

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)
Board Meeting
18th December 2020
13:00 – 15:00
Video Conference via MS Teams

Board Members Present:

Michael Bracey, Chief Executive MKC, (MB)
 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 Rob Middleton, (RM)
 Cllr Jenni Ferrans, (JF)
 Cllr David Hopkins, (DH)

In Attendance:

Tracey Aldworth, Managing Director MKDP, (TA)
 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)
 Ellenor Scott – Trainee Solicitor, MKC, (ES)
 Davine Ngani-Oketch – Principal Solicitor, (DN)
 Allison Pettifer, MKDP, Secretary to the Board, (AP)

Item		Action
1	<p>Governance Matter: Elected Member Appointment: Confirmation of Cllr Alex Walker's intention to terminate his appointment to the LLP Board was received on 27th May 2020. The Conservative Party has nominated Cllr David Hopkins to replace him.</p> <p>Following confirmation that Cllr David Hopkins does not hold any material conflicts of interest, it has been recommended by the R&N Committee to appoint Cllr David Hopkins to the LLP Board.</p> <p>The LLP Board resolves that:</p> <p>(a) The termination of the appointment of Councillor Alex Walker is accepted and is effective immediately</p> <p>(b) Councillor David Hopkins, having consented to act, be appointed as a LLP Board Member with immediate effect to hold office until such time that his appointment expires or is terminated.</p>	
2	<p>Apologies:</p> <p>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>	
4.1	<p>Board meeting – 19.10.20 The minutes were approved.</p>	

4.2	Extraordinary Board – 13.11.20 The minutes were approved.	
5	Actions/Matters Arising:	
	<p>Declarations of Interest Forms: Outstanding DoI form from J Ferrans to be resolved.</p> <p>Item 4 - PR & Comms: Item for Board in January tying in with R:CMK.</p> <p>Item 4 - Board Skills Assessment. Noms & Rems have commenced their assessment with work continuing through January.</p> <p>Item 5.1 - MKDP Strategy: A half day strategy session to be arranged.</p> <p>Post meeting note: Meeting arranged for the 22nd February 2021.</p> <p>Item 9.4 - Enhancement of the Open Market: Informal consultations have commenced, and the project team are on schedule to submit a planning application in February.</p> <p>Item 11.2 - MK:U: Heads of Terms have slipped to January. The recommendation is that there is a fixed service charge with MKDP maintaining the building in order to control the dilaps. The Board resolved that landlord (MKDP) and tenant responsibilities in terms of Health & Safety to be made clear within the HoTs.</p> <p>Item 11.3 - MKDP Website: Publication of extract minutes and MKDP Financial policies being reviewed with MKC legal.</p> <p>Item 11.5 - MKC Building Control - missing completion certificates on MKC schemes: It was confirmed that currently it is not an issue for MKDP. All MKDP Development partners are required to have industry standard warranties in place. As and when MKDP or the LHC retain units then MKDP would engage with MKC Building Control. A short paper to PPIsc was requested by the Chair with JF in attendance.</p> <p>The Board noted that all other actions are complete or form part of the agenda.</p>	<p>GG</p> <p>MG</p>
6	Reports – Verbal updates	
6.1	<p>Chair's Report: Since the last meeting, a number of external meetings with MK:U, Grand Union, and the Community Foundation have taken place. Further work with the Executive Team on progressing R:CMK and the LHC has been the main focus.</p> <p>The Chair advised that Board Member reviews are being undertaken through December and January.</p>	
6.2	<p>Executive Summary:</p> <ul style="list-style-type: none"> ▪ Recruitment for the Placemaking Executive has completed with an appointment made to Iain Stevenson who will be the lead on Station Square. ▪ Open Market consultations have commenced with a formal pre-app being prepared for early New Year. ▪ The Point/Savills: Savills are expected to be marketing and approaching interested parties in the New Year. ▪ Communication Plan for R:CMK: A timeline and information piece for the economic recovery plan and elements on CMK and the 2050 strategy is being worked on collaboratively with MKC. ▪ Campbell Park Northside: Exchange with Urban Splash has taken place. ▪ Shenley Church End: Planning application submitted by Taylor Wimpey. ▪ Walnut Tree: Building lease completed with Grand Union Housing. PR to be discussed. 	MG

	<ul style="list-style-type: none"> ▪ Bletchley: Thames Valley Police have accepted MKDP's offer for the site. The offer was within the range already secured by Board approval. ▪ The Bowl: Exchange on the option for MKDons to take over the Bowl has taken place. PR being discussed with MK Dons. ▪ Internal Audit update: Update on position to be brought to Board late January. 	<p>MG</p> <p>GG</p>
6.3	<p>Council's Report:</p> <ol style="list-style-type: none"> 1. Focus continues around Covid activity as it moves into a different phase of vaccination and testing requirements. 2. Budget preparation for February cabinet 3. Future Proofing: A review of working practices, some driven by Covid, and looking at customer demand differently, is being undertaken to assist with budgeting. 	
7	Subcommittee Minutes:	
7.1	<p>Property Projects & Investment – 13.11.20</p> <p>The Board noted the minutes and discussion points</p>	
7.2	<p>Finance Audit & Governance – 13.11.20</p> <p>The Board noted the minutes and discussion points</p>	
MATTERS FOR DISCUSSION & APPROVAL		
8	Finance:	
8.1	<p>Finance Report:</p> <p>Actual v Budget: The results for the 7 months ended 31 October 2020 were presented to Board. Covid-19 significantly impacted</p> <p>Parking Receipts - down on budget by £942K</p> <p>Property Rental - down on budget by £147K</p> <p>October Actual v Medium Forecast: The financial performance was in line with the medium term forecast. Medium Impact Modelling (MIM) assumes lock downs commence from November 2020 onwards.</p> <p>The Board noted the following:</p> <ol style="list-style-type: none"> 1. The financial performance for April 2020 - October 2020 2. The variance to the Covid19 medium impact for October. 3. The risks to MKDP's cashflow forecast <p>It was acknowledged that the real test on car parking income will be during December and January following the movement in Covid tiers and the possibility of another lockdown.</p> <p>It was also acknowledged that the finance report ought to be tied into the Business Plan when the LHC position is known. It was suggested that FAGsc discuss the longer-term plan prior to presenting to Board.</p> <p>Annual Accounts & Financial Statements:</p> <p>The Board approved the following:</p> <ol style="list-style-type: none"> 1. The Chair to sign the Financial Accounts 2. The Chair to sign the Rep letter <p>Auditors to list the accounts by the end of December 2020 with Companies House.</p>	<p>GG/HL</p>

9	Property Matters:	
9.1	G5 Mast: The Board approved the proposed heads of terms for the grant of a lease to MKC and ancillary documentation relating to the removal of land from the present Western Power Distribution lease.	
9.2	CMK Market Rent Arrears: The Board approved the proposed variation of rental payments for the month of November and to proceed with a side letter to be attached to the lease. The Board however, requested the Executive to undertake some checks on what access Ritagate have to government support and to check with the MKC Finance team on support they may be eligible for.	GG
9.3	Winterhill: The site is let under a 200-year ground lease with 198 years unexpired. The tenant now wishes to own the freehold. The transfer of restrictions to MKC protects the placemaking control of the original transaction. The Board approved by a majority vote. 1. Selling the freehold to the tenant 2. Retaining the user restriction on sale 3. Delegated completing the transaction to the Chair and Executive. There was one abstention on the general point around losing the freehold.	
9.4	B3.3N: The deadline for submission of a planning application ended on the 27 th April 2020. PPIsc in the first pandemic lockdown, agreed to give Sterling more time to progress ongoing funding discussions. Subsequently, Sterling have agreed terms to forward fund the residential element of the project with a RP and are confident they will be in a position to submit a planning application by April 2021. Board were asked to consider 3 options: 1. Terminate the contract. 2. Allow an extension to April without amending any terms of the contract. 3. Allow the extension to April but amend the minimum payment to match MKDP's current book value of the site. Board approved option 3.	
10	Standing Item	
10.1	Local Housing Company Update: The Executive gave a presentation that covered 2 potential approaches which realise the 3 key priorities of the Council: delivery, quality and control; a) Evolution of MKDP to include a greater focus on housing delivery and placemaking addressing delivery and quality and b) The creation of a Local Housing Company (LHC), in the form of a Registered Provider (RP), as a wholly owned company of MKDP, for the management of retained housing stock addressing control. The recommendation of the Executive Team is that both of these elements are pursued in tandem.	

	<p>Points to be addressed by the Executive in preparation for the paper to Board in January covered the following key matters:</p> <ul style="list-style-type: none"> • Debt: Assumptions and interest rate risk levels. Ensuring covenants, how structured are realistic. Further due diligence necessary on understanding the liquidity traps/crunches. • Resource: Level and calibre of human resources to be considered in assumptions and expectations. Direct Development will need an experienced leadership structure. • Legal Structure: The legal structure was still to be agreed and the implications of working with Community Benefit Societies needs to be investigated further. It was flagged by BC that Community Benefit Societies are regulated by the FCA and she was conflicted due to her involvement with the FCA. Also, any proposed structure must be open to government funding. • Presentation to MKC: Narrative drafting to be tighter and RB offered to support the Executive. Having 3 priorities means MKDP needs to consider how it will manage potential trade-offs in terms of delivery vs quality and placemaking. • Operating costs: To be reviewed and sense checked against MKC HRA. <p>Following the discussion around next steps and level of detail of the report, the Board approved the recommendation that both elements of the suggested approach to housing delivery are pursued and that a detailed business case is worked up for the January Board meeting. All political parties are to have the opportunity to provide support/input to the drafting</p> <p>A very detailed information plan that includes approval processes, dates of meetings, consultations etc including delivery of sites has been generated and will be shared once the Election timetable is confirmed. This will be shared when complete</p>	<p>MKDP Exec</p> <p>GG</p>
11	AOB:	
	No matters arising.	
12	Board Member only item:	
	<p>NEXT MEETINGS: 25th January 2021, 10:30 - 12:30, MS Teams 1st March 2021, 10:30 – 12:30, MS Teams 12th April 2021, 10:30 – 12:30, MS Teams</p>	

Confirmed as a true extract from the Minutes of the meeting of the Board held on 18th December 2020 and published in accordance with the Freedom of Information Act 2000.

Nicola Sawford

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Independent Chair