

**Cabinet Sub Committee
(Medway Development Company Ltd (MDC)
Shareholder Board)**

7 November 2024

2023/24 Year End Financial Report

Portfolio Holder: Louwella Prenter, Portfolio Holder for Housing and Homelessness

Report from / author: Phil Watts, Chief Operating Officer (Section 151 Officer)

Summary

This covering report introduces the first year-end financial report for MDC Ltd under new governance arrangements established during the current financial year. The report itself is attached within the Exempt Appendix 1 to this report.

1. Recommendations

1.1. The Sub Committee is asked to note the contents of the report and the Exempt Appendix 1.

2. Suggested reasons for decision

2.1. In order to fulfil its role as shareholder, on behalf of the Council, the Sub Committee must be appraised of the financial performance and position of the Company.

3. Budget and policy framework

3.1. Medway Council is the sole shareholder of MDC Ltd and its subsidiaries, with the exercise of the shareholder's powers and responsibilities being an executive function of the Cabinet. Cabinet has delegated these powers and responsibilities to this Cabinet Sub Committee.

4. Background

4.1. At its meeting on 30 May 2024 the Cabinet Sub Committee approved the 2030 MDC group business plan. The end of year update has been reviewed based on the approved Business Plan expectations. The accounts provided are in draft format and yet to be audited.

4.2. The Company was incorporated in October 2017 and has now completed its sixth full year of trading.

5. Key points to note

5.1. The draft accounts are provided for each company which comprises MDC Ltd, MDC (Land and Projects) Ltd and MDC (PRS) Ltd with a group consolidated overview.

5.2. The Company has created a new subsidiary MDC (New Homes) Ltd which will be focused on affordable housing and subject to the approval of its "Investment Partner" bid, will be able to lever in affordable housing grants for future schemes. At the 2024/25 review it is anticipated that this company will be operational and form part of the consolidated group.

5.3. The draft accounts are subject to audit and this process has now started.

5.4. A separate review of the accounts has been completed and this is provided separately within the Exempt Appendix 1.

6. Risk management

6.1. The Company's strategic risk register appears elsewhere on this agenda.

7. Consultation

7.1. The draft accounts and Business Plan strategies are reported to the Board, which comprises a number of non-executive directors who are all highly experienced professionals in the field of residential development.

8. Financial implications

8.1. These are laid out in the Exempt Appendix 1 to the report.

9. Legal implications

9.1. There are no legal implications arising directly from the contents of this report.

10. Conclusions

10.1. The 2023/24 end of year report is consistent with the Business Plan forecasts and the Exempt Appendix 1 provides further detail which the Cabinet Sub Committee should note, including future Business Planning strategies that will be implemented.

Lead officer contact

Phil Watts, Chief Operating Officer, Gun Wharf, 01634 334411,
phil.watts@medway.gov.uk

Appendices

Exempt Appendix 1 – Medway Development Company Ltd 2023/24 Year End
Financial Statements

Background papers

None