

MILTON KEYNES DEVELOPMENT PARTNERSHIP (“MKDP”)
Extract from Minutes of the Board Meeting dated 22.02.21
starting at 10:00 am
This meeting was held 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)
 Allison Pettifer, MKDP, Secretary to the Board, (AP)

Item		Action
1	Apologies:	
	None	
2	Declarations of Interest:	
	Cllr David Hopkins declared an interest in item 4 in that he owns land opposite his home in Wavendon part of which is adjacent to the Church Farm (SLA) proposed development. There was no other declaration of interests.	
3	Previous Minutes:	
	<p>The minutes of the meeting held on the 25.1.21 were acknowledged. The actions of the meeting were reviewed by the Board. The updates were noted.</p> <p>Actions/Matters Arising: The Board were provided with the following updates to the actions.</p> <p>Item 4.2 - Project dashboard to be carried forward to the next Board meeting. Item 4.3 - Oxford to Cambridge Arc: The link was circulated, and board were advised that there were several forward plan dates to note. Item 5 - Remuneration & Nominations: The Board were reminded that the skills assessment deadline was the 26.2.21 Item 5 - Delegations for the Managing Director role to be reviewed prior to the next Finance, Audit & Governance meeting. Item 10: Walton Play Area. Discussions continue with MKC Officers.</p>	<p>ALL</p> <p>NS/HL</p>

MATTERS FOR DISCUSSION & APPROVAL	
4	Finance:
	<p>The first draft of the budget for the financial year 1.4.21 – 31.3.22 was received and considered by the Board. The Board noted that given several unknowns the budget range had been constructed based on a Low, Medium and High Impact assessment of COVID19.</p> <p>The Board were asked to review the budget and recommend where required amendments to the CFO in preparation for the final version which is to be presented at the next Board meeting. The final version will include input from the Strategy Session scheduled for the 1.3.21</p>
5	Property Matters:
5.1	<p>Campbell Park Northside:</p> <p>The Board received the proposal for Urban Splash to take over Crest Nicholson’s position following their withdrawal from the Campbell Park Northside scheme.</p> <p>The proposal from Urban Splash is to extend the existing deal structure and base payments that have already been agreed and exchanged on their allocation of land into the remaining site. Financially, the pro-rata base payments marginally decrease the proposed receipt, however the profit share triggers are more generous and therefore may balance out in due course. Procurement issues were considered.</p> <p>The issue of valuation, S106 payments and viability of CMK projects is a topic that has been discussed previously by the board. The current planning position predicates that all development in CMK require viability assessments.</p> <p>The Board considered the following options</p> <ol style="list-style-type: none"> a. Do not progress the proposal from Urban Splash and remarket the site – not recommended b. Accept the proposal from Urban Splash as outlined – recommended <p>After careful consideration the Board approved the recommendation on the basis that the issue of the S106 impact on land receipts, would be deferred for a later consideration. The recommendation approved is to progress with Urban Splash and delegated minor, non-financial changes to the Chair and Executive.</p>
5.2	<p>Pineham Access:</p> <p>At the last PPlsc meeting the recommendation was to formalise the ability to use the Parks Trust land for access. The documentation of the option agreement will give MKDP the ability and flexibility to control the future of the site and plan accordingly.</p> <p>The proposal is for MKDP to enter into an option agreement to seek outline planning consent or market the site for a large logistics development utilising Parks Trust land. In return for utilising the land for access, MKDP will give MKPT (split with MKC) 33% of the net receipt for the site less an indexed assumed base value of the site without access. If the site is sold to a developer subject to planning, the net receipt will be split as detailed. If the site is successful in securing a pre-let, it will be marketed with the pre-let opportunity to establish the true site value at that point in time. The option allows for MKDP to develop and hold the site if that is the Board’s decision at the time.</p>

	<p>The Board approved the terms subject to the receipt of a franking valuation, instruction of solicitors to document the option and delegated to the Chair and Executive any minor, non-financial amendments.</p>	
<p>5.3</p>	<p>Open Market: The paper referenced PPIsc (12.02.21) in respect of outstanding matters identified as caveats to the October 2020 Board approval. These related to the creative units and servicing of the Market.</p> <p>In addition, planning fees were identified outside of the agreed budget for pre-application advice and the fee itself. Whilst the fee itself was still being discussed with MKC, approval was sought for the current estimate.</p> <p>It was suggested that the budget be increased to allow for further contingency. The Exec advised that known costs and a contingency were included in the current budget but depending on how the project proceeds this might be exceeded. It was agreed that the budget should be reviewed if (and when) necessary.</p> <p>The Board agreed the recommendations put forward to:</p> <ol style="list-style-type: none"> 1. Approve additional budget to cover fees for a planning performance agreement (PPA) and the full planning application. 2. Confirm that the matters referred to regarding the previous minutes have been satisfied. 	
<p>6</p>	<p>Local Housing Company: The Board received the LHC Business Case and were asked to make comment prior to submitting the final version to the Council for the Delegated Decision meeting scheduled for the 9.3.21. The decision required is for MKC to receive and note the business case and for the S151 Monitoring Officer to commence due diligence. MKC will report back to the first Cabinet session following the Election which is likely to be June.</p> <p>The Board raised several questions and comments that covered:</p> <ul style="list-style-type: none"> ▪ Affordable Housing mix ▪ Application preparation to become a Registered Provider (RP) ▪ Housing Regulator implications: ▪ Rates of delivery ▪ State Aid - considering the impact of Brexit and changes it may bring to legislation ▪ Management of trade-offs between delivery/quality/control ▪ Business Plan: Balancing of responsibilities. Resourcing, staffing, implementation, structure, budget allocation ▪ Balance sheet risks for the LHC and MKDP ▪ Inflationary pressures ▪ Right to Buy ▪ S106 implications ▪ Permitted Development: Suggested wording 'appropriate use of permitted development to agreed standards and stakeholder consultation can reduce costs and improve affordability' ▪ Promotion of the wider benefits 	

	<p>The Board approved the recommendations as follows:</p> <ol style="list-style-type: none"> 1. The submission of the LHC Business Case 2. Delegated authority to the Chair and Managing Director to submit the LHC Business Case to the Council following any changes as requested by Board and any non-material amendments as may be required before submission. 3. Supported the inclusion of the financial allowance into the MKDP Budget 2021/22. 	
7	AOB:	
7.1	<p>Strategy Session 1.3.21: Document to be circulated that requires input from Board members for the strategy session.</p>	TA
7.2	<p>Production and circulation of papers: Circulation of papers to be in line with the terms of reference ie a week before.</p>	
	<p>NEXT MEETINGS: 12th April 2021, 10:30 – 12:30, MS Teams 24th May 2021, 10:30 – 12:30, MS Teams 5th July 2021, 10:30 – 12:30, TBC</p>	

Confirmed as a true extract from the Minutes of the meeting of the Board held on 22nd February 2021 and published in accordance with the Freedom of Information Act 2000.

Nicola Sawford

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Independent Chair