



BUSINESS SUPPORT OVERVIEW & SCRUTINY COMMITTEE

22 AUGUST 2019

MEDWAY COMMERCIAL GROUP – SIX MONTHLY REPORT

Report from/Author: Carrie McKenzie Assistant Director, Transformation

Summary

On 6 August 2019 the Cabinet considered a report which outlined Medway Commercial Group (MCG) Limited's achievements and performance over the past eight months, and its plans for changes to governance, future growth and development. Members have asked for this report to be discussed by this Committee.

1. Budget and Policy Framework

- 1.1 Under the general terms of reference of Overview and Scrutiny (O&S) Committees, all O&S Committees have responsibility for scrutinising and reviewing the operation and effectiveness of alternative models of service delivery.

2. Background

- 2.1 An agenda planning meeting for this Committee took place on 31 July and was attended by the Chairman (Councillor Buckwell), the Vice-Chairman (Councillor Tejan) and the Opposition Spokesperson (Councillor Maple). Members discussed the possibility of discussing a report on Medway Commercial group which was due to be considered by Cabinet on 6 August. Following a discussion it was agreed that a decision on whether to add this to the agenda for this meeting would be taken following the Cabinet meeting. After the Cabinet meeting Members subsequently agreed that this report should be discussed at this meeting.

3. Cabinet

- 3.1 Cabinet considered a report on MCG at its meeting held on 6 August 2019 and this is attached as Appendix 1. The minute from the Cabinet meeting on this matter is set out below:

Background:

This report outlined Medway Commercial Group (MCG) Limited's achievements and performance over the past eight months. The report explained that a review of the company and its trading had been undertaken.

As a result of this review, the report proposed changes within the governance and Board structure of the Lacto, which were explained in detail in section 3.1 of the report. It was also proposed that the Assistant Director Transformation be designated as client representative to improve the two way communication between the MCG Board and Medway Council Corporate Management Team and Elected Members.

The report stated that there was a clear business case for continuing to operate the four key business areas within MCG. In addition, a clear process had been established to ensure any additional work to be undertaken by MCG would be agreed by the Board after seeing and approving a return on investment business case. The ongoing priorities of MCG were set out in section 3.5 of the report.

Decision number:

Decision:

The Cabinet noted a review has been undertaken led by the Chairman of MCG, Councillor Howard Doe, and the subsequent actions taken to improve Medway Commercial Groups operating procedures and financial position.

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The Cabinet agreed that the proposed changes to the governance arrangements and the MCG Board are needed, and approved the designation of the client representative as the Assistant Director Transformation.

The Cabinet noted that an updated business plan will be presented for approval at a future meeting.

Reasons:

When Cabinet agreed to establish the LATCo it was also agreed that regular monitoring reports would be provided to Cabinet.

4. Legal, Financial and Risk Implications

4.1 The legal, financial and risk implications are set out in paragraph 4 of the Cabinet report.

5. Recommendation

5.1 The Committee is asked to consider the Cabinet report set out at Appendix 1.

Lead officer contact

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Appendices

Appendix 1 - Report to 6 August Cabinet on Medway Commercial Group

Background papers

None.