

**Report to** Cabinet  
10 July 2013  
**Report of** Head of city development services  
**Subject** NPS Norwich Ltd business plan

---

**Item**

12

### **Purpose**

To agree the 2013 - 14 NPS Norwich Ltd business plan

### **Recommendation**

Cabinet is recommended to agree the 2013 - 14 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 2013 - 14 NPS Norwich Ltd business plan

### **Financial implications**

The financial resources to deliver the business plan are as agreed by the council as part of the budget setting process for 2013 - 14.

**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 and priorities 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 which is due to meet on 29 July 2013.
2. NPS Norwich Ltd became operational on 1 March 2012 with the transfer of the council's estates management functions into the joint venture. The work of the company during its first year was determined through service planning. With the company now in its second year of operation, it is necessary to prepare a business plan as a replacement to the service plan that would otherwise be in place.
3. Preparation of the 2013 - 14 draft business plan has been delayed to allow the extended joint venture (including the council's property management functions) to bed-in and to enable the plan to be considered by the first meeting of the liaison board. The latter is an additional area of governance to reflect the much greater scope of NPS Norwich Ltd, as agreed by cabinet at the 14 January 2013 meeting. It is planned to conclude the 2014 - 15 business plan in advance of the new financial year.

## Key elements of the business plan

4. 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. The poor economic conditions at present, coupled with the age and quality of the council's non-housing 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. 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.
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. The latter includes significant work to better understand the energy performance and condition of the non-housing portfolio to help inform future asset review decisions and in particular requirements to invest in the portfolio or to dispose of properties.

## 29 May 2013 liaison board meeting

6. The draft business plan was discussed at the 29 May 2013 liaison board. Other than to ask that the plan include a requirement on the company to review capital financial reporting to assist in completing the end of year accounting close-down process, the board were content to note the plan. This additional requirement has been added to the plan.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	10 July 2013
<b>Head of service:</b>	Head of city development services
<b>Report subject:</b>	NPS Norwich Ltd business plan
<b>Date assessed:</b>	25 June 2013
<b>Description:</b>	Priorities and work programme for joint venture company

	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"/>	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
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The business plan will support a number of other service plan priorities
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Proactive property management will help ensure the supply of high quality property for business
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input 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 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	

# DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



## 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:

---

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

# DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



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

## 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 be given to their remaining life and investment needs. In addition to this we are aware of certain issues with some types 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 two bedroom properties).
3. Energy conservation and green issues will be very much at the forefront of any new legislation/standards from the government in terms of housing and this may present some major challenges. 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 dealing 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 2013/14 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 with 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. This income is under stress from generally 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 will create 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.

---

<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".

## DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



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.

## 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/disposal of housing assets
4. To make Norwich a city of character and culture

## DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



- 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
- Review of investment portfolio
- Improving energy performance
- Undertake EPC surveys of the non-housing portfolio

## 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

### 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% Q2 – 84.80% Q3 – 88.80%

<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

# DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



Objective	Action	Measure	Target
			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)
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%

## KEY PROJECTS AND FUNDING

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

1. £2,676,882 of core funding for property management including fees associated with the non-housing and housing **capital programme** (see table on page 13 for further detail):
  - Key revenue funded work areas including housing responsive repairs (£5.7m), non-housing responsive repairs, housing void repairs (£2.6m), housing gas servicing and repair (£2.055m), housing external redecoration (£1.4m) and Landlord lighting maintenance (£0.365m); and

£832,991 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;
2. A budget of £221,680 that is split into two funding streams:
  - £199,650 for **consultancy services**; condition and structural surveys, planning advice, energy performance certificates and rating assessments, etc. (see table on pages 12 and 13 for further detail);
  - £22,030 for property **marketing** (see table on page 13 for further detail);
3. Fees for **projects subject to a business case** (see table on page 16 for further detail).



# DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



## Capital programme (elements relevant to NPS Norwich Ltd)

'Non-housing'		'Housing'	
Project	Budget (000)	Project	Budget (000)
St Andrews MSCP repair (contingency)	£550	Home upgrades	£10,665
Property liabilities and investment	£250	Heating upgrades	£3,968
Major repairs programme	£500	Window and door upgrades	£3,458
City Hall works – phase II	£250	Community safety	£250
22 Hurricane Way asbestos removal	£50	Sheltered housing regeneration	£500
Townsend House premises refurbishment	£575	Preventative maintenance	£8,500
Yacht station repairs (contingency)	£60	Supported independent living	£1,340
Asset investment for income <sup>5</sup>	£1,000	Bin stores	£550
Bacon House, leasehold surrender	£100	New build social housing – Riley Close	£390
Vacant sites regeneration	£190	New build social housing – Pointers Field	£800
		Bringing empty homes back into use	£100
		Mortgage rescue/RTB buy back	£250
		Thermal comfort (external wall insulation)	£820
		Renewable energy programme	£1,325
		Estate improvement programme	£200
Disposals <sup>6</sup> – dependent on asset reviews	(£TBC)	Disposals <sup>7</sup> – dependent on	(£TBC)

<sup>5</sup> Fees associated with acquisition funded from capital budget

<sup>6</sup> Fees associated with disposals funded from capital receipt

# DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



## Consultancy services

There are a number of service requirements that need to utilise the funding stream for consultancy services. These are summarised in the following budgeted work plan:

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	09
2.	South Harford development: fees to take forward potential development of land at South Harford on basis of transfer of existing community centre to 'ASDA' site on Hall Road	£5,000	£5,000	21
3.	Energy performance surveys:		£50,000	640210
4.	Elm Hill condition surveys:		£5,650	
5.	Parks and open spaces depot rationalisation:		£4,000	
6.	Historic assets investment strategy		£7,500	
7.	Estates terrier		£10,000	
8.	Planning		£7,500	
9.	Riverbank management project		£7,500	
10.	Condition surveys		£25,000	
11.	Asset valuations (GF)		£12,500	
	Sub-total (640210)	£129,650	£129,650	
12.	Airport masterplan	£27,500	£27,500	610010
13.	Reinstatement insurance valuations – to be confirmed	£30,000	£30,000	TBC
14.	Asset valuations (HRA)	£12,500	£12,500	TBC

## DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



Item	Service Requirements	Budget	Est. NPSN fee	Cost centre
	<b>Total NPS Norwich Ltd fee</b>		<b>£199,650</b>	

### Marketing

The 2013/14 marketing budget is £22,030 derived from three cost centres:

Item	Service Requirements	Est. NPSN budget	Cost centre
1.	Mile Cross Depot	£10,000	08
2.	Investment properties	£10,590	22
3.	Airport industrial estate	£1,440	26
	<b>Total NPS budget</b>	<b>£22,030</b>	

- £15,000 budget for disposal costs (N.B. actual expenditure is self-funded via the capital receipts and will fluctuate as determined by asset reviews and the consequent disposal programme).

## DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



### Projects subject to a business case

The following is a list of projects likely to come forward during 2013/14 subject to consideration of their business case.

Item	Service Requirements	Budget	Est. NPSN fee <sup>7</sup>	Cost centre
1.	Council new build housing	TBC	TBC	
2.	Waterloo Park Pavilion	TBC	£5,000	
3.	St Crispins car park site	TBC	£10,000	
4.	Airport Industrial Estate	TBC	£5,000	
5.	Housing for private rent	TBC	£10,000	
6.	Mountergate West (South City Centre)	TBC	£15,000	
	<b>Total NPS Norwich Ltd fee</b>		<b>£45,000</b>	

---

<sup>7</sup> Actual fee levels to be confirmed

# DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



## APPENDIX A. 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

## APPENDIX B. Resources

### 4.1 Human Resources

As at March 2012 NPS Norwich Ltd employed 73 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.

# DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



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 C. 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 D. 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 E. 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 F. 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.

# DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



## APPENDIX G. Business Risk

### Business and Operational

<b>Opportunities</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. JVC undertaking previously outsourced services.</li><li>• Expansion of JVC.</li></ul>	<b>Threats</b> <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> <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>	<b>Mitigation</b> <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>

## DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



### Structure and Organisation of Activities

Strengths	Weakness
<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>• Inability to expand beyond geographical area.</li></ul>
Objectives	Mitigation
<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>

## DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



### Client Base

<b>Strengths</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>	<b>Weakness</b> <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> <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>	<b>Mitigation</b> <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> <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>	<b>Weaknesses</b> <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> <ul style="list-style-type: none"><li>• Capitalise upon resource through targeted communication.</li><li>• Continue to nurture relationship with prime client.</li></ul>	<b>Mitigation</b> <ul style="list-style-type: none"><li>• Facilitate multidiscipline working.</li><li>• Differentiate service from that provided by competitors through outsourcing.</li></ul>

## DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



**NORWICH**  
City Council

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"><li>• Develop new services.</li><li>• Employment of technical.</li><li>• Purchase skill base.</li><li>• Project manage large projects.</li><li>• Identify special projects.</li></ul> |
|--|---|

# DRAFT NPS NORWICH LTD BUSINESS PLAN 2013/14



## APPENDIX H. Financial Forecast 2013/14

<b>Expenditure</b>	
Core work – estate management	£832,991
Core work – property services	£2,676,882
<b>Total</b>	<b>£3,509,873</b>
<b>Income</b>	
Core Corporate Budget	(£3,509,873)
Disposal Fees	(£15,000) <sup>8</sup>
Consultancy services	(£199,650)
Marketing	(£22,030)
Projects subject to business case	(£TBC)
<b>Total</b>	<b>(£3,746,553)</b>
<b>Gross surplus</b>	<b>(£236,680)</b>
<b>Gross surplus margin %</b>	<b>6.32%</b>
<b>Surplus share at 50%</b>	<b>(£118,340)</b>
<b>NPS Norwich Ltd net surplus</b>	<b>(£118,340)</b>
<b>Net surplus margin %</b>	<b>3.16%</b>

<sup>8</sup> Assumed figure for business planning purposes. Actual income will depend on level of disposals during year.