

Record of Cabinet Sub Committee (Medway Development Company Ltd Shareholder Board) decisions

Thursday, 30 May, 2024

6.00pm to 6:45pm

Date of publication: 3 June 2024

**Subject to call-in these decisions will be effective from 11 June 2024
The record of decisions is subject to approval at the next meeting of the Sub
Committee**

Present:

Councillor Naushabah Khan	Portfolio Holder for Housing and Property
Councillor Simon Curry	Portfolio Holder for Climate Change and Strategic Regeneration
Councillor Lauren Edwards	Portfolio Holder for Economic and Social Regeneration and Inward Investment

In Attendance:

- Sunny Ee, Assistant Director, Regeneration
- David Gannicott, Chair, Medway Development Company Ltd
- Bhupinder Gill, Assistant Director, Legal and Governance
- Jon Pitt, Democratic Services Officer
- Lewis Small, Operations Director, Medway Development Company
- Phil Watts, Chief Operating Officer

Apologies for absence

There were none.

Declarations of Disclosable Pecuniary Interests and Other Significant Interests

Disclosable pecuniary interests

There were none.

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Other significant interests (OSIs)

There were none.

Other interests

There were none.

Reports by the Board of Directors (Non-Executive Director Recruitment and Remuneration Policy)

Background:

This report set out two reports submitted by the Board of Directors for consideration by the shareholder board. These reports were Non-Executive Directors and Approval to Recruit; and Remuneration Policy.

In respect of each report, the Sub-Committee was requested to receive the report and provide relevant feedback.

There were currently three non-executive directors on the MDC Board. It was recognised that there was a need to strengthen the Board from a finance perspective. A Skills Matrix had been produced and it was proposed that this be circulated to the Sub-Committee for review outside the meeting, under delegated authority. The Sub-Committee's support to appoint Richard Stephens as a fourth non-executive director was also requested.

The Assistant Director, Legal and Governance advised that the current non-executive directors had been appointed for a period of 12 months, subject to further renewal. Should a fourth non-executive director be appointed, this would be for a period of four years, as this was not an existing appointment which was rolled over.

Decision number:

Decision:

The Sub-Committee noted the contents of the report

3/2024

The Sub-Committee commented on the contents of the report, matters specifically raised by the Board of Directors and / or generally and raised no objection to the appointment of Richard Stephens a fourth Director of the Company.

The Sub-Committee noted the remuneration policy.

4/2024

The Sub-Committee agreed to delegate authority to the Assistant Director, Legal and Governance, in consultation with the Chairperson of the Sub-Committee (the Portfolio Holder for Housing and Property) and the Chief Operating Officer, to review the Skills Matrix and provide feedback to MDC and on a proposed recruitment process to recruit a fifth NED.

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Reasons:

The Sub-Committee considered the recommendations set out in the report and noted those which were relevant to each report received to make sure that the shareholders views were communicated to the company and that the Council's objectives for the company were being delivered.

Business Plan 2024-2030

Background:

This report set out that the previous version of the Business Plan had been approved at a Cabinet meeting held on 10 January 2023. The updated Business Plan now being presented covered the period 2024 to 2030 and set out how MDC would deliver its objectives during this period.

The Business Plan reflected market challenges that had been encountered and how these risks had been mitigated to date. The programme outlined was expected to deliver 760 homes, a substantial contribution to Medway's housing delivery targets.

An Exempt Appendix to the report set out the Business Plan.

Decision number:

Decision:

5/2024

The Sub-Committee noted the contents of the report and agreed the Medway Development Company Ltd. Business Plan, which was attached as the Exempt Appendix to the report.

Reasons:

In order for the company to fulfil its purpose, a Business Plan proposal is required to set out how the company will achieve its medium-term objectives.

The Business Plan sets out the Company's medium-term vision and has mitigated risks in response to the current difficult operating environment by acting in an agile way and adapting its sales offer to reflect changing market conditions.

MDC is contributing to Medway's housing delivery targets, including Affordable Housing options that can benefit the community. A key part of MDC's future mitigation strategy is for the company to obtain Homes England "Investment Partner" status, which will allow the company to apply for affordable housing grants and offer Shared Ownership which is outlined in the Business Plan.

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Review of the Company's Risk Register

Background:

This report set out the Strategic Risk Register for MDC Ltd. This had been prepared by the company in accordance with the approach and scoring methodology adopted by the Council.

The Risk Register was comprehensive, including closed risks and those being managed under 'business as usual', in addition to those which required further management action. The report highlighted three risks, which appeared to be increasing despite management action. The Risk Register was considered by the MDC Board each meeting.

An Exempt Appendix to the report set out the Strategic Risk Register.

Decision number:

Decision:

The Sub-Committee noted the contents of the report and its exempt appendix.

Reasons:

In order to fulfil its role as shareholder, on behalf of the Council, the sub-committee must be regularly updated regarding the risks affecting the company and its activity and the action being undertaken to manage those risks.

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Chairperson

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Date

Jon Pitt and Teri Reynolds - Democratic Services Officers

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