

Corporate Resources Overview and Scrutiny Panel

15 March 2011

Item No. 10

Scrutiny of the Norse Group

Report by the Head of Democratic Services

Summary

This report is intended to summarise the main areas of concern expressed by members of the Corporate Resources Overview and Scrutiny Panel as part of the Panel's recent scrutiny of the Norse Group Ltd and the responses to those concerns in the reports to the Panel and during discussion at the Panel's meetings in September and October 2010.

These concerns have been set out under the following headings:

- Risks to the County Council of ownership of the Norse Group
- Role of County Council representatives on the Norse Group Board of Directors
- Attendance of Executive Directors of the Norse Group at meetings of the Chief Officers Group (COG)
- Roles of Shareholder Representative and Shareholder Committee
- Benefits for the County Council from ownership of the Norse Group

Recommendation 1 – The agendas for Shareholder Committee meetings and information on items that are not commercially sensitive should be posted regularly on Members Insight and that reviews of the activity of the Committee should be included in the 'News from Norse' newsletter for members.

Recommendation 2 - The Panel is asked to suggest a solution to the issue of who should chair the Shareholder Committee.

Recommendation 3 - The Panel is also asked to suggest whether any other changes should be made to the Member oversight arrangements of the Norse Group.

The Panel is asked to consider the information contained in this report and to decide:

- Whether it wishes to specify any further information it would like to receive.
- Whether to endorse the recommendations outlined in the report.
- Whether it would like to propose any alternative or additional recommendations.

1. Background

1.1 At its meeting on 14 July 2010, this Panel agreed the terms of reference for further scrutiny of the Norse Group, with the aim of increasing Member understanding of Norse and its relationship with Norfolk County Council, and providing transparency of Norse arrangements, policies and processes. A report from the Managing Director of the Norse Group provided the basis for discussion and further questioning at the Panel's meetings in September and October 2010. In addition, a further report requested by Members on Governance Arrangements

was provided for the October meeting. Whilst Members considered that these two reports and the subsequent scrutiny by the full Panel had fully addressed the terms of reference, it was agreed that a further report should be compiled from the discussions at both meetings.

1.2 This report therefore aims to summarise the main areas of concern in these discussions, and to make recommendations as appropriate.

2. Areas of concern

2.1 Risks to the County Council of ownership of the Norse Group

The Panel was informed that Norse did not appear on the County Council's risk register because it was not considered a significant risk. However, if this changed it would be placed on the register. The following factors were seen as limiting or mitigating any risks:

- The Norse Group is a private company limited by shares in accordance with the requirements of the Companies Act 2006. All of the Norse Group's subsidiaries are also limited companies and have separate pension arrangements. The County Council's liability should any of the businesses fail is therefore limited to its shareholding.
- Norse Group Ltd is an organisation separate from Norfolk County Council and its staff are employees of the company. All the business and management structures are distinct from those of the County Council.
- There are no direct resource implications for NCC as all the property and ICT are provided directly by the Norse Group Ltd.
- As a company controlled by the County Council, the Norse Group also has to keep within the vires of Local Authorities. Norfolk County Council's Heads of Law and Finance are copied in to all Board reports to ensure that none of the Norse Group's activities will compromise Norfolk County Council or are outside the powers of the Authority.
- The Group has demonstrated growth in revenue of over 20% a year over the past five years and this growth is expected to continue.

2.2 Role of County Council representatives on the Norse Group Board of Directors

2.2.1 The question was raised as to whether there was a conflict of interest in the Director of Resources acting as the Chairman of the Board of Directors, and a Member of the Council being a non-Executive Director. This concern went beyond any issues of remuneration for Board membership or that they have a legal responsibility not to gain personally from decisions they make as Directors. It was summarised as "a Director cannot be both customer and supplier." More generally, it seems to stem from the question of whether it is always compatible for an officer and a Member to act in the interests of the Council at the same time as exercising their duty as Directors of the company to (among other things):

- Promote the success of the company
- Exercise independent judgement
- Avoid conflicts of interest
- Declare interests in a transaction or arrangement

- 2.2.2 With the deletion of the post of Director of Corporate Resources, it is intended that the Chief Executive will take on the Chairman's role. This was the original arrangement for the companies for some years. Changes to the appointment of chairman were made when the companies were involved in bidding for schools PFI contracts with the County Council. This was to avoid any perception of bias or risk of challenge. This no longer applies and therefore, it is appropriate that the Chief Executive becomes Chairman again. Consequently, he will relinquish the role of Chairman of the Shareholder Committee.
- 2.2.3 The advice of the Head of Law has been sought on this point. She has advised that the Chief Executive has differing duties in relation to his two roles (i) as Chief Executive and Head of Paid Service and (ii) as 'non-executive' director and chairman of the Norse Group.
- 2.2.3.1 The duties of the Chief Executive as Head of Paid Service are set out in the Local Government and Housing Act 1989 and involve management of the Authority's staffing resource to discharge the Authority's functions. His specific duties as Chief Executive are set out in Article 12.2 of the Constitution and include overall corporate management and operational responsibility, the provision of professional advice to all parties in the decision-making process, recording decisions and representing the Authority on outside bodies.
- 2.2.3.2 As a company director he has seven specific duties prescribed by the companies Act 2006 and breach of those duties gives rise to possibility of an action by the company against the director. Most of those seven duties can be exercised with no risk of breach arising solely as a result of his dual role. However, as a director of Norse, the Chief Executive will have to be particularly mindful of two of those duties:

To promote the success of the Company

- 2.2.3.3 As well as having a duty to act in good faith to promote the success of the Company for the benefit of the Authority as shareholder, company directors must have regard to wider factors such as long-term consequences of a decision, the interests of employees, the environment, the community, relationships with customers and suppliers and the desirability of maintaining a reputation for high standards of business conduct. The Chief Executive could find himself in conflict here if the Authority wishes to take some decisions relating to the Norse Group that the Norse Group itself would not want to take.
- 2.2.3.4 To avoid breach of this duty the Chief Executive may have to withdraw himself from discussions taking place at NCC in relation to Norse, where there's a risk that he may be involved in a decision that does not promote the success of Norse. He will need to ensure that lawful arrangements are in place to permit others to take forward such discussions on his behalf.

To avoid conflicts of interest

- 2.2.3.5 A director must avoid situations in which he has or can have a direct or indirect

interest that conflicts with or may conflict with the interests of the company. It specifically covers potential as well as actual conflicts. To accommodate this, as permitted by the Companies Act, Article 8.4 of the Norse articles of association specifically permits a director with a conflict of interest to speak and vote at a meeting of the company provided he declares his interest.

2.2.3.6 In relation to the Chief Executive as an employee of the Authority, he must ensure that he complies with the relevant provisions of the Authority's Standards of Conduct and Behaviour. Of particular relevance will be paragraph 7 on declaring gifts and hospitality; paragraph 10 on conflicts of interest and paragraph 11 on confidentiality.

2.3 Attendance of Executive Directors of the Norse Group at meetings of the Chief Officers Group (COG)

2.3.1 Concern was also expressed at the fact that the Managing Directors of the Norse Group and Norse Commercial Services were members of the Council's Chief Officers Group, as stated in the initial report to the Panel. However, it was clarified in the subsequent report on 'Governance Arrangements' and discussion at the Panel meeting that this arrangement had ceased as of 1 April 2010 and that they currently attended COG meetings by invitation when they are able to contribute their commercial knowledge and expertise to the strategic management of the Council. It was noted that they would be excluded from discussions at COG where there could be a conflict of interest, such as tendering for County Council contracts, and that the arrangement whereby the Managing Director of the Norse Group has also acted as the Corporate Property Officer for the Council would soon be ended, with this role being transferred to one of the members of the Chief Officers Group.

2.3.2 In addition to the above changes, the Panel was informed that any risks of a conflict of interest arising from the involvement of the Executive Directors of the Norse Group in Chief Officer Group meetings were mitigated by the fact that:

- The County Council is the only shareholder of the company.
- All the financial benefits of the company, either revenue or shareholder value associated with work for the County Council, are ultimately returned to the County Council.
- The County Council is the parent company of the Norse Group and is required to consolidate the Norse accounts into its own accounts annually.

2.4 Roles of Shareholder Representative and Shareholder Committee

2.4.1 There was some confusion as to the role of the Shareholder Representative, especially in relation to the Leader of the Council and the Shareholder Committee. The initial report from the Managing Director of the Norse Group states that "the Shareholder Representative is there to ensure that NCC's interests as a Shareholder are protected", whilst the additional report on governance arrangements further explains that this role is "to protect the interests of the Shareholder, to support the development of the Norse Group and maximise this strategic asset of the Council." Both reports also refer to a list of matters outlined in the company's Articles of Association which require additional

approval to that of the Board of Directors. The Articles of Association specify that these matters must not be undertaken “without the prior written approval of Norfolk County Council.” The initial report to the Panel states that such approval may be given by either the Shareholder Representative or the Leader, whereas the report on governance specifies that these matters require the approval of the Leader and that “the Shareholder Representative advises the Leader on these matters.”

- 2.4.2 It was noted that the Shareholder Committee, which had met four times since its inception in September 2009, had originated from concerns expressed by Members during a previous scrutiny exercise that they felt “divorced” from the Norse Group and that there was no requirement for matters referred to the Shareholder Representative to be reported to all Members. The purpose of the Committee was therefore outlined in the ‘Governance Arrangements’ report as:
- To support the development of the Norse Group Ltd
 - To ensure that the legal and commercial interests of the County Council as Shareholder are considered and protected
 - To advise Cabinet, as appropriate, on County Council Shareholder issues
- 2.4.3 Other roles attributed to the Committee in the reports to the Panel were that it also:
- “acts as a point of reference for the Norse Group and a conduit of information for other Members”
 - “helps define the vision and strategic direction of the company”
 - “helps formulate any advice that the Shareholder Representative gives to the Leader”
- 2.4.4 There does not, therefore, appear to be a distinct, separate role for the Shareholder Representative, other than attending Norse Group Board meetings and Annual General Meetings.
- 2.4.5 As noted in paragraph 2.2.2 above, the Chief Executive will no longer chair the Shareholder Committee, meaning there is a vacancy in that position.
- 2.4.6 There was also concern that feedback from the Shareholder Committee to other Members was being left to individual members of the Committee within their political Groups. This seemed at variance with their role on the Committee as representatives of the interests of the County Council as a whole, and meant that information reaching other Members was patchy. It was suggested that a regular information bulletin could be posted on Members Insight. The Panel was also informed that a twice-yearly Member Newsletter, ‘News from Norse’ had been started in Autumn 2009. It is therefore recommended that **the agendas for Shareholder Committee meetings and information on items that are not commercially sensitive be posted regularly on Members Insight and that reviews of the activity of the Committee be included in ‘News from Norse’ (Recommendation 1).**

The Panel is asked to suggest a solution to the issue of who should chair the Shareholder Committee (Recommendation 2). Possible options include:

- 1) The Shareholder Representative
- 2) The Cabinet Member for Efficiency

The Panel is also asked to suggest whether any other changes should be made to the Member oversight arrangements of the Norse Group (Recommendation 3).

2.5 Benefits for the County Council from ownership of the Norse Group

Among the benefits identified in the previous reports to the Panel were:

- Return to Norfolk County Council of £2.2M in each of the last two financial years.
- The £2.2M return to Norfolk County Council was in the form of volume discounts, budget reductions and the delivery of some services that the authority could not provide. The increase of the cash return was being developed and it was acknowledged that this was not very visible in the budgeting process.
- The Group is a vehicle for sharing more services with other public sector organisations, which helps to reduce costs.
- The Norse Group also delivers transferred services such as the equipment stores and catering on reduced budgets.
- The Group provides a significant market moderation role and is able to intervene in the market where there is limited competition, e.g. yellow buses for home-to-school transport save the public sector in Norfolk £2-3M a year.

3. Norse Group Annual Report 2009 – 10

At its last meeting, the Panel asked for this report to include an update from the Norse Group Annual Report 2009 -10, which was presented to Cabinet on 6 December 2010. The covering report to Cabinet from the Managing Director of the Norse Group Ltd is therefore available at Appendix A. In addition to outlining performance and outcomes for 2009 -10, the report also provides an assessment of the “prospects and challenges for 2010-11”.

4. Equality Impact Assessment

This report is concerned with procedures and does not require a decision on a strategy or policy. An Equality Impact assessment is therefore not considered necessary.

5. Section 17 – Crime and Disorder Act

This report has no implications for crime or the fear of crime.

6. Action Required

The Panel is asked to consider the information contained in this report and to decide:

- Whether it wishes to specify any further information it would like to receive.
- Whether to endorse the recommendations outlined in the report.
- Whether it would like to propose any alternative or additional recommendations.

7. Background Papers

- Report to the Corporate Resources Overview and Scrutiny Panel, 15 September 2010: 'The Norse Group Ltd' (also on the agenda for the Panel meeting on 19 October 2010 from section 2.5 onwards).
- Report to the Corporate Resources Overview and Scrutiny Panel, 19 October 2010: 'The Norse Group Ltd – Governance Arrangements'

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Norse Group Annual Report

2009 - 10

Report by the Managing Director of the Norse Group Ltd

This report outlines the results of the Norse Group Ltd for the financial year 2009-10; reviews the highs and lows of the year's trading and looks forward to the year ahead, all for Cabinet to note.

1. Introduction

- 1.1 This report highlights the financial results and activities of the Norse Group of companies for the financial year 2009-10, which covers the period 1 February 2009 to 31 January 2010.
- 1.2 The Norse Group was formed in 2006 and brought together Norse Commercial Services Ltd (formerly Norfolk County Services Ltd), NPS Property Consultants Ltd and their subsidiaries and, from 1 February 2008, NEWS Ltd. Subsequently, NEWS has become a subsidiary of Norse Commercial Services Ltd as part of the efficiency improvement programme.

2. Overview of the Year's Results

- 2.1 The year has seen the continued growth of the Group, with turnover increasing by 13.6% (12.4% in 2008-09) as a result of securing new business, acquisitions and the establishment of new joint venture companies.
- 2.2 The overall turnover for 2009-10 was £177.55M (£156.328M in 2008-09), of which nearly 30% came from long-term partnerships with other Local Authorities.
- 2.3 The Group delivered a gross operating profit of £40.6M, up by 50% on the previous year before deductions for other operating charges, charitable donations, work-in-progress adjustments and rebates to major customers, including Norfolk County Council.
- 2.4 After deductions for other operating charges, customer rebates and

charitable donations, the Group made a profit before interest and tax of £3.2M, compared with a loss of £3.3M the previous year.

- 2.5 After adjustment for FRS17 (pensions), the profit before tax was £2.39M compared with the previous year's loss of £730,000.
- 2.6 The Group's overall net debt increased over the year by £3.1M. This was the result of a loan from Norfolk County of £3.7M relating to Fifers Lane, less repayment on existing loans and finance leases of £0.6M. The Group made a net investment in capital and acquisitions during the year of just under £8M (2009: £3M). The largest single element within this increase was the freehold purchase of Norse Commercial Services' new premises at Fifers Lane.
- 2.7 FRS17 sets out the requirements for accounting for pensions and other retirement benefits. For a group such as Norse that participates in a final salary pension scheme (where a pension is paid based on salary at leaving and length of service), there will be an impact on the Balance Sheet and Profit and Loss Account. Norse participates in three different Local Government Pension Scheme (LGPS) Funds, including the Norfolk Pension Fund.
- 2.8 On its Balance Sheet, the Group must show any deficit or surplus relating to its pension fund(s). In the Profit and Loss Account, the Group must show the cost of the pension benefits earned by employees in the financial year. The reporting standard sets prescriptive criteria for valuing the cost of those benefits. As a result, the accounting cost is often different from the cash value of contributions paid to the pension fund in the year. The cost and balance sheet position will vary from year to year as financial conditions change.
- 2.9 Excluding the FRS17 liability, net assets amount to £21.4M, similar to the previous year's figure. The defined benefit pension scheme liability increased from £26.2M to £37.266M during the year.
- 2.10 The pension deficit remains volatile and subject to significant external factors such as the performance of the stock market and the yield on corporate bonds. The recent change to the CPI from the RPI will have a beneficial impact on the deficit and if the recommendations of the Hutton Report are implemented, the deficit will be significantly reduced.
- 2.11 The accounts have been audited by Grant Thornton UK LLP to the requirements of the Companies Act. The external Auditors have issued an unqualified audit opinion on the Group accounts.

3. **Review of 2009-10**

3.1 The Group has achieved a number of significant successes in the past twelve months including the following:

- The consortium in which NPS is an equity stakeholder was declared Preferred Bidder in March 2009 for the North Lincolnshire Building Schools for the Future (BSF) programme. This is an £80M plus programme to build 7 schools over the next 4 years and the fees generated will exceed £5M.
- The consolidation of NCS operations onto the Fifer's Lane site was completed on 6 April 2009, including the provision of offices and operating areas for Grounds Maintenance, Interprint, Community Equipment Stores and a transport hub. At this time NCS changed its name to Norse Commercial Services Ltd.
- NPS Humber Ltd completed a successful first year of trading.
- The Group has expanded its trading with Waveney District Council following on from the success of the Waveney Norse partnership which commenced in 2008. NPS began providing Estates Services on 1 August 2009 under a 5-year contract, with the possibility of a further 2-year extension.
- NPS has been re-appointed as Kent County Council Property Group's Building Maintenance Consultant for East Kent until 2014. The company has successfully fulfilled this role since 2006, providing building surveying services to the Council's property and schools in the area.
- A new NCS joint venture with the London Borough of Enfield began trading as Enfield Norse on 1 May 2009 with initial annual contracts for cleaning services in the Borough worth over £3M per year.
- Contracts for new Code 5 and 6 homes have been agreed with Swindon and Wakefield Councils respectively.

4.0 **Benefits of Norse Trading**

4.1 The direct benefits of the Norse Group Ltd to Norfolk County Council include:

4.1.1 ***Local Employment***

4.1.1.1 Whilst about 20% of the Group's activities are for Norfolk-based clients, over 70% of the Group's employees (over 4,000 staff) are based in the county. The Group is a major employer and job creator in Norfolk.

4.1.1.2 The Norse Group is fully committed to providing opportunities for young people in Norfolk to train and develop and in the past twelve

months a significant number have been given a variety of work experiences as follows:

- Work experience 48
- Future Jobs Fund 29
- Trainees 123
- Placement Students 5
- Apprenticeships 28

4.1.1.3 The Group has hosted another successful, major careers event at the Norfolk Showground via its connections with Build Norfolk.

4.1.1.4 The Norse Group has a corporate social responsibility strategy and is an active member of Business in the Community (BITC). This commitment was recognised at the BITC national awards ceremony this year when Norse Commercial services won several major awards:

- The Learning and Development Workplace Skills Award for the work done to overcome resistance to and fear of training amongst the workforce as well as generating trust from managers
- The Employability Award 2010 for a programme that seeks to help people with multiple barriers to work to enter, or re-enter, employment. These include: the long-term unemployed, those with dependency issues, ex-offenders, the vulnerably housed, and those with mild to severe learning difficulties.
- The Eastern region's Large Company of the Year Award 2010. This award is made by BITC and recognises the contribution made to the community through responsible business practises. The award came in the same year as NCS were awarded Big Ticks for work on Skills and Employability which were given the ultimate award as national exemplar in both categories. Work on these areas of socially responsible business has been in place for nearly 10 years so not an overnight success but one which recognised substantial investment in our community.

4.1.1.5 In addition to its support of BITC, the Norse Group also gives sponsorship and pro-bono help to a number of charities and good causes in Norfolk including Age Concern (now Age UK), the Theatre Royal, Norfolk's Sports and Cultural Foundation and various local community groups.

4.1.2 **Local Economy**

4.1.2.1 Although the Norse Group is exporting its success beyond the county boundary, it spent in excess of £40M with Norfolk-based companies in 2009-10. This, coupled with the large number of staff employed in Norfolk, will have a significant impact on the Norfolk economy.

4.1.3 ***Financial Benefits***

4.1.3.1 During the last financial year, the Norse Group returned £2.2M to Norfolk County Council in rebates, budget reductions, management charges and sponsorships. This figure is anticipated to increase by 25% in the next year.

4.1.4 ***Market Moderation***

4.1.4.1 The Group provides a significant moderation role and is able to intervene in the market where there is limited competition. An example of this is the yellow buses which are used to moderate the cost of home-to-school transport. Without the presence of the Norse Group, the cost to the public sector in Norfolk would be an additional £2-3M.

4.1.5 ***National Reputation***

4.1.5.1 The successful expansion of the Norse Group has raised the profile of Norfolk County Council, and the Council's approach to trading has been recognised as an exemplar of best practice by such bodies as the Audit Commission, Local Government Association, and the National Audit Office. The company's investment in training and staff development has also seen it secure both regional and national recognition, most notably the Skills for Life Programme and the Build Norfolk initiative.

5.0 **Governance**

5.1 At its meeting on 13 July 2009, Cabinet approved the formation of the Norse Shareholder Committee. Since then, the Committee has met five times:

- 29 September 2009
- 27 January 2010
- 12 April 2010
- 28 July 2010
- 15 November 2010

5.2 The Shareholder Committee's current membership comprises:

Councillor Ian Mackie

Councillor Jon Herbert
Councillor Bill Borrett
Councillor Marcus Hemsley
Councillor Diana Clarke
Councillor George Nobbs

David White – Chief Executive
Paul Brittain – Head of Finance

5.3 The Shareholder Committee has provided :

- Support to the development of the Norse Group
- Advice to the Shareholder Representative and Cabinet
- Consideration of the legal and commercial interests of the County Council

6. **Trading Environment**

6.1 The trading environment is challenging as the full extent of the Government's deficit reduction plan becomes clearer. The Comprehensive Spending Review has detailed the funding assumptions for Local Government for the next four years.

6.2 The Norse Group is not immune to the impact of the proposed cuts but has taken appropriate action to reduce costs and diversify its client base to minimise the effects.

6.3 We will need to continue to seek new ways of delivering services to ensure that we retain market share in a very competitive market.

6.4 The Group is well placed to weather the current economic difficulties as significant areas of its activities are delivered via long-term contractual or partnership arrangements. However, the following effects have already been noted:

- Delays in and cancellation of the commissioning of a number of significant capital projects by the Group's Local Authority partners. The Government's cancellation of the BSF programme and its stay on the Academies programme have, in the short-term, reduced the work of the capital design team.

The proposals for the replacement of the BSF programme should be known shortly and this will provide a new opportunity for the Group.

- Flat property values have limited the level of capital receipts available for capital investment and a decline in property development has had a significant impact on archaeological

work

- An increase in the provision for bad debts has been necessitated due to bankruptcies and extended payment periods
- There has been a reduction in discretionary expenditure associated with the core contract work, which has a direct impact on profitability.

6.5 The Group has taken a number of actions to address these challenges:

- 1) Downsizing those areas of the business where there has been a significant loss of market, including consolidating offices and the loss of jobs
- 2) Cost reductions by reducing discretionary expenditure and streamlining processes to eliminate duplication

6.6 The Group has, however, maintained its investment in staff training to enable it to continue to grow and develop.

7. **Prospects and Challenges for 2010-11**

7.1 The prospects for 2010-11 look encouraging but challenging, especially in the context of the current economic climate, with the Group well placed to meet its Business Plan.

7.2 There are, however, a number of significant challenges, including:

- Management of the transfer of the NCC Homes for the Elderly and commencement of the re-provision via new dementia units and housing-with-care schemes
- Delivery of both the North Lincs and Lambeth BSF programmes
- The need to achieve on-going efficiency and cost savings to ensure that the Group remains competitive
- Managing the implications of the significant reductions in Local Government budgets
- Identifying new business ventures to ensure the business risks are identified and minimised and that the minimum rate of return necessary to enable the Group to prosper is achieved.
- Delivery of two new joint venture partnerships

8. **Section 17 – Crime and Disorder Act**

8.1 There are no direct implications of this report for crime and disorder

reduction.

9. **Resource Implications**

- 9.1 There are no direct resource implications for Norfolk County Council as all the staff, property and IT are provided directly by the Norse Group Ltd.

10. **Equality Impact Assessment**

- 10.1 The report is not directly relevant to equality in that it is not making proposals that will have a direct impact on equality of access or outcomes for diverse groups.

11. **Risk Implications/Assessment**

- 11.1 The Board of the Norse Group Ltd receives regular reports which identify the significant business risks and the mitigation measures.
- 11.2 All new major contracts or partnerships are subject to a full business plan and risk assessment.
- 11.3 The wide range of partnerships and contracts held by the Group enables it to manage the risks within acceptable levels.

12. **Alternative Options**

- 12.1 There are no alternative options that Cabinet needs to consider.

13. **Conclusion**

- 13.1 The Group has received recognition throughout the year for its achievements, winning awards for individual projects, training and community-based initiatives. Some examples are:
- Society of Chief Architects of Local Authorities (SCALA) – Civic Building of the Year Award: Wymondham Library -Highly Commended
 - Clean Britain Awards: Overall winner for environmental services provided to North Norfolk District Council
 - Great East of England Care Awards: Care Homes Nutrition and Hydration Award recognising excellence in provision of nutrition and hydration food service for older people in care
- 13.2 Our staff have continued to demonstrate their enthusiasm and commitment and have worked with dedication, often under very testing conditions, to provide quality services to the people of Norfolk. The staff are our biggest asset and the results in this report are

testament to their efforts.

- 13.3 The Group also recognises the importance of the support received from Members in the development of the companies alongside ongoing commitment from the Chief Executive and Chief Officers within Norfolk County Council.
- 13.4 The Directors believe that the Group's future lies in its ability to capitalise upon its unique position to offer collaborative, multi-Authority models of service delivery. This ambition will allow the Group to achieve greater financial returns and enhance its, and the Authority's, reputation as a national supplier of public sector support services.
- 13.5 Copies of the Accounts of the Norse Group for 2009-10 and the Annual Report are attached to this report.
14. **Recommendations**
- 14.1 Cabinet is asked to note this report.

Background Papers

Financial Statements: Norse Group Ltd for the year ended 31 January 2010

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