

**MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)**

**Board Meeting**

**19<sup>th</sup> October 2020**

**10:00 – 12:00**

**Video Conference via MS Teams**

**Board Members Present:**

Nicola Sawford, Independent Chair (NS)  
Bernadette Conroy, Independent Board Member (BC)  
Huw Lewis, Independent Board Member, (HL)  
Steve Mallen, Independent Board Member, (SM)  
Roger Bell, Independent Board Member, (RB)  
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)  
Allison Pettifer, MKDP, Secretary to the Board (AP)

<b>Item</b>		<b>Action</b>
<b>1</b>	<b>Apologies:</b>	
	Cllr Rob Middleton, (RM) Alex Walker, Elected Board Member Charles Macdonald, MKDP, Chief Executive	
<b>2</b>	<b>Declarations of Interest</b>	
	No new declarations of interest were stated.	
<b>3</b>	<b>Previous Minutes</b>	
3.1	Board Meeting – 7.9.20 The minutes of the meeting were approved.  Matters arising: Declarations of Interest Forms: J Ferrans to send through her outstanding Declaration of Interest form that brings declarations into line with the Financial year end 2019/20.	<b>JF</b>
3.2	Extraordinary Board Meeting – MK Gateway – 15.9.20. The minutes of the meeting were approved with no matters arising.	
<b>4</b>	<b>Actions/Matters Arising Log:</b>  CSR Fund: The fund is deferred for this financial year. To be reviewed as part of the budget process 2021/22. PR & Comms: To be brought to the December Board Board Skills assessment: To be brought to the December Board	<b>GG NS NS/BC</b>
<b>5</b>	<b>Reports – Verbal updates</b>	
5.1	Chair’s Report: LHC: Progressing well with a further meeting of the Steering Group meeting this week. The full proposal is to be complete by the end of December 2020. A draft will be available for the December Board for discussion. In the	

	<p>meantime, input from various advisors will be shared with the Board outside of the committee structure.</p> <p>Strategy Session: The Executive are to produce a summary for circulation to the Board. A fuller strategy session will be arranged for early 2021.</p> <p>Board Meeting Dates 2021: The governance structure of meetings is to be reviewed and it is likely the dates and frequency of Board and subcommittee meetings will change.</p>	<b>NS</b>
5.2	<p>Executive Summary: R:CMK: The tender exercise for the technical studies supporting the Station Square planning approach has resulted in the appointment of transport specialists Steer Group .</p> <p>The tender exercise for the outline business case for CMK as a whole has also completed.</p> <p>Tickford Field Farm (TFF): The marketing brief is to be finalised this week</p> <p>LHC: Reports commissioned with PWC, MKC Legal and Savills. Information to be ready for PPIsc on the 13.11.20.</p> <p>Internal Audit: MKC have commenced their audit covering a period of almost 2 years. This is a full company audit testing, with the main focus on governance. A report is expected.</p> <p>Covid Testing Car Park: The Department of Health have been given approval to continue using the car park. An amendment to the agreement has been concluded and their offer has been increased by £10k. MKDP is waiting for the legal documentation.</p> <p>Service Level Agreements (SLA): A review of the SLA's is being progressed with MKC Legal. The first framework will be presented to Finance, Audit &amp; Governance sc.</p> <p>Bletchley Fire Station Acquisition: Due to complete purchase next week. Thames Valley Police who own the site next door have expressed interest in a sale and lease back giving MKDP control of the site. The lease arrangement is for a 2-year period.</p> <p>BP Chargemaster: Transport Minister to officially open the building.</p> <p>White Paper: MKDP are feeding into a draft to MKC Officers and will be circulated to all Board Members before it is submitted.</p> <p>MK Gateway (Saxon Court): Exchange has taken place with First Base.</p> <p>Shenley Church End: Exchange has taken place with Taylor Wimpey.</p>	
5.3	<p>Council's Report: The focus continues to be on Covid activity and the budget position for next year. The anticipation is that MKC will receive a 1-year settlement. Draft budget expected in December and will be formalised in February 2021.</p>	

	<p>Housing Infrastructure Bid document has been completed. This is for a £95k grant that MKC have entered into with Homes England.</p> <p>Towns Deal activity: Nearing completion of the proposal to Government. The deadline is the end of October. MKDP's future representation to the Board is to be decided. A bid for up to £25m is being prepared. Some of the funding will support MKDP with the demolition of the Fire Station site and to accelerate site preparations. A revolving investment fund securing c£10m for MKDP to operate is also being considered. The fund will be used for looking at investment opportunities in and around Bletchley. A fuller update was requested for PPIsc.</p> <p>Town Deal Timeframes: Board to sign off the proposal which will be followed by a delegated decision on the 27.10.20. It then goes to MHCLG to consider. Delivery plans to be finalised.</p>	TA/MG
<b>6</b>	<b>Subcommittee Minutes</b>	
6.1	<p>Finance Audit &amp; Governance – 2.10.20 The minutes of the meeting were noted by the Board.</p> <p>Matters Arising: Final comments if any on the draft Procurement Rules were requested.</p>	
6.2	<p>Property Projects &amp; Investment – 2.10.20 The minutes of the meeting were noted by the Board with no matters arising</p>	
<b>MATTERS FOR DISCUSSION &amp; APPROVAL</b>		
<b>7</b>	<b>Standing Items:</b>	
7.1	LHC – To be discussed by PPIsc on the 13.11.20	
<b>8</b>	<b>Finance:</b>	
8.1	<p>Loan Agreement: The current loan expires 11.11.20. The view of MKC's S151 Officer is that the best option is to extend the facility for 1 year. A delegated decision would be necessary on the 29.10.20. The new loan agreement is not available to view. The agreement assumes MKDP will renew 'like for like' with the addition of a Loan to Value Financial Covenant.</p> <p>Following a discussion that covered topics around revolving credit facilities; financial covenants; charged properties; site acquisition; public work board legislation the Board were asked to vote on the following:</p> <ol style="list-style-type: none"> <li>1. To enter a loan agreement – agreed (majority vote)</li> <li>2. Value of the loan – Up to £30m agreed (majority vote)</li> </ol> <p>The Board gave their authorisation for Finance Audit &amp; Governance to complete the Facility documentation on its behalf.</p>	
8.2	<p>Audit Report: The audit findings highlighted internal control deficiencies relating to accruals. This has been addressed and responses provided to the Auditors, Hillier Hopkins.</p>	

	The Rep letter is due this week. MKDP need to confirm valuations on the car parks and then can finalise the report. The CFO advised the Board that a final set of Financial Statements will be circulated. Strategic comments requested only. It was proposed that final sign off is undertaken by Finance, Audit & Governance subcommittee. The delegation to FAGsc was agreed by the Board.	<b>GG</b>
8.3	Finance Report: The report was taken as read. It was confirmed that remodelling was being undertaken each month.  Board noted the following: 1. Financial performance for April 2020 to September 2020 2. Covid19 forecast modelling	
8.4	The Open Market – Rent Arrears 1. Board Approved the proposed variation of rental payments for the months of July and August 2. Board agreed that the Executive should proceed with a side letter to be attached to the lease reflecting the variation of rental payments as per above.	<b>GG</b>
<b>9</b>	<b>Property Matters:</b>	
9.1	D4.4: The Board were advised that since reporting to PPIsc, Milton Keynes Town Council have not objected to the changes. The scheme can now be progressed and be taken through delegated decision. It is possible that legal can be progressed and that commencement of site will be early 2021.  The Board approved the revised terms and amended scheme proposal.	
9.2	Glebe Roundabout – Campbell Park MKDP, MKC and the Parks Trust have been negotiating over a required payment to MKDP to remove the restricted covenant in MKDPs favour. The Board agreed in principle of 15% of the net land receipt and delegated authority to the Chair and Executive the negotiation of detailed terms.	
9.3		
9.4	Enhancement of the Open Market: The Board were asked to approve progression to RIBA stage 3.  Comments: ➤ Supportive to develop plans on the main market area, however particular areas of concern were around highways and the arts. The Board’s consensus was to move forward as proposed to RIBA stage 3	<b>TR</b>
9.5	Drive in Cinema: D3 Secklow Car Park On the recommendation of PPIsc, the Board ratified a 7-day license (26.10.20 - 1.11.20) to MK BID Company to use MKDP’s car park for a drive in Cinema. The request has the support of MKC. MKC will financially underwrite the car parking income which is still to be finalised.	<b>GG</b>

<b>10</b>	<b>Governance Matters</b>	
10.1	<p>Policies Review: MKC Legal are coming forward with company secretary and policy review support.</p> <p>Financial Regulations &amp; Procedures: Further comments have been received and are now in a position to be approved.</p> <p>Procurement Rules: Tabled at Finance Audit &amp; Governance with a request for comments. To date no feedback has been received.</p> <p>The Board moved to authorise the above procedures subject to any comments received within the next week which will then be picked up by Finance Audit &amp; Governance on the 13.11.20. Process approved.</p>	
<b>11</b>	<b>AOB:</b>	
11.1	<p>MKDP Integration/Co-location update: The Chair advised the Board that following discussions with MKDP Executive and MKC about relocating the team, space has been sourced on the first floor as a temporary solution.</p> <p>Comments from the Board:</p> <ul style="list-style-type: none"> <li>➤ Understanding of the current situation and for a move to Civic on a temporary basis is a practical solution.</li> <li>➤ In the short term a dedicated area for MKDP required that is not general space used by the Council. Partitioning etc is to be looked at.</li> <li>➤ Ideally, space that had frontage to look as separate as possible would be helpful.</li> </ul> <p>Board agreed the move of the MKDP team to Civic.</p>	<b>GG</b>
11.2	<p>Bouverie House update:</p> <p>The Executive flagged to the Board the current position with MK:U and their future occupation of Bouverie House:</p> <ul style="list-style-type: none"> <li>➤ MK:U have confirmed their requirement for the whole of Bouverie House.</li> <li>➤ MK:U advised that they are being courted for another space in CMK and have received an attractive alternative offer.</li> <li>➤ MK:U have requested a cap on the schedule dilapidations at the end of the lease</li> <li>➤ MK:U have requested a cap on the ongoing annual maintenance and repairs bill on operating on the building.</li> </ul> <p>The Executive are working with MK:U for a middle ground and will bring this matter back to Board</p> <p>For clarity, the Executive advised what the components of charging are: FRI lease, no rent, no service charge, dilapidations at the end. The view of the Board is that the Executive should push back on capping out costs.</p>	<b>GG</b>
11.3	<p>MKDP Website:</p> <p>Current process of redacted minutes being reviewed with MKC Legal.</p> <p>Financial Policies and Procurement Rules: CFO to consider if these policies should be published on the website.</p>	<b>NS/AP</b> <b>GG</b>

11.4	Broad Band Packages: To be reviewed for the MKDP team to ensure they have access to maximum speeds to avoid outages and minimise disruption as most meetings are now, and in the future, likely to be held via MS Teams.	
11.5	MKC Building Control: PPIsc to look at the implications of using MKC Building Control on its developments.	<b>MG</b>
<b>12</b>	Board Item: This item was attended by Board Members only.	
	<b>NEXT MEETINGS:</b> 7 <sup>th</sup> December 2020, 10:00 - 12:00, MS Teams 25 <sup>th</sup> January 2021, 10:30 - 12:30, MS Reams	

Confirmed as a true extract from the Minutes of the meeting of the Board held on 19<sup>th</sup> October 2020 and published in accordance with the Freedom of Information Act 2000.

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Independent Chair