

Cabinet Sub Committee
(Medway Norse Ltd Shareholder Board)

24 September 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 updates the Sub Committee on progress, performance, risk, budget and contract status relating to the operation of the joint venture between April and June 2026.

1. Recommendations

- 1.1 The Sub Committee is asked to note the contents of this report and provide any direction they feel is necessary.
- 1.2 The Sub Committee is asked to note the progress that has taken place since the new business plan took effect from April 2026 (Five-year Business Plan).
- 1.3 The Sub Committee is asked to note the updates to the Theatre Bar service which will be returned to Medway Council to fulfil the Bar service function (section 5.8 refers).
- 1.4 The Sub Committee is asked to note the demobilisation of the Joint Venture Strategic Review Programme (JVSRP) and introduction of the Joint Venture Assurance Board (section 5.6 and 5.7 refers).

2. Suggested reasons for decisions

- 2.1 The Sub Committee is requested to consider the recommendations above (notably, 1.3 and 1.4) and note activity, no action is 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).
- 3.2 It should be noted that the Joint Venture undergoes regular budget reviews at internal programme Boards such as The Medway Norse Client Liaison Board and Joint Venture Assurance Board (the latter is due to mobilise in December 2026).

4. Background

- 4.1 At the first meeting of the 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 considered not to be fit for purpose. Political leadership and policy changes following the change in Administration in May 2023 led the Council to review the governance and strategic direction of its LATCOs, including Medway Norse Ltd and Medway Norse Transport Ltd. Although operational functions and the company Board for the joint venture have continued largely unaffected, the Council's strategic planning and governance arrangements remain subject to transformation.

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.

- 4.3 Since the agreement of the improvement programme scope in October 2024, work has progressed to strengthen client-side governance, review contract performance arrangements, and develop a new Five-year Business Plan for April 2026 to March 2031.
- 4.4 On 31 March 2026 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.
- 4.5 This report previously 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.

- 4.6 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. 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 The Service Level Agreements (SLAs) that sit alongside the contract are being reviewed along with the Key Performance Indicators (KPIs). SLAs will be added to the contract to be finalised. It is recognised that some SLAs may not alter, but it's accepted that the KPIs will change to better reflect the new contract, enabling clear and robust reporting measures, providing assurance to the relevant Boards, staff, and Members. Collaborative work is ongoing between the joint venture; work is expected to finalise in Autumn.
- 5.3 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.
- 5.4 Medway Council and Medway Norse have developed a new Five-year Business Plan, directed by Councillor Curry, to reflect the services in place from 1 April 2026. The plan aligns Medway Norse's priorities with the One Medway Council Plan, reflects the new governance arrangements, and will form part of the contract schedules.
- 5.5 Medway Norse has completed the plan which was reviewed at the meeting of the Portfolio Holder for Climate Change and Strategic Response and the Council's Non-Executive Directors on 8 April 2026 and was presented at the Client Liaison Board meeting on 6 May 2026.
- 5.6 Oversight of operational service level activity has continued at a local level under the Joint Venture Strategic Review Programme (JVS RP) 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 JVS RP Senior Responsible Officer (SRO), Ruth Du-Lieu. The original requirements of the JVS RP have been achieved. It is therefore no longer relevant in its current form, so the Board is being disbanded from September 2026.
- 5.7 Oversight of activity will continue at a local level and includes ongoing budget and performance oversight through the Quarterly Medway Norse Client Liaison Board. Operational governance will include service level contract management of KPIs, which will be reviewed under the newly formed Joint Venture Assurance Board (JVAB). This Board is due to mobilise in December 2026. Relevant service leads across Waste, Greenspaces, and SEND transport, with representation from legal services, will provide updates to the JVAB Senior Responsible Officer (SRO), Ruth Du-Lieu. Priorities of the JVAB

include: Reviewing performance reporting through the agreed KPIs, reviewing Risks/Issues, and identifying potential JV opportunities.

- 5.8 The Cabinet Sub Committee is asked to note that the Theatres Bars Service, within the RCE Culture directorate, will be demobilised from the existing arrangement. Medway Norse has provided this service on behalf of the Council since 2013, outside of a formal contractual arrangement. Following a detailed review and scoping exercise, the Chief Culture Officer has determined that the service should be brought back in-house to ensure closer alignment with its internal strategic priorities and to build upon the progress achieved at the Corn Exchange. Medway Norse has supported this process and continues to work collaboratively with the Council to facilitate an orderly transition. The service will transfer to Medway Council from 1 December 2026.
- 5.9 The Joint Venture has scheduled a workshop to be held in October 2026 to support continued collaboration and futureproofing of the partnership. The session will focus on the implications and opportunities arising from Local Government Reorganisation, potential commercial opportunities, climate and biodiversity matters linked to Medway Council's climate change priorities, and staff training opportunities. Undertaking this process will support early identification of risks and opportunities, strengthen shared understanding between partners, and help ensure the Joint Venture remains resilient, strategically aligned to Medway Council's priorities, and is able to respond to future service, policy, and workforce requirements.

6. Programme Management and Governance

- 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 (JVS RP) 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. This Board will disband from September 2026 (see section 6.5).

- 6.5 Operational oversight of service level contract management processes, such as KPIs, will be reviewed under the newly formed Joint Venture Assurance Board (JVAB), which is due to mobilise in December 2026. Relevant service leads across Waste, Greenspaces, and SEND transport, with representation from legal services, will provide updates to the JVAB Senior Responsible Officer (SRO), Ruth Du-Lieu.
- 6.6 The Non-Executive Directors (NEDs) for the JV are Lee-Anne Farach (Chair of the Medway Norse Board) and Paul Boyd, who attend both Medway Norse Board and Client Liaison Board meetings.
7. Quarterly update from Medway Norse
- 7.1 The Quarter 1 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 September 2026.
8. Risk management

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 a steer to the company Chief executive and Chair of the Board of Directors on their expectations.	C4
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.	C3
		5.2 A scheme of delegation ensure more significant decisions are taken at more senior levels within the company/ council.	C4
The JV contract remains ultra vires	MN decides to pull out of the arrangement	Progress the revised contract at pace.	C1
		5.3 Maintain communications between Council and NCS / MN to progress revised contract.	C1

Risk	Description	Action to avoid or mitigate risk	Risk rating
Local Government Reorganisation	Changing local priorities under the restructure. It is not clear at this stage what the potential long-term impact to the JV will be, which could also provide opportunities.	- LGR included as a discussion point within the relevant Boards. - LGR lead to be invited to attend relevant Boards. - JV Workshop to focus on preparedness for LGR. - SRO and relevant service leads to build relationships across partner authorities.	A3

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	1 Critical 2 Major 3 Moderate 4 Minor

- 8.1 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.

10. Climate change implications

- 10.1 There are no direct implications arising from this report. Any that do arise are contained within the individual reports from the LATCo.
- 10.2 The Business Plan produced by Medway Norse and Medway Council includes climate change considerations.
- 10.3 Climate change and biodiversity is being reviewed by the JV to identify opportunities which align with Medway Council Climate Change priorities.

11. Local Government Reorganisation (LGR) implications

11.1 Following the Government announcement of the pause on LGR activity on the 7 September 2026 officers will monitor the on-going situation and will consider any relevant impacts as they arise.

11.2 Once resumed LGR will remain a focus for the JV and activity will be monitored through the internal Board processes to ensure a coordinated approach in readiness for future change.

11.2.1 The JV will work closely with legal services to review the potential impact of LGR on the current contract, updates will be shared to the Sub Committee over time.

11.2.2 Policies across councils in North Kent (Medway, Dartford and Gravesham) will be reviewed in due course.

11.2.3 Consultation with our counterparts at a strategic level is currently being planned with some localised service level activity underway.

12. Financial implications

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

12.1.1 The Q1 financial trading position for total company is performing ahead of budget. The figures provided are a close representation given the technical issues experienced since implementation of a new system.

Q1 Financial Summary

Q1 (P3) YTD – Excluding Transport	
Income	£ 6.4m
Budgeted Profit	£ 152,000
Actual Profit	£ 166,000
Q1 Overspend (Likely to reverse – some agency invoicing issues to be resolved)	£ 35,000

13. Legal implications

13.1 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.

- 13.2 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 Q1 Report)

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

Background papers

None