

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)

Board Meeting

30.09.2022

14:00 – 16:00

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)
Huw Lewis, Independent Board Member, (HL)
Cllr Rob Middleton, (RM)
Cllr Jenni Ferrans, (JF)
Cllr David Hopkins, (DH)

In Attendance:

Tracey Aldworth, MKDP, Managing Director (TA)
Paul Thomas, MKCC, Director of Planning & Placemaking (attending for Michael Bracey)
Kath Corbett, MKDP, Chief Finance Officer, (KC)
Matthew Green, MKDP, Property Development Director, (MG)
Adam Sciberras, MKDP, Special Projects Director, (AS)
Allison Pettifer, MKDP, Secretary to the Board, (AP)

Item		Action
1	Apologies:	
	Michael Bracey, Chief Executive, MKC Mike Clarke, Independent Member Ellenor Scott, Company Secretary & General Counsel, MKDP	
2	Declarations of Interest:	
	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.	
3	Previous Minutes:	
3.1	Board Meeting 26.7.22 - The minutes were approved. Updates on Actions that are not included within the agenda were as follows: Item 3 - PR & Comms: The strategy and survey are in-train. Item 7.3 – Kents Hill: Due to go to planning committee week commencing 3.10.22 to agree the changes to the Shared Ownership units.	
3.2	Property Projects & Investments – 09.09.22- The minutes were noted by the Board with no matters arising.	
4	Finance Matters:	
4.1	Update on progress with Financial Statements for 31 March 2022:	

	<p>The Board noted the following matters:</p> <ul style="list-style-type: none"> • That the initial field audit took place during week commencing 19th September, with a further visit planned week commencing 24th October to conclude all field work and the red book valuation of the assets. • The Valuation report had been received. A short update will be circulated before the next Board meeting. The Board were also advised that Hillier Hopkins had booked further time in October to review the valuation and the final accounts. • Draft Financial Statements including the Strategic Report will be presented to Risk, Audit and Governance subcommittee on the 7.10.22 with a draft going to Board on the 25.10.22 • A report on the six month out-turn to 30 September 2022 will be presented to Board on the 25.10.22. • That the aim is to get all substantive issues finalised by mid/end November including the draft financial statements. <p>Valuation report – Indicating a higher value than last year. Residential values have increased more than commercial values. Auditors to assist with the wording of this statement within the Directors report.</p> <p>Format of the Accounts: The format of the accounts including the Directors Reports will be a word document with a glossy annual accounts document for marketing purposes to follow.</p> <p>Timeframe for the Accounts: Aiming for October Board to receive the word format of the accounts.</p>	<p>KC</p> <p>KC</p> <p>KC</p> <p>KC</p>
4.2	<p>Working Capital Loan Facility: Comments received from Board Members were noted and addressed.</p> <p>Board were asked to approve the renewal of the working capital loan facility with MKCC for the period 1.10.22 – 30.9.23 with quarterly draw downs.</p> <p>The Board Approved</p> <ol style="list-style-type: none"> 1. The renewal of the loan facility at the terms outlined 2. Delegation of agreeing the final legal documentation, signing of the agreement, and agreeing the amounts to be drawn down each quarter to the Managing Director. <p>The Chair requested more notice be given to Board when the agreement comes up for renewal next year.</p>	
5	MKHC Update:	
5.1	<p>Update on MKHC progress: The update paper was taken as read. The Board were advised that due to the fluctuating market, and outstanding issues with the reserved matters/procurement, the Regulators have approved an extension to the 31.12.22 to submit the final application to become an RP.</p> <p>There followed a discussion regarding the provision of properties to MKHC from the Kents Hill scheme, Homes England Grant implications, financial controls through the loan agreement, and MKDP Board representation on the MKHC Board. A request</p>	

	<p>was made for the Executive to provide an explanation in 'laymans' terms on the financials.</p> <p>MKHC Articles of Association: The MKHC Board considered the articles at the Board Meeting on the 3.8.22. The Board made 2 changes to what was presented to MKDP Board previously:-</p> <ol style="list-style-type: none"> 1. The Board agreed to keep Article 24.3 as drafted to ensure that the Articles were future proofed. 2. The Board agreed that they would mirror the NHF Code of Governance and have a minimum of 5, and a maximum of 12, Board Directors <p>Further to these changes, the MKDP Board had previously requested that Milton Keynes Council, now Milton Keynes City Council, be included under the definition of 'parent'. Legal advice from Trowers and Hamlins LLP advised against this as the definition of a parent company is a matter of law (the direct owner of the company) so Board were advised it was proposed Milton Keynes City Council should not be added to the definition in MKHC's Articles.</p> <p>Only the parent of the Company (the shareholders/members) can approve a change to the Articles of Association. Therefore, the MKDP Board is being requested to consider the amendments suggested by the MKHC Board.</p> <p>There was uncertainty if N Sawford & R Bell who are Board Members of the MKHC could take part in the approval process. Therefore 2 votes were taken with and without them. The Articles of Association were approved as proposed.</p> <p>The Board were also asked to approve extending R Bell's tenure to the MKHC Board to the end of December 2022 when the Application goes through. The extension was approved by MKDP Board members. The approval was taken with and without N Sawford.</p>	KC
6	Special Projects and Property Projects:	
6.1	<p>Station Square Update: The Board noted the update report on Station Square. The Board also received a presentation on the proposals for Station Square including expanding the area to incorporate B4. Comments made related to flexibility, practicality of transport options, engagement with Councillors and stakeholders, and soft market testing.</p> <p>The Board approved</p> <ol style="list-style-type: none"> 1. The approach suggested on progressing the Development Brief. The Board also supported the recommendation that the scope of the brief goes beyond the Square itself. 2. Engagement with the Council and externally with the development industry, on the proposals. <p>The Board also noted the Councils programming for Station Square in terms of meanwhile uses and the process of MKDP granting consent.</p>	

6.2	<p>Campbell Wharf: The Board were informed that the PPI subcommittee supported the revised planning permission for the northern part of Campbell Wharf at its meeting held on the 09.09.22.</p> <p>Comments received related to school and nurse provision, the Neighbourhood Plan, and concerns about getting the scheme through due to the current economic climate.</p> <p>The Board approved:-</p> <ol style="list-style-type: none"> 1. The submission by Crest of a planning application to replace the 34 houses and the nursery consented on the northern part of Campbell Wharf, with a scheme comprising 274 dwellings. 2. A variation to the building lease, as per the draft Heads of Terms, which would result in the First Overage being paid to MKDP on implementation of the revised scheme before Crest have taken the resulting additional priority return. 3. An inclusion of an option/pre-emption to MKHC to acquire the affordable dwellings within the scheme as per the draft Heads of Terms. 	
6.3	<p>Shenley Wood B: The Executive have been working with the underbidders, following the withdrawal of the highest bidders due to market fluctuations, on a conditional offer for the site.</p> <p>With the peak of the market having passed and the value of commercial property in decline, there remains a window of opportunity to dispose of the site at a better than previously valued price. This is dependent on if and by how much the base rate rises in the coming months.</p> <p>The Board approved the Heads of Terms for the conditional on planning offer for Shenley Wood B.</p>	
7	Reports:	
7.1	<p>Chair's Report: Since the last Board meeting the Chair has attended, MKHC Board meetings, completed the Board recruitment process, attended several Nominations & Remunerations meetings. The Chair also confirmed that she will be speaking at the Oxcam Arc conference in October being held at the MK Dons Stadium and that she and the MD had met with Monica Ferguson and Dame Ann Limb at the Stables sharing their future ambitions for art and culture for the City.</p>	
7.2	<p>MD's Report: The report covered the Corporate Risk Register and the MD assured the Board the key risks with mitigations are being monitored for any further impacts of the predicated economic recession. The register highlights the top 10 risks with the full risk register to be presented to RAGsc. The report also covered the Business Plan refresh process (session arranged for the 10.10.22 with a further session in November before the Board meeting) as well as the commissioning statement from MKCC, Reserved Matters and Procurement updates, Members Agreement extension whilst the Reserved Matters are resolved, CMK Market option to bring the management in-house in April 2023, Bletchley Town Deal Projects and the Revolving Development Fund and the MK:U levelling up bid decision expected by the end of the year.</p>	

	<p>Updates were provided by the Executive on:</p> <ol style="list-style-type: none"> 1. The Agora Centre: MKDP and MKCC are now in agreement. The heads of terms will be presented to Board when the matter between MKCC and the Developer is finalised. 2. Tickford Field Farm: MKDP continue to act as 'strategic advisor' to MKCC in securing a development partner for their Tickford Fields Farm site. A new brief is being prepared and following a session with lawyers next week regarding procurement it is hoped to have issued a request for proposals in November, with a development partner selected by the end of the financial year. <p>The Chair asked if the level of dividends outlined in the Commission Core Principals document would be reviewed to take account of new activities like the LHC?] The MD assured the board that the 'benefits in kind' (have a financial cost to MKDP) is being captured and is part of the conversation with MKCC about future distributed profit conversations.</p>	
7.3	MKC Chief Executive Report - Apologies received with no matters arising.	
8	AOB:	
	Huw Lewis: The Chair expressed her thanks and that of the Board for Huw's commitment to MKDP and Milton Keynes during his time on the Board. Huw Lewis' last day with MKDP is the 30/9/22.	
9	Board Only Session – The Executive left the room for this session.	
9.1	Nominations and Remuneration Committee Minutes	
9.2	Confirmation of New Board members	
9.3	Resourcing Report	
	<p>NEXT MEETINGS: 25th October 2022: Room 1.02, 10:30 - 12:30 29th November 2022: Room 1.02, 10:30 -12:30</p>	

Confirmed as a true extract of the meeting of the Board held on 30th September 2022 and published in accordance with the Freedom of Information Act 2000.

Nicola Sawford

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Independent Chair