MKDP

Special Report

Milton Keynes Development Partnership

How a council-owned development company earns its place - and what others can learn from it

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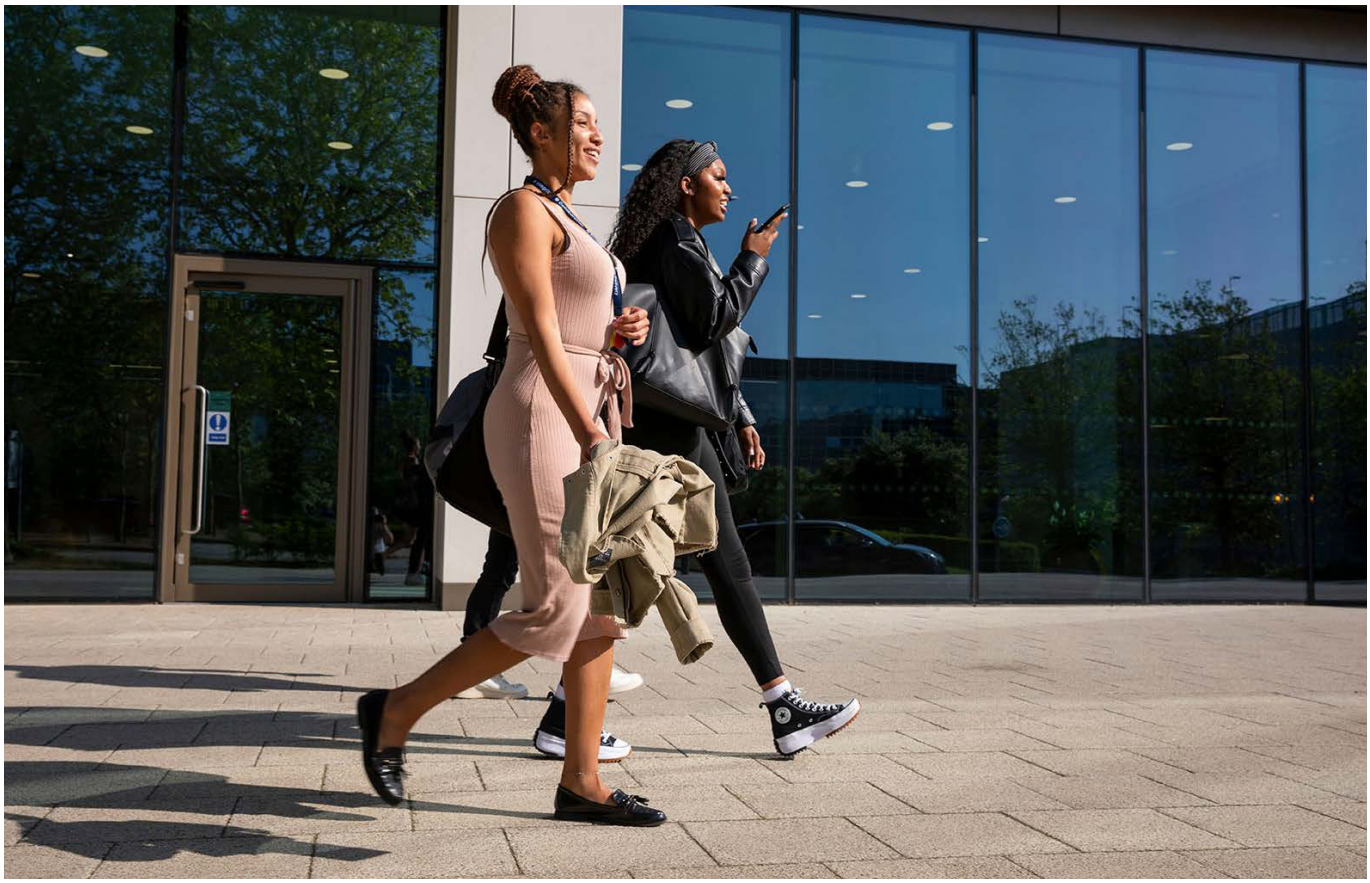
1. Introduction



This report explores how some places seem to be making progress delivering new homes and investing in placemaking projects. It is interesting to explore this within the context of the national challenge of delivering 1.5 million new homes, and what can be learned from the systems that are working in practice.

Milton Keynes is one of the places where the system appears to be working. In March 2025, the Local Government Association conducted a Corporate Peer Challenge of Milton Keynes City Council. The conclusion was clear:

> *"Milton Keynes is a high-performing and well-run council with a strong track record of delivery."*
> **- Local Government Association Feedback Report (https://tinyurl.com/4z6x8wad)**

But one part of that system barely featured in the review: Milton Keynes Development Partnership, the council's wholly owned development company.

That gap is the starting point for this report. For those who track council-owned development companies, the absence is notable - but for the opposite reason to the one you might expect: MKDP was not absent because of concerns; it was absent because, as Michael Bracey, Chief Executive of Milton Keynes City Council, puts it:

> *"Peer challenges often get a bit hung up on arm's length companies because there's been so much in the media of them failing… the fact that MKDP wasn't the focus of the peer challenge tells you that they were very content with the model that we have here - the governance arrangements, the performance of the company. No news is good news."*
>
> **- Michael Bracey, Chief Executive, Milton Keynes City Council**

This report takes that absence as an invitation: to examine what MKDP is, how it works, and what role it plays in enabling Milton Keynes to deliver at scale - consistently, year after year.

It draws on filmed interviews during February and April 2026, with MKDP's leadership, the council's Chief Executive and finance team, delivery partners, commercial occupiers, and the chair of the government's New Towns Taskforce - as well as the LGA's assessment of the council's performance.

2. Milton Keynes: a place worth understanding

Before examining MKDP, it is worth being clear about the context in which it operates.

Milton Keynes is one of England's fastest-growing cities. It is younger, more ethnically diverse, and expanding more quickly than almost anywhere else in the country. It is also on the shortlist for the next generation of new town designation, having been formally identified by the government's New Towns Taskforce as among the locations best placed to deliver significant additional growth.

Sir Michael Lyons, who chaired that Taskforce, is direct about why:

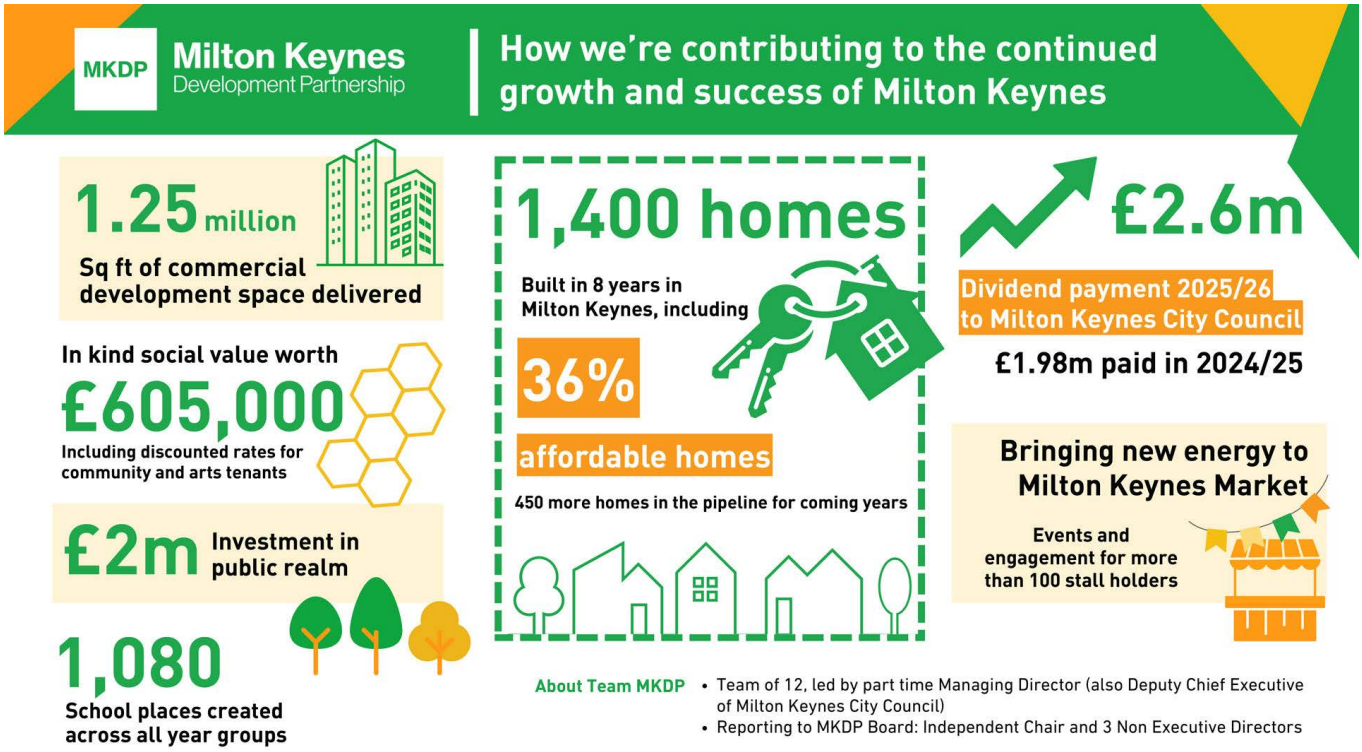
> *"Milton Keynes unequivocally embraces growth, and that's recognised across the development industry. It has the development partnership, which is itself evidence that the community has addressed how it works with investors and how it manages stewardship over time."*
>
> **- Sir Michael Lyons, Chair, New Towns Taskforce**

That stewardship over time is exactly what distinguishes Milton Keynes from many comparable locations. The city has been delivering housing and infrastructure continuously since its designation in 1967. That continuity did not happen by accident - it reflects a series of deliberate choices about how the city organises its delivery.

MKDP is the most recent expression of those choices. It operates alongside the Council, not instead of it, managing a significant land portfolio, partnering with private developers and investors, and reinvesting returns into the city. Its presence gives Milton Keynes something that many growing cities lack: a single, commercially capable, long-term landowner whose interests are aligned with the place rather than with short-term return.

3. What MKDP is

MKDP was established 14 years ago to manage and develop a portfolio of land assets in Milton Keynes. Those assets originated with the Homes and Communities Agency (the predecessor to Homes England) and were acquired by the Council as part of the transition away from the New Town development corporation model.



As Nicola Sawford, Chair of MKDP, describes it:

> *"MKDP is the placemaking and property vehicle subsidiary for Milton Keynes City Council. And it's gone on a journey. Originally when it was set up it was very much taking on board the property assets and seeing what it could do to develop those assets and to add value to them. As we've been able to develop that portfolio, we've moved very much more into the placemaking space."*
>
> **- Nicola Sawford, Chair, MKDP**

The company operates as an independent entity, a Limited Liability Partnership wholly owned by Milton Keynes City Council. It has its own board of non-executive directors, its own executive team, and makes its own commercial decisions within a strategic framework agreed with the council.

Critically, it was capitalised with land rather than cash. That origin distinguishes it from many council trading companies that have been created from scratch, often with unrealistic commercial expectations and insufficient asset backing.

As Anna Rulton, Assistant Director of Finance at Milton Keynes City Council, explains:

> *"We had a lot of assets transferred from the Homes and Communities Agency… we set up the company using those assets. That was a very fortunate position, really, that the Council was in. We decided that the best place to manage those assets was within MKDP rather than within the Council - it just gave us more freedom to try and maximise the value of those assets."*
>
> **- Anna Rulton, Assistant Director of Finance, Milton Keynes City Council**

That asset base has grown significantly. MKDP began with an initial loan of £30 million to purchase the assets, which is now fully repaid, and has developed a portfolio now worth about £150 million. The company carries no debt.

4. The delivery record

Fourteen years in, MKDP's track record is measurable.

1,400 homes	36%	£150m+	£2m - £2.5m	Zero debt
enabled across Milton Keynes over the life of the company	affordable housing across suburban residential schemes - well above typical developer rates	asset base built from an initial £30m loan, now fully repaid	annual dividend returned to the council (rising year on year)	MKDP carries no borrowing on its balance sheet

Tracey O'Donnell, Managing Director of MKDP, sets out what that track record represents:

> *"We've been going for 14 years. We started off with an initial loan of £30million, which we've completely repaid. So we are debt-free, which is a great position to be in. We've got an asset base that's worth about £150million, and that's enabling us to do those investment set pieces in the city centre."*
>
> **- Tracey O'Donnell, Managing Director, MKDP**

The dividend is not incidental. In a period when council budgets are under severe pressure, MKDP returns money to its owner rather than consuming it. As Tracey O'Donnell explains:

> *"We actually pay a dividend. So in this financial year we're giving £2million, next year £2.5million. So there's a benefit back, as well as the organisation 'consuming its own smoke', which is what we do from the income that we earn."*
>
> **- Tracey O'Donnell, Managing Director, MKD**

From a council finance perspective, this positions MKDP as an asset rather than a liability. Anna Rulton is direct about the risk picture:

> *"Really, it's not that significant a risk to the Council. Because of the value of assets that it's got, there isn't that kind of liability that the Council needs to worry about. The viability of the company has never come into question."*
>
> **- Anna Rulton, Assistant Director of Finance, Milton Keynes City Council**

5. Governance: how independence and accountability coexist

One of the most consistent features of MKDP's model is the clarity of its governance, and the deliberate design of the boundary between political oversight and operational delivery.

In its early years, MKDP had councillors sitting on its board. That changed, as Tracey O'Donnell explains:

> *"After operating the model with councillors sitting on the Board for some time, it was felt it would be more effective that the councillors played an oversight role rather than acting as company directors, and it was clearer for them to continue to wear their councillor hat under that that arrangement. Having served on the Board for a number of years, councillors had built up the confidence in how the company was operating to agree this would be a better arrangement."*
>
> **- Tracey O'Donnell, Managing Director, MKDP**

The solution was the creation of an Owners Advisory Group, a structure that keeps councillors informed and engaged, without placing them in the position of making commercial decisions on the company's behalf. The Board now consists entirely of independent non-executive directors. Nicola Sawford describes how this works in practice:

> *"We have an independent board. And Tracey and I then sit on the Owners Advisory Group along with councillor representatives from all the different political parties. That's a great way for us to get feedback and to get input, but without any political involvement in any of the day-to-day decisions that we make."*
>
> **- Nicola Sawford, Chair, MKDP**

Michael Bracey confirms that this structure is respected by the Council:

> *"We don't get involved in the day-to-day operations. We're very clear that as an arm's length company, it needs to make its own decisions. It's got very skilled, independent board members. It's audited in the normal way, so it has those checks and balances that any company would have."*
>
> **- Michael Bracey, Chief Executive, Milton Keynes City Council**

The governance is anchored by an annual business plan process, approved by the Council, which agrees the strategic direction and provides the framework within which MKDP operates independently.

> *"The business plan process works well. It hasn't always been the case, so we've had to work hard to get into that routine, setting out what will happen in the next two or three years. And the company themselves are very engaging."*
>
> **- Michael Bracey, Chief Executive, Milton Keynes City Council**

The result is a model where political accountability is real but contained: councillors influence direction without controlling decisions, and the company operates with the kind of commercial agility that a council directorate cannot match.

6. The ‘translator’ role: between ambition and delivery

Ask delivery partners what MKDP actually does, and a consistent answer emerges: it sits between the Council and the market, and translates. Tracey O’Donnell describes this directly:

> *“We act as a little bit of a go-between, particularly on some of the sites that we develop, trying to translate what that ambition means and how to get the best out of the site, but also from a commercial point of view. So we do sit in the middle, between the negotiations on what actually happens on the site.”*
>
> **- Tracey O’Donnell, Managing Director, MKDP**

From a developer perspective, that role is both tangible and valuable. Sophie Leat, Associate Director at Packaged Living, has worked closely with MKDP on the Campbell Park View scheme:

> *“Even though we’ve got shared aspirations, there can often feel like there’s a disconnect between developers and local authorities. And even within local authorities, there are lots of different stakeholders, and they’re not always aligned. I think other local authorities could benefit from someone like MKDP, who can talk to and understand both parties, and kind of sit between the two.”*
>
> **- Sophie Leat, Associate Director, Packaged Living**

Sophie Leat,
Associate Director, Packaged Living

Nathan Cornish, who is Group Board Director of Urban Splash, has been through one of the most complex planning journeys in the city, at Campbell Park. He puts it in practical terms:

> *"They sort of act both within the Council but also independent of the Council. They almost act as a kind of independent voice, where they can be a little bit more direct and commercial with the way that they talk to us."*
>
> **- Nathan Cornish, Group Board Director, Urban Splash**

That combination of directness and credibility, being able to speak the language of both the council and the developer, is what makes the translator role work.

7. Campbell Park: the model under pressure

No case study illustrates MKDP's role more clearly than Campbell Park - one of the largest remaining development sites in Milton Keynes, owned by MKDP and one of the most challenging. Urban Splash was selected as preferred developer. Nathan Cornish describes what happened next:

> *"We were selected by MKDP a number of years ago on the Campbell Park scheme. Best described as the last major development site in the city: 43 acres, runs up from the Grand Union Canal all the way up to the recently completed Hotel La Tour."*
>
> **- Nathan Cornish, Group Board Director, Urban Splash**

The initial planning application was refused - a moment that was, by any measure, a shock:

> *"That was our first ever major planning application that was refused, in 32 years of business, probably 90 schemes. So we were quite surprised and, dare I say, shocked by it. It sort of shook me to the bone, really."*
>
> **- Nathan Cornish, Group Board Director, Urban Splash**

The refusal was not primarily about design; it reflected strong community feeling about a greenfield site and building height. The legal officer had warned that an appeal would likely succeed. Members refused anyway. At that point, most developers would have appealed. Urban Splash chose a different path, supported by MKDP:

> *"We could have appealed, and I would say 99% of developers in my industry would have appealed. But we actually stepped back. We went back, we looked them in the eye - the community - with the support of MKDP. And just a week or two ago we got consent on a revised scheme."*
>
> **- Nathan Cornish, Group Board Director, Urban Splash**

The revised scheme - lower in height, reworked through community consultation - has now received planning consent. Nathan Cornish's verdict on the process:

> *"If I'm honest, it's a better scheme as a result of those consultations and also MKDP's help. It's been a long journey, but we got there in the end."*
>
> **- Nathan Cornish, Group Board Director, Urban Splash**

What did MKDP's role actually look like during that process? Nathan Cornish is precise:

> *"They at times gave us a hard time, and quite rightly, by the way. They tried to act as a balance between the Council, the planners, and the local community. They expressed their desire for where they think the design changes should be made, to make it a more acceptable proposition for the local community. They were fair - and what I want in a partner is robust, clear, direct conversations. No messing about. Just tell us how it is, and we can then act and work on that."*
>
> **- Nathan Cornish, Group Board Director, Urban Splash**

Sophie Leat's experience on the adjacent Campbell Park View site reinforces this:

> *"We submitted the application within six months of buying the site, and we got approval just over six months later. I wish all of our sites had achieved those timescales."*
>
> **- Sophie Leat, Associate Director, Packaged Living**

Six months to submission, six months to approval; that is not typical, nationally. It reflects something specific about what MKDP does: knowing the stakeholders, navigating the process, and keeping both the developer and the community pointed in the same direction.

8. Beyond housing: placemaking as a discipline

MKDP's remit extends well beyond housing delivery. The company has invested directly in public realm, civic infrastructure and cultural facilities, projects that a purely commercial developer would not pursue. Tracey O'Donnell describes the philosophy:

> *"We can call ourselves a placemaking company and that's really important for us. Yes, of course, the bottom line has got to add up. But actually, it's about what you leave behind and what the legacy is."*
>
> **- Tracey O'Donnell, Managing Director, MKDP**

Station Square, the public space outside Milton Keynes Central station, is one example. MKDP invested in transforming it:

> *"Station Square looked very different last year. Probably a commercial company wouldn't make that investment decision - spending £2million to make it look better. The financial return will come in due course, because it's all about improving the asset base for the city that everyone else gets to benefit from."*
>
> **- Tracey O'Donnell, Managing Director, MKDP**

The Blue Light Hub in Bletchley is another example: MKDP used its land to co-locate the city's emergency services - fire, police, ambulance - on a single site, enabling a facility that fragmented land ownership would otherwise have made impossible.

The largest current project is a proposed events venue: a 4,000-capacity live performance space on the site of the old bus station, behind Station Square, developed in partnership with ATG Entertainment. Budget: £76 million. Emma Sullivan, Theatre Director at Milton Keynes Theatre, explains why this matters:

> *"Homes are obviously essential for growth in any city. But people will only want to live in homes if there's great things to do in a city. So I think what the cultural sector, what the entertainment industry bring to a city, is they make a place a great place to live and visit and work."*
>
> **- Emma Sullivan, Theatre Director, Milton Keynes Theatre / ATG Entertainment**

The commercial logic is also clear to Nathan Cornish, of residential developer Urban Splash. He describes why investments like this change the economics of development:

> *"When we're selling the proposition of coming to one of our schemes, it's not just about what we deliver - it's about green spaces, landscaping, beautiful design, places, local centres. But you can only sell part of that. All of the different bits, and the arena will be amazing, are hugely important."*
>
> **- Nathan Cornish, Group Board Director, Urban Splash**

Michael Bracey confirms that the events venue is not a vanity project; it was explicitly set out in the council's long-term strategy:

> *"Things like the events venue, something that was in the 2050 strategy, which MKDP is delivering on; it's not our business to develop land commercially. When we do deals through MKDP, they need to be for placemaking reasons."*
>
> **- Michael Bracey, Chief Executive, Milton Keynes City Council**

And Emma Sullivan describes how MKDP, in particular, gave the venue operator the assurance it needed to commit to Milton Keynes:

> *"What we love about Milton Keynes Development Partnership is their confidence in the city, their confidence to invest long term. And that's why ATG Entertainment are really excited to work in partnership with them."*
>
> **- Emma Sullivan, Theatre Director, Milton Keynes Theatre / ATG Entertainment**

9. What investors and partners see

MKDP's value is not simply internal, it is also about the signal it sends to the market. Mark Stuart, Managing Director of Hotel La Tour, chose Milton Keynes after a national search for a second hotel location. He credits MKDP directly:

> *"MKDP were very keen. They did their research, they secretly came up and checked our hotel out in Birmingham without us knowing, and came back with thumbs up. These are the sort of people we want to work with."*
>
> **- Mark Stuart, Managing Director, Hotel La Tour**

The hotel opened in 2022 and has performed strongly. Mark Stuart's view of Milton Keynes as a business location is telling:

> *"Milton Keynes keeps delivering surprises to us: new businesses moving here. It's a great place for business. It's designed for it. There's nothing we've heard about that worries us. It's all positive."*
>
> **- Mark Stuart, Managing Director, Hotel La Tour**

Neil Withey is Director of MK:U, the city-centre university spun out of Cranfield and another critical element of in a thriving city centre. He describes MKDP's role as a landlord which thinks about the long term:

> *"Universities by their very nature are very long-established businesses that rely on reputation. We've just taken on a group of apprentices that will be with us for four years. It's really important that we've had continuity, stability and an environment conducive to good learning. They've been great landlords for the last five years."*
>
> **- Neil Withey, Director, MK:U**

What both Mark Stuart and Neil Withey describe, in different ways, is that confidence highlighted by Emma Sullivan of Milton Keynes Theatre. Confidence that the organisation they are working with has a long-term view, acts with consistency, and won't change direction at the next election or budget cycle. That confidence is hard to manufacture. It is earned over time. MKDP has 14 years of it.

10. The New Towns context

The timing of this report is not coincidental. Milton Keynes is among 12 locations identified by the government's New Towns Taskforce, and in the shortlist of seven to be assessed for further development, potentially adding tens of thousands of new homes to a city that is already growing rapidly. Sir Michael Lyons, who chaired the Taskforce, is clear about what makes Milton Keynes stand out:

> *"Milton Keynes is close to the top of the list. It has the foundations. It unequivocally embraces growth, and it's recognised by that across the development industry. And it has MKDP, which is itself evidence that the community has addressed how it works with investors and this important issue of stewardship over time."*
>
> **- Sir Michael Lyons, Chair, New Towns Taskforce**

But he is also clear that MKDP would need to grow to meet a new towns challenge of this scale:

> *"MKDP is a child of a development corporation. It has track record. And, in particular, the issue of longevity - of stewardship over time. It almost definitely would need to be much beefed-up to take on the new challenge. But it does have track record."*
>
> **- Sir Michael Lyons, Chair, New Towns Taskforce**

Michael Bracey sets out the council's ambition simply:

> *"We think we should be the number one location, because we're ready to go."*
>
> **- Michael Bracey, Chief Executive, Milton Keynes City Council**

Whether or not the new town designation brings the investment Milton Keynes is seeking, the Taskforce's endorsement of MKDP's model is significant. It reflects a national recognition that the way Milton Keynes organises its delivery - through a long-standing, asset-backed, professionally governed development vehicle - is not just good practice locally. It is a model worth understanding nationally.

11. What can be learned

MKDP is not a model that can be lifted and dropped into another city. Its origins - access to land, a long-term asset base, 14 years of relationship-building - are specific to Milton Keynes. Anna Rulton is honest about this:

> *"We were a very unique situation when MKDP was set up. We had a lot of assets transferred from the Homes and Communities Agency. That was a very fortunate position for the Council to be in."*
>
> **- Anna Rulton, Assistant Director of Finance, Milton Keynes City Council**

Michael Bracey draws out the lesson for other councils considering similar vehicles:

> *"You need to set a realistic set of goals for the company. Perhaps some of those arm's length companies that have failed have not had a realistic set of goals. And you need to be very respectful of the company's right to make its own decisions - that is very important, and that's quite difficult."*
>
> **- Michael Bracey, Chief Executive, Milton Keynes City Council**

But beneath the specific conditions, a set of principles is visible, and these are replicable:

Clear roles

- The council sets long-term strategy. MKDP interprets it into deliverable schemes. The boundary between the two is respected.

Governance that enables rather than constrains

- Political oversight exists, through the business plan approval process and the Owners Advisory Group, but is kept separate from commercial decision-making.

Asset-backed, debt-free operation

- MKDP was capitalised with land, not cash. Its balance sheet is strong. It does not depend on subsidy to function.

Long-term stewardship

- Fourteen years of continuity. Relationships built over time. A track record that investors can test.

Active coordination - not passive facilitation

- MKDP does not simply sign off on what developers propose. It shapes, challenges and coordinates, from pre-application through to delivery.

Sir Michael Lyons, drawing on a career that has taken him from running local authorities to advising on national housing policy, offers a final framing:

> *"Communities, councils, development companies who are capable and willing to share risk are, I think, particularly important and particularly attractive. The work we've done in the English Cities Fund - we focus on councils that have got a vision and are willing to share risk and reward, rather than just assume that all of the risk will be taken by the developer."*
>
> **- Sir Michael Lyons, Chair, New Towns Taskforce**

MKDP is a company that shares risk. It uses its own assets, its own land, and its own balance sheet to back the delivery of places it believes in. That is what distinguishes it, both from the councils that try to do development directly and the companies that have failed.

12. Conclusion

The question that opened this report was a simple one: why did MKDP barely feature in a glowing peer review of Milton Keynes City Council?

The answer, it turns out, is the right kind of answer: it wasn't there because there was nothing to worry about.

But the absence also pointed to something worth examining: a significant part of Milton Keynes' delivery system that has operated effectively, consistently, and largely without fanfare for 14 years. What this report finds is a model built on:

- A clear separation between political strategy and commercial delivery
- An asset base that gives the company genuine independence
- A track record of delivery - homes, commercial space, civic infrastructure, public realm - compounded over time
- A relationship with the market built on consistency, directness, and long-term intent
- A placemaking ambition that goes beyond what the market would deliver on its own

Nick Searle of the LGA captures the Peer Challenge's conclusion about MKDP's relationship with the Council:

> *"It's clear that they have a really strong collaborative partnership, a really strong working relationship with the Council."*
>
> **- Nick Searle, Senior Regional Advisor, Local Government Association**

And Nathan Cornish of Urban Splash - a developer who has experienced the model at close quarters, under real pressure - gives the most direct assessment of what MKDP provides:

> *"They're challenging partners, but challenging in the right way. They give us a hard time, but they also help us navigate the difficulties and find a solution."*
>
> **- Nathan Cornish, Group Board Director, Urban Splash**

For places that are serious about building at scale and consistently, the lesson from Milton Keynes is not that you need a development corporation, or a particular governance structure, or a specific financial model. The lesson is simpler than that. You need an organisation that is on the side of delivery. That has the skills, the assets and the authority to sit between ambition and the market, and to keep things moving, year after year, regardless of who is in power.

Milton Keynes has that. Most places don't.

About this report

This report was produced by Toby Fox as part of the campaign 1.5M New Homes: The Local Government Challenge. All quotes are drawn from filmed interviews and recorded conversations conducted between February and April 2026. No quotes have been altered or composited. Full transcripts are available on request.

1.5m new homes

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