

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

**Board Meeting**

**25.10.2022**

**11:30 – 13:00**

**Room 1.25 Civic/ MS Teams**

**Board Members Present:**

Nicola Sawford, Independent Chair, (NS)  
Roger Bell, Independent Board Member, (RB)  
Steve Mallen, Independent Board Member, (SM)  
Mike Clarke, Independent Board Member, (MC)  
Michael Bracey, Board Member, (MB)  
Cllr Jenni Ferrans, (JF)

**In Attendance:**

Tracey Aldworth, MKDP, Managing Director (TA)  
Kath Corbett, MKDP, Chief Finance Officer, (KC)  
Matthew Green, MKDP, Property Development Director, (MG)  
Adam Sciberras, MKDP, Special Projects Director, (AS)  
Ellenor Scott, MKDP, Company Secretary & General Counsel, (ES)  
Allison Pettifer, MKDP, Secretary to the Board, (AP)

<b>Item</b>		<b>Action</b>
<b>1</b>	<b>Apologies:</b>	
	Cllr Rob Middleton, (RM) Cllr David Hopkins, (DH) Julia Gregory, Independent Board Member (JG)	
<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	
<b>3</b>	<b>MKHC:</b>	
	<p>The Chair advised the Board that she wanted to socialise the Heads of Terms (HoT) and Financial Modelling with Board Members even though not finalised to give them the opportunity to comment before they were presented to the MKHC Board on the 11.11.22. The point was made that there is still a lot of uncertainty around what the model for MKHC is going to be in terms of interest rates, premiums and what rents MKHC might charge. The Chair also reiterated that the Regulatory deadline cannot move, and if the deadline is missed, the process will have to start again and the Kents Hill properties would therefore be at risk of not going into MKHC.</p> <p>The Board were advised that the Council are taking advice around subsidy control issues, to ensure the arrangement and rate to MKDP is correct and any State Subsidy issues are correctly addressed. Regarding the timeline, MKDP are aiming to seek approval from MKCC on the business plan via Delegate Decision on the 25/11/22.</p>	

	<p>The Board were advised that as Kents Hill is the first site, it will have to absorb all the initial set up costs, of having an LHC in place, and therefore the price will be lower than for future sites. In terms of affordability, the subsidy equation is dependent on pitching affordability at the right level so they are genuinely affordable to people on the Council Housing Register.</p> <p>The Board were requested to note that the HoTs received have not been reviewed or agreed by MKCC. Also, MKCC have not agreed the proposed lease structure. The Board are being invited to comment on the draft HoTs between MKDP and MKHC for the Agreement to Lease and the Loan for the 78 homes at Kents Hill. The HoTs after agreement by MKCC will be used to draft the Agreement to Lease and the Loan Facility Agreement which comes back to the MKDP Board for approval before MKHC submits its final application to the Regulator of Social Housing. There will be a further update and discussion at the MKDP Board meeting scheduled on the 29.11.22.</p> <p>The Board were guided through the illustrative modelling. The modelling is based on several scenarios whilst MKCC's S151 officer confirms how the Council would like to split the subsidy between the amount of lease premium and loan interest charged.</p> <p>The Chair requested Board Members to provide additional comments on the individual agreements and in particular the Loan Agreement to KC by the 30.10.22.</p> <p>The Board Members that attended the meeting agreed that KC could share the information with MKHC. Unfortunately, due to a conflict of interest of NS and RB, the emergency approval process is to be enforced. An email to be sent to the 3 Board Members who were unable to attend to ask them to confirm they are happy for the information to be shared with MKHC.</p>	<p><b>KC</b></p> <p><b>All</b></p> <p><b>KC/ES</b></p>
<b>4</b>	<b>Special Projects &amp; Property Matters:</b>	
	<p>CMK Market Update: Following the July Board the Executive have been working with MKCC Officers to prepare an operating model and explore the feasibility of bringing the operation of the market in-house from 1.4.23. The Executive highlighted the risk of a lower net revenue position. However, it is anticipated that efficiencies in management and/or opportunities for increased revenue may appear in subsequent years to mitigate this risk. Within the financial modelling it is proposed to undertake some 'light touch' improvements.</p> <ol style="list-style-type: none"> <li>1. The Board noted the updates referred to in the paper and in particular the modelled financial position associated with in-house management of the Open Market upon lease expiry.</li> <li>2. Agreed that MKDP engage further with the current tenant and the traders to verify the detail of the financial model – noting that this will come back to Board for final approval when completed – November.</li> </ol>	<b>AS</b>
<b>5</b>	<b>Presentation: Smithfield Birmingham Market – David Kohn Architects:</b>	
<b>6</b>	<b>AOB:</b>	
6.1	The November Board may be extended to afford more time to the agenda items.	

6.2	Steve Mallen retires from the MKDP Board at the end of October. The Board thanked him for his significant contributions over the years, noted the impressive changes over those years and expressed their best wishes for the future.	
	<b>NEXT MEETINGS:</b> 29 <sup>th</sup> November 2022: Room 1.02, 10:30 -12:30 24 <sup>th</sup> January 2023: Room 1.01, 10:30 -12:30 28 <sup>th</sup> February 2023: Room 1.02, 10:30 – 12:30	

Confirmed as a true extract of the meeting of the Board held on 25<sup>th</sup> October 2022 and published in accordance with the Freedom of Information Act 2000.

***Nicola Sawford***

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Independent Chair