

**Report to** Cabinet  
12 February 2020  
**Report of** Director of People and Neighbourhoods  
**Subject** NPS Norwich Ltd Business Plan

**Item**

15

## KEY DECISION

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### Purpose

To seek approval of the NPS Norwich Business Plan for 2020/21 and moving into 2021/22.

### Recommendation

To approve the NPS Norwich Ltd Business Plan for 2020/21.

### Corporate and service priorities

The report helps to meet the corporate priority Great neighbourhoods, housing and environment

### Financial implications

The NPS Norwich joint venture where there is a surplus at the end of each trading year returns a volume discount to the council. Should the joint venture not make a surplus the risk is held by the Norse Group and not Norwich city council.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - Resources

### Contact officers

Bob Cronk, Director of People and Neighbourhood 01603 212373

Paul Venn, Interim Operations Director, NPS 07876 137343

### Background documents

None

# Report

## Introduction

## Background

1. NPS Norwich began as a local authority company co-owned by the NPS Group and Norwich City Council on 1 March 2012 with 17 employees delivering estates management and strategic property advice. The company expanded on 1 March 2013 with the transfer of a further 55 employees from the council's property services department to widen the service scope to include the maintenance and upgrade of housing and corporate property portfolios. As the company prepares to enter the ninth year of operation and in accordance with the governance requirements of the joint venture contract, the annual business plan for 2020/21 has been developed in collaboration with council officers for consideration and sign off by the cabinet. The business plan has been written to ensure it creates the opportunity for the joint venture to support key strategic objectives of the council such as the Norwich 2040 City Vision, particularly where property and assets can be used to best effect in this respect.
2. Cabinet are asked to note that the new business plan for 2020/21 seeks to support the delivery of further important programmes of work across the HRA and commercial property portfolios of the council which in the last year has seen a number of key successes and achievements including:
  - a. Planning and delivery of £500,000 worth of thermodynamic hot water systems within the housing portfolio reducing carbon emissions as well as cost savings to housing tenants.
  - b. The design and delivery of 70 projects to improve the aesthetics to the estates around the city including those that help to combat anti-social behaviour.
  - c. Securing contract savings on programmes of work including Fosters kitchen and bathroom upgrades at Winchester Tower, final account agreement saving of £125,000.
  - d. Delivering innovation to the council for geo thermal heating solutions and energy and carbon reduction schemes benefiting tenants and the wider environment.
  - e. Identification and introduction of improvements in health and safety related matters such as the procurement of carbon monoxide monitoring systems in tower blocks.
3. The business plan for 2020/21 has been drafted recognising that the council is in the process of determining the future strategy for delivering property related services which may see the services carried out by the joint venture transferred back to the council at the end of the current 10 year partnership. It should also be noted that the business plan has been structured on the basis that a further 6.5% reduction in the core funding for NPS Norwich from the council is due to be implemented on 1<sup>st</sup> April 2020, bringing the overall reduction in core funding over the period 2017/18 to 2021/22 to 25% (£223k each year). In recognition of the strain this will place on the operational

delivery by the joint venture company the scope of the service specification and priorities are being reviewed to tailor the resources that will be available to a deliverable range and volume of service output.

### **Purpose**

4. The purpose of this business plan is to set out the overarching objectives and resources available to support the NPS Norwich service delivery in 2020/21, but also with a view to the following financial year, which as things stand would be the final year of the original 10 year joint venture partnership. Should cabinet agree to the approval of the business plan, it will then be for the NPS Norwich board to then formally sign off the business plan in time for the 1<sup>st</sup> April 2020.
5. During the last 12 months there has been close and collaborative working between the council and NPS Norwich colleagues to further refine and determine the priorities and programmes of investment needed to maintain, develop and secure maximum returns from the property portfolio. In parallel, an extensive programme of work has been carried out to review the current deployment of NPS Norwich resources and identify where further efficiencies or improved methods of working can further help stretch the funding available to support service delivery operations. This work includes realigning available resources to deliver the council's priority property portfolio works and more routine services within the overall funding that will be available.
6. Given that the council will be implementing the 6.5% reduction in core funding, the business plan includes a larger amount of non-core income than would normally be the case. This means that whilst a surplus on the 2020/21 business plan is forecast this is largely reliant upon the joint venture securing additional non-core funded work. A number of non-core funded projects are currently under discussion between the council and NPS Norwich primarily around Housing Revenue Account (HRA) works. Any non-core funded project on behalf of the council will be subject to a business case.
7. The business plan sets out the joint venture ambitions to return a company operating surplus of £164,000 of which 50% would be returned to the council.
8. In advance of any formal decision being made by the council about the future of the current NPS Norwich joint venture partnership, the company board remain fully committed to delivering a successful ninth year of operations in line with the agreed priorities for the business.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report  
Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

### Report author to complete

Committee:	Cabinet
Committee date:	February 2020
Director / Head of service	Bob Cronk
Report subject:	NPSN Business Plan 2020/21
Date assessed:	21/1/20

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" 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"/>	
Waste minimisation & resource use	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Recommendations from impact assessment**

**Positive**

**Negative**

**Neutral**

**Issues**