



Cabinet Sub Committee (Medway Norse Ltd Shareholder Board)

12 May 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 April 2026 and May 2026.

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 Cabinet Sub Committee should satisfy itself with progress, performance, risk, budget and contract status relating to the operation of joint venture.

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. On 7 April 2026, a full report was submitted to Cabinet for formal approval of the new Medway Norse contract.
- 5.2. This report sought approval to re-engage Medway Norse Limited to continue delivering key frontline services for Medway Council through the existing Joint Venture (LATCo) arrangement. The services covered include Waste Services, Greenspace Maintenance, Household Waste Recycling Centres (HWRCs) and SEND Transport, all of which directly support the Council's priorities for clean, green, safe and connected communities.
- 5.3. Cabinet approved the re-engagement of Medway Norse Limited and the establishment of a new contract commencing on 1 April 2026 for an initial period of 60 months, with an option to extend for a further 24 months.
- 5.4. The schedules which sit alongside the contract are being reviewed and added for the contract to be finalised. It is recognised that some schedules will not alter at this stage as collaborative work is ongoing to review operations, scope and performance.
- 5.5. This new contract enables the Council to continue meeting its statutory obligations, strengthens governance arrangements, and secures continuity of critical frontline services and SEND transport.
- 5.6. Directed by Councillor Curry, Medway Norse and Medway Council have worked collaboratively on developing a new 5-year business plan which

reflects the new services. This will form one of the suite of schedules in the contract.

- 5.7. Medway Council have supplied Medway Norse with the requested information to complete their business plan, which relates to the new governance arrangements and how the priorities of Medway Council and Medway Norse are aligned.
- 5.8. Medway Norse has completed the plan which will be reviewed at the next meeting of the Portfolio Holder for Climate Change and Strategic Response and the Council's Non-Executive Directors on 20 April and will then be presented at the Client Liaison Board meeting on 6 May 2026.
- 5.9. On 31 March Medway Norse successfully de-mobilised the Facilities Management contract and elements of the Greenspaces contract, handing back responsibility to Medway Council who in some cases have contracted out functions to external providers.
- 5.10. Oversight of activity continues at a local level under the Joint Venture Strategic Review Programme (JVSRP) Board with Culture (Theatres and Bars) scoping opportunities to enhance their offering. Waste, Greenspaces and SEND transport continue to provide relevant service updates to the JVSRP Senior Responsible Officer (SRO).

6. Programme Management

- 6.1. The Business Change team have established a Programme Management Office (PMO) which is 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 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.
- 6.3. 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.
- 6.4. The Joint Venture Strategic Review Programme (JVSRP) Board meets bi-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.

6.5. The Non-Executive Directors (NEDs) for the JV are Lee-Anne Farach and Paul Boyd, who attend both Medway Norse Board and the Client Liaison Board meetings.

7. Quarterly update from Medway Norse

7.1. The Quarter 4 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 MN Client Liaison Board in May 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 unknown risks	The company's activities expose the council to financial and other risk	Regular reporting to the shareholder board on activity and risks.	CIII
Council exposure to unknown risks	The company's activities expose the council to financial and other risk	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 decides to pull out of the arrangement	Progress the revised contract at pace. Maintain communications between Council and NCS / MN to progress revised contract.	CI

For risk rating, please refer to the following table:

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

8.2. The joint venture's risk register, comprising the ten highest scoring residual risks, are 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.

10. Climate change implications

10.1. [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.

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

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

11. Financial implications

11.1. The joint venture's financial position is as follows:

11.1.1. The Q4 financial trading position for total company is performing ahead of budget.

11.1.2. MN Financial position at year end (Q4).

Q4 (P12)	£000
Estimated Forecast FY26	680
Budget FY26	538
Variance	142

11.2. The provisional rebate for FY 2025/26 will be £340,000.

12. Legal implications

- 12.1. 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.
- 12.2. 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 Q4 Report)

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

Background Papers

None