

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)

**Extract from Minutes of Board Meeting dated 7th May 2019 10:00 am
Held in MK College, Bouverie House, 200 Silbury Blvd, CMK, MK9 1LT**

Item	
1	Renaissance:CMK – Presentation –
	<p>A presentation on Renaissance:CMK (R:CMK) was given by MKC’s, Director of Strategies & Futures, for MKC. The purpose of the presentation was to update the board on R:CMK progress and explore the potential role of MKDP going forward. Following the presentation Board discussed next phases which will require:</p> <ul style="list-style-type: none"> • Better co-ordination between the projects that link to the wider programme ie Cultural City, MK:U etc; • Looking at different delivery arrangements for CMK such as development vehicles /partnerships with other organisations; • Business case covering economic scoping with justification for investment and activity; • MKDP taking a more strategic leadership role <p>The Board agreed that R:CMK is a huge opportunity and believe that MKDP has a key strategic and leadership role in its deliverability of the schemes. MKDP to advise/share thoughts with MKC on how it can support the project/ programme.</p>
2	Declarations of Interest:
	No new declarations of interest were declared.
3	Previous Minutes
	The minutes of the meeting held on the 25 th February 2019 were APPROVED .
4	Matters Arising Log
	<p>Item 48: Governance: Potential Conflict & Confidentiality Obligations Protocol: The summary paragraph provided on the role of Councillors is under review and with the Chair.</p> <p>Item 36 - Ground Rents: Ground rents is becoming bigger and reaching national scale and it was suggested that reputational risk should be added to the risk register and should be considered on future schemes. Other parties disagreed as such the power to have significant impact lies with those in Central Government and that MKDP is doing more than necessary already.</p> <p>Item 27: The Point: – Engagement is proving difficult. The Point is very low on Hammerson’s priority list. Suggestion of a formal offer for acquisition was made. To be taken to IDSC.</p> <p>Item 19 – PR and Comms: Strategy to be presented to Board 17/6/19</p>
5	Property Matters
	<p>Property and Projects Sub Committee: The Chair of PPSC provided an update on the meeting held on the 26th April 2019.</p> <p>Key items of note and actions arising:</p> <ol style="list-style-type: none"> 1. Shenley Church End: Supported the recommendation to market the site.

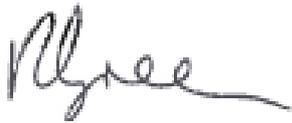
	<p>Marketing to reflect the Councils request for affordable to mirror the mix of market housing.</p> <ol style="list-style-type: none"> 2. Westcroft: Supported the recommendation to market the site. Marketing to reflect the Councils request for affordable to mirror the mix of market housing. 3. Kents Hill: A reactive PR statement will be held and utilised if needed following termination of the contract with the Health Care provider. Councillors are able to say the scheme is no longer proceeding. 4. Kents Hill: The Board were advised that further engagement with Ward and Parish Councillors will be undertaken. 5. Station Square: It was suggested that an interim publicity statement is issued on the engagement process and that it be tied in with the public exhibition scheduled for June. 6. Station Square: It was also suggested that passenger number information could be useful. 7. PR & Comms: The importance of a PR strategy was brought to the attention of the Executive.
5.1	<p>CMK Market – Lease Renewal: Board APPROVED the terms for a lease surrender and re-grant for the CMK Open Market.</p>
6	Investment and Development Matters
	<p>Investment and Development Subcommittee: The Chair of IDSC provided an update on the meeting held on the 26th April 2019.</p> <p>Key items of note and actions:</p> <ol style="list-style-type: none"> 1. Pineham: IDSC recommended that a financial strategy is developed whilst outline planning consent is secured. The strategy will assist the decision in whether MKDP proceed to build out the scheme. 2. MKDP Revenue Generating Assets: IDSC were provided with information on assets that generate income and tasked the Executive to review other potential revenue generating assets to see where MKDP can get to in 5/10 years. This is an ongoing piece of work which will come back to a future Board.
6.1	<p>BP Chargemaster – Verbal Update: Board were updated on the position of the BP Chargemaster project. Contractors were novated at the same time as the contract exchanged. Press release awaiting approval.</p> <p>Site to be completed by the end of this calendar year; new headquarters to be fitted out and occupied early next year.</p>
6.2	<p>B4.4 – Car Parking Proposal: Board previously approved the principle of reinstating the car park in February 2019. Board are now requested to approve:-</p> <ol style="list-style-type: none"> 1 The granting of a lease to a car parking operator to provide car parking management services by way of a turnover rent 2 The promotion of permit parking providing guaranteed parking rather than pay and display. <p>The Board decided despite the concerns raised, MKDP will still be in a financially positive position whilst allowing a specialist company to operate and</p>

	<p>take responsibility for the car park. The Board were informed that the lease will roll on a 6 month basis, and that this allows for both parties to serve a 6 month notice period for termination of the lease.</p> <p>The Portfolio Holder praised the Executive for their efforts on securing a positive income for the Council through this proposed scheme.</p> <p>The Board APPROVED the grant of a lease with the operator to provide car parking management services by way of a turnover rent; the Board also APPROVED the promotion of permit parking providing guaranteed parking rather than pay and display.</p>
7	Finance, Audit and Governance Matters
	<p>Finance, Audit and Governance Subcommittee: The Chair of FAGSC provided an update on the meeting held on the 26th April 2019.</p> <p>Key items of note and actions:</p> <ul style="list-style-type: none"> • Financial reporting: Board were asked to note that draft year end accounts are still work in progress and that financial elements with MKC require closing off. • Governance: The Financial Regulations & Procedure Rules require further finessing and will be submitted to Board for approval when finalised. • Corporate Responsibility fund: FAGSC discussed the CFSR at length and the recommendation to Board is to approve the current proposition. • Confirmation required from MKC for their Officer nomination as well as Elected Members on the Board. Group Leaders to be written to inviting nominations now that the Election is over.
7.1	<p>Financial Report:</p> <p>Year-end figures: In summary, MKDP are ahead of budget at operating profit level; there is a shortfall in fixed assets sales due to Kents Hill not completing in the expected way and Linford Wood G being kept as an in-house project. The balance sheet shows an improved position due to an improved position on valuations. The Board were advised that there are 3 project areas with underspends for the year which was raised as a concern.</p> <p>Audited Accounts: On schedule to complete by the end of September.</p> <p>MKC Loan: The decision needs to be made with regards to repaying the MKC Loan and at what interest rate; the Board were reminded the loan was never formalised. The Board noted the potential risk of exposure. The delays in starting repayments can be put down to ongoing discussion between MKC and MKDP, with regards to agreeing on the optimum route forward for both organisations. MKC are seeking legal advice concerning state aid rules.</p> <p>Business Plan: The Board were made aware that financial planning and changes to the business plan will ensure MKDP remain in control of the process as much as possible, and are awaiting the formal request from MKC.</p> <p>Draft Budget: Sensitivity analysis will be put in place once the budget has been agreed, and the new format and interest charge has been decided going forwards for a new loan agreement.</p> <p>Reserve Accounting: Discussions have taken place with the Section 151</p>

	<p>Officer on profit and loss reserves. The S151 Officer has agreed it would be appropriate to identify deductible costs relating to capital disposals from the capital profit, rather than charging them directly to revenue. There is currently no attribution of costs or overheads to any element of the profit arising from the sale of assets. Historic VAT errors are also being addressed.</p> <p>Finance system: Board were informed that a project consultant had been appointed to manage the process and is working alongside MKC on the implementation of Techforge and the finance solution.</p> <p>MKC Finance Information: Board were asked if financial reporting had improved. The view of the Board was that reporting had improved however further work is required and more resource is required.</p>
7.2	<p>Governance Report: In addition to the report and the update from FAGSC's Chair, the Board were advised that work on the Action List has progressed and is going back to FAGSC for further review. The Board were also updated on the position of the Schedule of Activity. The use of the Urgency Procedure was highlighted with suggestion that some simplification might be useful.</p> <p>Sub Committee Terms of Reference: A couple of inconsistencies to be addressed in the ToR relating to the name of 'Finance, Audit and Governance Committee' and also the wording under the Powers and Authorisation subsections of all committees' Terms of Reference to clarify the need for Board approval.</p> <p>A concern that minutes and agendas for each subcommittee would not be circulated to all Board members was raised. The recollection of each subcommittee Chair was that only Property & Projects should be circulated one week in advance of the meeting. A review of what was agreed previously in terms of distribution was requested by the Chair and to be incorporated into the ToRs.</p> <p>Board APPROVED Subcommittees' Terms of Reference subject to the amends outlined. Board also APPROVED that the Terms of Reference for each committee should be reviewed annually.</p>
7.3	<p>Corporate Social Responsibility Fund (CSRF): Board considered FAGSC's initial recommendation at the February 2019 meeting and agreed the policy should be progressed. Since that meeting FAGSC have further reviewed the options and management of the scheme and recommend that Board approve the overall sum of £60k with individual schemes to be considered by the Executive.</p> <p>The Board APPROVED the Corporate Social Responsibility Fund, providing the decision making committee is changed and the queried Qualifying Criteria is clarified.</p>
8	Amendments to MKDP Business Plan
	<p>Previous iterations of the Business Plan have addressed MKC's concerns about the status of the LLP structure, tax implications and the ability for MKC to invest in an LLP for commercial returns. Further delays in the Business Plan approval process provide an opportunity to refresh the financial plan for 2018/23 to better suit investment and development funding requirements. To this end, changes to the financial table within the document have been made.</p>

	<p>The amendments are as follows:</p> <ul style="list-style-type: none">• Reduced loan repayment• Creation of a capex timing reserve ie a reserve that allows investment in development projects or the purchase of standing investments at the beginning of the financial year• Capital receipt forecast reduced down to £10m <p>Board APPROVED the amendments to the Business Plan.</p>
9	AOB
	No matters arising.

Confirmed as a true extract from the Minutes of the meeting of the Board held on 7th May 2019 and published in accordance with the Freedom of Information Act 2000.



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Chairman