

Cabinet Sub Committee (Medway Norse Ltd Shareholder Board)

17 February 2026

Quarterly progress update on Joint Venture

Portfolio Holder: Councillor Simon Curry, Portfolio Holder for Climate Change and Strategic Regeneration

Report from/author: Ruth Du-Lieu, Deputy Director Place and Medway Norse Client Lead

Summary

This report seeks to update the Sub Committee on progress, performance, risk, budget and contract status relating to the operation of joint venture between September 2025 and December 2025.

1. Recommendations

- 1.1. The Cabinet Sub Committee is asked to note the contents of this report and provide any direction they feel is necessary.
- 1.2. The Cabinet Sub Committee is asked to note the progress that has taken place to develop a new business plan to take effect from April 2026 to March 2031 (Five year Business Plan).

2. Suggested reasons for decisions

- 2.1 The Sub Committee is requested to consider the recommendations above and note, no action required unless they wish to provide direction on any aspects.

3. Budget and policy framework

- 3.1. The decision is within the Council's budget and policy framework including the Council Plan. The receipt of regular reports to the Sub Committee and the opportunity to hold to account the Chief Executive and the Chair of the Board of Directors in respect of the company's performance aids and enhances transparency and accountability of the Council's Local Authority Trading Companies (LATCOs).

4. Background

- 4.1. At the first meeting of Medway Norse shareholder board (Cabinet Sub Committee) on 6 June 2024, the client advised the Cabinet Sub Committee that there was work to be done by the Council to set a strategy for Medway Norse.
- 4.2. The draft Business Plan was thought not to be fit for purpose. Political leadership and policy changes (that were a result of the new Administration taking power in May 2023), had led to the Council reviewing the governance and the strategic direction of all three LATCOs (Kyndi, Medway Development Company and Medway Norse). (Technically, Medway Norse is two separate LATCOs, Medway Norse Ltd & Medway Norse Transport Ltd).
- 4.3. Therefore, although the operational functions and company board for the MN Joint Venture (JV) have continued largely unaffected, the strategic planning and governance by the Council has, and is still going through a period of transformation.
- 4.4. At the October 2024 meeting of the Sub Committee the broad scope for an improvement program was agreed along with the outcomes/outputs and governance.

5. Contract update

- 5.1. Work has been ongoing to update the contractual relationship between Medway Council and Norse Group. This followed the core contract expiring and the Council issuing a letter of intent stating the Council intended to extend the contract. This was to ensure key services continued to be provided by Medway Norse whilst discussions were had around governance, budget, strategy etc. However, in 2023, the Council decided to begin a full review of the terms of the joint venture, the governance and the strategic approach.
- 5.2. Work is underway between the management team of both Medway Norse and Norse Group with the support of Councillor Curry. The three main objectives are as follows:
 - Settlement of the budget allocation for FY26/27 for payment of services provided by Medway Norse. [Settlement completed at the time of this report submission.]
 - The agreement of contractual terms and conditions for new contract which it is anticipated will run for 5 years with an option to extend for a further 2 years, starting from 1 April 2026 and running until end of March 2031. Following the work to transfer functions out of the JV, the scope of the new contract will be focused on the following services: Waste, SEND Transport and Greenspaces. [Agreement of contractual terms will be finalised and new 5 year contract signed by end of February 2026.]

- Work to develop a new 5 year business plan to run concurrently with the new contract is now at an advanced stage. Directed by Councillor Curry, Medway Norse and Medway Council have worked on developing a new business plan which reflects the new services and functions, setting out performance expectations and measures to be applied. To note this will be signed off by the Client Liaison Board ready for the 1 April 2026.

Currently the next scheduled meeting of this Sub Committee is not until 4 June 2026, this Sub Committee may wish to consider requesting that officers look at arranging an additional meeting before the end of the financial year in order to be able to consider the new business plan.

6. Programme Management

- 6.1. The Business Change team have formulated a Programme Management Office (PMO) who are working closely with Council leads and Norse Group to manage via project and programme management the review of services and functions as well as planning the review of operational and business processes for those services and functions that will continue to be delivered by the JV.
- 6.2. The MN Improvement Programme name has been changed to the Joint Venture Strategic Review Programme (JVS RP), as agreed at the previous MN Sub Committee in October 2025.
- 6.3. The PMO team have developed and put in place governance, structure and reporting systems to plan and manage the overall programme and projects with the aim that this will be Joint Venture Strategic Review Programme (JVS RP), previously reported to this committee.
- 6.4. The Business Change team in July 2025 appointed a Senior Programme Manager and in September undertook a successful recruitment process for two further Programme Managers who have been onboarded and in post.
- 6.5. The revised governance arrangements that are now in place are as follows:
- 6.6. The MN Client Liaison Board meets on a quarterly basis, with key representatives from all parties (Medway Council, Medway Norse and Norse Group). This board is managed and run by the PMO team from Medway Council. The Board is chaired by Councillor Curry.
- 6.7. This board is integral to the governance of the JV and is the mechanism for all of the shareholders to meet and discuss the operations and progress against the business plan. The meeting will be in two main sections. The first half will be to discuss service standards, operations, innovation etc. The second half will be the shareholders discussing the joint business issues to ensure Medway Norse Ltd. is being jointly run as effectively as possible.

- 6.8. The Joint Venture Strategic Review Programme (JVSRP) Board meets monthly and has representatives from the relevant services of Medway Council. The Board is chaired by Ruth Du-Lieu who is the client lead for the JV.
- 6.9. The change in non-executive directors (NEDs) for the JV has been completed. Lee-Anne Farach and Paul Boyd have been formally registered as NEDs on the Medway Norse Board and are attending the Board meetings.

7. Quarterly update from Medway Norse

- 7.1. The Quarter 3 update from Medway Norse is contained in Appendix A to the report, and the Risk Register status report at Appendix B. This update was scrutinised at the Client Liaison Board in February 2026.

8. Risk management

- 8.1. 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 Council's aspirations	Shareholder boards have been established to receive 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 unknow risks	The company's activities expose the council financial and or 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
The JV contract remains ultra vires	MN decide to pull out of the arrangement	Progress the revised contract at pace.	CI
		Maintain communications between Council and	CI

Risk	Description	Action to avoid or mitigate risk	Risk rating
		NCS / MN to progress revised contract.	

For risk rating, please refer to the following table:

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

8.2. The joint venture's risk register, comprising the ten highest scoring residual risks is included at Appendix B to the report. Mitigating action is set out clearly and monitored regularly by Medway Norse and via the Client Liaison Board.

9. Consultation

9.1. The financial monitoring and risk register are regularly reviewed by the company's board, comprising three directors appointed by NCS Ltd. and two officers appointed as directors by the Council.

9. Climate change implications

9.1 [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.

9.2 There are no direct implications arising from this report any that do arise are contained within the individual reports from the LATCO.

9.2.1 The draft Business Plan that is being developed includes climate change considerations

10. Financial implications

10.1 The joint venture's financial position is as follows:

10.1.1. The Q3 financial trading position for total company is performing ahead of budget.

10.1.2. MN Financial position end of Q3

Q3 (P9)	£000
Estimated Profit	754
Estimated Forecast FY26	807
Budget FY26	538
Variance	269

10.2 The forecasted rebate for FY25/26 will be £403,000.

11. Legal implications

11.1 The shareholders own the business, however the day-to-day management of the business is the responsibility of the Chief Executive 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.

11.2 As a shareholder, the Sub Committee is entitled to receive regular reports from the Board of Directors on the company's activities, its performance, outlook over the next quarter and beyond. The shareholders need to be confident that the company's Chief Executive and the Board 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

Exempt Appendix A - Medway Norse Performance Update (MN Q3 Report)

Exempt Appendix B - Medway Norse Risk Register status report as audited by Norse Group.

Background Papers

None