

**MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)**

**Board Meeting**

**27.5.22**

**11:00 – 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)  
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)  
Teresa Lane, MKDP, Special Projects Director, (TL)  
Ellenor Scott, Solicitor, MKC, (ES)  
Allison Pettifer, MKDP, Secretary to the Board, (AP)

<b>Item</b>		<b>Action</b>
<b>1</b>	<b>Apologies:</b>	
	No apologies received	
<b>2</b>	<b>Declarations of Interest:</b>	
	Nicola Sawford is a Director of MKHC Roger Bell is a Director of MKHC Kathleen Corbett is the Lead Officer for MKHC Ellenor Scott is Company Secretary of MKHC Cllr David Hopkins reminded the Board of his interests as listed on his Register of Interest, particularly the land known as Iron Mongers Close, Wavendon. It was noted that he had no specific interest in any of the papers being presented to Board.	
<b>3</b>	<b>Previous Minutes:</b>	
3.1	Board Minutes: The minutes of the meeting held on the 22.3.22 were approved with no matters arising. All actions were confirmed as complete or form part of the agenda with the Finance actions being brought forward to the July Board.  Matters Arising/Updates: B4 Testing Site: As per the previous comments the documentation of the mutual break has not been completed however the operators are working towards an end of June exit. MKDP have advised them that there is an expectation for rent to be paid to the end of December as per the existing lease unless the documentation for the June break clause is documented. Procurement Policy: To be reviewed by RAGsc on the 01.07.22 and then Board 26.7.22 Recruitment of Board Members on track. Tenures: It was confirmed that the current Board Member tenures had been extended to the end of September 2022.	<b>MG</b>

	Pineham: Discussions are ongoing. Station Square Development Brief: Update to be provided on the options at the June Board.	TL
3.2	Risk, Audit & Governance subcommittee Minutes: Board noted the draft minutes from the meeting held on the 01.04.22.	
3.3.	Property, Projects & Investment Subcommittee Minutes: The Board noted the minutes of the meeting held on the 10.3.22.  B3.3N: MG advised the board that the PPA was progressing, and a further update would be provided at the next PPI meeting on the 10.06.22 Queensbury Lane Plots: Since PPI, Land Registry have confirmed that they transferred the land in error. Ongoing.	
<b>4</b>	<b>Finance Matters:</b>	
4.1	Year end out-turn and reforecast for 2022/23: The Board received and noted the report on the draft outturn for the year ended 31 March 2022 and the reforecast of the current financial year. The Board were asked to approve the following additional budgets for the current financial year:- 1. An additional £40k to cover the costs of a full tree survey on MKDP land 2. An increase in the landscaping budget to £280k from £163k to ensure the service provided by the Council covers all MKDP sites and all essential landscaping / horticultural maintenance. 3. Legal and professional advice for leases and licences of £100K which was omitted in the original budget.  The Board approved the above budget increases.  Board was advised of the following:- <ul style="list-style-type: none"> <li>• That a paper on the loan refinancing would come to the June Board.</li> <li>• A full reforecast covering a 7 year period, including balance sheets and scenario modelling is planned for the July Board.</li> <li>• Wider economic environment discussion to be held as part of the July Board</li> <li>• On going monitoring of partners to ensure delivery of obligations to be put in place such as credit checking using alerts from D&amp;B/Experian or a similar provider.</li> </ul> Urban Splash (US) Update: A subsidiary of Urban Splash. Urban Splash House an entity co-owned by US, Homes England and Sekisui House went into administration. This entity provided the modular housing for the developer. The entity MKDP are contracted with remains solvent, but MKDP are looking for added security/guarantee of the obligations however, there is likely to be a delay.	KC
<b>5</b>	<b>Local Housing Company Matters:</b>	
5.1	MKHC Update: Board was advised that the stage one application to become a RP has been approved by the Regulator. The Board noted the following: <ol style="list-style-type: none"> <li>1 Progress on the application to become a Registered Provider</li> <li>2 The plan to prepare the final application</li> <li>3 Progress on the recruitment of the Independent Board Members.</li> </ol>	

	<p>KC provided the following updates/deadlines:</p> <ol style="list-style-type: none"> <li>1. By the end of July, the terms need to be finalised on the properties at Kents Hill for the MKHC</li> <li>2. HQN appointed to review the self-assessment against the code of governance</li> <li>3. HQN to review existing set of policy documents in place to ensure they are up to date in terms of regulatory compliance.</li> <li>4. Property Management: A meeting with Grand Union Housing has been arranged to test the appetite in the RP market as a solution to managing the properties. A separate workstream running in parallel with Council colleagues on how to procure repairs contractors if the choice for management is the Council.</li> <li>5. Non Executive Member Recruitment: The shortlist meeting has been arranged for the 8.06.22.</li> </ol>	
<b>6</b>	<b>Governance Matters:</b>	
6.1	<p>Statutory Register &amp; Registers of Interest: The Board noted the Register of LLP Board Directors, Addresses, Tenures and Interests, the Executive Register of Interests, Register of LLP Members Usual Addresses and the Register of Persons with Significant Control,</p> <p>The Board approved the principle of filing the Register of LLP Members, the Register of Member's Usual Addresses and Register of Persons with Significant Control, at Companies House subject to the LLP Members approval. HL advised he was not supportive of personal/voluntary information being provided.</p>	<b>ES</b>
6.2	<p>Scheme of Delegations: The Board considered the following recommendations:-</p> <ol style="list-style-type: none"> <li>1 To approve the Scheme of Delegations</li> <li>2 The principle of giving Power of Attorney to the Executive Team and giving greater Power of Attorney to the Managing Director in line with the revised scheme of delegations.</li> <li>3 Where the amended delegations conflict with the current procurement policy, the delegations will take precedence.</li> </ol> <p>Actions/Notes following the discussion Section 1 Introductions &amp; Definitions The Executive to review the wording of items 5.2.5 and 5.2.7 and determine whether the ambiguous wording of 5.2.7 was likely to cause issues for MKDP in the long term.</p> <p>The Board noted that the Business Plan is approved by the LLP Members and therefore it is likely that any change in the nature would be captured. Further, reserved matters detailed in the Scheme of Delegations were lifted from the Members Agreement and therefore the Board does not have the power to amend.</p> <p>Section 2 Financial Delegations: Virements wording to be amended to make it clear this delegation only applies to virements between budgets within the income and expenditure / profit and loss account before any surplus on property disposals or valuation movements. The Executive were asked if the limit of £213,417 was too low and queried whether it should be increased to accord with the Council limits to allow for greater flexibility and efficiency. The Executive confirmed that they were happy with the limits but would monitor and come back to Board if a higher delegation limited was necessary.</p>	<b>ES/KC</b>

	<p>The Board queried the relevance of £213,417 and it was confirmed that this was in line with the UK Procurement Thresholds.</p> <p>The Executive agreed to review the Scheme of Delegations financial limits in accordance with the Procurement Policy and Procedure. Legal advice is being provided by the Head of Procurement at Trowers and Hamlin.</p> <p>Section 4 Execution of Agreement and Documents Councillor signatures/sign off to be checked with Democratic Services Waivers – Questioned why S151 officer approval was necessary: ES to check and if not required remove reference to S151.</p> <p>The Board requested that the procurement strategy aligns with the scheme of delegations when this is considered at the Board in July.</p> <p>The Board approved the Scheme of Delegations, amendments to the Managing Director Power of Attorney and the addition of the Executive Power of Attorney in line with the Scheme of Delegations, subject to the LLP Members approval. It was also approved that these delegations took priority over other policies and procedures which have not yet been reviewed.</p>	
<b>7</b>	<b>Property Matters:</b>	
7.1	<p><b>Shenley Wood Sites &amp; Commercial Land Strategy:</b> Following a review of the commercial portfolio in January 2022, Board approved the marketing of this site. Four bids, a mix of conditional and unconditional, were received in total. The Board were asked to approve/support progressing the discussions on an unconditional offer basis, which would be a departure from MKDP’s usual approach. Selling the site unconditionally allows the capital receipt to be received much quicker and any risk associated with sudden downwards changes in the property market would be reduced, compared to a conditional offer basis. The Board concerns were around setting a precedent. They also expressed a desire that unconditional offers are reviewed on a site-by-site basis. Board was informed that a delegated decision was necessary and would be prepared. Board was also advised that PPIsc would be provided with a set of options in terms of process.</p> <p>The Board approved in principle option 2, that the disposal of the freehold of Shenley Wood B unconditionally could be considered. There was one vote against and one abstention. The site was still subject to full bid evaluation process which would be progressed at PPIsc.</p>	<b>MG</b>
7.2	<p><b>Dexter Brown Bulk Waiver:</b> In December 2021 the Board approved the principle to end the contract with Dexter Brown and under a service level agreement allow Milton Keynes Council to carry out the property management service. The Dexter Brown asset management has now transferred across. The procurement process of several subcontractors used by Dexter Brown is uncertain and information from Dexter Brown has not been forthcoming. Board is asked to approve the bulk waiver to give assurances to tenants that the handover of the management together with the continuation of services proceeds as smoothly as possible whilst an assessment is carried out of the future requirements.</p>	

	<p>A further update to RAGsc will be provided on the 1.07.22. RAGsc will investigate whether there is any recourse against Dexter Brown.</p> <p>Due diligence of the Dexter Brown accounting is being undertaken.</p> <p>The waiver was approved.</p>	<b>LN</b>
<b>8</b>	<b>R:CMK</b>	
8.1	<p><b>CMK Market update:</b></p> <p>Following the March 2022 Board presentation which outlined the intention to seek potential partner/operators to define the new model and vision for the market in partnership with MKDP, soft market testing commenced and has now concluded. The formal process has been complemented by an informal discussion with Hemingway Design. The Board noted the key findings which were around lack of capital input from interested parties; attracting an operator who would have the requisite experience and qualities at delivering all aspects of the contract in particular developing the strategy/vision.</p> <p>The Executive's view is that MKDP/MKC should lead on the development of the vision/strategy given that market should be regarded as an important part of the cultural/retail offer. However, to do this, it would require the contract to be retendered for the operation of the market through a standard procurement process for a maximum of 2 years from April 2023. In parallel, the Executive will also work with external advisers to develop the vision and business plan for the medium/longer term improvements and prepare a brief to invite tenders for this process.</p> <ol style="list-style-type: none"> <li>1. The Board Noted the updates referred to in the paper</li> <li>2. The Board considered the soft marketing testing feedback and its implications for the phased approach alongside the suggested alternative approach</li> <li>3. Approved a proposal being brought back to the July Board along the following lines: <ol style="list-style-type: none"> <li>a. Draft heads of terms for the operation of the market from 1.04.23 for up to 2 years</li> <li>b. A draft brief for the external support to develop medium term vision/ business plan, for the future operation of the market.</li> </ol> </li> </ol>	<b>TL</b>
<b>8</b>	<b>Reports</b>	
8.1	<p><b>Chair's Report:</b></p> <p>The Chair updated the Board on activity undertaken since the previous Board meeting which included meetings of the MKHC, involvement with the recruitment of the Special Projects Director, attendance at various conferences and meetings with the Nominations &amp; Remunerations subcommittee. Meetings had also been held with Dr Ann Limb and Nick Mann.</p>	
8.2	<p><b>MD's report:</b></p> <p>The report was noted and covered Risk assessment, Project dashboard, Recruitment of the Special Projects Director position, macroeconomics, Communications and Marketing, Bletchley and Fenny Stratford Towns Deal activity and Tickford Fields Farm.</p>	

	The MD confirmed that bids for the Recruitment of MKDP Board Members have now been received and interviews are likely mid/late July. Further information about the process and timeline will be shared as soon as possible.	<b>TA</b>
8.3	<p>MKC Chief Executive's Report:  MKC are planning to bid for levelling up funding. There are 2 pots of up to c£20m. MKC must submit 2 distinct bids by this summer for each Parliamentary Constituency, plus the transport bid for the Borough. One bid will be for educational purposes.</p> <p>City Status: Confirmation was received last week of City Status. A letter of patent is expected sometime this summer. Milton Keynes Council will be known as Milton Keynes City Council.</p>	
<b>9</b>	<b>AOB</b>	
9.1	The Board were advised that Hotel La Tour was now open for business.	
9.2	Property Projects & Investments: The papers for the meeting on the 10 <sup>th</sup> June will be circulated on 7 <sup>th</sup> June a slight delay due to the Jubilee Bank holiday and the quick succession of meetings.	
	<p><b>NEXT MEETINGS:</b>  28<sup>th</sup> June 2022: Room 1.02 – 10:30 – 13:00  26<sup>th</sup> July 2022: Room 1.02 – 10:30 – 13:00</p>	

Confirmed as a true extract of the meeting of the Board held on 27<sup>th</sup> May 2022 and published in accordance with the Freedom of Information Act 2000.

***Nicola Sawford***

.....  
Independent Chair