

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

**23 June 2026**

### **Business Plan Progress Update**

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

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

#### **Summary**

This covering report provides an overview of the progress made in respect of the following matters:

- Business Plan Progress and KPI's
- Financial monitoring
- Risk register

#### **1. Recommendation**

- 1.1. The Cabinet Sub-committee is asked to note the updates provided and to agree to the recommendations outlined in exempt Appendix 2.

#### **2. Suggested reasons for decision**

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

#### **3. Budget and policy framework**

- 3.1. The MDC Business Plan was approved on 24<sup>th</sup> June 2025 by the Cabinet Sub-committee 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 Business Plan presents a medium-term proposal up to 2035 and sets out how MDC will deliver its objectives during this period.

## 5. Business Plan Progress and KPI's

- 5.1. The bid for shared ownership funding for Mountbatten House via the Homes England SAHP for 2026-36 has now been submitted and we await the outcome.
- 5.2. The grant funded enabling works at the Strood Civic site are now complete and the final draw down is currently being progressed. The £1.7m grant was secured through the Brownfield Land Release Fund and the grant funding deadlines for the works have been successfully achieved.

As previously reported a further £6.8m has been secured via Homes England to facilitate land raising, surcharging and pre-construction ground works. These works remain on programme and once complete, will enable the main delivery phase to proceed which is anticipated early 2027.

- 5.3. In respect of Mountbatten House, the Brownfield Land Release Fund enabling and main works are due to complete in Jan/Feb 2027. Initial interest in the apartments has been encouraging, and the scheme remains on programme.
- 5.4. The £471,625 grant for enabling works at the Upper Mount car park site has now completed and final approval of the detailed planning application is anticipated in June 2026.
- 5.5. The £1,578,150 grant secured for the demolition of the Brook Street car park is now secured and a tender for its demolition has been coordinated, with a view to commencing the works later this year.
- 5.6. To ensure that the Cabinet Sub-committee can oversee progress against the Business Plan a schedule of KPI's was approved to monitor the key activities of the company. The Cabinet Sub-committee is requested to note the KPI's update which is provided as exempt Appendix 1.
- 5.7. Good progress in respect of the training programme continues and we are proactively engaging with the Adult Education team and Job Centre Plus to bring forward a comprehensive training project for Medway residents. At the end of May 297 training days have been completed with 41 candidates attending the course. We are due to hold a 6-month review and expect to meet our target of placing 100 apprentices within a 12 month period. Exempt Appendix 4 provides a statistical overview.

## 6. Financial Monitoring

- 6.1. The exempt Appendix 2 represents an overview of the forecast position provided by the company and presents it as budgets against actuals. The updates separate the activities of the company into property development and revenue generating through private rented, shared ownership and commercial rent activities.
- 6.2. The PRS portfolio continues to grow and demand has increased at Chatham Waterfront as we have moved from the winter period through to Spring.
- 6.3. The small PRS element at Garrison Point remains fully occupied.
- 6.4. The financial overview provides variations against the Business Plan forecasts, that are not significant, and the Board should note the comments outlined in the report.

## 7. Risk Register

7.1. The Cabinet Sub-committee must be regularly updated regarding the risks affecting the company and the action being undertaken to manage those risks. This report therefore includes an update to the strategic risk registers for MDC Ltd and its subsidiaries. The risk registers are attached within exempt Appendix 3.

7.2. The Cabinet Sub-committee is asked to note two key risks:

- Risk 1 (previously reported), Market Fluctuations – The private sale market continues to be subdued with the ongoing global instability however some mortgage deals are re-entering the market, which is positive news. we anticipate that Shared Ownership will see continued demand.
- Risk 14, (previously reported but reducing) Resource Capacity – Following our previous update we have increased our sales and marketing staff resource as Mountbatten House enters a busy sales period.
- Risk 21, Iran War – This risk is ongoing and is likely to see an inflation upturn. MDC is monitoring this closely and the Board, subject to the continuance of the conflict may need to plan for risk mitigation measures.

## 8. Financial implications

8.1. The company continues to pursue grant opportunities to increase the financial investment into Medway and dialogue remains ongoing for various pipeline sites.

8.2. 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. The Cabinet Sub-committee has approved the Business Plan and continues to provide legal advice and support in respect of its ongoing operations.

## 10. Conclusions

10.1. The company continues to make good progress against the Business Plan.

## Lead officer contact

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## Appendices

Exempt Appendix 1 – KPI's Update

Exempt Appendix 2 – Financial Overview

Exempt Appendix 3 – Risk Registers

Exempt Appendix 4 – Apprenticeship training report

## Background papers

None