

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)

Board Meeting

27th September 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, Solicitor, MKC, (ESc)
Allison Pettifer, MKDP, Secretary to the Board, (AP)

Item		Action
1	Apologies:	
	None	
2	Declarations of Interest:	
	No declarations were received.	
3	Previous Board Minutes:	
	Board meeting 5.7.21: Due to a confusion with the minutes the actions were reviewed. An amended set of minutes will be circulated by email for approval. <i>Post meeting note: The correct version of the minutes was circulated to the Board. No comments were received and thereby approved.</i> Actions/matters arising: Item 4.3 Delegations: The Company Secretary advised that any inconsistencies in the delegations would be addressed as part of the governance review however, it was confirmed to Board that following Brexit OJEU limits no longer applied, and a new tendering service is now in force. Item 6: Pension report. It was confirmed that the report had been circulated and finalised. Item 8: CMK Update: See report to this Board item 10	
4	Sub Committee Minutes:	
4.1	Finance Audit & Governance subcommittee: The minutes of the 14/5/21 were noted by Board on the 5/7/21.	

	<p>The minutes of the meeting held 10.9.21 were not available for comment and will be presented at the next Board meeting for noting. In summary, the 3 key items of discussion were around Management Accounts; Internal Audit; and Governance in relation to the policy check list.</p> <p>Governance: Board were advised that future FAG subcommittee meetings will focus on Risk, Audit & Governance with Finance papers being presented to Board. The Terms of Reference for FAGsc are to be amended.</p> <p>Matters arising: LHC Financial reporting: As the LHC develops, the governance and the updated financials will be presented to Board.</p> <p>The Financial Accounts: Draft financial statements commentary to be circulated to Board for comment.</p>	<p>KC/ES</p> <p>KC</p>
4.2	<p>Property Projects & Investments subcommittee: 30th July 2021. The Board noted the minutes and were advised that all actions had been completed or form part of the Board agenda.</p> <p>Matters arising/Updates: Agora update: Resolution to grant planning received. Employers Agent to review the employer’s requirement appointed. Lawyers appointed. More detailed HoTs to be presented at the next Board. An update on due diligence will also be included.</p> <p>Bletchley South, Phelps Lane: Discussions are ongoing. As per the minutes due to timing issues an email to Board for consent is likely.</p> <p>Thirlby Lane: The Parish Council have confirmed they do not want the land.</p> <p>B4 Testing Site: It was confirmed the lease had been signed.</p> <p>CMK Market: Tenders imminent will then be evaluated. When a contractor is appointed the final sign designs will be shared with Board. The designs shared at PPI were indicative.</p>	<p>MG</p>
5	MKDP Strategy/1st Draft Business Plan:	
	<p>The paper was taken as read. The timeline for sign off is February 2022 by Cabinet/Delegated Decision.</p> <p>Comments: Commercial Opportunities: Requirement to include within the business plan ‘future developments such as BP Chargemaster to be an option’. Resource Planning: Currently understated. Tone: Our Intention versus we will Health & Safety compliance needs to be emphasised more. LHC Structure: The structure is different to the original financial model which assumed fixed rent to the LHC. The structure proposed is based on a loan repayment model back to MKDP and a long lease arrangement which is more akin to what the Regulators prefer.</p>	

	In summary, the Board noted that the business plan has a stronger, more robust, and more focused approach than in previous years. The Board were requested to send through comments and further questions to KC who will summarise them and then share a revised version in order that Members can see what has been raised.	
6	LHC Update:	
	<p>The paper was taken as read.</p> <p>Setting up the LHC is moving at pace. The Board were asked to email any items that they require input on or need bringing attention to the Board in the interim. The Board were given the opportunity to ask questions.</p> <p>Questions: At what point do you set up the LHC Board? Following the Council taking the delegated decision to set up the LHC under MKDP, the company will be set up at Companies House. For the first stage application to the Regulator only a small Board is required, this will consist of NS and BC, as suggested by MKC as both are known to the Regulator as current Chairs of Registered Providers. Full Board is not required until stage 2 of the process.</p>	
7	Finance Matters:	
	<p>The paper was taken as read.</p> <p>It was confirmed to Board that the report shows the capitalised staff costs separately from the revenue staff budget. It also includes an updated disposal forecast in terms of capitalised receipts.</p> <p>Updates were provided on the following: Pinder House: Christies interim financial update indicates that they have a strong cash position and have more than returned to their post covid revenue position. A meeting has been suggested.</p> <p>Ritagate: Discussions regarding CMK Market are ongoing.</p>	
8	Governance Matters:	
8.1	<p>Internal Audit Service Level Agreement.</p> <p>The paper was taken as read.</p> <p>The Board were asked to consider the following recommendations:</p> <ol style="list-style-type: none"> 1. Agree to enter into the Internal Audit Service Level Agreement 2. Agree the 24 month Internal Audit plan 3. Delegate the annual review and approval of the Internal Audit Service Level Agreement and the quarterly review of the Internal Audit plan to FAGsc. <p>Comments received: Statutory compliance to be included for MKDP and the LHC.</p> <p>The Board approved the recommendations subject to the inclusion of the Statutory Compliance matter.</p>	KC

9	Property Matters:	
9.1	<p>Campbell Park Northside: The Board were requested to approve the change of contracting entity to Urban Splash Group Holdings Ltd for the Campbell Park Northside contract. The switch is due to internal restructuring and has no material impact on MKDP.</p> <p>Board approved the change of entity.</p>	
9.2	<p>Grafton Park: Grafton Park was acquired as part of HCA portfolio by MKDP in 2013. It is a district park not a development site. There are several issues with the current management of the site. The request to Board is to agree that dialogue can commence on the disposal of the land (long leasehold/freehold) to MKC to manage more appropriately in line with its Council Plan objectives, environmental and bio-diversity agenda. Restrictions will be applied against future development or clawback protecting MKDP's position.</p> <p>Comments:</p> <ul style="list-style-type: none"> • Future Funding Opportunities: Green/ESG credentials to be documented. Long lease rather than freehold. • Review of the process to transfer assets to MKC to make it more efficient taking into account that MKDP is a separate entity. <p>The Board approved in principle the disposal/transfer of Grafton Park to MKC at nil land value with absolute restrictions on development.</p>	
10	R:CMK	
	<p>The Board noted the paper. City Gateway/Station Square: The Modernist Glade formal opening is 30.9.21. Board Members were extended an invitation to attend.</p> <p>Open Market: Initial enhancement works still on target to be completed pre-Christmas. Budget to reviewed.</p> <p>Market Management: Retendering of the market management is on going.</p> <p>Delivery Approaches: The MHCLG 'delivery vehicle' funding referenced in MKDP's MD report is being considered. Dialogue continues with potential partners to understand the appetite and market driven preferences. Outline proposals to be presented to PPI with more detail to board.</p> <p>R:CMK Strategy and Narrative: Liaising with Paul Thomas, MKC Director of Planning.</p> <p>The matter of the transport study for CMK was raised by JF. It was acknowledged that sorting out the transport position is considered fundamental.</p>	
11	Reports:	
11.1	<p>Chair's report (verbal): A summary of meetings attended was provided.</p> <ul style="list-style-type: none"> • The Parks Trust meeting scheduled for 27/9/21 is to be rearranged. • Meeting with Roz Bird of MEPC is to be arranged. • Attending the opening of the University based at Bouverie House. 	

	<ul style="list-style-type: none"> • LHC: Work continues around the structure of the LHC. • Justice Quarter: NS and TR are attending the working group meetings and providing assistance to MKC. • Personnel and Governance matters. • Press/Comms: LHC, Modernist Glade, Bouverie House, to be stepped up. 	
11.2	<p>MD's Report:</p> <ul style="list-style-type: none"> • Staffing Update: Several appointments have been made. • Delivery Mechanisms Project: MKC secured funding from Government of £665k. The funding will enable MKC to explore and establish the necessary delivery mechanisms that will ensure that MK has the powers and resources in place to deliver sustained levels of growth. • PR & Comms: Appointment of Julie Clay has been made. • Property Management: Progress continues with the arrangements that will enable the transfer of the function to MKC. Recruitment of a MKDP Property Manager to replace Kevin Monkton, has commenced. <p>Comments: Property Management: Accountability comes back to MKDP. Marketing & Comms: City wide positioning to be progressed.</p>	
11.3	<p>Chief Executive Update MKC (verbal):</p> <p>MK:U: Board Members were advised that 40 trainees start at Bouverie House in the next couple of weeks. Santander are the largest organisation involved.</p> <p>Growth Deal Bid: The request for £100m from Government is included in the growth deal bid that MKC are putting forward for the spending review on the 28/10/21. MKC are playing a leading role in the Regional Bid. The MK:U development is the most advanced business case. However, a change of Minister and changes to the Department of Levelling up and what that means for the central area growth deal is unknown. If MKC are not successful, then there will need to be a review of future options.</p>	
11.4	<p>Proposed Future Meeting Schedule:</p> <p>Following the recent survey on meeting arrangements, changes to the meeting schedule were proposed. The key changes are:</p> <ul style="list-style-type: none"> • Board meetings move from a Monday to a Tuesday. • Finance Audit & Governance changes to Risk, Audit and Governance for which the terms of reference will be amended and will be held once a quarter. <p>Any issues with the proposed dates to be highlight to AP. Any urgent matters that require subcommittee, FAGsc and PPIsc input will be emailed.</p> <p>The schedule was supported by the Board.</p> <p><i>Post meeting note: A change to the proposed schedule: PPIsc will take place on the 22/10/21. As per the original schedule the 8/11/21 remains as a Board meeting. The 3/12/21 is a Board meeting.</i></p>	
12	AOB	
12.1	Board Meetings: Future Board meetings to be held in person.	

12.2	ARC Response: MKDP's response has been drafted. To be circulated to the Board. Comments requested by 4/10/21 to meet the deadline.	TA/AP ALL
12.3	Board only Item: The Executive apart from TA left the meeting at this point.	
	NEXT MEETINGS: 8 th November 2021, 10:30 -12:30 3 rd December 2021, 10:30 - 12:30	

Confirmed as a true extract from the Minutes of the meeting of the Board held on 27th September 2021 and published in accordance with the Freedom of Information Act 2021.

Nicola Sawford

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Independent Chair