

CABINET

8 JUNE 2021

MEDWAY NORSE UPDATE

Portfolio Holder: Councillor Rupert Turpin, Portfolio Holder for Business Management and Chairman of Medway Norse Board

Report from/Author: Phil Watts, Chief Finance Officer

Summary

This covering report represents a final review of the performance of the Joint Venture from the perspective of the Council client for the 2020/2021 financial year. It is accompanied by an update on the Joint Venture's achievements and financial performance prepared by the Partnership Director at Medway Norse.

1. Budget and Policy Framework

1.1 Review of the performance and financial position of the joint venture is a matter for Cabinet and there is a requirement to submit regular reports to Cabinet.

2. Background

2.1 In March 2013, Cabinet agreed for the joint venture (JV) company, Medway Norse, to be established for the provision of facilities management (FM) services from 1 June 2013. It was established to:

- Provide services to the Council more efficiently, giving better value for money;
- Grow the business through taking on external contracts;
- Increase employment opportunities for local people.

2.2 In 2014, the joint venture also took on responsibility for the grounds maintenance contract and for an initial phase of school transport for children with special educational needs attending three schools (now five). In October 2019, Medway Norse took over responsibility for the waste collection and street cleansing activities, increasing the joint venture's gross turnover to over £25million per annum.

3. Governance

3.1 The Company's Board of Directors comprises three representatives from Norse Commercial Services and two from the Council. The Council has two representatives. An elected member, Councillor Rupert Turpin, who is Chair of

the Board, and Ruth Du-Lieu, Assistant Director Frontline Services. The Board is responsible for the overall performance of the joint venture.

- 3.2 There is also an Operational Liaison Board, which consists of representatives from Medway Norse and nine representatives from the Council.
- 3.3 Corporate client responsibility lies within a number of areas. Responsibility for the original facilities management core contract sits with the Head of Corporate Projects, whilst the greenspaces and environmental elements are managed by the Head of Environmental Services. Special Educational Needs (SEN) transport is under the Head of School Services.
- 3.4 Services provided by the joint venture sit within the portfolio themes of the Deputy Leader and Portfolio Holder for Housing and Community Services, the Portfolio Holders for Children's Services (Lead Member) and Front Line Services and the Portfolio Holder for Resources.
- 3.5 These update reports comprise a covering report from the Council's corporate client, accompanied by an update on the joint venture's achievements and financial performance prepared by Andrew Mann, the Partnership Director at Medway Norse. As agreed, a "balanced score-card" of performance indicators has been included in the update report at Appendix 1.

4. Facilities Core Contract (from Head of Corporate Projects)

- 4.1 Reactive maintenance has continued throughout the pandemic to ensure the safety of staff and the public and to improve the working environment. Planned maintenance works this quarter has included several fire alarms upgrades, the Brook car park stairwell refurbishment, Parklands disabled children residential new roof, and Lordswood Library new roof.
- 4.2 With the Council standing down its tactical response to the pandemic and the focus now turning to recovery in earnest, we continue to work with Medway Norse colleagues on the safe reopening of our operational buildings. It should also be acknowledged that we have now shifted to a more agile working arrangement, with office-based staff still largely working from home.
- 4.3 The latest Health and Safety status report shows no reportable serious accidents or serious injuries over the period Q4 period January– March 2021.

5. Green Spaces (from Head of Environmental Services)

- 5.1 Medway Norse in partnership with Medway Council, manage the landscaping of the two country parks, 106 play areas, seven green flag sites, five cemeteries, crematorium grounds, a grave digging service and all the open spaces. They also manage the 72 sports pitches, grass bowling greens, grass tennis courts, a Pitch and Putt site at Snodhurst Bottom, all of Medway's grass verges and the 18,000 trees within the public realm.
- 5.2 Following the success of winter bulb planting – the results along the roadside verges show splashes of colour with an additional 9 sites of bulbs and 5 sites naturalised added to the verge display. These are located at:

Chatham Cemetery
Grange Road roundabout
Gravesend Road Strood
Hempstead Rec
Jacksons Recreation Ground
Magpie Hall Road
Palmerston Cemetery
Upnor Roundabout
Walderslade Road / Weedswood Junction
Watling Street Strood - towards Parkfields
Walting Street Strood - Carnation Road towards Gravesend
Wood Street Roundabout

- 5.3 The Tree Team completed planting of 200 street and park trees this winter, which is the highest this service has ever planted. They were also fundamental in enabling the planting of 13,000 trees via the Urban Tree Challenge Fund, stepping in at the last moment when Covid restrictions would not allow volunteers to undertake this role.
- 5.4 The Country Parks Team has an ongoing social media presence via Facebook to promote any Covid safe events, when restrictions allow, and these are well received by the community. These pages continue to be accessed by more people now and have been well received by the community with Capstone now reaching over 3,425 regular followers (up from 3,056 in the last report) and Riverside 2,387 regular followers (up from 2,041 in the last report).
- 5.5 Play areas continue to be refurbished where possible within external s106 funding restrictions. Inspections are undertaken monthly by internal staff and annually by a qualified independent assessor to ensure safe standards are maintained.
- 5.6 Following the success of the 2020 programme for naturalisation along high-speed roads and wide urban areas, this has been extended further to remaining routes. This is part of the climate change and biodiversity agenda work to encourage more biodiversity in our verges.
- 5.7 As agreed last year, a 12-month review of the weed management programme in play areas and open spaces was completed in January 2021 and reported to the Regeneration, Culture and Environment Overview and Scrutiny Committee, following a successful reduction in chemical use with little negative service issues. Norse will continue with the spraying reduction into 2021, reducing glyphosate use to minimal issues such as invasive weeds.
- 5.8 During the winter program, the teams have continued with ongoing litter removal and clearing vegetation encroachments along public rights of way routes.

6. Transport (from School Admissions and Transport Manager)

- 6.1 Special Educational Needs and Disabilities (SEND) Travel Assistance across Medway is provided to eligible children and young people in various different ways including solo transport, shared vehicles, cash allowance and personal travel budgets. The provision of transport (e.g. via taxi, mini-bus) is met by a number of different providers who all form part of the transport framework. The previous transport framework expired in July 2019 and a new framework was implemented from September 2019, following a rigorous procurement process. Since then, Norse has continued to play a major part in the transporting of SEND pupils to and from school, transporting approximately 400 pupils every day from a total transported (shared vehicles) cohort of over a thousand.
- 6.2 Since the implementation of the new contracts in September 2019, the provision delivered by Norse has continued to improve and is operating to a good standard, highlighted by the continuous reduction in the number of incidents, customer queries and complaints numbers across a high number of routes. Any safeguarding concerns raised are resolved quickly.
- 6.3 Schools have a good working relationship with Medway Norse and communication with both schools and Council officers is at a high level, which has been highlighted during the Covid-19 crisis, where transport has continued to be provided as necessary in challenging circumstances.
- 6.4 Medway Norse reacted to the Covid-19 situation positively during the lockdown period and this continued into the full return of pupils in September 2020 and the again in March 2021 through to the current period, with all pupils requiring transport on Norse routes being appropriately transported to and from school.
- 6.5 The School Admissions and Transport Team will continue to work with Medway Norse, so that the service delivered: a) meets the expectations of Medway Council, schools and families; b) focusses on the needs and best interests of the children and young people and; and c) is delivered in the most cost effective manner to ensure best use of public funds.

7. Household Waste Recycling Centres (HWRC) (from Head of Environmental Services)

- 7.1 The HWRC contract broadly consists of the following elements:
- The management of three HWRCs;
 - The haulage of all materials arising at the sites with the exception of Waste Electrical and Electronic Equipment (WEEE) and household batteries, which are covered by Producer Compliance Schemes (PCS);
 - The marketing and sale of materials arising at the sites with the exception of residual waste, wood waste, and those detailed above;
 - A 50/50 risk share on all materials sold;
 - Achievement of a 60% recycling rate in Year 1, 61% recycling rate at Year 2 and 62% recycling rate for Year 3 onwards.

7.2 Highlights this period include:

7.2.1 Changes made to the Hoath Way and Capstone booking system were made on 15 March 2021. Times slots were changed to hourly in line with Cuxton to better manage queuing. A small increase to slot numbers was also made.

7.2.2 Available booking data for the period 1 April to 7 May 2021 shows that 85% of the slots offered were booked with 12% no shows.

	Hoath	Capstone	Cuxton	Total	Percent age
Booked slots	8,405	8,165	9,364	25,934	85%
No shows	1,000	936	1,272	3,208	12%
Slots offered	9,600	10,480	10,360	30,440	NA

7.2.3 Capstone closed for three days from 25 April 2021 to allow for emergency works to repair broken power cable. Capstone bookings were diverted to Hoath Way or Cuxton for two of the days which lead to temporary long queuing and delays.

7.2.4 For this reporting cycle there is no tonnage data to share due to Norse's reporting schedule.

7.2.5 Customer satisfaction survey went live 26 April 2021 for a period of 6 weeks. Results will be reported during the next reporting cycle.

7.2.6 Work has also commenced on a review of the booking system post pandemic restrictions being lifted. An update for this will be provided during the next reporting cycle.

8. Waste Collection and Street Cleansing (from Head of Environmental Services)

8.1 Medway Norse has continued to provide an exceptional collection service during lockdown 2, considering it has had increased pressure with drivers and staff (loaders) having to self-isolate due to track and trace. The severe weather in February impacted collections, street cleansing and bulky collections for 7 days (normal service resumed the following week). Street cleansing was suspended for the week and Medway Norse staff were redeployed to assist with gritting high profile pedestrian areas.

8.2 There is a monthly contracts meetings between Medway Norse and Waste Services to review performance, good practice, issues and improvement opportunities. The waste contract remains one of the most complimented services operated by Medway Council. In March 21, the Regeneration, Culture and Environment Overview and Scrutiny Committee reviewed the first year of the Medway Norse Waste Contract (October 2019 - September 2020).

8.3 The performance of the contract by Medway Norse continues to remain at a high level. The contract monitoring team received 75 waste collection and

cleansing stage one complaints in Q4. The complaints have mostly focused on missed collections. The result of the increase has been due to new staffing and drivers of the refuse collection vehicles at Medway Norse which collections have failed due to knowledge of the rounds. It should be noted that given the number of collections undertaken this is still a very low level. However, the contracts team will continue to work with Medway Norse to understand this increase and ascertain the root cause of any increase so that numbers can be reduced.

- 8.4 Medway Norse continue to provide an excellent bulky waste service to Medway customers. The service remains very popular in Q4 and all available slots were fully booked up to mid-June. The number complaints associated with bulky collections also increased in Q4 and as above, work continues with Norse to ascertain the root cause and bring numbers down.
- 8.5 The Christmas and New Year collections went smoothly with some carry over between days due to exceptionally high volumes of materials, but with most residents being understanding and supportive of the issues faced due to Covid-19 and increased workload.
- 8.6 In Q4 the Waste Wardens have investigated and resolved 146 'Street Not Clean' enquiries raised by customers either telephoning or logging the issue using an eform. The Wardens investigate the issues, and this can involve contacting customers to obtain further information, monitoring Medway Norse cleansing practices and liaising with the street cleansing supervisor to resolve cleansing issues. In total since April 2020, 605 street not clean service request have been raised by customers.
- 8.7 Medway Norse completed an intensive programme of night cleanses for high speed roads in March 2021 including Ash Tree and Pear Tree Lane and the slip roads off A289. Providing the operational constraints of Covid continue to ease, the scheduled monthly evening cleanses will recommence in May 2021.

9. HRA Housing Landlord Service (from Head of Strategic Housing)

- 9.1 Estate Services continue to be delivered effectively in partnership with Medway Norse, with sixty inspections carried out on a quarterly basis to assist with contract monitoring.
- 9.2 Operational meetings continue every six weeks, where day to day issues, performance and customer satisfaction are addressed. Strategic meetings are carried out bi-annually where the suite of eight Key Performance Indicators (KPIs) and the open book accounting with profit share are monitored.
- 9.3 In February 2021, a short survey was sent to all customers that receive estate cleaning. 205 surveys were returned, this is a return rate of 23.2%, with an overall satisfaction at 85%.

10. Financial Implications

- 10.1 Although the joint venture has not yet posted final accounts for the 2020/21 financial year, it has forecast a profit of £754,000 and is expecting to return a rebate of around £377,500 to Medway Council. This represents a significant increase over previous years. Medway Norse anticipates returning a similar level of rebate to the Council in 2020/21.

11. Legal Implications

- 11.1 There are no direct legal implications arising from this update report.

12. Risk Management

- 12.1 The Medway Norse Board maintains and regularly reviews its business risk register in conjunction with the Corporate Client Team.

13. Recommendation

- 13.1 The Cabinet is asked to note the contents of this report and its Appendix.

14. Suggested Reasons for Decision

- 14.1 When the Cabinet agreed to establish the joint venture company it was also agreed that regular monitoring reports would be provided to Cabinet.

Lead officer contact

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Appendices

Appendix 1: Medway Norse Cabinet Report June 2021

Background papers

None