

Cabinet Sub-committee (Medway Development Company Ltd Shareholder Board)

22 August 2024

Progress of Business Plan and KPIs

Portfolio Holder: Zoe Van Dyke, Portfolio Holder for Housing and Property

Report from / author: Sunny Ee, Assistant Director, Regeneration

Summary

This covering report provides an overview of the progress made against the approved MCD Business Plan as well as KPI targets.

1. Recommendations

1.1. The sub-committee is asked to note the updates provided.

2. Suggested reasons for decision

2.1 In order for the company to fulfil its purpose, the Shareholder should monitor progress of its objectives against the Business Plan.

3. Budget and policy framework

3.1. The MDC Business Plan was approved on 30th May 2024 by Medway Council as the sole shareholder of MDC and its subsidiaries. Cabinet has delegated powers and responsibilities to this Cabinet sub-committee to oversee the company.

4. Background

4.1. The updated Business Plan presents a medium-term proposal up to 2030 and sets out how MDC will deliver its objectives during this period.

5. Key updates to note

5.1 A new subsidiary “Medway Development Company (New Homes) Ltd.” has been set up to deliver affordable homes.

5.2 The company has now submitted its Homes England “Investment Partner” bid. This is a key aspect of the business plan and if successful will enable the company to submit grant bids and offer Shared Ownership within its new subsidiary.

- 5.3 The company is progressing enabling work activities for Mountbatten House and Strood Civic following successful grant bids via the Brownfield Land Release Fund and MDC has met the grant deadline commencement dates.
 - 5.4 A final business plan has been submitted to the Shareholder in respect of converting Pioneer Wharf to PRS and this asset has now transferred to Medway Development Company (PRS) Ltd.
 - 5.5 A key part of the Business Plan is to commence the Mountbatten House project, which is a major part of the regeneration works under way in Chatham. The company has coordinated a tender opportunity for this and as outlined above has made good progress to ready the project for its delivery phase.
 - 5.6 The Cabinet Sub-committee is also requested to note the KPI's update which is provided as exempt Appendix 1.
6. Risk management
 - 6.1. The company operates a risk register which has been separately assessed by the Chief Operating Officer.
7. Consultation
 - 7.1. The content of the KPI's was approved within the Business Plan.
8. Financial implications
 - 8.1. The borrowing incurred to date is from the £120 million agreed by Cabinet and Council, required to fund the company's programme.
9. Legal implications
 - 9.1. Under the new Sub-committee Shareholder approach, the Council has approved the Business Plan and agreed the creation of a new subsidiary "Medway Development Company (New Homes) Ltd." which has now been created.
10. Conclusions
 - 10.1. The update identifies that good progress has been made against the key objectives of the Business Plan.

Lead officer contact

Sunny Ee, Assistant Director for Regeneration
Sunny.Ee@Medway.gov.uk

Appendices

Exempt Appendix 1 – Medway Development Company Ltd. KPI's update

Background papers

None