

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)

Board Meeting

27.06.23

10:30 – 12:30

MS Teams

Board Members Present:

Nicola Sawford, Independent Chair, (NS)
Michael Bracey, Board Member
Roger Bell, Independent Board Member
Mike Clarke, Independent Board Member, (MC)
Julia Gregory, Independent Board Member (JG)
Cllr Rob Middleton
Cllr David Hopkins, (DH)
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)
Ellenor Scott, MKDP, Company Secretary & General Counsel, (ES)
Allison Pettifer, MKDP, Secretary to the Board (AP)

Item		Action
1	Apologies: Adam Sciberras, MKDP, Special Projects Director, (AS)	
2	Declarations of Interest: Nicola Sawford is a Director of MKHC Roger Bell is a Director of MKHC Kathleen Corbett is the Acting Chief Operating Officer for MKHC Ellenor Scott is Company Secretary of MKHC David Hopkins referred to his register of interests. Rob Middleton declared an interest at item 6.	
3	Previous Minutes	
3.1	Board Meeting: The minutes of the meeting held on the 23.05.23 were approved. Matters arising: Item 3.2: Confirmation was provided that the property management risk report was an agenda item on the Risk & Audit subcommittee agenda for the 6.7.23. Item 6.2: Midsummer Boulevard East: Longer term plan timeframe likely to be by September 2023 Item 8.2: Updated Members Agreement to be circulated: <i>Post meeting note Actioned</i> Item 8.3: Lessons learnt paper to be provided by 31 October 2023	ES KC
3.2	Matters arising log: The Board noted the completed actions and noted the timeframe for ongoing matters. Building Maintenance Expenditure: The Chair requested that the status and completion date is updated.	

4	Governance & Finance:	
4.1	<p>Bank signatories: The Board was advised that the changes to MKDP’s governance arrangements, meant that MKDP board needed to give specific permission so MKCC officers can continue to be signatories to its bank account.</p> <p>Board was advised of the options and noted that the preferred option was to have a mix of MKCC and MKDP signatories, with MKDP’s being the Managing Director and the Company Secretary due to the segregation of duties and the small size of the MKDP team.</p> <p>The Board noted that a recommendation report would return to board at a later date.</p>	KC
4.2	<p>Urgent Decision Making: The review of the procedure has recommended the following amendments:</p> <ol style="list-style-type: none"> 1 Change of name to Decision-Making Outside of Scheduled Board Meetings (moving away from the ‘Urgent’ Decision Making procedure). 2 Introducing a written resolution procedure - Board members to indicate their vote, having received the information, by email. Decision being approved by majority in accordance with the Members Agreement. 3 Formalities around calling urgent board meetings. <p>The Board requested the Board minutes of all urgent Board meetings be brought to Board for approval opposed to being approved just by the Chair.</p> <p>The Board approved the procedure.</p>	
4.3	<p>Declarations of Interest: The annual register of interest was noted by the Board.</p>	
5	MKHC (LHC)	
5.1	<p>Progress Update: The Board received an update on the LHC progress. When MKDP began to develop a wholly owned housing company, the macro- economic environment was very different. Since the original proposal was considered, interest rates have increased significantly.</p> <p>The changes to both the macro-economic environment and the emergence of the detailed structure mean we need to revise the original business case. The Executive team are working on a Five Case Model Business Case to assist the MKDP Board with the final decision in respect of MKHC. The revised Business Case addresses the timing of the future pipeline and the relevant benefits of applying for charitable status.</p> <p>In addition, the impact of the Subsidy Control Act 2022 needs to be considered in detail. The detailed regulations for the new Subsidy Control Act 2022 were published in November 2022 and came into effect in January 2023.</p> <p>These regulations replace the previous State Aid Regulations. Affordable Housing was generally considered to fall outside of the old State Aid rules. Officers</p>	

	<p>understand that there is no exemption in the new Public Subsidy Regulations that is applicable to affordable housing.</p> <p>Legal advice is being sought to ascertain to determine whether subsidy control applies.</p> <p>The next key milestones are, to review the business case, which is being written by 31Ten, and the supporting documentation, which will be brought back to board with a draft being circulated when received. The business case will address the concerns raised; it will assess the strategy and the economics; and it will provide a conclusion. The Executive are working on scenarios such as, reassessing going out to the market to sell to another RP and holding the properties in MKDP until such time the economic market improves.</p> <p>Officers are informing the Regulator of Social Housing that MKHC will be unable to respond in full to the Regulators questions until September.</p> <p>Update on Kents Hill Park: The Board were advised that the planning application had been approved. Taylor Wimpey will be on site shortly. Board was reminded the S106 agreement relating to affordable homes was changed last year so that MKDP could hold the properties if required, so if required MKDP could hold and let the homes when they were handed over but MKDP would be unable to access Homes England grant for Affordable or Social rented homes as grant funded properties must be held by a Registered Provider.</p>	
6	Strategy:	
6.1	<p>MKDP Business Plan:</p> <p>The board were asked to approve the update business plan for the period of 2023-2027 and agree that it should be submitted to MKCC for a decision at the end of July.</p> <p>The board were advised that the business plan has been updated to reflect the latest position on the LHC and the numbers assume that only Kents Hill Park goes into the LHC while the pipeline of sites is reviewed.</p> <p>The robustness of the KPI's was discussed and it was agreed that TA/JG would look at high level KPIs prior to the July strategy session.</p> <p>RM abstained from taking part in the approval of the business plan as he would be taking the Delegated Decision. The Board approved the updated business plan.</p>	TA/JG
7	Special Projects & Property Matters:	
7.1	<p>Lower West Side – Soft Market Testing</p> <p>A verbal update was provided by MG. A detailed paper was circulated to Board members after the meeting.</p> <p>The soft market testing has now concluded. Several potential development partners were approached, and feedback has been very positive. The announcement about the OU has generated enthusiasm. The secondary aim was to gather information on how the search for a partner could be structured to generate maximum interest.</p>	

	<p>The next steps are:</p> <ul style="list-style-type: none"> • Define the University and Events Venue requirements. • Define the parameters and redlines of the offer. • Consider procuring certain technical studies. • Start drafting the procurement process. • Continue to engage with the development market. • Carry out visits to schemes to conduct lessons learned exercise. 	
7.2	<p>Campbell Park Northside: Board were advised that since the presentation in February, the design of phase 1a and the wider masterplan has evolved. The height density has been reviewed by the Executive. The Board was requested to approve the proposed scheme for Phase 1a, changes to the Phase 1-2 Agreement for Lease to allow buy to rent on phase 1a only, and an extension of the Phase 1 planning application longstop date to 31st July 2023. (Post board this was extended to end of August by the Chairman and Managing Director, as this delegation should have been included in the recommendations).</p> <p>Comments from the Board related to the management of landscaping and the management of car parking.</p> <p>The Board approved the recommendations.</p>	
7.3	<p>Shenley Wood B: There are now 2 offers for this site.</p> <p>The Board considered the options and agreed with the recommendation from the Executive and delegated approval to the Executive to agree heads of terms.</p>	
8	Reports	
8.1	<p>Chair's Report: The Chair advised that there was not much news to bring to the boards attention as her focus has been on what has already been discussed and the new subsidy control act.</p>	
8.2	<p>MD's Report: The report covered, Risk Register (which is to be discussed at the Strategy Session in July), Governance changes and the Owners Advisory Group (OAG) mechanism, Pineham progression, completed land transactions and MKCC's new Council Delivery Plan - a synopsis of the projects for MKDP was requested.</p>	TA
8.3	<p>MKCC Chief Executive's report: No matters were brought forwards.</p>	
9	AOB:	
8.1	<p>B3.3N – Sterling grade A office scheme. The Executive advised the Board that with mutual agreement the contract is to be terminated. Site B3.3N could be part of the wider Lower West Side boundary if more land is required.</p>	
8.2	<p>Kents Hill, Hospital Site: The Board were advised that discussions with a private hospital provider were ongoing.</p>	

8.3	The Chair stated that this is the last formal Board meeting with Councillor Board Members in attendance. The Board thanked them for their support and commitment and are looking forward to working with them in the OAG.	
8.4	Risk & Audit committee date in September to be confirmed.	
8.5	Reports of interest AI: The Board were advised of a report that might be of interest https://www.institute.global/insights/politics-and-governance/new-national-purpose-innovation-can-power-future-britain .	
	NEXT MEETINGS: 25 th July 2023: 10:30 – 12:30, room 1.01 26 th September 2023: 10:30 – 12:30, room 1.01 24 th October 2023: 10:30 – 12:30, room 1.01 28 th November 2023: 10:30 – 12:30, room 1.01 16 th January 2024: 10:30 – 12:30	

Confirmed as a true extract of the meeting of the Board held on 27th June 2023 and published in accordance with the Freedom of Information Act 2000.

Nicola Sawford

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 Independent Chair