

**Report to** Cabinet  
26 March 2014  
**Report of** Head of city development services  
**Subject** NPS Norwich Ltd business plan

**Item**

**7**

**KEY DECISION**

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**Purpose**

To consider the 2014-15 NPS Norwich Ltd business plan

**Recommendation**

To agree the 2014-15 NPS Norwich Ltd business plan

**Corporate and service priorities**

The report helps to meet all of the council's corporate priorities and the service plan priority to confirm and oversee the 2014-15 NPS Norwich Ltd business plan

**Financial implications**

Cost budgets within the business plan are in accordance with the council's agreed 2014-15 budgets.

**Ward/s:** All wards

**Cabinet member:** Councillor Waters – Deputy leader and resources

**Contact officers**

Andy Watt	01603 212691
David Rogers	01603 212463
Ian Bromley-Derry	01603 706159
Chris Rayner	01603 213208

**Background documents**

None

# Report

## Background

1. To direct the work of NPS Norwich Ltd and as part of the overall governance of the joint venture company, it is necessary to produce a business plan which sets out the intended work programme, priorities financial forecasts for the company in the coming year. Cabinet's approval of the business plan is a key control on the joint venture to ensure the work it carries out meets the council's requirements. The plan also needs to be approved by the company board.

## Key elements of the business plan

2. A draft copy of the business plan is appended to this report (appendix 1). The plan sets out challenges and opportunities relevant to the work of the company and then how the work of the company contributes to the council's corporate priorities.
3. The poor economic conditions at present, coupled with the age and quality of the council's property portfolio, represent a major challenge. In contrast re-financing of the housing revenue account has provided a significant opportunity to improve the council's housing stock.
4. The significant nature of both of these issues is echoed in the proposed performance measures for the company which focus on the need to curb rent role decline and increase income and also to improve the condition of the council's housing stock. For the first time estates management targets for rental income, debit management, income lost due to voids and capital receipts have been set.
5. The plan also identifies a number of key projects over and above normal estates and property management base load work. This includes work to help deliver much of the council's capital programme and a number of special projects.
6. The council's ambitious investment proposals for both new social and private housing along with the construction of a new car park (as reflected in the capital plan) will generate considerable survey, design and supervision work. These are reflected in the business plan insofar as this would translate into fees to bring forward these proposals through the joint venture.
7. The special projects include significant continuing work to better understand the energy performance and condition of the non-housing portfolio to help inform future asset review decisions; in particular whether to dispose or retain assets.

## 3 March 2014 liaison board meeting

8. The draft business plan was discussed at the 3 March 2014 liaison board where it was endorsed.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	26 March 2014
<b>Head of service:</b>	Head of city development services
<b>Report subject:</b>	NPS Norwich Ltd business plan
<b>Date assessed:</b>	3 March 2014
<b>Description:</b>	Priorities and work programme for joint venture company

	Impact			
<b>Economic (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Finance (value for money)</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The business plan is intended to preserve and enhance the council's income stream from its property portfolio as well as deliver high quality service at least cost
<b>Other departments and services e.g. office facilities, customer contact</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The business plan will support a number of other service plan priorities
<b>ICT services</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Economic development</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Proactive property management will help ensure the supply of high quality property for business
<b>Financial inclusion</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Social (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Safeguarding children and adults</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b><u>S17 crime and disorder act 1998</u></b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Human Rights Act 1998</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Health and well being</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proactive approach to property management outlined in the business plan will help ensure the on-going sustainable management of the council's considerable heritgate property and open space land holdings
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A priority focus of the business plan is to improve the energy performance of the council's property portfolio

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The plan includes a number of tasks to help the council to mitigate property risks, including carrying out energy performance and condition surveys

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

## 1. BACKGROUND

NPS Norwich Ltd commenced as a local authority company co-owned by the NPS group and Norwich City Council following the successful transfer of 17 staff from Norwich City Council on 1 March 2012. The company expanded on 1 March 2013 with transfer of services formerly provided by the council's property service and the successful transfer of a further 55 posts.

The joint venture company is part of the wider NPS Group and builds on the experience gained from other Local Authority joint ventures around the country and the Norse Group Ltd which acts as the holding company.

The partnership between the council and NPS, through the joint venture company, will help deliver the council's priorities based on the following principles:

- a) Promotion of the council's strategic priorities through the business plan;
- b) Provision of a first class, professional and business focussed service to customers;
- c) Ensuring residents are at the heart of all activity relating to the council's council housing stock;
- d) A 9 year agreement to deliver effective and targeted asset management of the council's property portfolio;
- e) Striving for continuous improvement and investing in staff and resources; and
- f) NPS Norwich to be enabled via agreed delegation limits to undertake low-level day to day asset management.

These principles will operate in a manner of partnership through a business plan agreed by the NPS Norwich Ltd board<sup>1</sup> and the council's cabinet.

National requirements to review spending in the public sector have highlighted the central and critical role of council assets in supporting the delivery of core priorities and to reduce operating costs in the delivery of a council's aims and objectives. NPS Norwich Ltd will provide an operating framework for the delivery of property services to the council which meets its needs and expectations. It will undertake that:

- The service will be in accordance with local authority best practice;

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<sup>1</sup> See appendix A for membership

# NPS NORWICH LTD BUSINESS PLAN 2014/15



- The appropriate numbers of staff are made available to carry out responsibilities set out in the service specification in a full and satisfactory manner; and
- NPS Norwich will be the council's first point of contact should there be any dispute about the quality of service provided.

The over-riding objective is to ensure that the council obtains a high quality value for money service that meets the council's priorities and requirements.

## SCOPE

NPS Norwich Ltd maintains approximately 15,700 tenanted and 2,600 leasehold homes with an anticipated overall budget of around £50m for 2013/14 (including around £30m capital budget). The service is provided to almost one third of all homes in Norwich and therefore it has a major impact on people's lives and the environment.

The non housing property asset portfolio includes circa 1200 buildings equating to a capital value of just under £200 million. The annual income from the investment property portfolio is around £4.5m which is a strategically important part of the council's finances. The council also owns areas of brownfield and other land which potential for development. This includes Bowthorpe Threescore, land at Goldsmith Street site and land at Mountergate West.

## CHALLENGES AND OPPORTUNITIES

### Challenges

1. The Council has a high proportion of 'non-traditional' housing stock: around 3,500 or 20% of the stock. Some of these properties have passed their design life and whilst still perfectly acceptable as accommodation (and in some cases very popular with tenants) consideration must also be given to their remaining life and investment needs. In addition to this we are aware of certain issues with some types of stock which need addressing over the next few years.
2. The introduction of welfare reforms may lead to a change in demand for certain types of property; e.g. three bedroom properties may no longer be popular but demand may increase substantially for one and two bedroom properties.



3. Energy conservation and green issues have long term benefits but present challenges to address in the short term. Potential issues arising from the Green Deal must be identified and strategies and policies agreed and implemented to deal with these issues. In addition we must be fully aware of, and make full use of, grants from utilities companies and other sources in order to fully maximise our budgets. Similarly we must consider and evaluate all new technologies in order to ensure we make sound investment decisions.
4. The non-housing portfolio has suffered from under investment and severe lack of money to ensure properties are maintained to a good standard. As a result the approach to maintenance has been to mainly deal with those items that would present a health and safety issue. The current asset database is not effective due to out of date condition data, however, a programme of condition surveys is now under way that, over time, will address this. Looking ahead the budget for 2014/15 will improve the situation and does include modest budgets for asset improvements, reducing ongoing liabilities and acquisition of new assets to ensure an income stream is maintained.
5. The non housing portfolio consists of a range of assets from medieval to modern, many of which require substantial maintenance and upkeep there being a substantial repairs backlog.
6. Under the new financial rules governing local government accounting, there is an increasing requirement for repair and maintenance investment to be funded from revenue rather than capital funds. This puts increasing pressure on the ability of the council to ensure that its property portfolio is fit for purpose.
7. A significant proportion of the asset base does not generate an income but provides essential operational land and buildings. Many are stewardship properties held by the City Council in a “heritage custodial”, type role. There is also a significant portfolio of properties held for income purposes.
8. However, growth in this income base is struggling to meet the requirements of the medium term financial strategy and this is an issue that needs to be addressed. Although there are signs of economic recovery, this income is under stress from continuing poor market conditions compounded by a sustained period of under investment. The combination of circumstances is not uncommon across many local authorities. The disposal of surplus and/or underperforming assets provides capital receipts for investment but may also impact on income. There are, however, opportunities to re-invest capital receipts in new income generating assets.

## Opportunities

1. The council now has very high quality<sup>2</sup> stock condition data (90% being actual data rather than projected). This has allowed the council to classify its housing into core and non-core stock in accordance with the housing asset strategy, to ensure that major investment is targeted at only core stock.
2. The changes to the financing of the Housing Revenue Account (HRA) under self financing has for the first time provided real choices for tenants and the Council in what level of investment is carried out and will lead to the development of the first new Council houses to be built in the city for 25 years.
3. The extension of the NPS joint venture is creating opportunities for the Council and property staff moving into the Joint Venture and these opportunities need to be captured and considered over the coming year.
4. The recently let housing responsive contract will allow, after a period of settling down, the service to tenants to be reviewed and improvements and efficiencies to be considered.
5. Changes to the HRA financing (self financing) will allow a further review of the housing asset strategy to ensure that we are making best use of the assets we have and potentially allow for larger redevelopment schemes to be considered.
6. New build will present opportunities to improve the overall performance of the housing stock (i.e. SAP rating) and provide modern accommodation for tenants.
7. The sheltered housing review will allow the current low demand for some sheltered schemes to be addressed and potentially provide opportunities to improve and adapt these schemes for other uses.

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<sup>2</sup> Audited and verified by Savills in September 2011 who commented that: “The stock condition survey methodology is to a high standard and is managed and maintained by experienced staff. As a result there are no structural changes that are required. The data is stored on a market leading asset management system and the Council are amongst the most knowledgeable users we have experienced”

## NPS NORWICH LTD BUSINESS PLAN 2014/15



8. The council has major ambitions to build both new homes of all tenures and to invest in commercial assets. This is intended to meet housing needs and demands, to regenerate the city and individual communities within it and to encourage economic recovery and growth. In so doing the council has an opportunity to generate significant new income streams.
9. The council has an improving picture of the state of its non-housing portfolio due to an improving estates terrier and condition and Energy Performance Certificate (EPC) surveys undertaken as part of the 2013/14 business plan. These are proposed to continue as part of the 2014/15 business plan.

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## 2. CONTRIBUTION TO COUNCIL PRIORITIES

To realise its vision, the council has adopted five corporate priorities:

1. To make Norwich a safe and clean city
2. To make Norwich a prosperous city
3. To make Norwich a city with decent housing for all
4. To make Norwich a city of character and culture
5. To provide value for money services

NPS Norwich Ltd's key performance objectives for 2013/14 will contribute to these priorities as follows:

1. To make Norwich a safe and clean city
  - Effective and professional asset management
2. To make Norwich a prosperous city
  - Supporting economic development and regeneration activities
  - Provision of property for business
  - Review of investment portfolio
3. To make Norwich a city with decent housing for all
  - Improvement of the council's housing stock through a programme of upgrades and maintenance
  - Creation of housing assets
4. To make Norwich a city of character and culture

# NPS NORWICH LTD BUSINESS PLAN 2014/15



- Stewardship and historic investment portfolio properties asset reviews
- Asset reviews of parks and open spaces to help ensure they continue to be well maintained

## 5. To provide value for money services

- Effective and professional asset management
- Activity to reduce carbon emissions
- Review of investment portfolio
- Improving energy performance
- Undertake EPC surveys of the non-housing portfolio

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# NPS NORWICH LTD BUSINESS PLAN 2014/15



## BUSINESS OBJECTIVES AND PERFORMANCE

NPS Norwich Ltd has identified the following key objectives, actions and measures for the coming year:

### Estate management

Objective	Action	Measure	Target
Curb rent role decline	Proactive asset management, reengineering of the portfolio and void reduction.	% of rental income <sup>3</sup> lost to voids	7.50% of rent potential
		% of rental income <sup>4</sup> debt	5.00% of rent potential
Increased income	Proactive investment strategy	Rent collected	To increase GF rental income p.a. collected by £100,000 compared to the 2011/12 base
Capital receipts	Dispose of under-performing property as evidenced by asset reviews	Net value of capital receipt generated	£1,800,000 net <sup>5</sup>

### Property maintenance

Objective	Action	Measure	Target
Improvement of the council's housing stock	Programmed maintenance to deliver Norwich Standard for all homes by March 2017	Delivery against planned improvement programmed	Quarterly targets for stock compliance as follows: Q1 – 80.79%

<sup>3</sup> % income lost to voids is with respect to overall rent potential where rent potential = rent collected + debt + lost income due to voids + rental credits

<sup>4</sup> % debt is with respect to overall rent potential where rent potential = rent collected + debt + lost income due to voids + rental credits

<sup>5</sup> Council capital plan/programme target

# NPS NORWICH LTD BUSINESS PLAN 2014/15



Objective	Action	Measure	Target
			Q2 – 84.80% Q3 – 88.80% Q4 – 92.00%
Reduce non-housing repair/maintenance liability	Condition surveys and asset reviews to determine investment needs	Outstanding maintenance as expressed by value of repair work required	To be determined
Improve energy efficiency	SAP rating	Housing	To be determined once RDSAP 2009 software installed and current position established.
		Non-housing	To be determined as informed by EPC survey work (see item 3 in 'Consultancy services' table on page 12)
	Implement the council's adopted carbon reduction management programme	Operational estate	2.2% reduction in carbon dioxide emissions from council operated estate 2.2% reduction in carbon dioxide emissions by NPSN direct activities (e.g. use of Townshend House) Achieve implementation of adopted projects during the period 2014 to 2017

# NPS NORWICH LTD BUSINESS PLAN 2014/15



Objective	Action	Measure	Target
Delivery of capital programme	Projects on time and to budget	Delivery against planned timetable	Completion on or before target
		Delivery against planned budget	Programme cost on or below target
	In conjunction with contractors ensure the provision of property specific information relating to the reconciliation and accrual of financial expenditure funded by the housing capital programme	Internal auditor's requirements	Timely year end completion
		External auditor's requirements	
Service accountant's requirements			
Efficient use of buildings	Rationalisation of operational estate	No. of workstations as a percentage of FTE	80%

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## KEY PROJECTS AND FUNDING

Key projects and joint venture funding to enable this work has four distinct elements for 2013/14.

1. £2,531,285<sup>6</sup> of core funding for property management including fees associated with the non-housing and housing **revenue programme** and **capital programme**:

<b>Revenue programme; key elements where fees are financed from core funding</b>			
<b>'Non-housing'</b>		<b>'Housing'</b>	
<b>Project</b>	<b>Budget (£000)</b>	<b>Project</b>	<b>Budget (£000)</b>
Specified works	591	Housing responsive repairs	5,700
Programmed maintenance	272	Housing void repairs	2,600
Day to day repairs	540	Housing gas servicing and repair	2,055
		External decoration	1,400
		Landlord lighting maintenance	365

<b>Capital programme; elements where fees are financed from core funding</b>			
<b>'Non-housing'</b>		<b>'Housing'</b>	
<b>Project</b>	<b>Budget (£000)</b>	<b>Project</b>	<b>Budget (£000)</b>
Carbon management programme	50	Home upgrades	14,100
Earlham Park access improvement	110	Heating upgrades	5,680

<sup>6</sup> Exact figure to be confirmed as affected by pension contribution rate changes

# NPS NORWICH LTD BUSINESS PLAN 2014/15



Capital programme; elements where fees are financed from core funding				
‘Non-housing’			‘Housing’	
Project	Budget (£000)	Project	Budget (£000)	
St Andrews car park – defect repairs	550	Window and door upgrades	2,710	
Major repairs programme – Specified works	740	Community safety	180	
City Hall 2 <sup>nd</sup> floor refurbishment	250	Sheltered housing regeneration	270	
Mile Cross offices demolition and replacement	150	Preventative maintenance	5,830	
Park depots (rationalisation)	265	Supported independent living	1,200	
Rose Lane multi-storey car park – technical advice and assistance	6700	Bin stores	100	

2. £759,229<sup>7</sup> of core funding for estate management to include the following key work activities:

- Asset reviews;
- Rent reviews and lease renewals;
- Proactive debt and rating management; and
- Valuations;

3. A budget of £1,636,140 split into three funding streams:

A. £1,560,110 for **consultancy services**; including condition and structural surveys, planning advice, architectural and quantity surveying services, energy performance certificates and rating assessments, etc., as described in the following table:

<sup>7</sup> Exact figure to be confirmed as affected by pension contribution rate changes

# NPS NORWICH LTD BUSINESS PLAN 2014/15



Item	Service Requirements	Budget (£)	Est. NPSN fee (£)	Cost centre
1.	Livestock market: take steps to remove act of parliament requirement to provide a livestock market in Norwich and generate a capital receipt	10,000	5,000	090000
2.	Economic development at the airport and airport industrial estate	10,000	10,000	610010
	Energy performance surveys:	129,650	50,000	640210
	Ninhams Court		7,000	
	Estates terrier		10,000	
	Planning		4,000	
	Riverbank management project; action plan implementation		7,000	
	Condition surveys		30,000	
	Asset valuations (GF)		12,500	
	Publication of public facing asset database		5,150	
	Complete registration of land with Land Registry		4,000	
3.	Sub-total (640210)			
4.	Reinstatement insurance valuations	30,000	30,000	
5.	Asset valuations (HRA)	12,500	12,500	
6.	Private sector [housing] new build	85,000 <sup>8</sup>	74,881	
7.	Mountergate (West) phase 2	158,500	139,566	

<sup>8</sup> Total expenditure subject to a business cases

# NPS NORWICH LTD BUSINESS PLAN 2014/15



Item	Service Requirements	Budget (£)	Est. NPSN fee (£)	Cost centre
8.	Threescore phase 2	300,000	264,163	
9.	Rose Lane multi-storey car park – Project management of procurement and contract management through to completion. Total fee over life of project equals 1.1% of contract value	6,700,000 <sup>9</sup>	36,850 <sup>10</sup>	
10.	Sheltered housing regeneration	3,750,000	37,500	
11.	HRA new build	6,661,000	500,000 <sup>11</sup>	
12.	Asbestos surveys (HRA)	100,000	100,000	
13.	Responsive structural advice (HRA)	160,000	160,000	
14.	HRA energy performance certificates	£60,000	60,000	
	<b>Total</b>		<b>1,560,110</b>	

Further detail concerning fee levels for the capital projects is provided in appendix 9

<sup>9</sup> From capital programme but likely to extend into 2015/16

<sup>10</sup> Fee is for 2014/15 only

<sup>11</sup> Estimate; to be confirmed

# NPS NORWICH LTD BUSINESS PLAN 2014/15



B. £22,030 for property marketing, as described in the following table:

Item	Service Requirements	Est. NPSN budget (£)	Cost centre
1.	Investment properties	20,590	220000
2.	Airport industrial estate	1,440	260000
<b>Total NPSN budget</b>		<b>22,030</b>	

C. Some £54,000<sup>12</sup> or more for asset acquisitions and disposals, as described in the following table:

Service requirement	Total budget (£)	Est. NPSN fee (£)
Asset investment for income	900,000 <sup>13</sup>	18,000
Non-housing disposals (target) – dependent on asset reviews	(1,872,000) <sup>14</sup>	36,000
Housing disposals – dependent on asset reviews	(TBC)	TBC
<b>Total NPSN budget</b>		<b>54,000</b>

<sup>12</sup> Depends on number of non-housing and housing disposals as justified by asset reviews

<sup>13</sup> Budget net of NPSN fee available for purchase is £882,000

<sup>14</sup> Also includes legal costs

# NPS NORWICH LTD BUSINESS PLAN 2014/15



## APPENDIX 1. NPS Norwich Ltd Board

### NPS Norwich Ltd

Mike Britch, group managing director NPS Group  
David Goode, commercial director NPS South East Ltd  
Ian Bromley-Derry, managing director NPS Norwich Ltd

### Norwich City Council

Cllr Alan Waters, portfolio holder  
Andy Watt, head of city development services

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## APPENDIX 2. Resources

### 4.1 Human Resources

As at March 2012 NPS Norwich Ltd employed 75 members of staff (including Managing Director).

### 4.2 Human Resource (HR) Strategy

NPS Norwich Ltd adheres to the NPS Group HR strategy outlined below.

The Human Resource strategy is vital to the ongoing development of NPS as a forward-thinking, caring and successful employer.

The HR structure has now bedded in and is helping to ensure the delivery of a consistent approach to meet both Group and Regional priorities. The split of functions is as follows:

The Group HR team based at Lancaster House is responsible for:

- Setting the strategic HR direction for the Group
- Agreeing all HR policies and processes for use across the Group, ensuring due regard to employment law, equal opportunities, data protection and best practice
- Setting the learning and development strategy for the Group including leadership and management development
- Provision of value adding workforce information to management teams
- Providing advice and support to regional HR teams on matters of policy, process, business changes and other matters
- Management of ongoing relations with UNISON

### 4.3 ICT Resources

ICT Infrastructure and support is provided to NPS Norwich Ltd via NPS's Data Centre based in Lancaster House, Norwich and through LGSS (Local Government Support Services) and system support based at City Hall.

## 4.4 Financial Resources

The projected workload, from Norwich city council will provide workloads for the team for at least three years.

Measures will be put in place to control expenditure in accordance with turnover projections.

All staff are being issued with new ICT hardware to fulfill the council's service requirement. Data transfer has been successfully transferred onto NPS systems in respect of phase 1. It is anticipated that Terrier transfer of data from NCC uniform system to a web accessed NPS "Concerto" system will start 2012/13.

## 5.10 Corporate Social Responsibility

The company acknowledges the wider responsibility we have towards society and accordingly manage the business to make a positive, sustainable impact on the communities in which we work and live.

NPS Norwich Ltd will provide support for local charities and community organisations through the NPS Group and Norwich City Council initiatives.

## 5.11 Sponsorship of Professional Bodies

The NPS Group remains a sponsor of several professional bodies, within Norfolk and nationally, including SCALA, SCQS, BSCE, IPF, COPROP and ACES. The company is the sponsor of the Civic Building of the Year Award presented by SCALA, which helps to promote design excellence in civic building design.

NPS Norwich Ltd will continue to play an active part in these professional bodies to fly the flag for the public sector as both client and delivery agent for Local Authorities.



## **APPENDIX 3. Customer Care**

NPS Norwich Ltd continuing growth is dependent on a good reputation, professional staff and recognition of the importance of the customer to our success. Customer satisfaction remains a key element of the seven key aims of the business for 2012/13.

A consistent set of core customer feedback is now in use across the Group, as is a group-wide approach to reporting results. This approach will further support the business objective to maximise customer satisfaction.

Customer focus awareness will be delivered to all staff as required.

All managers will continue to work together to better monitor and retain information to demonstrate learning points and improvements. Examples of good practice will be identified, celebrated and shared across the Group.

The NPS Customer Relationship Management (CRM) system based in the Concerto business system is now in use across the Group to support business development activities.

A Client Support Team (CST) has been established at City Hall to interface with City Council ICT not transferred to NPS ICT system. The Team acts as a client facing team of first contact to officers and members of Norwich City Council in addition to direct contact with Norwich JV staff.

## **APPENDIX 4. Quality Management**

NPS Norwich Ltd is fully committed to developing its quality management system as part of the company's drive to continuously improve business performance. The key priorities for 2013/14 are established and development of operational systems including further integration of quality measures into the business planning system. It is hoped that in the short term NPS Norwich will be put forward for ISO9001 accreditation.

## **APPENDIX 5. Environmental Management**

NPS Norwich Ltd aims to gain full accreditation against ISO 14001, the internationally recognised standard for the environmental management of businesses, as part of NPS Group integration.

## **APPENDIX 6. Data Protection**

The increasing importance of data protection legislation and guidance is acknowledged, especially the need for full compliance within partners' organisations and the professional requirement to ensure against "conflict of interest". The NPS Norwich Ltd applications are secured against NPS Group access to that data, and visa-versa.

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## APPENDIX 7. Business Risk

### Business and Operational

<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Changes in legislation, eg undertaking new types of client instructions.</li> <li>• Prospects arising from changes in client behaviour e.g. JV undertaking previously outsourced services.</li> <li>• Expansion of JV.</li> </ul>	<ul style="list-style-type: none"> <li>• Skills shortage and recruitment of appropriate knowledge.</li> <li>• Uncompetitive service.</li> <li>• Reliance on narrow client base.</li> <li>• Impending retirement of key staff.</li> <li>• Strict contractual arrangements.</li> </ul>
<b>Objectives</b>	<b>Mitigation</b>
<ul style="list-style-type: none"> <li>• Identify client’s requirements early.</li> <li>• Remedy skills deficiencies in target areas.</li> <li>• Ensure familiarity with client requirements through greater communication.</li> <li>• Identify opportunity through proactive monitoring.</li> <li>• Cultivate client relationship.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop new services</li> <li>• Monitor and surpass standards of service provision of competitors</li> <li>• Identify and eradicate excessive costs in unrecognised and unproductive time.</li> <li>• Introduce new working methods.</li> <li>• Expand client base through focused marketing and networking.</li> <li>• Customer focus.</li> <li>• Grading focus.</li> <li>• Motivate staff.</li> <li>• Recruitment of technical staff.</li> <li>• Develop “confirmation of instructions” to service department.</li> </ul>

### Structure and Organisation of Activities

# NPS NORWICH LTD BUSINESS PLAN 2014/15



<b>Strengths</b>	<b>Weakness</b>
<ul style="list-style-type: none"> <li>• Investment specialism</li> <li>• Significant resource.</li> <li>• Strong local delivery.</li> <li>• Multi-discipline capability.</li> <li>• Familiarity with public sector.</li> <li>• Low turnover of staff.</li> <li>• Professional knowledge .</li> </ul>	<ul style="list-style-type: none"> <li>• Difficulty in expanding beyond geographical area.</li> </ul>
<b>Objectives</b>	<b>Mitigation</b>
<ul style="list-style-type: none"> <li>• Develop inter-office working.</li> <li>• Exploit packaging services in different combinations to suit client requirements.</li> <li>• Develop new services to meet client needs.</li> <li>• Flexibility of service.</li> </ul>	<ul style="list-style-type: none"> <li>• Examine opportunities for expansion into NPS Group.</li> <li>• Appropriate, targeted training.</li> <li>• Recruitment of technical staff.</li> <li>• Review current working practices.</li> <li>• Partnership or co-operative working with Group.</li> </ul>

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# NPS NORWICH LTD BUSINESS PLAN 2014/15



## Client Base

<b>Strengths</b>	<b>Weakness</b>
<ul style="list-style-type: none"> <li>• Partnership based agreement.</li> <li>• Support from core client.</li> <li>• Familiarity with core client requirements.</li> <li>• Familiarity with asset base of core client.</li> </ul>	<ul style="list-style-type: none"> <li>• Dependence upon core client.</li> <li>• Capacity to deal effectively with external work.</li> <li>• Localised knowledge of profession.</li> </ul>
<b>Objectives</b>	<b>Mitigation</b>
<ul style="list-style-type: none"> <li>• Continue to develop partnership with prime client through identified Account Managers.</li> <li>• Broaden skill base to exploit client requirements.</li> <li>• Revise JV skill base throughout group.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop marketing capabilities.</li> <li>• encourage a widespread marketing philosophy.</li> <li>• SLA clarity with stakeholder.</li> <li>• Corporate client interface.</li> <li>• ISO9001 and ISO14001.</li> </ul>

## Services

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Significant resource within Group.</li> <li>• Strong local (Norfolk) delivery.</li> <li>• Multidiscipline capability.</li> <li>• Extensive public sector knowledge.</li> <li>• Familiarity with requirements and procedures of the core client.</li> </ul>	<ul style="list-style-type: none"> <li>• Tendency towards insularity by profession/work group.</li> <li>• Member/client officer clarity of instruction.</li> </ul>
<b>Objectives</b>	<b>Mitigation</b>
<ul style="list-style-type: none"> <li>• Capitalise upon resource through targeted communication.</li> <li>• Continue to nurture relationship with prime client.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate multidiscipline working.</li> <li>• Differentiate service from that provided by competitors through outsourcing.</li> <li>• Develop new services.</li> </ul>

	<ul style="list-style-type: none"><li>• Employment of technical.</li><li>• Purchase skill base.</li><li>• Project manage large projects.</li><li>• Identify special projects.</li></ul>
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# NPS NORWICH LTD BUSINESS PLAN 2014/15



## APPENDIX 8. Financial Forecast 2014/15

<b>Expenditure</b>	£
Salaries	2,420,000
Premises	70,000
Transport	42,000
Supplies/Services	376,000
Depreciation	30,000
Overheads	187,000
External Consultation	76,000
<b>Total expenditure</b>	<b>3,201,000</b>
<b>Income</b>	
Core Secured	2,988,000
Income Secured	281,000
Aspirational Gap	255,000
<b>Total income</b>	<b>3,524,000</b>
<b>Gross surplus</b>	<b>323,000</b>
<b>Gross surplus margin %</b>	<b>10%</b>
<b>Surplus share at 50%</b>	<b>164,500</b>
<b>NPS Norwich Ltd net surplus</b>	<b>5%</b>