

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)

Board Meeting

22.3.22

10:30 – 13:00

Room 1.02 Civic

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 Jenni Ferrans, (JF)
Cllr David Hopkins, (DH)

In Attendance:

Tracey Aldworth, MKDP, Managing Director (TA)
Kath Corbett, MKDP, Chief Finance Officer, (KC)
Matthew Green, MKDP, Property Development Director, (MG)
Tim Roxburgh, MKDP, Special Projects Director, (TR)
Ellenor Scott, Solicitor, MKC, (ES)
Allison Pettifer, MKDP, Secretary to the Board, (AP)

Item		Action
1	Apologies:	
	Cllr Rob Middleton Mike Clarke, Independent Committee Member	
2	Declarations of Interest:	
	N Sawford and B Conroy have a standing declaration of interest as Directors of the Local Housing Company (Milton Keynes Housing Company Ltd). Cllr D Hopkins: Declared an interest – Church Farm Wavendon item 5 in the PPIsc minutes dated 4.3.22 although he did not attend the meeting. T Roxburgh: Declared a possible interest in Pineham item 3 in the PPIsc minutes of the 4.3.22 due to his appointment to the Parks Trust. TR joins the Parks Trust 2.5.22.	
3	Previous Minutes:	
3.1	Board Minutes: The minutes of the meeting held on the 22.2.22 were approved with no matters arising. All actions were confirmed as complete or form part of the agenda. Matters Arising/Updates: B4 - Testing Site: The extension of the mutual break to the end of end of June 2022, from the end of March 2022, has been agreed with the DoH but has not been documented.	MG
3.2	Property, Projects & Investment subcommittee Minutes: Board noted the draft minutes from the meeting held on the 04.3.22.	

3.3.	<p>Nominations & Remuneration Subcommittee Minutes: The Board noted the minutes of the meeting held on the 10.3.22.</p> <p>Following notification that BC will be resigning from the MKDP Board and the MKHC Board effective from 31.3.22 due to a new role and a conflict of interest, a meeting of N&Rsc was convened to discuss both the consequences and the replacement representation.</p> <p>The Board were asked to approve the following:</p> <ol style="list-style-type: none"> 1. RGB to become the Chair of Noms & Rems Committee – Approved 2. MB to become a Noms & Rems Committee Member – Approved 3. The Board supported the recommendation to appoint HL to the MKHC Board on a short-term basis. The appointment will be ratified by the MKHC Board on the 20.4.22. Post meeting note: <i>MKHC Board member nomination was subsequently confirmed as RGB. The Board approved by email this appointment on the 30.3.22</i> <p>N&R Committee approved the pay award of 1.75% for 2021/22 for MKDP employees. N&R also approved another staffing pay matter.</p>	
4	Finance Matters:	
4.1	<p>Budget 2022/23: The Board received the proposed budget for the year ending 31.3.23. It was confirmed that the budget is in line with the forecast included within the Business Plan that was approved by the Council on the 22.2.22. The Board noted that there was no balance sheet forecast for 31.3.22 included.</p> <p>The CFO advised that for the July Board meeting the intention is to provide an update on the business plan that includes balance sheet forecasts and a longer term 10 year forecast. The CFO advised she wished to carry out an analysis of the historic distributable / non distributable reserves position to confirm the numbers including</p> <ul style="list-style-type: none"> • splitting out the element of the non-distributable reserves that related to revaluations • and the element of the non-distributable reserves that related to the pension fund • and the confirming that capitalised expenditure on sites sold had been correctly accounted for against the distributable reserves balance. <p>The CFO also advised that initial work on assets had identified a number of assets which had not been subject recently to an external valuation that appeared to be significantly understated. The CFO advised she needed to understand in detail both of these positions before being able to provide Board with a good balance sheet forecast that scenarios could meaningfully be run on.</p> <p>The Board acknowledged that there may be economic turbulence ahead and discussed the necessity of stress testing / carrying out sensitivity analysis on the LHC and applying the same tests to MKDP. The CFO advised that as far as possible various financial and resource scenarios from an MKDP perspective had been considered when formulating the risk register which is to be presented to Risk, Audit and Governance subcommittee on the 1.4.22. She advised that the LHC would in addition have its own risk register, run scenarios on its own business plan and that in addition to being good practice, this was expected by the Regulator.</p>	<p>KC</p> <p>KC</p>

	The Board approved the budget as presented.	
4.2	<p>Rent Collection: The Board received a comprehensive report on the debt position relating to rent collection on tenanted assets during COVID restrictions.</p> <p>The Board expressed concern about the debt position relating to the portfolio managed by Dexter Brown and noted that there remains a risk that further issues may emerge as the management of this section of the portfolio moves across to MKC.</p> <p>The Board noted the report and the proposal to bring a report on rent collection to Board on a quarterly basis.</p> <p>The Board noted that a reconciliation of unallocated payments and purchased arrears for the Brunel Centre is currently being undertaken.</p> <p>MB suggested reviewing the lessons learned on debt through COVID with Council colleagues.</p>	KC
5	Governance Matters:	
5.1	<p>EMLawshare Framework Agreements: The EM Lawshare is a Framework Agreement predominantly for Local Authorities but considers applications from other public bodies. MKDP would likely be accepted but will require approval via their Board. Entering the framework will mean the Executive will not need to receive 3 separate quotes prior to instructing. Operationally, MKDP could use lawyers who are not on the framework if necessary.</p> <p>The Board approved the request to enter the EM Lawshare Framework, delegating the detail to the Managing Director. Board requested the Executive to consider other frameworks delegating the entry into framework agreements to the Managing Director as part of the revised Procurement Policy. The Board were advised that revised procurement policy will be brought back to the May Board meeting.</p>	ES/KC
5.2	<p>Members Agreement: The Board considered the updated Members Agreement incorporating comments made at the workshop held on the 28th February 2022. The main changes were, a terminology change from 'market value' to 'best consideration', reserved matters relating to warranties and indemnities, Quorum. A further amendment is being submitted for approval this evening which if further/future amendments to the Members Agreement are necessary the MKDP Board Members must be consulted.</p> <p>BC left the room for the following item as she felt conflicted on the LHC process having just accepted a new role that conflicts her position on the LHC Board.</p> <p>Recruitment process of Board Members for the MKDP Board and LHC Board: An overview of the process was presented to the Board Members. Conflicted Board Members will have the standing declaration of interest as a Director of the Local Housing Company (Milton Keynes Housing Company Ltd).</p>	

	<p><u>Comments:</u></p> <ol style="list-style-type: none"> 1. Remuneration: Working capital loan for the LHC remuneration to be considered. 2. Recruitment: It was confirmed that there will be 2 processes undertaken for the recruitment of MKDP Board and for the LHC Board Members. Different consultants are to be used. The LHC Non-Executive Directors recruitment process will commence in April 2022 with interviews held in May 2022. The recruitment of the MKDP Board Members will commence in May 2022 with interviews held in July 2022. 3. Interview Process: A request for the MKC interview process to consider the inclusion of an ‘informal/fire side chat’ with Members will depend on availability and timescales. 4. Tenures: It was confirmed that those Board Members who’s tenures were due to expire would be extended to the 30.9.22 <p>The timeline and recruitment process was approved by the Board. RM submitted his support of the process via email to the Chair.</p>	<p>KC</p> <p>TA/ES</p> <p>TA/ES</p>
6	Property Matters:	
6.1	<p>Pineham HoTs: The transaction, and the agreement of the HOT’s were supported at the PP&I Sub-Committee on the 4.3.22.</p> <p>The Board approved the Heads of Terms and authorised documentation at the earliest opportunity subject to:</p> <ol style="list-style-type: none"> 1. Payment contributions toward the costs of construction of the new bell mouth should be subject to prior exchange of conditional contracts with MKC/MKPT. 2. The construction costs to be met by MKDP are to be submitted to Board for a separate approval. 3. The Chair and MD were granted delegated authority to agree any required non - material amendments during the legal negotiations to expedite an exchange of contract. 	TA/NS
6.2	<p>Shenley Wood A – HoTs Extra Care The Board approved</p> <ol style="list-style-type: none"> 1. The revised Heads of Terms for disposal of the northern parcel of Shenley Wood Site A. 2. Approved the request for the Chair and MD be granted delegated authority to agree any required non - material amendments during the legal negotiations to expedite an exchange of contract. <p>Board were advised that the bidders have confirmed they will not be going ahead with the purchase of the remaining parcel of the land.</p>	
6.3	<p>Walton Roundabout Capital Spend Approval: The Board acknowledged the progress made and the requirement to approve the required capital expenditure with flexibility being delegated for potential overspend subject to the stated limit. Any breach of this limit will be brought back to Board.</p> <p>Concerns were expressed that abnormal costs had not been specified, however, assurance was taken from MKC’s experience with Ringway.</p>	

	<p>The Board Approved:</p> <ol style="list-style-type: none"> 1. Capital Expenditure of £1.615m for the construction phase of the Groveway roundabout. 2. The issue of the corresponding Letter of Commitment (in a form approved by Solicitors). 3. Delegated Authority to the MD and Chair to approve any overspend items highlighted and evidenced by MKC Highways up to a limit of £2.5m. <p>The above approval is caveated on the receipt of planning approval prior to entering the Letter of Commitment.</p>	
7	R:CMK	
7.1	<p>CMK Market:</p> <p>The paper was taken as read and noted by the Board. The paper was supported by a presentation by Workman, MKDP's consultants.</p> <p>It was suggested that the principles / requirements for a re-specified new market operation, as already agreed and included in the G&S scheme, are reviewed before being included in the full specification for tender. It was also suggested we approach MyMK to see if they would be interested in running the market, in partnership with a prospective development partner.</p> <p>Notwithstanding these suggestions, the Board agreed the way forward as set out in the programme.</p>	
7.2	<p>Station Square – Development Brief:</p> <p>The Paper was taken as read</p> <p>The Board acknowledged that the transport exchange is difficult and noted that there are still 3 options on the table but there were concerns about how well option 3 would work in terms of the passenger environment created along the rear service lane. Following discussions with political members, Option 3/3A had been referenced as preferred.</p> <p>The Board were advised that meanwhile/short term solutions to enhance Station Square without prejudicing any of the options is to be considered in line with the opening of Unity Place.</p> <p>The Board agreed the approach regarding the options for the transport interchange and agreed the approach for the Development Brief with one abstention.</p>	TR/TL
8	Reports	
8.1	<p>Chair's Report:</p> <p>The Chair updated the Board on activity undertaken since the previous board meeting which included event planning for the Business briefing in May, Nominations & Remunerations activity, and attendance at the Business Achievements Awards as a guest of MKC.</p>	
8.2	<p>MD's report:</p> <p>The paper was taken as read.</p> <p>A further update on Health & Safety will be present to RAGsc on the 1.4.22.</p>	

	Bletchley Innovation Centre: Work on what it will be continues. If it were to be delivered it would be best placed on MKDP's site. Prior to activating the innovation centre, it has been suggested that the Brunel Centre could be used to test it.	
8.3	MKC Chief Executive's Report: MK:U: MKC have taken a delegated decision to extend its relationship with Cranfield University and Cranfield Council and continues to work together to explore options in the city centre.	
8	AOB	
8.1	An interim appointment of Teresa Lane has been made. Teresa will provide support to the Special Projects Team including the Asset Management area whilst the recruitment process for a new Special Projects Director continues.	
8.2	The Chair and the Board expressed their thanks to BC and wished her well in her new role.	
	NEXT MEETINGS: 24th May 2022: Room 1.02 – 10:30 – 13:00 28 th June 2022: Room 1.02 – 10:30 – 13:00 26 th July 2022: Room 1.02 – 10:30 – 13:00	

Confirmed as a true extract of the meeting of the Board held on 23rd March 2022 and published in accordance with the Freedom of Information Act 2000.

Nicola Sawford

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Independent Chair