommendation to extend Huw Lewis' term to 31 January 2022.	
	NEXT MEETINGS: 16 th August 2021, 10:30 - 12:30 (subsequently cancelled) 27 th September 2021, 10:30 - 12:30 8 th November 2021, 10:30 -12:30 20 th December 2021, 10:30 - 12:30	

Confirmed as a true record of the meeting of the Board held on 5th July 2021 and published in accordance with the Freedom of Information Act 2000.

Nicola Sawford

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Independent Chair