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

8 September 2026

Business Plan Progress Update

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

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Summary

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

- Business Plan Progress and KPIs
- 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 1.

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 24th 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 KPIs

5.1 At Strood Civic, the grant funded enabling works are making good progress which includes land raising, surcharging and pre-construction ground works.

5.2 The Mountbatten House scheme continues to make good progress and interest in the Shared Ownership apartments is encouraging. The scheme remains on programme.

5.3 The Upper Mount scheme planning application has been approved and the £471,625 grant funded enabling works are completed.

5.4 The £1,578,150 grant secured to fund the demolition of the Brook Street car park is now tendered and works are due to start in September.

5.5 MDC continues to make good progress with its apprentice training scheme and has held its mid-year review with a summary outlined below:

Summary	**Total**
Total number of candidates approached	144
Total number of training days completed	443
Total number of candidates attended or currently attending course	51
Total number of candidates that completed course	45
Total number of candidates who passed CSCS test to allow them to work on construction sites	42

The programme targets Medway residents who have gained confidence and shown a high level of motivation as part of the training delivered. A full detailed report is provided in exempt Appendix 4.

5.6 To ensure that the Cabinet Sub-committee can oversee progress against the Business Plan a schedule of KPIs was approved to monitor the key activities of the company. The Cabinet Sub-committee is requested to note the KPIs update which is provided in exempt Appendix 2.

6. Financial Monitoring

6.1 The exempt Appendix 1 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 we are approaching full stabilisation of the Chatham Waterfront scheme, which is important, prior to launching the PRS element at Mountbatten House, which will complete early 2027.

6.3 The small PRS element at Garrison Point is also performing well.

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 three key risks:

- Risk 1, (previously reported), Market Fluctuations – The private sale market continues to be subdued with the ongoing global instability. We anticipate that Shared Ownership will see continued demand and early enquiries for the Mountbatten House scheme are promising.

- Risk 17, Financing – As MDC has an income generating asset base, it is able to approach finance markets to investigate the possibility of financing future schemes. This is not a high-level risk but is noted as an opportunity to progress a review of various finance options.

- Risk 21, (previously reported), Iran War – This risk is ongoing and instability continues with no permanent resolution in place. MDC is monitoring this closely and the Board, subject to the continuance of the conflict may need to plan for risk mitigation measures.

8. Local Government Reform (LGR) Implications

8.1. The company will need to prepare for new reporting structures that will be implemented as part of the LGR process.

9. Financial implications

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

9.2. The borrowing incurred to date is from the £120 million agreed by Cabinet and Council, required to fund the company's programme.

10. Legal implications

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

11. Conclusions

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

Lead officer contact

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Appendices

Exempt Appendix 1 – Financial Overview
Exempt Appendix 2 – KPIs Update
Exempt Appendix 3 – Risk Registers
Exempt Appendix 4 – Apprenticeship training report