

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)
Board Meeting
3rd December 10:30 – 13:30
Bouverie House, Silbury Boulevard, Milton Keynes

Board Members Present:

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

In Attendance:

Tracey Aldworth, MKDP, Managing Director (TA)
 Mike Clarke, Independent Committee Member, (MC)
 Julie Clay, PR & Comms Consultant, MKDP from 12:15
 Kath Corbett, MKDP, Chief Finance Officer, (KC)
 Matthew Green, MKDP, Property Development Director, (MG)
 Allison Pettifer, MKDP, Secretary to the Board, (AP)
 Tim Roxburgh, MKDP, Special Projects Director, (TR)
 Ellenor Scott, Solicitor, MKC, (ES)

Item		Action
1	Apologies:	
	None	
2	Declarations of Interest:	
	Cllr D Hopkins declared a personal interest in item 5.1 – Wavendon Gate.	
3	Previous Board Minutes:	
	The minutes of the meeting held on the 8.11.21 were approved with no matters arising. All actions were confirmed as complete or form part of the agenda.	
4	Finance Matters:	
4.1	Finance Report - Verbal update: The Board were advised that the managements accounts as reported to the 8.11.21 meeting remain unchanged.	
4.2	Financial Accounts: The Financial Accounts were not available for sign off by the Board. The Executive continues to work through the issues highlighted by the Auditors. Assurances were given that the accounts were on track to be filed by the end of December. KC is aiming for signoff on the 17.12.21. The Board were advised of the following timescales: <ul style="list-style-type: none"> • Final wording of the financial statements, by close of day 8.12.21 • Late date for changes to the numbers, by close of day 10.12.21 • Final wording of the going concern, numbers, and wording, also by close of day 8.12.21 	

	<p>Board approval will follow the by email process. The Chair requested a review of the current protocol for emergency approvals.</p> <p>The Board accepted the debt write-off position; requested Risk Audit & Governance subcommittee to review the financial controls and asked for The Audit Findings report to be circulated.</p>	<p>KC/ES</p> <p>KC</p>
4.3	<p>Business Plan: The paper was taken as read. The Board were asked to make comments and agree: -</p> <ol style="list-style-type: none"> 1 The Economic assumptions to be used in the financial modelling and the proposed stress testing scenarios. 2 Note the proposal to circulate a questionnaire to enable an initial risk appetite to be developed for the business plan <p>Economic Assumptions: The Board considered the 2 scenarios (Loss of business confidence and high inflation rates) and requested the Executive to review:</p> <ul style="list-style-type: none"> • Staff overheads • Decrease in valuation: See what market data is available to assist with the longer-term impact and consider commissioning if necessary. • That for internal purposes the financial forecasts be extended to 10 years. <p>Property Costs: KC informed Board that additional property costs for running the LHC would be allowed for in the LHC's business plan.</p> <p>Risk Appetite:</p> <ul style="list-style-type: none"> • Board agreed the approach; a questionnaire will be circulated to Board to ascertain individual Board Members risk appetite for MKDP. The results will then be discussed at a Board meeting to agree MKDP's risk appetite. <p>The Board agreed the financial modelling and proposed stress testing scenarios subject to the points made.</p>	<p>TA/KC</p> <p>KC</p>
4.4	<p>LHC Update Including Charitable Objectives: The Board considered:</p> <ol style="list-style-type: none"> 1 Charitable Objectives as set out in the paper. It was felt that the objectives were tight/narrow and do not give sufficient flexibility for the future. The Board did not approve the objectives as currently drafted. The Executive were requested to go back to Trowers and request a revised set of objectives that provide flexibility and covers affordable homes to meet the needs of the local community. The revised objectives to be available for circulation on 6/12/21. Approval of the final objectives to be via email. 2 The Board agreed the composition of the working group for the LHC as discussed at the LHC. The composition being Nicola Sawford, Bernadette Conroy, Kath Corbett and Tracey Aldworth. 3 Company Articles for the Registration of the LHC: The Board noted the draft model Articles of Association for the LHC and agreed to send any suggestions for future amendments offline. 	

5	Property Matters:	
5.1	<p>Church Farm, Wavendon: Cllr D Hopkins declared a conflict and left the room for this item.</p> <p>The Board approved the recommendation to progress the transfer of the initial access rights to Homes England for phase 1 and the subsequent movement of the ransom strip to Phase 2. The detailed structure and heads of terms approval was delegated to the Chair and MD due to timing however any significant changes would be deferred back to Board.</p>	
5.2	<p>MK Gateway Price adjustment: First Base have put forward a request to trigger a mechanism in the contract to reduce the purchase price in line with the S106 increase. The level of the purchase price was such that the increase in S106 contributions still returns a favourable receipt for both MKC and MKDP.</p> <p>The Board approved the amended purchase price and the delegation of any minor variations allowing for further movements in the S106 ahead of completion to the Chair and MD.</p>	
5.3	<p>Phelps Road, Bletchley: MKC wishes to use the MKDP land for residential development as part of the Lakes Estate regeneration programme. An option to acquire an interest in the land is required to enable them to receive an undertaking for grant of a planning consent for the overall scheme.</p> <p>The Board approved the recommendation to dispose the land to Milton Keynes Council by way of a flexible option agreement as proposed.</p>	
5.4	<p>Verbal Update provided on:</p> <ul style="list-style-type: none"> I. Agora Centre: Discussion are ongoing. The scheme is changing and when settled a further paper will be brought back to Board. II. Bletchley Acquisition: The acquisition continues to move forwards and it is hoped to complete before Christmas. The current owners have improved the arrears position. Any remaining arrears will be bought out depending on the strength of covenants. III. Shenley Wood: Due to delays in progressing the transaction (a contract was not signed) a refreshed valuation has been necessary. The valuers have stated commercial land values have significantly increased nationally and have stated the land at Shenley Wood has at least doubled. The Board discussed whether there was anything else that could be done but concluded it was not possible to offer any discount. RB requested the Executive to review the portfolio and explore the benefits of bringing any commercial land to the market at this time. IV. Walton: MKDP has been progressing the design of a new roundabout with MKC Highways. The detailed design for the roundabout is complete with a S73 application made to MKC Planning in July 2021 pending a delegated decision and a DoV to the S106 documentation. The DD has been delayed due to resourcing issues. Quotes have been received for the statutory service diversions. The quotes are valid until the end of December. Approval is requested from Board for MKDP to commit to the stat diversion works at risk, starting in the New Year, to take advantage of the quoted costs 	MG

	<p>now. The risk is if there is an issue with the application elements of the instructed works could be abortive. Board Approved the proposal.</p>	
5.5	<p>Oakgrove School surrender of lease: Board were asked to consider the following:</p> <ol style="list-style-type: none"> 1. A proposal to accept a surrender by MKDP of an underlease in the Oakgrove Leisure Centre 2. The surrender by MKDP of its headlease in Oakgrove Leisure Centre to be replaced by freehold covenants and/or clawback. <p>Previously the freehold was in the ownership of the Commissions for New Towns who transferred it to Milton Keynes Council who later transferred the free hold to the Kingsbridge Educational Trust. The headlease was transferred to MKDP in 2013 as part of the asset acquisition from the HCA.</p> <p>The Board approved the recommendations above and requested the Executive to check if there were any other similar leases. The Board were particularly concerned about H&S. This is to be picked up under the new property management approach.</p>	TR
5.6	<p>Shenley Wood – duplicate agenda item refer to item 5.4</p>	
5.7	<p>Property Management: The Board noted the update and agreed with the Executives recommendation that MKDP proceeds with MKC with property management on the basis that</p> <ol style="list-style-type: none"> 1 MKC confirm they can deliver the services in line with the indicative specification (attached to the paper. Board member comments were invited). 2 MKC satisfy MKDP on their resourcing, capability and ability to start in the near future. 3 Confirmation from MKC around the appropriateness of the database to be applied specifically that MKDP will have access; the ability to extract reports etc; data being capable of extraction and transfer (if necessary). 4 Confirmation of the fee basis. <p>The Executive agreed to provide a programme of timings as soon as possible, and certainly by the next Board meeting, for delivery of the transfer to MKC.</p>	TR
6	<p>R:CMK: CMK Market the Way Forward:</p> <p>The Board were asked to consider the following recommendations</p> <ol style="list-style-type: none"> 1. Note the updates referred to in the paper 2. Agree the way forward as set out in the paper 3. Approve an extension of Ritagate’s operational lease for a period of 12 months. The Board approved this recommendation. <p>Board suggested a conversation with MyMiltonKeynes regarding the market and possible visits to other markets such as Barnsley and Birmingham.</p>	
7	<p>PR & Comms: Board were supportive of the direction of travel of MKDP’s PR & Comms. A request was made to build MKDP awareness with Councillors.</p>	JC

8	Reports:	
8.1	Chair's report: Board were advised by the Chair that Board Member reviews are to be arranged. The Chair advised the Board that she had presented at the recent Oxcam Arc Growth conference.	
8.2	MD's Report: The Board noted the updates contained with her report. Board Members made comment on having the ability to contribute to the next phase of the update to the Members Agreement.	TA
8.3	MKC Chief Executive Report: No matters were brought forward.	
9	AOB	
9.1	There was a Board Member only item.	
	NEXT MEETINGS: 25 th January 2022, 10:30 - 12:30, Civic Office - Room 1.02 22 nd February 2022, 10:30 -12:30, Civic Office - Room 1.02 22 nd March 20221, 10:20 – 12:30, Civic Office - Room 1.02	

Confirmed as a true extract of the meeting of the Board held on 3rd December 2021 and published in accordance with the Freedom of Information Act 2000.

Nicola Sawford

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Independent Chair