

**Cabinet Sub Committee**  
**(Medway Norse Ltd Shareholder Board)**

**6 June 2024**

**Draft Business Plan 2023 - 2028**

Report from/author: Ruth Du-Lieu Deputy Director Place & Norse Client Lead

### Summary

This report presents the draft business plan for Medway Norse which was originally drafted in 2023. Due to the change in administration and the subsequent work to review the joint venture (JV) (delaying any extension to the core contract), the business plan was not ratified in 2023.

As we are now positively progressing the JV collaboratively and implementing the new governance, this business plan is being presented as a draft document for discussion only. It should be noted this business plan has been drafted by Medway Norse without any input from Medway Council given the lapse in strategic planning for the JV in 23/24. Further work is required under the new governance arrangements to agree a strategy for the JV and then redraft the business plan and resubmit to the subcommittee to be ratified.

## 1. Recommendations

### 1.1 That the Cabinet Subcommittee:

1.1.1. notes the content of the draft business plan.

1.1.2. provides a steer on the contents and format of the revised business plan and how the subcommittee would like Medway Norse to proceed in reviewing and drafting the final version.

1.1.3. agree timescales and governance for the final business plan.

## 2. Suggested reasons for decisions

2.1 The Subcommittee is requested to consider the recommendations above and approve or direct on an alternative course of action.

### 3. Budget and policy framework

- 3.1 The decision is within the Council's policy and budget framework including the Council Plan. The receipt of regular reports to shareholder board and the opportunity to hold to account the Chief Executive and the Chair of the Board of Directors in respect of the companies performance aids and enhances transparency and accountability of the Council's LATCOs.
- 3.2 This report has been circulated separately to the main agenda. Therefore, the Cabinet Sub Committee is asked to accept this report as urgent to ensure there is no unnecessary delay in development of the MN Business Plan given that the next scheduled meeting of the Sub Committee does not take place until 27 August 2024.

### 4. Background

- 4.1 In December 2023 the Cabinet approved the establishment of three shareholder boards (Cabinet Subcommittees) one for each of its LATCOs. At the inaugural meetings of the shareholder boards (save for the subcommittee for Medway Norse), each subcommittee approved revised Articles of Association and a Memorandum of Understanding (MOU). The MOU detailed a reporting schedule to ensure that the shareholder boards received regular reports on the performance of the company and other matters so that the shareholder boards could exercise appropriate oversight and corporate governance over the activities of the company.
- 4.2 The company has submitted the following document for consideration by the Cabinet Sub Committee:

#### 4.2.1 Draft Business Plan 2023 - 2028 (Exempt Appendix A)

### 5. Client Officer observations and recommendations

- 5.1 In the revised governance arrangements for Medway Norse LATCO, Ruth Du-Lieu is the Lead Client Officer. On this basis, these are the observations and recommendations relating to progressing the draft Business Plan.
- ❖ The draft plan was formulated in 2023. Due to the change in administration and the subsequent work to review the joint venture (JV) (delaying any extension to the core contract), the business plan was not ratified in 2023.
  - ❖ As we are now positively progressing the JV collaboratively and implementing the new governance, this business plan is being presented as a draft document for discussion only. It should be noted this business plan has been drafted by Medway Norse without any input from Medway Council given the lapse in strategic planning for the JV in 23/24.
  - ❖ The client officer recommends that the work that has started to review the JV is progressed. The outputs of the recent workshop are being turned into an action plan. This plan will include the establishment of a strategy

for the JV which will be set by the Administration working collaboratively with CMT.

- ❖ Until the strategy for the JV is agreed, the business plan cannot be progressed.

## 6. Risk management

6.1 Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Insufficient oversight of LATCO activity and performance	The company's objectives and performance do not align with the councils aspirations	Shareholders boards have been established to received regular reports for the LATCO and provide steer to the company Chief executive and Chair of the board of Directors on their expectations	CIV
Council exposure to unknown risks	The company's activities expose the council financial and / or reputational / strategic risk	Regular reporting to the shareholder board on activity and risks	CIII
		A scheme of delegation ensure more significant decisions are taken at more senior levels within the company/ council.	CIV

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely	I Catastrophic
B Likely	II Major
C Unlikely	III Moderate
D Rare	IV Minor

## 7. Consultation

7.1 N/A

## 8. Climate change implications

- 8.1 [The Council declared a climate change emergency in April 2019](#) - item 1038D refers, and has set a target for Medway to become carbon neutral by 2050.
- 8.2 There are no direct implications arising from this report or the draft business plan, any that do arise are contained within the individual reports from the LATCO.

## 9. Financial implications

- 9.1 There are no direct financial implications arising from this report.

## 10. Legal implications

- 10.1 The shareholders own the business, however the day to day management of the business is the responsibility of the Partnership Director and the Board of Directors. The shareholders responsibility derives from the Articles of Association (which set out the company's purpose and governance framework) and the Memorandum of Understanding sets out the operational decision making framework.
- 10.2 As a shareholder, the subcommittee is entitled to receive regular reports from the Board of Directors on the company's activities, its performance and its financial outlook over the next quarter and beyond. The shareholders need to be confident that the company's Partnership Director and the Board of Directors can deliver on the approved business plan and to be informed if there are any material changes to the business plan or divergences from expected returns.

### Lead officer contact.

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### Appendices

Appendix 1 – Cabinet Sub-Committees Terms of Reference  
Exempt Appendix A - Business Plan 2023/24

### Background papers

None