

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)

Board Meeting

7th September 2020

10:00 – 12:00

Video Conference via MS Teams

Board Members Present:

Nicola Sawford, Independent Chair (NS)
Huw Lewis, Independent Board Member, (HL)
Steve Mallen, Independent Board Member, (SM)
Roger Bell, Independent Board Member, (RB)
Cllr Rob Middleton, (RM)
Cllr Jenni Ferrans, (JF)
Tracey Aldworth, Board Member, (TA)

In Attendance:

Mike Clarke, Independent Committee Member (MC)
Matthew Green, MKDP, Property Development Director, MG
Tim Roxburgh, MKDP, Special Projects Director, (TR)
Gavin Gager, MKDP, Chief Financial Officer, (GG)
Adam Sciberras, MKDP, Development Executive Housing (AS) **Items 1 - 8**
Tracy Darke, MKC, Director, Growth, Economy & Culture (TD) **Item 1 only**
Katrina Hulatt, MKC, Principle Solicitor, (KH)
Ellenor Scott, MKC, Trainee Solicitor, (ES)
Allison Pettifer, MKDP, Secretary to the Board (AP)

Item		Action
1	<p>Planning for the future – Presentation by Tracey Darke</p> <p>The headlines of the Government’s white paper that was launched on the 6.8.20 proposing reforms to the planning system was presented to Board. Representations are to be submitted by the end of October 2020.</p> <p>The Chair summarised that MKDP Executive would consider the implications internally and with MKC. The Executive to consider the best way forward for its sites, what it would want to submit and ensure it is not in conflict with MKC. MKDP’s summary will be discussed at PPIsc in October. Elected Members were advised that they would be invited for this item if there were any specific points that required their input. To assist MKDP, it was agreed that MKC would share the detailed paper prepared for DCC on the implications and their response to the Government.</p>	
2	<p>Apologies:</p> <p>Alex Walker, Elected Board Member Bernadette Conroy, Independent Board Member Charles Macdonald, MKDP, Chief Executive</p>	
3	<p>Declarations of Interest</p> <p>No new declarations of interest were stated.</p>	
4	<p>Previous Minutes</p> <p>The minutes of the meeting held 03.08.20 were Approved. All actions were completed or covered within the agenda.</p>	

5	<p>Actions/Matters Arising: Noted by the Board</p> <p>Actions to be carried forward: PR & Comms Strategy Board Skills assessment: A matter for Noms & Rems. Councils Report – MKDP Integration/Co-Location: Dependent on the discussion on Bouverie House and then to be discussed by FAGsc around the co-location point.</p>	
6	<p>Reports – Verbal updates</p>	
6.1	<p>Chair’s Report: The Chair provided updates as follows:</p> <ul style="list-style-type: none"> • Strategy session, to be arranged following the next subcommittee meetings on the 2.10.20. Details to be circulated. Venue to be in Milton Keynes or virtual. • MKDP have been short listed in the ‘Planning Excellence Awards’ for Campbell Wharf. The reason for the short listing is due to the exemplar collaborative process that was undertaken. Board were advised of a recent team resignation. 	NS
6.2	<p>Executive Summary: The Executive updated Board on the following projects:</p> <p>Medbourne: MKC Housing has indicated it will take on the completed plots and has commenced approval process to confirm funding is available.</p> <p>D4.4 (Wyevale Site): Funding has been secured by the developers. The funding is conditional on amending the planning consent to remove some of the retail on the ground floor. A non-material amendment has been submitted to allocate some of the retail space to communal space for the PRS residents. Central Milton Keynes Town Council are objecting to the change. MKDP is liaising with the Planning Team.</p> <p>Walnut Tree: Planning permission was secured a couple of months ago, however MKC was waiting to see if the Secretary of State was going to call in the decision. It was confirmed last week that the it was not going to be called in. The financial receipt to MKDP will be received in this financial year.</p> <p>Tickford Field Farms: Outline planning consent was unanimously agreed at DCC. The site now has outline consent for 930 dwellings.</p> <p>R:CMK: Tenders have gone out to develop a business case based on green book appraisal principles. A presentation to CLT on R:CMK is taking place on 10.9.20</p> <p>Station Square: Tenders have also gone out for the Technical Studies that will support the Station Square framework</p> <p>Station Square Meanwhile Uses: 3 electric scooter operators are now trialling in MK. One of them “Spin Scooters” launched their product in The Square. An open-air cinema is being planned for late September / early October themed around transport.</p> <p>Bletchley Board: Subgroups are now moving forwards. MKDP Executive is working on the Bletchley Fire Station project.</p>	

	<p>Covid-19 Testing Site: Contact has been made with Deloitte. The request is for the lease that is due to expire on 16.10.20 to be renewed and run from 17.10.20 to 17.03.21 without any breaks. A rent is proposed which is to be drafted by the Valuations Office on behalf of the Government. MKDP's stand is that the new arrangements are kept as flexible as possible. The DoH are resisting a continuous 28 day rolling break. It is likely that the current arrangements which are 3 months with a 28-day break notice on both sides will be the middle ground. A lift and shift clause at the tenant's expense has been introduced. Further bolstering on the traffic management has been included. If not followed MKDP can break the lease.</p> <p>Westbury Farm: The site is going through refurbishment and on completion, the original plan was to transfer to MKC because of its cultural significance. The transfer has not taken place and there is uncertainty that it will. Discussions with Milton Keynes Parks Trust and the Community Foundation are to take place to see if they will take it on thereby keeping a cultural presence in MK.</p> <p>Declarations of Interest Forms: New DoI forms will be circulated to take Board Members from the end of December 2019 to the 31.3.20 bringing them in line with the financial year end and the audit timetable.</p>	AP
6.3	<p>Council's Report: The focus for the Council has been the Covid recovery plan. MKC's report to cabinet on the Covid Recovery plan and the Medium-Term Financial Outlook was circulated to the Board prior to the meeting. In summary, over £2m has been contributed by the Council to support the recovery. The MTFP reflects the uncertainty in unprecedented times. The Government financial settlement will not be known until December. A challenge for the Council is the rebasing of council tax and business rates.</p>	
7	Subcommittee Minutes	
	The meetings scheduled for the 21.08.20 were cancelled. No minutes or matters arising were brought forward.	
MATTERS FOR DISCUSSION & APPROVAL		
8	<p>LHC Update: The paper was taken as read.</p> <p>Following positive feedback on the outline business case from Group Leaders MKDP have been asked to proceed the proposal to the detailed business case stage. A steering group was formed under which the following workstreams were formed: - Workstream 1 - Pipeline Workstream 2 - Implementation Workstream 3 - Value for money</p> <p>The key milestone is the submission of the detailed business case in December 2020 which is subject to resource capacity for MKC and MKDP.</p> <p>The Board were advised that MKC Legal have been consulted to provide legal advice. It was confirmed that there is sufficient experience and resources in-house to advise on the legal and organisational structures of MKDP and the LHC. The Chair stated that this would be added to the recommendations.</p>	

	<p>The Board noted and approved the following recommendations:</p> <ol style="list-style-type: none"> 1. Noted the progress on the LHC project. 2. Confirmed support to instruct PWC to advise on tax matters and progress workstream 2 with costs being c£15k with the support of MKC Legal. 3. Confirmed support to instruct Savills to carry out 'green book' appraisal of the LHC proposal to progress to workstream 3 – costs being £9,500 4. Approved the request to use MKC Legal team. Any concerns from MKC on legal matters to be referred to Board for approval to go external. <p>NOTE: The approval of recommendation 3 was given subject to HL being content with the feedback provided by Savills. AS to discuss with HL.</p>	AS/HL
9	Property Matters:	
9.1	<p>Shenley Church End: Board considered the recommendation to approve an adjustment to the original bid. The 2 abnormal cost items that should have been considered within the original bid relate to water attenuation drainage and retaining wall structures.</p> <p>The Board expressed concern that the developers had missed this matter. Board also expressed concern that they might chip away at the planning process on the viability assessment of the site. Board were advised that the Developers would not be able to challenge viability as the deal structure does not allow them to do that. Board were also advised that the bid was rescored, and this scheme remained top. Discussions have also been held with MKC to see if they wanted to take on the affordable provision of the site however they were not prepared to proceed at the price the RP are proceeding at.</p> <p>It was confirmed that overage agreements are in place to capture any uplift during the development process.</p> <p>There is a possibility the site might work for the LHC. Discussions are ongoing within the team on this matter.</p> <p>The Board reluctantly approved the reduction on the sale price. There was one vote against.</p>	
9.2	<p>The Open Market – Confirmation of preferred option: Board were asked to consider and approve the RIBA stage 2 concept design as presented.</p> <p>This option considers feedback from previous workshops, subcommittee and board meetings. There are 5 key elements that have been included within the design namely:-</p> <ol style="list-style-type: none"> I. Midsummer Boulevard East - Potential to reconfigure vehicular circulation and bus interchanges II. The Square - providing a multi-use public space enhancing MSBE proposition as part of R:CMK III. The Market IV. Public Space V. Creative Quarter – semi permanent pop up area <p>The redesign of the market canopy has support from Historic England. The financial elements of the scheme will be discussed at PPIsc meeting.</p>	TR

	<p>The Board approved the paper as presented. Recognising that this is a concept design Board are not being asked to approve the details (such as the transport element of the design). PPIsc will be asked to approve progression to RIBA stage 3 which will develop the details further.</p>	
9.3	<p>Bouverie House – MK:U MKC have advised that the Rivers Community Learning Hub could be relocated elsewhere within the Council holdings and proposed Bouverie House is taken by MK:U to facilitate a Soft Start.</p> <p>A vote was taken to approve on the basis above. There was a majority vote with 2 against.</p> <p>The Chair asked the Executive to:</p> <ol style="list-style-type: none"> 1. Report progress on the transaction to the next PPIsc 2. The restrictive covenant arrangements with the Homes England to be resolved. 3. 	<p>TR</p> <p>TR</p>
9.4	<p>Bouverie House – MK:U MKC have advised that the Rivers Community Learning Hub could be relocated elsewhere within the Council holdings and proposed Bouverie House is taken by MK:U to facilitate a Soft Start.</p> <p>Following a robust discussion Members of the Board requested that the in principle Heads of Terms reflect the following amendment: <i>The granting of a lease for £1 to MK:U does not automatically mean MKDP has to vacate. If MKDP does have to relocate discussions are to be had regarding recovery of any costs incurred by MKDP's relocation or write down or transfer of assets to MK:U.</i></p> <p>A vote was taken to approve on the basis above. There was a majority vote with 2 against.</p> <p>The Chair asked the Executive to:</p> <ol style="list-style-type: none"> 4. Report progress on the transaction to the next PPIsc 5. The restrictive covenant arrangements with the Homes England should be resolved so that in 5 years' time when the lease expires MKDP are able to look at alternatives for the property. 	<p>TR</p> <p>TR</p>
10	Finance:	
10.1	<p>Finance Report: Annual Accounts: A new timeframe has been agreed with the Auditors. Signing of the accounts will take place at the 19th October Board meeting.</p> <p>MKDP Loan Agreement: The loan facility expires at the end of October. Board supported the direction of travel on the new loan facility.</p> <p>Capital Cashflow Forecast: Initial modelling indicated there are some strategic decisions that require more in-depth discussion therefore it is proposed that post Finance, Audit & Governance MKDP will convene a scoping session to be attended by all of Board to help facilitate a future strategy day.</p>	<p>GG</p>

	<p>Treasury Management: At this time MKDP's working capital requirement can be met with the income derived from the portfolio.</p> <p>Financial Performance: (April - July 2020): Operating loss marginally reduced from the previous quarter. Despite efforts to minimise the expenditure of the organisation, the revenue loss in July has led to an increase in the operating loss compared to budget. MKDP continue to review the Covid scenarios of high, medium, low impact.</p> <p>CMK Market: The Operators have confirmed they are able to comply with the full terms of the lease as of 1.09.20. The side letter approved by Board in August, has not yet been issued.</p>	
10.2	<p>Pinder House: Board agreed that MKDP should continue to negotiate but seek legal advice on taking action, on expiry of the present Government moratorium, if a solution is not available from negotiations.</p>	
11	Governance Matters	
11.1	<p>Website Compliance: Board acknowledged the requirement to publish a Publication Statement and approved the content.</p>	
11.2	<p>Independent Board Member Contracts: Statutory changes in employment law classify Non-Executive Director roles as 'workers'. Revised written statement of particulars have been prepared and will be reviewed with each Independent Member.</p>	
12	AOB:	
	No matters arising	
13	Confidential Item: Board Members only	
	<p>NEXT MEETINGS: 19th October 2020, 10:00 - 12:00, Bouverie House – MS Teams 7th December 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 7th September 2020 and published in accordance with the Freedom of Information Act 2000.

Nicola Sawford

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Independent Chair