

Cabinet Sub Committee (Medway Norse Ltd Shareholder Board) – Supplementary agenda no.1

A meeting of the Cabinet Sub Committee will be held on:

Date: Tuesday, 8 October 2024

Time: 6.00pm

Venue: Meeting Room 1 - Level 3, Gun Wharf, Dock Road, Chatham ME4 4TR

Items previously marked to follow:

- 5 **Item withdrawn - Financial Monitoring – Q1 24/25**
Please note that this agenda item has now been withdrawn and will be reported to the next meeting of this Sub Committee in November
- 6 **Review of the Company's Risk Register** (Pages 5 - 8)
- 7 **Exclusion of the Press and Public** (Pages 9 - 14)
Appendix 1 to agenda item 6 attached

For further information please contact Vanessa Etheridge - Democratic Services Officer on Telephone: 01634 332115 or Email: democratic.services@medway.gov.uk

Date: 3 October 2024

This page is intentionally left blank

Cabinet Sub Committee
(Medway Norse Ltd Shareholder Board)

8 October 2024

Review of the Company's Risk Register

Portfolio Holder: Councillor Simon Curry, Portfolio Holder for Climate Change and Strategic Regeneration

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

Summary

This covering report introduces the strategic risk register for Medway Norse Ltd. The risk register itself is attached as an exempt appendix.

1. Recommendations

1.1. The sub-committee is asked to note the contents of the report, and the risk register set out in the exempt Appendix 1 to the report.

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 regularly updated regarding the risks affecting the company and its activity and the action being undertaken to manage those risks.

3. Budget and policy framework

3.1. Medway Council and Norse Commercial Services are the joint shareholders of the Medway Norse Ltd. joint venture and its subsidiaries, with the exercise of the Council's shareholder 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 12 March 2013, the Cabinet agreed to establish a joint venture company with Norse Commercial Services Ltd. to deliver facilities management services on behalf of the Council. Over the past ten years, waste collection, street cleansing and green spaces were subsequently transferred to the joint venture company, and it was also awarded contracts for certain SEND transport routes and to deliver services to the Housing Revenue Account.

4.2. The initial partnership agreement was signed for a ten year period, expiring at the end of June 2023. A five year extension has been agreed in principle and a letter of intent exchanged, however at the time of writing a new contract has not yet been agreed. Services continue to be delivered under implied terms.

5. Key points to note

- 5.1. The risk register is attached at Exempt Appendix 1 and has been prepared by the company, albeit in a slightly different format to that adopted by the Council, adopting a different scoring methodology, however it is one that still allows risks to be ranked and prioritised.
- 5.2. The risk register is comprehensive, identifying closed risks and those being managed under 'business as usual', alongside those which require further management action.
- 5.3. The sub-committee is asked to note the following risks:
 - A number of those risks with the highest residual scores are associated with the uncertainty caused by the changes in leadership at the Council, allied to the fact that the partnership continues to operate without a signed contract, following expiry of the previous ten-year contract in 2023. Officers and Members are working with colleagues at Medway Norse to agree updated contractual terms and revised specifications for each service delivered through the joint venture and it is hoped this work will be concluded by the end of December.
 - Climate change has a high residual risk, however the joint venture continues to explore opportunities for reductions in carbon emissions, water usage, energy usage and waste and is working with Medway Council in delivering the existing Climate Action Plan.
 - Whilst the Council has now ordered a new fleet of waste collection vehicles, Medway Norse still operates an ageing fleet of vans and cage vehicles, increasing maintenance costs and the time vehicles are off road. Purchase and maintenance procedures ensure a good degree of functionality and short-term hire agreements are in place for specialist vehicles. Final agreement to a contract extension, will allow investment in new assets.

6. Risk management

- 6.1. The mitigating action is all clearly set out in the risk register attached as an exempt Appendix 1 to this report.

7. Consultation

- 7.1. The risk register is regularly reviewed by the Board, comprising three directors appointed by NCS Ltd. and two officers appointed as directors by the Council.

8. Financial implications

- 8.1. There are no financial implications arising directly from the contents of this report.

9. Legal implications

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

10. Conclusions

- 10.1. The company takes risk management seriously and maintains a comprehensive strategic risk register, as well as detailed risk registers for individual schemes. The scoring reflects the uncertainty around the company's operations until a new contract is signed with the Council.

Lead officer contact

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

Appendices

Exempt Appendix 1 – Medway Norse Ltd. Strategic Risk Register

Background papers

None

This page is intentionally left blank



Cabinet Sub Committee (Medway Norse Ltd Shareholder Board)

8 October 2024

Exclusion of the Press and Public

Report from: Bhupinder Gill, Assistant Director, Legal and Governance

Author: Vanessa Etheridge, Democratic Services Officer

Summary

This report summarises the content of exempt appendices, which, in the opinion of the proper officer, will contain exempt information within one of the categories in Schedule 12A of the Local Government Act 1972. It is a matter for the Cabinet Sub-committee to determine whether the press and public should be excluded from the meeting during consideration of these documents.

1. Recommendation

- 1.1 The Cabinet Sub-committee is required to decide whether to exclude the press and public during consideration of the following documents because consideration of these matters in public would disclose information falling within one of the descriptions of exempt information contained in Schedule 12A to the Local Government Act 1972, as specified below, and, in all the circumstances of the case, the public interest in maintaining the exemption, outweighs the public interest in disclosing the information.

Report Title	Review of the Company's Risk Register
Agenda Item	6
Summary	The Exempt Appendix set out the Medway Norse Ltd Risk Register.
Category of exempt information (Schedule 12A of the Local Government Act 1972)	Not for publication under paragraph 3 of Schedule 12A of the Local Government Act 1972 – Information relating to financial or business affairs of any particular person (including the authority holding that information).

- 1.2 Members are advised that the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England)

Regulations 2012 requires 28 clear days' notice of a Cabinet or Cabinet Sub-Committee meetings to be held in private.

- 1.3 Notices of intention to conduct business in private were originally issued on 29 July 2024 for the above report.
- 1.4 This report confirms the previous notices of intention to conduct this business in private.

Lead Officer Contact

Bhupinder Gill, Assistant Director, Legal and Governance

E-mail: bhupinder.gill@medway.gov.uk

Appendices

None

Background Papers

[Forward Plan – Cabinet 27 August 2024, Cabinet Sub Committees 27 August 2024](#)

[Forward Plan – Cabinet 1 October, Cabinet Sub Committees 1 October](#)

[Forward Plan – Cabinet 29 October, Cabinet Sub Committees 29 October](#)

NOT FOR PUBLICATION

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank