

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)
Extract from Minutes of the Extraordinary Board Meeting dated 15th June 2020
starting at 10:00 am
This meeting was held via MS Teams (video conferencing platform)

Item	
1	Apologies:
	Apologies were noted by the Board. The Board were advised that comments had been received from the leader of the Conservative Group relating to the LHC which would be shared at agenda item 7, Local Housing Company. The Chair advised the Board that a meeting has been arranged to discuss candidates from the Conservative party.
2	Declarations of Interest
	No new declarations of interest were stated.
3	Previous Minutes
3.1	Board Meeting - 04.05.20. The minutes of the meeting were approved. All actions were completed or covered within the agenda. Matters arising: MKDP Business Plan: The Board were advised that the latest MKDP Business Plan was not on the Council’s forward plan, however, in respect of the Local Housing Company it would be taken through the Council process. A concern was raised that the Business Plan for transparency purposes must be presented to Cabinet periodically and was not debatable. When the Business Plan goes forward was another issue. The Chief Executive advised the Board that the intention was to have the business plan approved so that MKDP could address elements that had not been put to Cabinet in past years, avoiding the situation of validating the actions of the last 3 years and the major change in direction due to the LHC. The Chief Executive added, it would be useful to have the current plan considered and approved which will make the preparation of the next Business Plan easier. The Portfolio Holder advised the Board that the Business Plan will go before Cabinet/Delegated Decision however the decision process had been in flux due to Covid-19. The decision-making process is due to recommence shortly. The Chair asked if a date could be arranged.
3.2	Interim Board Meeting - 18.05.20. The minutes of the meeting were approved. All actions were completed or covered within the agenda. Matters arising: Loan position: The Loan position was tabled at Finance Audit & Governance subcommittee as part of the Covid forecast and the recommendation was to defer the repayment.
4	Reports – Verbal updates
4.1	Chair’s Report: The main focus has been on the Local Housing Company proposal which is item 7 of the agenda. The Chair expressed her thanks to the Board and Executive Team for their input.

	<p>Further discussions have taken place on the following items:</p> <ul style="list-style-type: none"> • R:CMK: The development of the Governance structure and bringing forward some of the actions such as Station Square. • Redbook valuation • Active Conservative member on the Board.
4.2	<p>CEO's report: The Chief Executive provided the following updates:</p> <p>Covid Testing Car Park: Formal approval of the traffic management programme is awaited from the Council but should be just a formality. To this end, Lawyers have been appointed to progress the revised wording which requires the tenant to put in place steps, at their own cost, to alleviate any obstruction on the highway in accordance with the traffic management plan. Engrossments remain delayed but should be finalised shortly.</p> <p>Bouverie House: MKC are instructed to negotiate the dilapidations settlement with MK College. MKC are under reasonable endeavours to mitigate any costs and prioritise recovery of external repairs. An update on the terms and timetable is awaited. The Head Lease with the potential for MKDP to retain office space are 95% agreed. The Management Agreement for the car park at the rear of Bouverie House is to be documented by Lawyers.</p> <p>MKGateway: Lawyers continue working through the contract and are incorporating a couple of changes relating to the increased height of the residential element and method of delivery. The proposal is to split the title into 2. Further updates will be provided in due course.</p> <p>Walnut Tree, Hindhead Knoll: Development Control Committee gave the resolution to grant subject to call in. A few items of concern regarding the process, will be addressed offline.</p> <p>Willen Lake: Premier Inn transaction with the Parks Trust: The S106 agreement is agreed and executed.</p> <p>CMK Market: The market is currently operating at 70% capacity following easing of lockdown and is performing better than anticipated compared to what was in the Covid forecast.</p> <p>Insurance Claim: MKDP's position has been successfully defended. MKDP/ LGSS are in effect rescinding previous admission of guilt. Board were alerted that there could be a claim against MKDP for costs.</p> <p>MK Bowl: Legals are progressing. In parallel to this transaction, MKDP have received a request from Gaming International, the managing agents of the Bowl, for permission to set up a Drive in Cinema within the arena. The proposal outlines a mixture of family events, including films and live shows with a 320 car capacity. Licensing and traffic management is being addressed with the Council.</p>
4.3	<p>Council's Report: Board were updated as follows:</p>

	<p>The main focus for the Council has been the ongoing Covid-19 activity. Alongside this activity the following items have progressed:</p> <ul style="list-style-type: none"> • Council Plan: The plan, was approved by Cabinet and outlines the Council's objectives and high-level responses in terms of the pandemic. • Covid Management Action Plan: To be shared with the Board. • Finances: Longer term implications on what the finances are going to be as a consequence of Covid. • Economic Recovery Task Force: Currently being set up. MKDP will be invited to take part.
5	Subcommittee Minutes
5.1	Property & Projects & Investment – 29.05.20. The minutes were noted by the Board.
5.2	Finance Audit & Governance – 29.05.20 The Minutes of the meeting were noted by the Board.
MATTERS FOR DISCUSSION & APPROVAL	
6	Finance:
6.1	<p>Financial Report: Potential Impact of Coronavirus: The CFO gave an overview of the revised forecast which is a further iteration to what was presented to PPI and FAG, and takes a view on low, medium and high impact. An important point to note is the impact to car parking revenue. The principles used are the same as MKC.</p> <p>A recruitment freeze has been imposed for the short term however to progress various projects recruitment will commence to replace the Development Executive-Placemaking. This role is necessary to be able to bring forward key projects.</p> <p>Confirmation was given that the Subcommittees discussed MKDP as being strategic and forward looking and wanting to be part of the recovery of Milton Keynes and what was proposed is a long-term plan position that has implications for the financials. The Covid implications are constantly being reviewed.</p> <p>Redbook valuation recommendations: Board agreed that future valuations would be completed by external valuers. Reference to external valuations to be included within the new Financial Regulations.</p>
6.2	<p>Red Book Valuation: The CFO asked the Board to agree that the valuation is amended in line with evidence using residential valuations, as there is no evidence relating to land transactions.</p> <p>House pricing was used to assess what the reduction in the valuation would be following Nationwide's announcement in April that house prices had dropped by 1.8%.</p> <p>The Chair asked if the Board were happy to agree the principle of using house pricing as a basis for the valuation.</p>

	<p>In response, some Board Members felt they needed more information before agreeing the principle. Board Members did support delaying the decision until required by the Audit process.</p> <p>The Chair advised she would speak to Members individually and bring the matter back to Board at the point needed for Audit.</p>
7	<p>Property Matters: Local Housing Company (LHC)</p> <p>The proposal outlines a framework of options to achieve</p> <ul style="list-style-type: none"> • Delivery of affordable housing • Delivery and ownership of housing <p>All the options have been tested and are options to choose from rather than choose between. MKDP's portfolio and Tickford Field Farm, were reviewed to assess if the objectives could be delivered. The analysis proves that delivery can be achieved.</p> <p>Further work is still to be progressed with the Council to set parameters to move forward with the LHC.</p> <p>Comments:</p> <ul style="list-style-type: none"> • Defining the return to the shareholder needs to be clarified. • LHC objectives and return require refining/expanding within the proposal. • Balanced view required with further reflection on the wider intangible benefits such as social and economic impact. • Housing management, repair service, service of homes has not been considered but might need to be part of next steps. • Further clarity from the Council to ensure MKDP meets their expectations. • Key next steps to be a separate section. • Clarity around the funding. How acceptable are some of the options. • Refinement in terms of consistent messaging. <p>There was a general consensus from the Board to take the proposal forward. The Chair advised the working group would refine the proposal over the next couple of weeks addressing the comments made. Board Members to confirm how they would like the proposal to be presented.</p>
8	<p>AOB: No matters arising</p>
	<p>NEXT MEETINGS: 3rd August 2020, 10:00 - 12:00, Bouverie House - MS Teams 7th September 2020, 10:00 - 12:00 Bouverie House – MS Teams</p>

Confirmed as a true extract from the Minutes of the meeting of the Board held on 15th June 2020 and published in accordance with the Freedom of Information Act 2000.

Nicola Sawford

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Independent Chair