

BUSINESS SUPPORT OVERVIEW OVERVIEW AND SCRUTINY COMMITTEE

14 APRIL 2016

MEMBER'S ITEM: MEDWAY NORSE

Report from: Perry Holmes, Chief Legal Officer

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Summary

This report deals with a Member's Item requested by Councillor Maple regarding changes to services carried out by Medway Norse.

1. Budget and Policy Framework

1.1 Under the Overview and Scrutiny rules (Chapter 4, Part 5, Paragraph 9.1) set out in the Constitution, Councillor Maple has requested that an item is included on the agenda for this meeting.

2. The Issue

2.1. Councillor Maple has requested that this item be placed on the agenda so that Members can scrutinise "*the changes in Council Services which have happened as a result of the "National Living Wage", specifically changes regarding the operations carried out by the joint venture NORSE*". Councillor Maple has made this request based on information about changes he was aware of at that point. He refers to changes in respect of both customer facing roles (including catering roles at a number of Council premises) and also internal to the Council such as the cleaning standards at Gun Wharf. Councillor Maple considers these changes are a matter of public interest and comments that opposition councillors have received several representations from residents on these services including the cafe at the Central Theatre and also Rochester Adult Education Centre.

2.2. Councillor Maple advises that there may be further issues which also fall into this debate which he is not yet aware of.

3 Director's comments

3.1 Meetings were held between Medway Norse and the Council to discuss the financial performance of the joint venture. One of the issues discussed was the impact of the National Minimum Wage (NMW). The statutory minimum wage at the start of the joint venture was £6.13 per hour. The NMW will rise to £7.20. Some statutory wage uplifts have been absorbed by the joint venture but this is not possible for the NMW. Discussions therefore centred on what amendments to the current specification could be implemented to reduce the pressure caused by the implementation of the NMW.

3.2 A set of changes to specification were agreed as follows to deliver budget savings:

Core Contract:

- Changes to management of the Civic Centre compound
- The adoption of a vending model and changes in hours at some loss making café facilities
- Changes to the cleaning frequency of non-public facing offices at Gun Wharf
- Cap third party "hard" facilities management spend for corporate buildings

Grounds Maintenance:

- Cease the contract with Quadron
- Change to highways grass cutting frequency
- Staffing realignment from Council to Medway Norse

3.3 Most of these changes are to take effect from 1 April 2016 with some to be implemented later in the year.

3.4 These changes have been reported to the Medway Norse Board and would have been reported in the usual way to the Business Support Overview & Scrutiny Committee in June when the six monthly update on Medway Norse is due to be presented.

4. Financial and Legal Implications

4.1 Rule 9.1 of the Overview and Scrutiny rules in the Council's Constitution provides that any member of an Overview and Scrutiny Committee is entitled to give notice that he/she wishes an item relevant to the functions of the Committee to be included on the agenda for the next available meeting of the Committee. This is to comply with the requirements of section 9FC Local Government Act 2000. The consideration of this item is therefore a proper matter for this Committee.

5. Recommendation

5.1 That Committee considers the Member's item and the officer response.

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Appendices

None

Background Papers

None