



Medway Norse Ltd Cabinet Report Q2

Date: 30/11/19



Shelley Stagg
28/11/19

Executive Summary

1. This 6 monthly report includes updates on the ongoing service developments, improvements, efficiencies and projects that have been worked on in conjunction with Medway Council.
2. The report covers the operational and financial performance of the Partnership for Q1 and Q2 2019/20.
3. Confirmation of the continued management of the company Health and Safety, Quality and Environmental Management Systems to maintain statutory compliance

Cabinet Member:

Cllr Rupert Turpin - Chair

Supporting Officer:

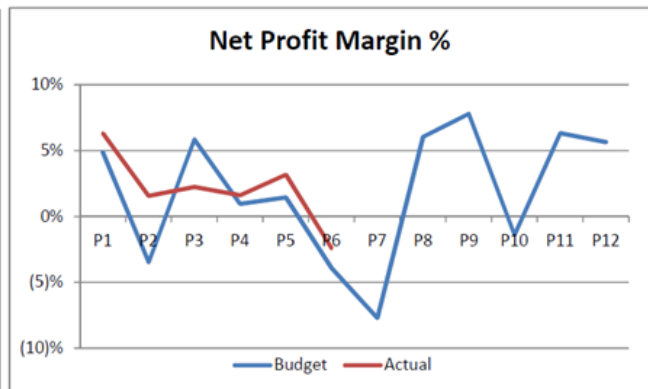
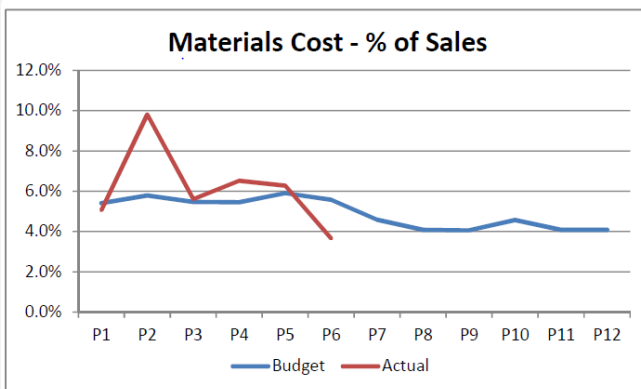
Mrs Ruth Du Lieu

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1.1 Partnership Performance – Scorecard/KPIs

Output Metrics	In Process Metrics		YTD	Q1 19/20	Q2 19/20	Q3 19/20	Q4 19/20
SHEQ	Accident Free Time	>95%	98.35%	98.20%	98.50%		
SHEQ	Quality / Safety Audits	>90%	93.30%	93.60%	93.00%		
HR	Attendance Rate	>97%	96.17%	96.60%	95.79%		
HR	Staff Turnover	<3%	1.24%	1.08%	1.40%		






1.2 Financial Overview

Commercial Sales

Income for the quarter and YTD is in line with budget. Growth is up against expectation.

Date	Where?
01/05/19	NHS – Compass centre
01/09/19	SEN Transport 2 + 2
01/09/19	Magic – Increase to full school
01/10/19	Waste and Street Cleansing
01/01/20	Chantry School – Soft FM
01/09/19	New Business Soft FM
TOTAL	£12,860,075.42

Medway Norse - Summary

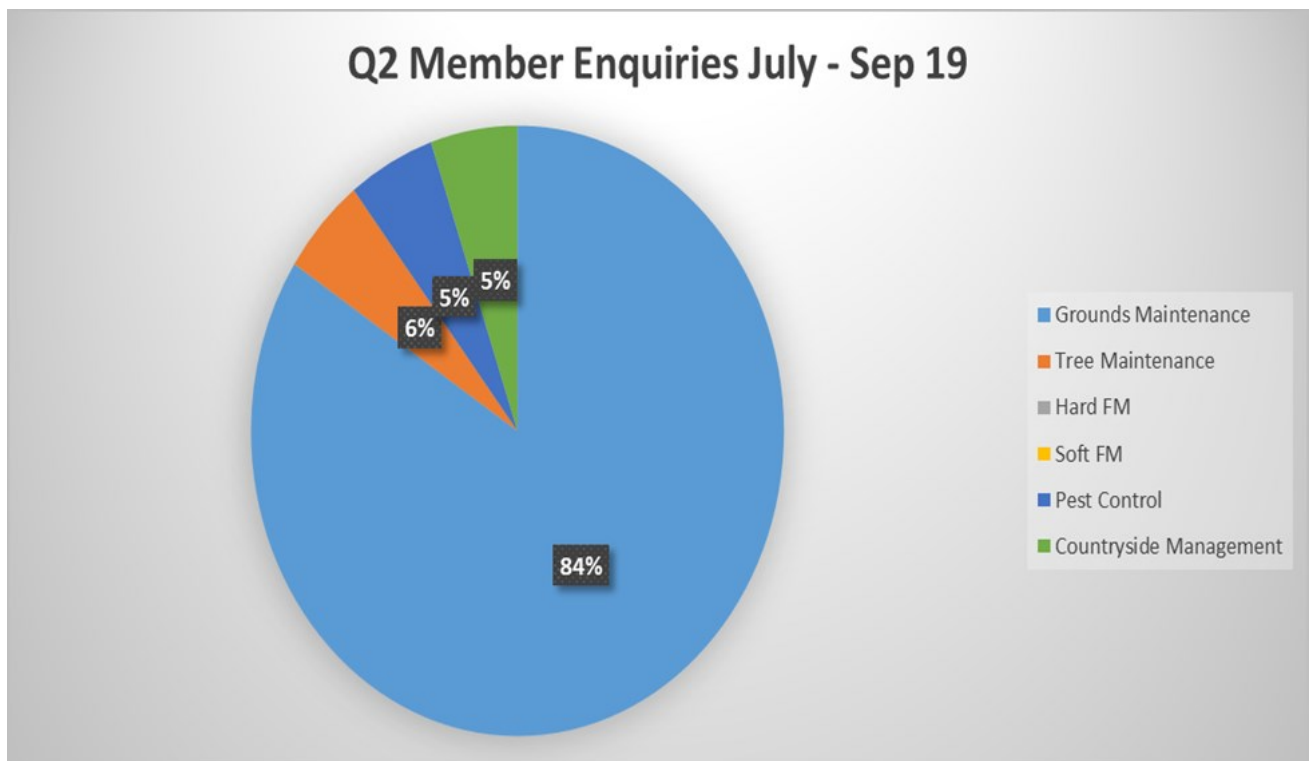
YTD - Sep-19		
Budget	Actual	Variance
7,698,551	7,742,116	43,566 
0	0	0 
7,698,551	7,742,116	43,566 

Midyear position is ahead of budget due to non-contracted sales. Limited impact from SEND Transport in period but will start to show through rest of year as sales will continue to exceed budget along with Waste Services from next period.

1.3 Members Enquiries

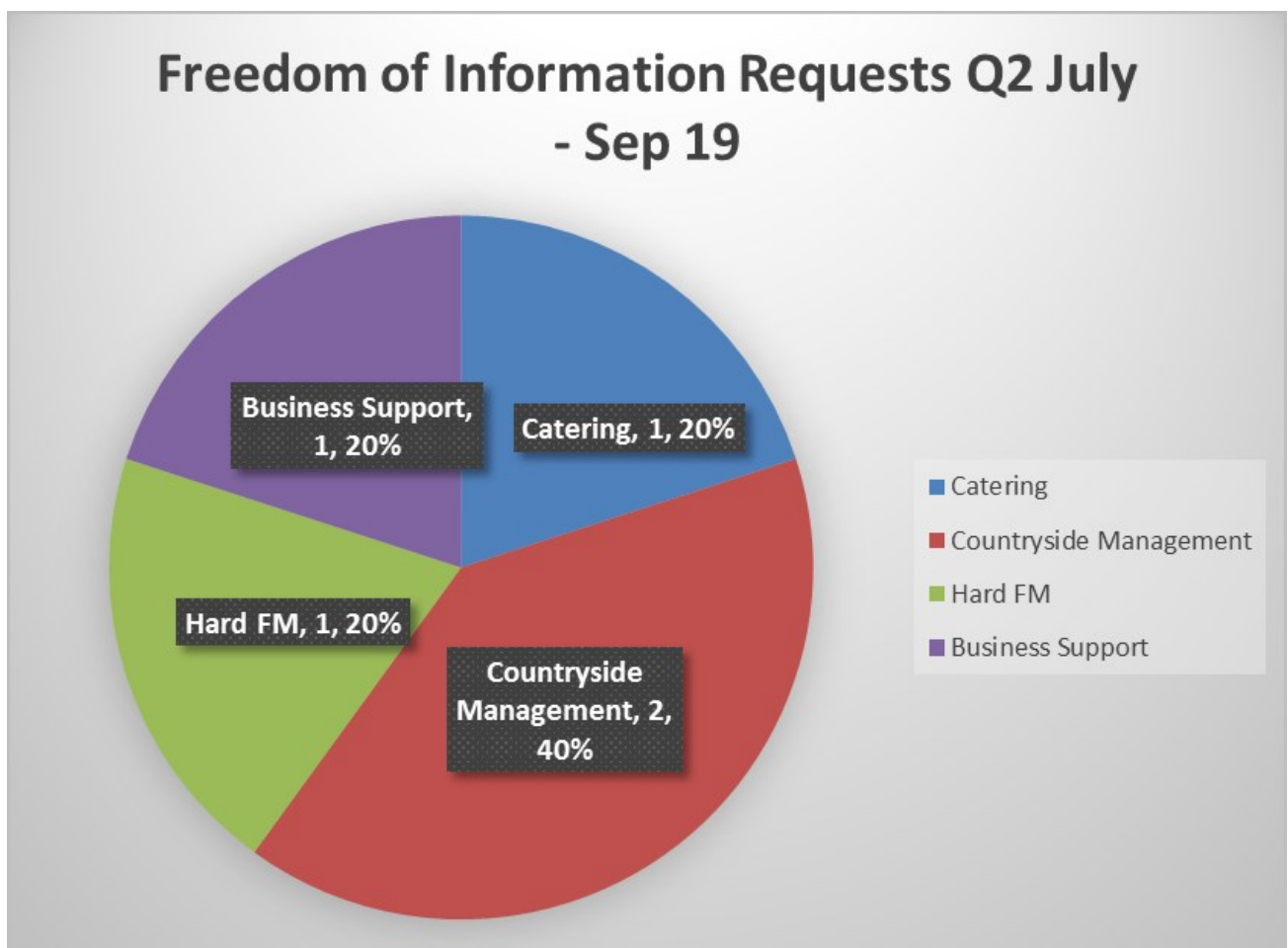
Direct Members enquiries logged and shown in service groups as per below

Service	Jul-19	Aug-19	Sep-19	Total
Grounds Maintenance	16	14	11	41
Tree Maintenance	1	5	3	9
Pest Control	1			1
Countryside Management	1			1



1.4 Freedom of Information Requests

Freedom of Information in the period totalled five enquiries. Freedom of Information and Subject Data Requests are completely up to date. All FOI's were closed off within the period. There were no Subject Access Request being actioned and or closed.



With volume of requests the administration teams are having no issues in responding to all within allocated target timescales.

2.0 Capital Schedule

The BRMF (Building Repairs Maintenance Fund) – has a budget this year of £250k allocated to Medway Norse and an additional 250k funded by Medway Council. The projects for this year are named in Appendix One. Medway Norse budget is fully allocated up to March 2020 with pressure currently on Medway Council spend although works have been identified which would see the full £500k spent

MC Revenue Fund	£	150,000.00
MC Emergency Fund	£	100,000.00
⁽¹⁾ MC Budget 2019/20	£	296,121.07
MN Budget 2019/20	£	256,031.89
Total PPM Budget 2019/20	£	802,152.96
Total Committed	£	695,038.00
Works awaiting approval	£	70,000.00
Works Approved & Due	£	256,686.20
Works in-progress	£	153,659.95
Works Completed	£	114,691.88
Authority Revenue Refund	£	100,000.00
Check Balance	-£	0.03
2019-20 PPM Reserve	£	107,114.97

2.1 Future Partnership MTFP Savings Options & Budget Pressures

MC currently requesting savings in the region of £100k against 19/20 budget, options have been offered to present the savings against Greenspaces and Waste Service budget lines. Decision on acceptance is awaited.

Strategy remains consolidation and costs control, firstly to continue to drive the Medway Council aged debt position towards zero, which is being carried out in conjunction with Phil Watts (MC). Pressures on labour costs and general MN facilities costs (rates and leases) brings the need to consolidate operations as soon as possible.

Work has begun on the potential integration of Street Cleansing and Greenspace works to attempt integration and savings. The labour savings will give opportunity to either invest in upgrading service offering or straight savings against respective budgets.

2.2 Health & Safety, Quality and Environmental Management

Environmental Permit granted for Pier Approach Road Yard which correctly sanctioned works that have both historically been carried out and cover future operations.

Planning permission granted for temporary workshop building to allow repair/maintenance of new waste fleet day to day.

O Licence for the transferring fleet also granted, without restriction.

One serious RIDDOR on 23rd September with member of staff trapped beneath a cast iron gate at Rochester Castle. Full investigation and findings recorded separately with learnings for both MC and MN along with Norse Group as a whole. The injured individual whilst initially in a life threatening condition has recovered well, he is currently at home and under the continued care/monitoring of Kings Hospital.

This above incident thus far has not had any direct interest from the HSE, the injured staff member is however pursuing a claim.

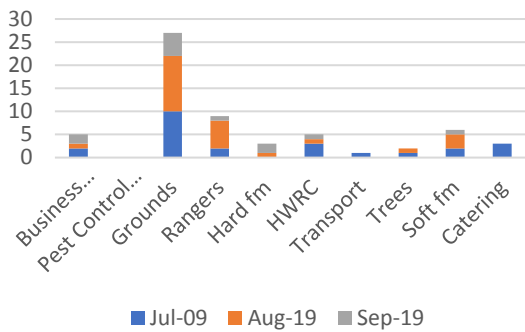
Pier Approach and Deangate whilst operational will see continued enhancement to traffic and identification over the next quarter as plans and layouts are finalised.

2.3 Compliments and Justified Complaints

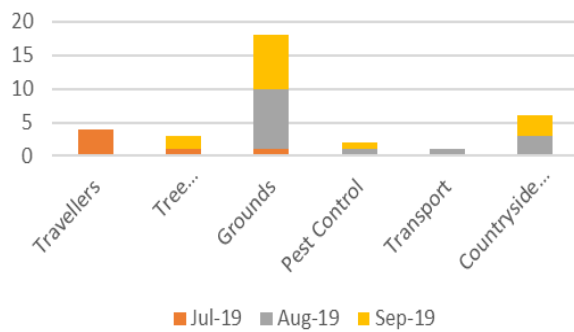
Compliments

For Quarter 2 there were **61 compliments logged** for the various areas of the business, which was a reduction on the 82 from the previous quarter.

Q2 Compliments By Service Area - Jul - Sep 19



Corporate Complaints By Service Area Q2 Jul - Sep 19



Compliments By Service Area	Performance
Urban Rangers	Great Local Knowledge
Hard FM	Fast Response
Grounds	Beautiful Borders
Business Support	Great Service
Catering	Quality of Food
Grounds	Fabulous Service
Trees	Excellent Service

Complaints

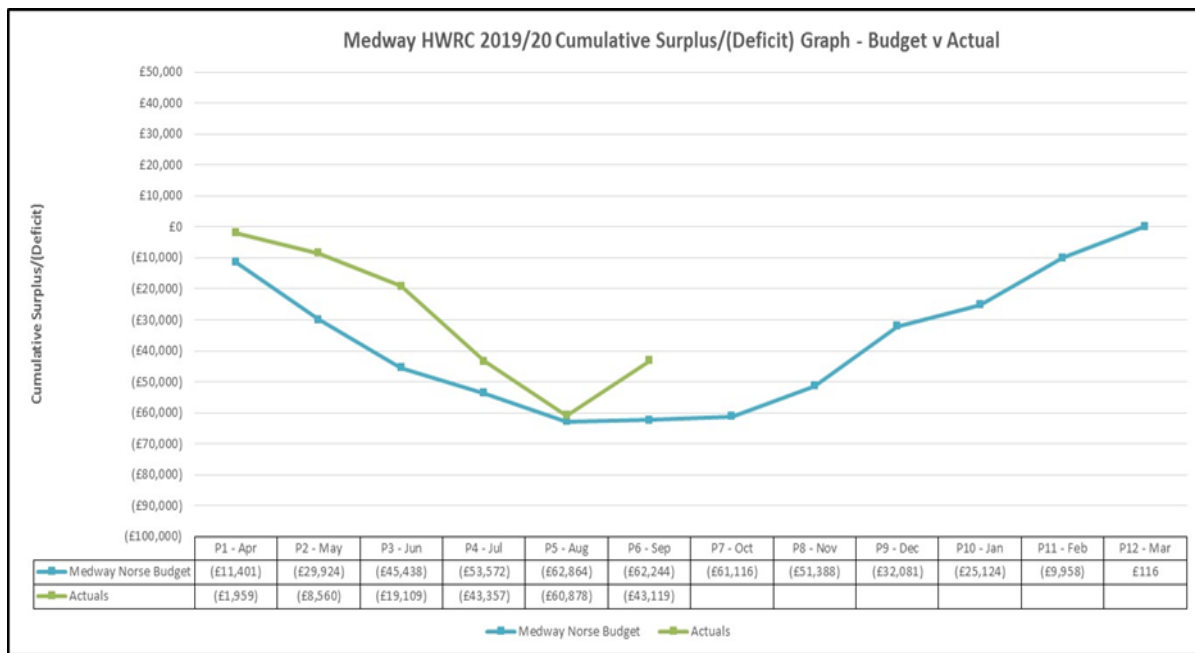
For Quarter 2 there were **34 complaints logged** for the business. April 1st saw the introduction by Medway Council of the JADU complaints system and software. Admin have largely got to grips now with the new system which also reports on compliments too.

3.0 Partnership Service Updates

3.1 Waste / HWRC

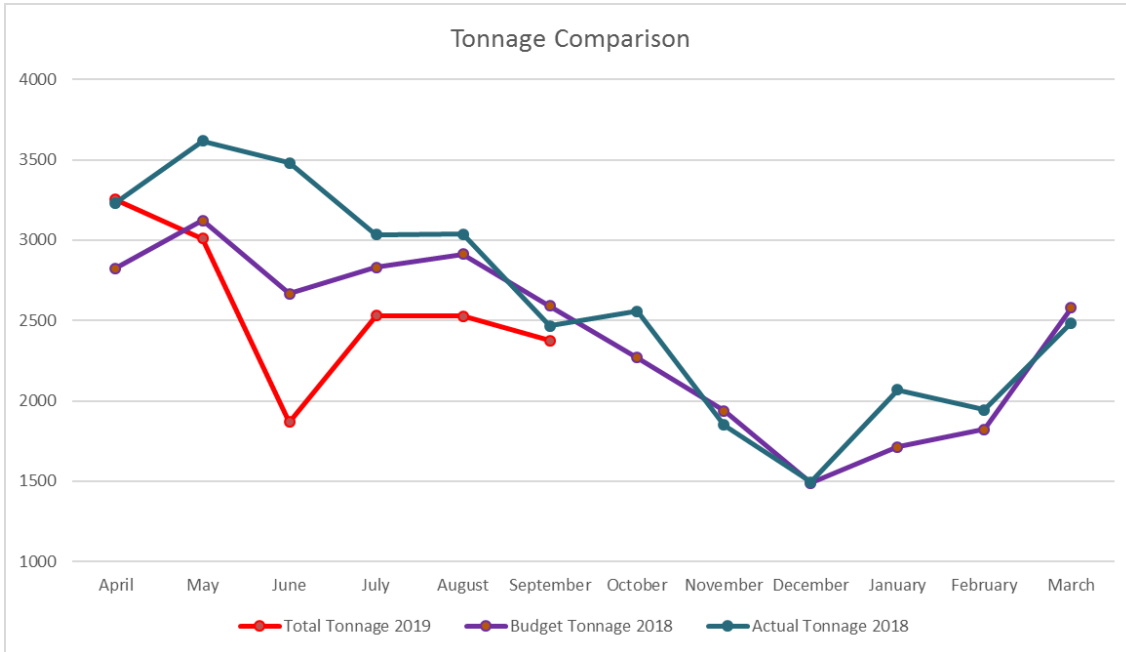
Finance

The HWRC contract has again performed well to budget in the second quarter. Operational costs are £44K below budget but unfortunately this has been tempered slightly by the Commodity pot which is showing a deficit to budget of £25K due to the continued low prices for sellable commodities. Currently we are running at £19K below budget, which includes 44K of costs requested by MCC which was outside the scope of the budget. Please see graph A below -



Performance / Tonnage

During the last 6 months we have handled 15,563 Tonnes. Tonnage is down on the year due to the site closures to allow for entrance construction works to take place in June and we believe the wider effect of Kent charging. Recycling rate for 6 months is 73.07% Please see Graph B below –



Operations

Another award ★

The HWRC’s team hard work, commitment and ethos to customer service has again been recognised as Hoath Way Recycling Centre were the winners of the Customer Service at the Medway Council Make a Difference Awards.

3.2 Grounds Medway Norse – Greenspaces 2nd Quarter Statement

Grounds Maintenance performance in July – September has achieved excellent standards in part to a change in 2 man team deployments and thanks to the weather.

We were prepared for a strong grass flush with additional teams from Horticulture service, but the weather was kind and we maintained good standards with no issues in the grass service.

Travellers – Ongoing support in hardening where required, with some options supplied from hardening padlocks (the cost £75 each) to installing more secure posts / fence. A list of proposals are submitted to the council for agreeing the funding & approach for enhancing security at sites.

Trees

Most challenging aspect in period is preparation for tree inspections for the council. We are still aiming to use the council confirm / asset management system, however technical aspects of confirm locally are currently not suitable to undertake tree inspections effectively and within the set target period (winter)

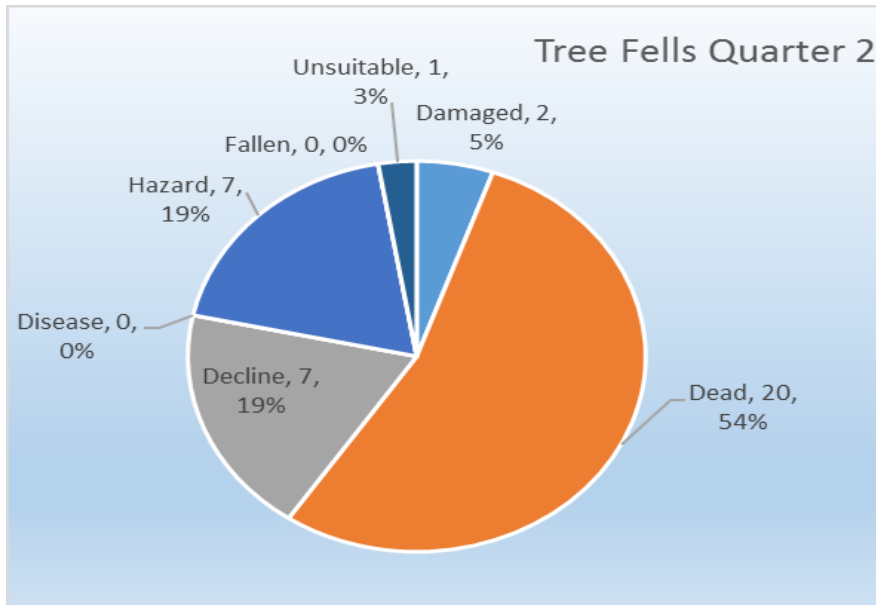
This is in part due to software confirm not being as adapted locally for use as other councils. We are seeking direct support for Pitney Bowes to work on developing confirm mobile to meet the service needs.

Lifting & Suckering – which is ensuring trees are maintained at a safe high for pedestrians and vehicle traffic was issued and completed in the season.

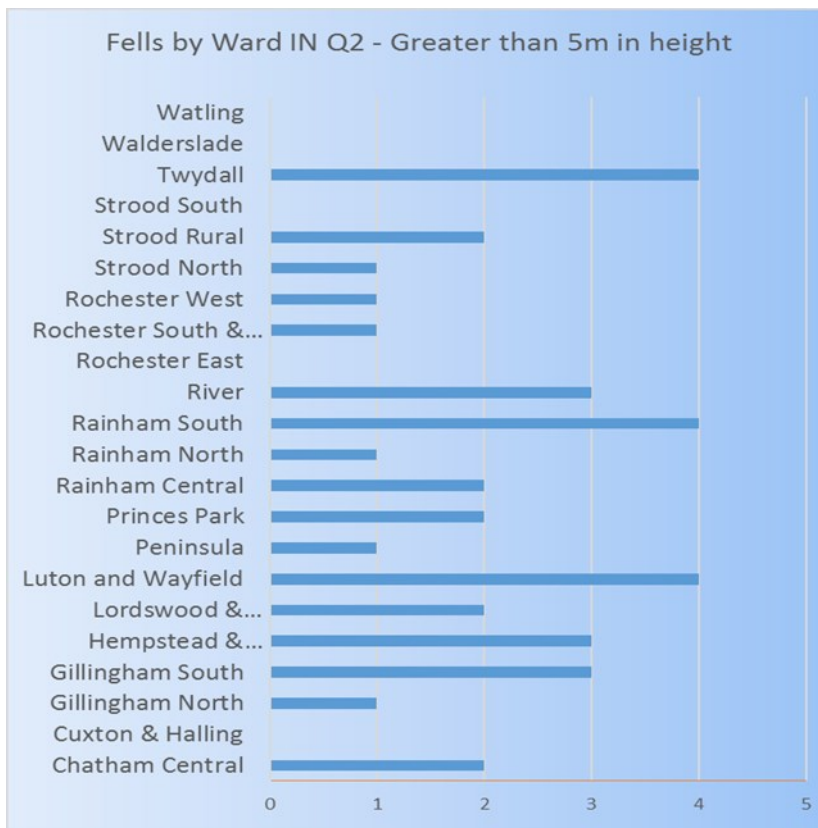
390 work items were issued on Trees in Q2 period – with 37 fells of trees greater than 5m and 9 below all for H&S reasons.

Row Labels	Grand Total
Arborist/Climbers	7
Cleaning out crown	3
Crown Lifting	69
Crown reduce 21-30%	28
Crown reduce 2-20%	2
Crown reduce 31-50%	1
Crown Thin 16-30%	1
Crown Thin 2-15%	1
Cut back from property 2m	29
Cut back from property 4m	5
Fell	46
Flat Quantity	70
Full prune	44
Grounds person/Arborist	15
Pollarding	1
Removal of climbers	6
Removal of dead, dying, diseased and broken branches	36
Remove stake	2
Remove suckers/epicormics	12
Re-pollarding up to 3yr cycle	1
Stump grinding	9
Stump poisoning	2
Grand Total	390

Fells by Ward for Q2 Jun – Sep 19



Fells By Ward Q2 Jun – Sep 19



3.3 Soft FM

Corporate & Schools Cleaning Contracts

Medway Schools Contract is still progressing well as well as the corporate contract. Both Clients are requesting additional works such as gutter clearance, window cleaning, carpet cleaning and ad hoc specialist cleaning.

Monthly audits are showing good results. Norse Schools teams demonstrating ability to maintain a high standards through our monthly Quality monitoring with our Clients showing a positive trend analysis also this has built a good working relationship with all the schools. The cleaning service continues to perform well with the schools' annual deep clean completed without any service issues.



New Business

WREC Room (Pentagon Centre)	
Pier Masters	
Medway Development	
Delce Academy	
St Thomas Moore	
Care Leavers	
Total New Business for Quarter 2	£ 15,735.29

Efficiencies

We have as a department looking at making positive efficiencies within Medway Norse,

- Environmentally friendly products, such green paper towels instead of white ones which have more bleaching and chemicals. Making this move will save Medway Norse partnership £9,360 pa and refuse sacks by buying in bulk has saved Soft FM department over £5,000 pa
- Soft FM Services are currently going through procurement process in regards to Feminine hygiene, we are looking to have one contractor / supplier for these products, there are currently 5-6 suppliers at present costing for all the services they provide including dispensers £91,055.00 pa we are looking to go to a single provider making a significant saving which will be determined by procurement.

3.4 Hard FM

A considerable amount of time has been expended in the tendering process for the refurbishment of Medway Park Pool Plant. The contract award will be made in the next few weeks. The overall effect of these works will be an enhance pool plant system with the removal of the severely deteriorated cast iron pipework being replace by PVC pipework, new filter media and modified filter vessels with compliant manways and the introduction of 3 x Polyaluminium Chloride (PAC) dosing systems.

Filtration through the porous sand beds in the filter vessels is an efficient and cost effective means of reducing water turbidity (the cloudiness or haziness of the water caused by large numbers of individual particles that are generally invisible to the naked eye). However, sand filters are very limited in their ability to remove Cryptosporidium – removal rates improve from approximately 50% to over 90% by including PAC dosing.

Similar works will then be let with Strood Pool Plant being next.

Both Hard and Soft FM teams combined to strip and polish the refectory floor at the AEC in Rochester. The amount of polish removed would suggest that such a refurbishment hasn't been carried out in many years. The results have brought compliments from Officers, visitors and Members.

Splashes Ultraviolet Installation



For many years we have experienced issues at our leisure pool, with complaints of unpleasant chemical smell, red eyes and most recently the degrading of the building fabric! After researching and meeting with approved contractors, we found a technology to solve the issues. The Ultraviolet system will reduce Chloramines.

Chloramines are the unpleasant chemical compounds which are formed when free chlorine reacts with nitrogenous compounds such as uric acid, urea, ammonia, histidine and

creatinine introduced to the pool environment by bathers, and the cause of itchy skin, eye irritations (red eye), headaches and unpleasant chemical odours, chloramines pose a significant problem for leisure operators worldwide. Independent research has linked chloramines with the cause of asthma in regular swimmers, lifeguards, and instructors.

Chloramines also damage the structure of aquatic facilities through corrosive condensation, degrading structural steel, roof supports, furniture, pool side equipment and ventilation ducts. With the introduction of the new UV pool staff and bathers really notice the positives pretty much instantly!

3.5 HRA Service

(Housing Revenue Account Estate Service)

The service after adjustments made a loss of £9,606 against a targeted profit of £10,138. This was predominantly down to an overspend on salaries, as a result of employing agency staff to cover for summer holiday leave, three long term sick FTE's and one suspended FTE, three of which had terms of employment requiring full payment whilst absent. A hearing is being scheduled for one member of staff and a second referred to occupational health.

Service delivery

Performance against KPI's has continued to improve with rates of inspection passes and satisfaction levels at their highest level since the contract started in 2015:

		PERFORMANCE Q3	PERFORMANCE Q4
KPI	SUBJECT	APR 19 - JUN 19	JUL 19 - SEPT 19
1	Estates Passing Inspection	Med - 97%	Med - 98%
		Norse - 100%	Norse - 100%
2	Fly Tipped Waste Removal collected within 5 Working days	100%	100%
3	Hazardous Material collected within 24 hours	100%	80%
4	Offensive Graffiti Removed within 24 hours	100%	100%
5	Non Offensive Graffiti Removal within 5 Working days	100%	100%
6	Cleaning Schedule Delivered on time	100.00%	100.00%
7	Overall Level of Satisfaction with cleaning	94%	93%

3.6 Countryside Management

Alongside the normal operational duties Capstone Farm and Riverside Country Parks both held a programme of events and education visits over the July-September period.

Venue	Event	Date	Total No of attendees
Capstone Country Park	10no events	Jul-Sep 19	146
Riverside Country Park	10no events	Jul-Sep 19	181
		Total	327

In addition please find below school visits:-

Venue	Event	Date	Total No of attendees
Capstone Country Park	4 Schools	Jul-Sep 19	54
Riverside Country Park	5 Schools	Jul-Sep 19	294
		Total	348

The English Festival was held at Riverside Country Park on the 20.04.19 run by Medway Councils Events team with assistance from staff in both Country Parks and was attended by 12,000 people. There was no Festival held at Capstone Country Park this year as it was passed to Medway Councils development team by Medway Councils Events team and due to time constraints they decided to postpone until 2020.

3.7 Print Room

The replacement of printers and ancillary print equipment, folder, guillotine etc.. Has been completed with the upgrade producing £9.5k annual saving on previous lease costs and operating at a much-improved speed. Revised click rate provide a further saving of £0.0008p B/W and £0.01p for colour.

3.8 Post Room

The results of the change from Neopost to FP Direct mail franking is starting to show results with a total saving of £19,696.39 over the last 4.5 months (mid-March through July 2019):

2nd Class BMA Post

2nd class BMA items sent (This offers an additional 8p saving against the previous Neopost Machinery) – 112,693 items

- 112,693 x £0.08p saving = £9015.44 BMA

1st Class BMA Post

- 1st class BMA items sent (This offers an additional 11p saving against the previous Neopost Machinery) – 27,010 items
- 27,010 x £0.11p saving = £2,971.10 BMA saving

Standard 1st and 2nd Class Letters

- Standard 1st and 2nd class letter sent (This offers an average letter saving of 27p) – 28,555 items
- 28,555 s £0.27p = £7,709.85 saving




4. Risk Management

The main risk associated to Brexit – traffic movement around the towns and fuel supplies. 40,000l fuel tank installed, filled and held as reserve stock giving at least two weeks supply at Pier Approach to enable full service.

6. HR Update

Key Recruitment and Organisations

A number of staff are close to successfully completing their Apprenticeships – as Team Leaders (Level 3), in Business Admin (Level 3) and the Level 5 Course – Operational Department Management.

Key Stats	Period	Trend
Total employees:	571	
Current Vacancies:	15	
Absence & Sickness rate:	4.14%	

The early indications are in Q3 this is likely to continue to rise with some high sickness levels transferring to us under TUPE.

6.0 CSR

The new year and Quarter has seen further CSR work by Medway Norse. Medway Norse is committed to fundraising for local and national charities.

Knife Angel – 2nd -29th September 2019 – On display at Rochester Cathedral. The Knife Angel is recognised as the National Monument against violence and aggression.

Medway Norse took on the task of lifting the 4 tonne sculpture into place at Rochester Cathedral. Senior Management at Norse taking the lead with the lift, the Knife Angel was placed in the cathedral gardens. Head of Hard FM Jamie Akehurst along with a team of Medway Norse staff secured the Knife Angel and built the planters in readiness for the Grounds Maintenance team to fill and plant within a few hours before it opened to the public. In addition Medway Norse SEN Transport team are also bringing Schools to the Knife Angel over the month so has seen a total Medway Norse involvement. Having delivered over 1400 School children to the display by the end of September.



