

Regeneration, Culture and Environment Overview and Scrutiny Committee

24 March 2026

Member's Item: Facilities Management Contracts

Report from: Adam Bryan, Director of Place

Author: Daniel Stone, Head of Service - Facilities Management and Capital Projects

Summary

This report sets out a response to a Member's item raised by Councillor Lawrence, in relation to Facilities Management Contracts.

1. Recommendation

1.1. The Committee is asked to note the comments from the Director of Place in response to the Member's item.

2. Budget and policy framework

2.1. Under Medway Constitution Overview and Scrutiny rules (Chapter 4, Part 5, Paragraph 9.1) Councillor Lawrence has requested that an item on this matter is included on the agenda for this meeting.

3. The Issue

3.1. Councillor Lawrence has requested that an item be placed on the agenda and the reasons are set out below.

“On behalf of the Shadow Cabinet, I, Councillor Andrew Lawrence, submit an urgent member's item to the Regeneration, Culture and Environment Overview and Scrutiny Committee, to discuss the impact of the Cabinet's decision to award the Facilities Management contract to alternative suppliers.

My principal questions and concerns are as follows:

1. The process leading up to the Facilities Management Gateway Award so far.
2. What engagement has there been with the Norse Group, and specifically, the implication of the Facilities Management award on the waste services and SEND Transport contracts that are part of the Medway Norse Joint Venture.
3. Details of engagement with Medway Norse staff prior to Cabinet on the 14th January 2026.
4. Implications for Medway Council's budget with the TUPE of Medway Norse staff to Medway Council.
5. The value of contracts awarded to local businesses.
6. The due diligence undertaken on those Contractors awarded contracts.

I would request that both the Cabinet member for the specific contract, Councillor Simon Curry, and the Cabinet member for procurement, Councillor Zoe Van Dyke, appear before the committee as part of this Member's Item, alongside the relevant senior officers."

- 3.2. At the request of Councillor Lawrence, the relevant Cabinet Members have been invited to attend the meeting to address the committee.
- 3.3 The Committee can use any of its powers in dealing with this Member's item, including making recommendations to officers or the Cabinet.

4. Directors Response

- 4.1 Question - The process leading up to the Facilities Management Gateway Award so far.

Answer – Medway Council issued formal notice to end the Medway Norse Facilities Management (FM) arrangements in the first quarter of 2025. This triggered a structured information-gathering period, during which Medway Norse supplied the data required to prepare tender packs for potential providers ahead of the new FM service commencing on 1 April 2026.

Gateway 1 Procurement Board considered and approved the start of the market engagement process for ten replacement FM contracts in June 2025, with Cabinet approving the Gateway 1 recommendations in July. Following the mandatory standstill period, a full procurement exercise was undertaken in line with Medway Council's Category Management Policy and the requirements of the Procurement Act 2024.

Tender opportunities were published on the Kent Business Portal in early October, and 126 submissions were received across the ten service lots by mid-November. The Category Management and FM teams jointly evaluated all bids. Their recommendations were presented to Gateway 3 Procurement Board on 11 December 2025. Cabinet then gave final approval on 13 January 2026 to award the suite of FM contracts, enabling mobilisation ahead of the 1 April 2026 start date.

- 4.2 Question - What engagement has there been with the Norse Group, and specifically, the implication of the Facilities Management award on the waste services and SEND Transport contracts that are part of the Medway Norse Joint Venture.

Answer – The impacts of withdrawing services from the Joint Venture have been fully considered through the Joint Venture Strategic Review Programme (JVSRP), which was established and agreed through the Medway Norse Cabinet Sub-Committee. The JVSRP covers FM, Greenspaces, Waste, SEND Transport and theatre bars, and provides the governance and oversight needed to manage the interdependencies between these services.

- 4.3 Question - Details of engagement with Medway Norse staff prior to Cabinet on the 14th January 2026.

Answer – Initial communication with Medway Norse staff took place on 21 July 2025 through a joint statement issued by Medway Council and Medway Norse, confirming that a review of Core FM services was underway. Follow-up communications were provided in November 2025, giving staff updated information on the FM tender process and the potential implications for service delivery arrangements.

- 4.4 Question - Implications for Medway Council's budget with the TUPE of Medway Norse staff to Medway Council.

Answer – Under the proposed TUPE transfer of Medway Norse FM staff into Medway Council, the existing Medway Norse FM budget of £6.64m for 2025/26 has been reduced to £6m, reflecting a planned saving of £640k. Staff transferring via TUPE will initially retain their existing Medway Norse terms and conditions for up to six months before moving onto MedPay terms. The associated MedPay costs have been fully incorporated into the Facilities Management Service Delivery budget to ensure financial sustainability.

- 4.5 Question - The value of contracts awarded to local businesses.

Answer – While most awarded contractors have their head offices outside Medway, all have operational offices within Kent and employ Kent-based staff, including existing Medway Norse employees who will transfer into the new delivery arrangements. One provider, Envirocure, is based directly in Gillingham.

Across the contracts awarded to date, suppliers have committed to delivering a combined social value contribution of approximately £1.22m over the contract duration. A number of smaller contracts, valued between £25k and £50k, are still to be awarded, and due to their scale are expected to offer strong opportunities for Medway-based businesses.

- 4.6 Question - The due diligence undertaken on those Contractors awarded contracts.

Answer – All tender evaluations followed Medway Council's Category Management Contract Procurement Rules (Chapter 4, Part 7 of the Council's Constitution) and the requirements of the Procurement Act 2024. Category Management staff and FM officers undertook a thorough evaluation of more than 120 tender submissions, ensuring full compliance with procurement standards and due diligence expectations.

One contract, Grounds Maintenance, underwent additional detailed price evaluation due to the late addition of grounds maintenance engineers to the TUPE list by Medway Norse. This additional scrutiny ensured that the eventual award decision remained robust, transparent and compliant.

5. Risk Management

- 5.1. There are no significant risks to the Council arising from this report.

6. Legal and Financial Implications

- 6.1. There are no legal or financial implications for the Council arising from this report.

Lead officer contact

Daniel Stone, Head of Service, Facilities Management and Capital Projects

Telephone: 01634 332880

E-mail: daniel.stone@medway.gov.uk

Appendices

Appendix A – Chapter 4, Part 7 Medway Council Constitution

Background papers

None