

**Wards Affected:**

All Wards

**ITEM 12****CABINET****3 JANUARY 2017****MILTON KEYNES DEVELOPMENT PARTNERSHIP BUSINESS PLAN**

Responsible Cabinet Member: Councillor Middleton – Cabinet member for Resources and Innovation

Author and contact: Charles Macdonald, Chief Executive, Milton Keynes Development Partnership Tel: (01908) 253899

**Executive Summary:**

This paper provides an update to Cabinet about progress made in the last quarter (October, November, December) by MKDP, as measured against its adopted business plan in October 2016 Business plan – financial support to the Council

MKDP continues to make solid progress against its Business Plan and the financial targets set by MKC. In particular, MKDP has revised upwards its forecast for the financial year 2016/17 to £6.9m, an increase of £1.62 m (27% increase).

Agreed Council Priorities

MKDP continues work designed to explore how it can support MKC' agreed policy priorities. Following the adoption of the Council Plan in July of this year, work is underway to establish what projects might be brought forward in the near future to meet the City's pressing housing needs. In particular, the shortfall of affordable housing for the residents of our rapidly growing city. Work is ongoing and a Housing paper will be submitted to MKDP Board in January

Emerging Council priorities

MKDP, looking to the longer term, has been tasked with undertaking preliminary work about how CMK Renaissance, one of the flagship projects of the MKFutures2050 commission, can be delivered in partnership with other stakeholders across the city.

MKDP review

In line with the adopted Council Plan, the review of MKDP is approaching completion and will be subject to a further paper in the New Year

**1. Recommendation(s)**

- 1.1 That progress to date be noted.
- 1.2 That Milton Keynes Development Partnership solid progress against the Business Plan and its short to medium term financial targets be noted.
- 1.3 To note that the Milton Keynes Development Partnership has revised upwards its forecast for the financial year 2016/17 to £6.9m an increase of £1.62 m (27% increase) be noted.

- 1.4 That the forecast revenue and capital position from 2015/16 to 2019/20 be noted.
- 1.5 That Milton Keynes Development Partnership's intention to meet its interest and MK tariff risk share reserve requirements to 2018 and beyond be noted.

## 2. **Issues**

### 2.1 Agreed Council Priorities

**Affordable City** - Milton Keynes Development Partnership (MKDP) is keen to assist the ambitions set out in the Council Plan 2016-20 and is actively considering opportunities to deliver additional good quality affordable homes over and above its commitment to deliver 30% Affordable Housing. A number of initiatives are being explored and MKDP will work closely with colleagues within MKC and Your MK to assist Council Plan objectives.

### 2.2 Emerging Council Priorities

**Renaissance CMK** - MKDP has commenced initial discussions and will work with MKC to identify the most appropriate process and 'road map' to deliver the relevant MKDP elements of the six big projects identified in MK Futures 2050. It recognises that it has an important role as a major land owner in CMK to help deliver the vision outlined in MK Futures 2050 and in particular to outline the development and investment programme for the major sites that will be necessary to make Renaissance CMK happen.

### 2.3 MKDP Review

In line with the adopted Council Plan, the review of MKDP is now approaching completion. A separate paper to be submitted to the Cabinet.

## 3. **Implications**

- 3.1 MKDP's ability to achieve these ambitions is predicated on its ability to generate capital and revenue reserves to meet its debt obligations to MKC and create a capital reserve for strategic acquisitions and investment in projects that will give a positive rate of return.

While MKDP will make additional contributions over its existing obligations to repay the £32m debt and provide MKC an income of £580k per annum such additional contributions need to be reasonable and not adversely affect its medium term business plan.

### 3.2 Resources and Risk

MKDP still expects to meet the loan interest costs and the MK Tariff Risk Reserve contribution share from 2018/19 and beyond.

MKDP conservatively expect to be able to double the value of the c£32m assets over time.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

3.3 Carbon and Energy Management

None.

3.4 Legal

None.

3.5 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder

**Annex:** Milton Keynes Development Partnership quarterly update of the Business Plan