

## **Task group on the contract with NPS South West Ltd.**

Report of the Task Group

### **1.0 Findings and recommendations**

- 1.1 The Task Group's view is that there have, since the inception of the joint venture, been gaps of communication and expectation between the County Council and NPS which could be narrowed or indeed closed by taking advantage of the impending restructuring of the Council to bring together the separate elements of the client and capital strategy roles into a unified team with a clear remit and the necessary expertise.
- 1.2 Under the present arrangements, the contractual roles and responsibilities of NPS South West are not universally understood by the officers and Cabinet Members with whom the company deals. NPS is not a like-for-like recreation of Devon Property and the Council cannot therefore expect to treat it as one of its own departments — it has chosen to relinquish control. Nor does it appear to be fully appreciated that this is a joint venture returning 50% of its profits to the County Council.
- 1.3 Much greater clarity and understanding about the role and responsibilities of NPS, the constraints of the current contract and any future revisions are required at all levels of the County Council. This would avoid needless disputes or misunderstandings and ensure concentration on getting the best for both parties from the current or future arrangements. This should be a priority for whoever has property responsibilities in the new County Council structure.
- 1.4 A briefing for members on the discharge of property functions and the sharing of profits could also be helpful in promoting understanding.
- 1.5 Any new arrangement should be explicit as to which roles will be undertaken by officers, by Cabinet Members and by NPS itself. Documentation should also make plain what the Council is buying from NPS, what NPS will provide and what the applicable rates will be for each service. Clients must be quite clear as to the costs of changing their minds.
- 1.6 The five-year review of the NPS contract should take due account of NPS's concerns about the inflexibility of the present fee system and the constraints of by the Construction Framework contract.
- 1.7 That the review should also consider whether, having chosen to externalise its property function, the Council should still require NPS to undertake certain classes of work at cost or free of charge — an arrangement which would appear likely to understate the apparent benefits of the joint venture.
- 1.8 That the Council should further determine whether it wishes to develop and pursue its property strategy in-house or contract the work to NPS. In either eventuality, everyone involved should be clear as to who is doing what.

### **2.0 Origins**

- 2.1 The task group was established by the Policy Overview Committee at its meeting on 24 March 2010 (Minute 52 refers) with a membership of: Councillors Vanessa Newcombe, Ray Radford and Saxon Spence.
- 2.2 The group was asked in particular to examine the detail behind performance indicators 4, 5, and 6 (see 3.1 below); future development proposals and how these might relate to the targets; and how communication between NPS and its clients might be improved.

### 3.0 Background

- 3.1 At its meeting on 5 September 2006, the Executive resolved to negotiate with Norfolk Property Services (NPS) over future provision of the in-house services of Devon Property. NPS was unique in being a property service owned by local authorities and seeking work in the open market as well as from its partner councils. The Executive also agreed to review the structure and operation of the client side of property matters.
- 3.2 On 21 September the Policy & Resources Overview/Scrutiny Committee resolved that a task group be established to examine the proposals. In November 2006 the Task Group made 14 recommendations about the conditions under which the proposal should proceed and the role and capacities of the residual client-side team.
- 3.3 NPS South West Ltd. began trading on 1 April 2007 as a Local Authority company jointly owned by Devon County Council and NPS Property Consultants Ltd, with a 50%–50% sharing of profits. It contributes to the Council by generating capital receipts; additional profit share on the delivery of future contracts with other external clients; application of good practice; reduction in rating liabilities; and securing property for the authority's use on appropriate terms and conditions.

### 4.0 NPS performance

- 4.1 Reports are made to the NPS SW Board and the County Council against nine indicators. Performance for 2009 was.

Indicator	Target	Achieved
1. Client satisfaction: product	90%	89%
2. Client satisfaction: service	90%	90%
3. Defects: existence	80%	74%
4. Defects: time to resolve against planned programme	80%	67%
5. Time: predictability against project programme	85%	58%
6. Cost: predictability against estimate	85%	60%
7. NPS's approach to health and safety	80%	89%
8. Contractors: approach to health and safety	80%	86%
9. Contractor performance	80%	84%

- 4.2 Additionally, turnover had increased by 15%, year-on-year and projected profit targets had been exceeded. In the four years of the contract, the Council's cumulative share of NPS profits had been £1,250,000.

### 5.0 Scope of the investigation

- 5.1 Among the points raised at the group's first meeting were:
- how does NPS feel about the Council as a partner and is there a clear separation of roles?
  - relationships between directorate clients/and the Business Transformation Unit (Note: these lines are now certain to be redrawn as the Council is restructured).
  - client satisfaction within the County Council;
  - what were NPS SW's service specification and the percentage of NPS SW's business and profits which the County Council represents;
  - how the profit-sharing (via discounted fees) is managed within the County Council;
  - was the Council sufficiently rigorous in drawing up and letting contracts— could we ensure that schemes were designed and built within our means and not in pursuit of an unaffordable ideal?
  - whether there is now the necessary degree of control over contract variations (this was highlighted as a concern by the earlier task group);

- was there a buyer's market for construction services and was the Council benefiting from lower contract prices?
- how information for members about planned developments in their divisions was handled and what was NPS's contribution to the realisation of the Council's accommodation strategy?
- what information was available to members on the Council's leased and rented properties and the periods of any leases?

5.2 The group agreed to begin by identifying what areas of concern (or satisfaction) Cabinet Members had over the service they were receiving as major clients. To this end, meetings were held with the Members for Finance & Property (Councillor John Clatworthy) and for Adult & Community Services (Councillor Stuart Barker).

5.3 The Member for Schools & Skills (Councillor Christine Channon) preferred not to meet the group but to offer a written submission prepared in consultation with CYPS officers.

5.4 Comments were also sought from the officers of the Council's own Estates Team about the relationship with NPS (see Appendix A).

5.5 Having heard these client perspectives, the group agreed to take the resulting lines of enquiry to a meeting with the Managing Director of NPS SW and his Board.

## **6.0 Cabinet Members' perspectives**

6.1 Councillor Stuart Barker suggested that the task group might usefully look at the questions that the NPS satisfaction survey was asking. He noted that it did not cover clients' experiences with the brief and design or other stages preceding work on site.

6.2 Councillor Christine Channon commented that while the performance indicators used are of fundamental importance to both client and end users, they are not necessarily an accurate record of NPS performance as they can be subject to influences by third parties who are outside NPS's control.

She suggested that it might be more useful if a more specific set of indicators could be developed to cover the varied roles undertaken by NPS for example:

- Technical Advisor (Stage A/B);
- Design Team (Stage C/H);
- contract administration (Stage J/L); and
- project management.

Specifically at Stages A & B — when NPS's role B is as technical adviser and not part of the "standard service" — they should be asking about cost in use and end-user budgets for cleaning, maintenance, energy consumption etc. This would give clients meaningful information about lifecycle costs.

They should also analyse the client's initial brief and advise on significant issues which require additional or more detailed information.

The development of the brief should be a joint task between client and advisor/design team (as per the Royal Institute of British Architects' Plan of Work) but this was still not the case.

The standard briefing documentation and gateway process were well understood by both client and NPS. Accordingly throughout the early stages a formal question and answer checklist should be maintained so that items to be resolved would be subject to frequent and regular monitoring.

NPS should ask "the time and cost questions" at an early stage but needs to be more specific about understanding project outputs.

In terms of service delivery and quality the "what, when and how much?" are easy, we need to add "why, how and who?" at the early stages.

On both the Bideford Community College and Montgomery Primary School projects, time and available finance were clearly defined at an early stage. However, the quality questions were never aligned to time and budget. With our longstanding relationship it should be possible for NPS to offer and illustrate a number of construction forms or an elemental analysis which would give the client a degree of choice at a given potential cost per square metre. This would then be tested and reinforced through the design process, particularly with input from framework contractors at an early stage.

Other considerations:

- fire-engineered solutions should be a fundamental design consideration from the outset;
- Crucial user requirements ought to be considered from the outset: access/egress, number of occupants etc.;
- that the design should be appropriate for the building's users: building design and facilities should reflect users' size, age and needs; e.g. the considerations for a primary setting will be different to those for a secondary setting;
- the desired life span of a structure should be determined by the client, not the design team. There has been a lack of debate on the appropriateness life span for important elements of designs.
- M&E is predominantly a performance specification accompanied with schematic (indicative drawings). This can present problems when indicative drawings are then translated by contractor where co-ordination of services is critical or becomes an issue.
- co-ordination between the various design disciplines is a continuing issue, particularly between building elements and services.
- it is preferable that the appropriate personnel selected for the design team should remain with the team/project from inception to completion.

6.3 SB also suggested that Bideford School and Dartington Primary School could make good case studies for the task group. In each case the administration felt there were lessons regarding the initial specification and the subsequent control of variations.

In CC's view, the Bideford Community and Montgomery Primary School, Exeter briefs are fit for purpose. Nevertheless, CYPS believes that more cooperation is required in developing major project briefs through design stages AB/C and D.

While the basic CYPS brief is good, it will only reach the standard of excellence required to deliver good projects if the design team (specifically the lead consultant, design leader and project manager) devote time and effort to the process (as in the RIBA plan of work).

NPS has been asked by CYPS to comment on a rationalised standard brief — including roles and responsibilities as indicated in the RIBA plan of work but the entire landscape of provision of education buildings is likely to change with the outcome of the DfE's James Review, expected later this year.

## **7.0 Managing Director of NPS South West Ltd**

7.1 The Task Group met the Managing Director, Mr Steve Daw, both to obtain his company's perspective on its relationship with the County Council and to discuss with him issues and questions arising from their meetings with other interested parties.

7.2 The Group had notified Mr Daw of prospective areas of discussion before the meeting and these are the basis of the following paragraphs. Mr Daw also supplied written responses which are included at Appendix B below.

- 7.3 In establishing the NPS joint venture, the Council had taken the decision to maintain only a limited client capability (note: this had been contrary to the advice in 2006 of the then Task Group on the Future of Devon Property). From the NPS perspective, the distribution of roles and responsibilities within the County Council structure was complex. On schools projects, Devon was the client and the school the end-user and therefore it was necessary to deal with CYPs, with the Business Transformation Unit (now Procurement and Estates) as well as with the school itself. Capital Strategy Teams within directorates not only formulated strategy but took roles which could be confused carried out by a Project Manager. Cabinet Members and officers should be clear as to their respective roles.
- 7.4 Property strategy and policies were matters for the County Council unless it chose to commission the work from NPS. However Mr Daw saw the sense in the authority retaining its capacity in these areas. NPS was able to fulfil the *role* of Council officers who currently acted almost as project officers if asked to do so.
- 7.5 At the outset, 98% of NPS work had come from the County Council but as other clients had been found, this had reduced to approximately 75%. Schools could take their devolved capital funding wherever they wished but NPS secured about 70% of that business nonetheless.
- 7.6 Major projects above £1,000,000 were procured via Devon's Construction Framework, below that level there was a Standing list of Approved Contractors.
- 7.7 NPS believed that it had delivered the County Council's programmes but in some respects Devon had not "learned how to be a client" and NPS was still sometimes treated as just another consultant (this point mirrored a concern from within the Council about the relationship with NPS). The Council must allow NPS to "grow up" and not "think we're still Devon Property." Sometimes friction arose over matters which were written into the contract — for example fee rates for Council work were determined by the Contract although with a freer commercial hand it was likely that rates would rise or fall according to the type of job.
- 7.8 NPS was contractually obliged undertake certain County Council work at cost or even at no cost but bore a considerable staff commitment in (for example) processing contractors' payments for such work.
- 7.9 Members suggested having a simple manual that explained what NPS could and could not offer the Council — four tiers of project management services were available for example — and what the applicable fee scales were. A workshop session for members might also be valuable. Mr Daw saw it as "crucial" that the fees reflected what was in the package and to make this clearer, NPS now used detailed and itemised breakdowns.
- 7.10 National education policy was turning increasingly from local authorities as the providers of schools and NPS might or might not win work from other prospective providers should these emerge. Academies fell outside the provisions of the contract and so NPS would have to vary its fee rates if it sought such work. Profits from such work, whether in Devon or elsewhere in the NPS South West region would still be shared with the County Council, however. The DfE's James Review (expected to call for a limited range of "standard" school designs: see Appendix C) would undoubtedly affect programmes but while one might standardise designs to some extent, one could not standardise sites, especially in Devon where level terrain was in short supply.
- 7.11 Other points arising in discussion with Mr Daw included:
- 2010/11 had been "our best year to date" although the present climate was necessitating staff reductions;
  - as the Council's agent, Mr Daw saw it as his role to protect the Council's interests;
  - the crucial issue with cost overruns was understanding why they had occurred;
  - if a brief was unclear then NPS had of necessity to interpret it;

- clients needed to be clear about their own budgets — they must understand that if they changed their minds there may be time and cost implications;
- most projects involved changes along the way and a strong change control process should be used. NPS maintained a log of such requests;
- NPS never offered “gold-plated versions” but it did ensure that its designs complied with the applicable statutory regulations;
- there was always the possibility of getting a job done “cheaper” somewhere but one must be sure of comparing like with like — an ostensibly lower price often omitted necessary parts of the overall package, for example the statutory compliance issues attending local authority projects;
- defects in works were normally attributable to contractors, not to NPS;
- Bideford Community College had been designed to the client’s high specification. In Mr Daw’s view such a specification was “not repeatable”, the scheme could have been built at less cost and still met all the applicable standards;
- NPS convened a Heads’ Forum which had been successfully in improving communication and promoting mutual understanding;
- the Exeter PFI project had not been without problems although the Council appeared not to have carried out a review of any lessons for the future;
- Mr Daw involved himself personally in all complaints against NPS South West. Good records were maintained of both complaints and compliments and there was evidence to demonstrate a high level of customer satisfaction;
- Mr Daw was now the parent group’s Southern Region Director, affording a him a perspective on the company’s relationships with other councils and clients — experiences were similar across all the authorities with which the group was involved;

7.12 When the joint venture began, the salient issues for Mr Daw had been “processes not products.” The was able to recruit staff and retention and sickness absence were better than in other sectors.

7.13 In conclusion, Mr Daw again stressed that this was a joint venture and that NPS would be negotiating actively in the forthcoming review. He saw changes as clearly necessary for all parties and welcomed them if the strengthened the relationship between NPS and the Council. If the contract were to end then the Council would need to assess any implications under the TUPE Regulations.

## **8.0 Norfolk County Council**

8.1 Norfolk agreed in July 2010 to carry out scrutiny of “NORSE”, the parent company of NPS (see Appendix D). A final report was submitted on 15 March 2011 as the this paper was finalised.

## **9.0 Review of the Devon contract**

9.1 Corporate Resources (Infrastructure) are undertaking a review of the present contract, which expires on 31 January 2012. This will entail dialogue with NPS later in the year with a view to making an appropriate recommendation to Cabinet and the Council, probably in the autumn.

**Vanessa Newcombe  
Ray Radford  
Saxon Spence**

**Electoral Divisions:** All  
**Cabinet Member:** All

<b>Local Government Act 1972 List of Background Papers</b>		
Officer contact:	Nick Beale	
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Tel No:	01392 382296	
<b>Background Paper</b>	<b>Date</b>	<b>File Reference</b>
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## APPENDIX A: THE COUNCIL'S RELATIONSHIP WITH NPS

### Responses from the Estates Team

A.1 *What did the Council's contract with NPS say about performance monitoring?*

The Estates Team advised that the contract is not detailed on this point but that the Council makes a range of assessments. Service specifications are renewed annually; there has to be a benchmarking review after five years; Finance undertakes a monthly budget monitoring as well as financial reviews of contract operation and compliance; the Health & Safety team have reviewed compliance in those areas; and the Performance Technician reviews aspects of how performance is managed.

NPS is obliged to provide the Council with a copy of its Business Plan and it is also worth noting that NPS has held its rates for three years now.

A.2 *How do contract terms compare with the Council's contract with South West Highways?*

The NPS contract fills a lever-arch file and that for SWH fills several (service specifications are very detailed for such work), so the Task Group recognised that a point-by-point comparison would be beyond its scope to undertake.

A.3 *What obligations does the NPS contract impose on schools and how much choice are they able to exercise over property services and building programmes?*

Schools are locally managed and so have a completely free choice in this matter. NPS operates the Devon Maintenance Partnership which has a 94% buy-in from schools to a 5-year agreement. The buy-in for the present period is higher than for the previous one.

A.4 *Provision for resolving disputes (e.g. is there a cut-off point beyond which the Council would be entitled to have defects remedied and charge NPS for the work?)*

There are no set financial thresholds or triggers but the contact does embody a series of provisions for "co-operation between the parties" ranging through, dispute resolution, mediation, adjudication and arbitration before reaching termination and liquidation.

A.5 *Which parts of the Council generate most work for NPS?*

Broadly speaking, CYPS accounts for 70% by value of the work the Council places with NPS; the remaining directorates for 30% with ACS predominating.

## APPENDIX B: THE NPS PERSPECTIVE

### Response by Steve Daw, Managing Director and Regional Director South

**B.1**      *How does NPS feel about DCC as a Partner and is there a clear separation of Client Contractor roles?*

Where we have strong working relationships any difficulties or misunderstandings have been worked out since the start of the contract. If Officers or Members do not want to use us or do not understand the nature of the contract this is frustrating as it causes much additional work for both parties in going through procurement activities, which the contract was designed to avoid e.g. the energy generation feasibility study. There appears to be limited appreciation that we have a Joint Venture Partnership.

There seems to be limited understanding about the added value that NPS bring and an over emphasis on fee rates. For example, we undertake many technical “client” roles in Estates and Asset Management. We undertake these activities at a reduced rate although the contract does not say we have to. This is not fully recognised as part of “the Partnership.”

How do we feel as a Partner? OK so far as the arrangement goes. However, there is on occasion an overlap of services and duplication of effort in places. DCC should be the commissioning body, this would be more efficient and ultimately save money.

The clear definition and separation of roles needs to be reinforced. Rightly there is still a strong “family” bond between DCC and NPS. However, this can lead to corners being cut and favours asked and granted where no recognition is given.

Occasionally Members will instruct us outside the Project Team, which can involve abortive work and re-design. There should be clearer understanding that whilst we will make every effort to accommodate Members’ changes/wishes there are often costs associated with such changes, including re-design.

**B.2**      *How do NPS find Communications from DCC Clients?*

Like all organisations better in some areas than others.

General communication seems to be clear, project based information less so. Client Officers sometimes instruct outside formal meetings and as such we find ourselves undertaking more work than is necessary often without the knowledge of the Project Managers. It is therefore difficult to keep a record of instructions given. Communication in the form of Project Briefs could certainly be improved on occasion and we are often drawn into preparing the Brief on the client’s behalf and also preparing Room Data Sheets, which are clearly a client-side role. We have no objection to undertaking this or any other role provided we get due recognition for it.

**B.3**      *What are the Client’s Recurring Areas of Praise or Criticism and How do NPS address these?*

The Estates and Valuation activities are consistently praised. We believe our Performance Reports speak for themselves. NPS staff work hard to provide a high level of service and we feel we have come a long way in the last four years.

Major project delivery is a complex undertaking and peaks and troughs in workload can be a challenge. The majority of praise is with the completed building. We generally end up with a very good product, with the majority of our buildings submitted for and receiving industry awards.

What is a compliment to one client can be a criticism to another. We are often unjustly criticised by end users where our actions are influenced through our Client. We are also criticised when schools “do their own thing”, not always being familiar with the regulations by which they and we are constrained. There will always be a problem when the school (the end user) want one model and our Client are only willing or able to pay for another.



- B.4 *How easy is it to identify and contact the people NPS need to speak to within the Council organisation? Are contacts and their responsibilities clear or not?*

A working relationship has been established over many years. However, it is sometimes difficult to keep pace with roles and responsibilities at a time of much reorganisation and change within DCC.

- B.5 *Does NPS feel confident that the present range of performance indicators is adequate?*

We would probably say that there are too many and they are overly onerous. They should be reviewed to decide whether they provide the best information for DCC and NPS. Are they fit for purpose? What amendments to the way we work together are/have been made as a result of them?

- B.6 *Could the Customer Satisfaction Data suggested by Cabinet Members be readily collected e.g. the Client's experiences with the Brief and Design or other Stages Preceding Work on Site?*

We are not clear what is proposed should be collected over that which is already collected.

- B.7 *If the DfE's James Review does "standardise" school buildings to some degree how would this affect the work that NPS does?  Would such a step improve estimates of time and cost or speed up projects by reducing the negotiable aspects of a design?*

This may improve time and costs once the project has got out off the ground. However, topography of Devon is always likely to mean additional and unforeseen costs in ground works and may also require clients to alter their approach with schools specifically and offer only limited choice in design solutions. It will also be necessary to look at current procurement strategies to reflect standardisation, if this is properly worked through then there should be time/cost savings but it is important that DCC act as "Good Clients" to achieve the expected results.

Standard designs would affect NPS. It is for that reason we are developing our own solutions, which we can offer to DCC and other partners. A number of single and double classroom modules are in development, which can be offered as a "shell unit" in singles or multiples through a wide range of fitting out options. NPS are also developing a standard 1FE and 2FE school solution. Although a "standard" solution, we hope to retain its strength of "offering the client what he wants" by introducing flexibility. The NPS solution would also be available in different performance standards – basic building regulation approvals; BREEAM very good/excellent; *Passivhaus* Certified and Zero-Carbon. Therefore the designs are "climate change ready" and offer a solution to the introduction of Zero-Carbon legislation (for schools) in 2016.

Further it is believed that the solution can be developed for other market sectors and work is already underway to investigate the NHS sector for doctors' surgeries, medical resource centres, dental practices and care in the community.

- B.8 *Does NPS' Contribution actively the realisation of the Council's accommodation strategy e.g. by itself identifying rationalisation opportunities?*

Devon retained the core client role (P&E) and they instruct us to undertake review work for them. We have regular monthly meetings with P&E to review DCC asset strategy and capital receipts opportunities. Any "rationalisation opportunities" we identify are discussed at these meetings. We keep all the performance statistics for DCC properties on Connect2.

- B.9 *We do not yet know how the Client role will be handled in the restructured Council, although unification of “core services” is a guiding principle. What arrangement would best facilitate communication across the range of projects managed by NPS?*

As previously stated, we undertake many technical “client” roles in estates and asset management which DCC does not fully understand and is unlikely to have the capacity to deliver internally. I can't imagine that a restructure will increase DCC capacity in this area. We used to undertake fuller client roles prior to becoming NPS and could do so again. This goes back to DCC officers' understanding that we are in partnership with them and this means that they need to trust our professional judgement to act in their best interest.

- B.10 *Is NPS South West aware of any reaction from the parent Group to the Norfolk Scrutiny Review and is there any mechanism for disseminating the lessons of different Local Authority relationships throughout the Norse subsidiaries?*

The Norfolk County Council Scrutiny has been completed and has re-emphasised their support for the activities of the Norse Group. Much of the scrutiny related to the benefits to NCC of the trading activities so of limited value to other joint ventures. However Member engagement and information was something which NCC would like to see stepped up so that they are better informed of what we are doing, as opposed to being involved in decision making that should be avoided. At Group level we will be producing more regular briefings to ensure that Members remain informed and supportive of what we do. This could be a key learning point for all our companies.

## **APPENDIX C: THE JAMES REVIEW**

This review was set up to consider how DfE capital expenditure could be distributed more effectively over the Comprehensive Spending Review period, 2011–2015. The review's brief included how best to meet parental demand, make current design and procurement more cost-effective and efficient, and overhaul how capital is allocated and targeted. Among its terms of reference are:

- to assess the scope and make recommendations for how to distribute capital more efficiently and less expensively, including simplification of procurement, and increased use of standard and modular design;
- to review and reform the requirements on schools including the building/School Premises Regulations, design requirements and playing field regulations

The team was also asked to take into account allocation of capital funds to ensure new providers would be able to enter the system and enable the establishment of new schools.

Early indications are that there may be a national design template resulting in standard designs for new school buildings. In such a case any Devon standard brief would need to be revised to reflect this national requirement.

## APPENDIX D: Norfolk County Council scrutiny review

<b>Corporate Affairs Overview &amp; Scrutiny Panel</b>	
<b>Terms of Reference for scrutiny of:</b> NORSE	
<b>Scrutiny by:</b> Report to Corporate Affairs Overview & Scrutiny Panel	
<b>Membership of working group (if required)</b> N/A	
<b>Reasons for scrutiny</b> To clarify the intricacies of Norse arrangements	
<b>Purpose and objectives of study</b> To review existing arrangements, policies and processes of Norse to ensure that the objectives of Norse fit with NCC and is providing value for money.	
<b>Issues and questions to be addressed</b> <ul style="list-style-type: none"> <li>• How and why was Norse created? (including precedent and examples of any similar arrangements elsewhere)</li> <li>• Explain the relationship between NCC and Norse (defining who is positioned where, why they are positioned there, roles of members and officers, powers of members and officers)</li> <li>• What is Norse's legal standing?</li> <li>• Clarify governance arrangements for Norse, and for Norse's execution of service delivery for NCC.</li> <li>• Provide a list of companies with the Norse Group.</li> <li>• What services do Norse and its companies deliver?</li> <li>• Who are these services delivered to?</li> <li>• Where are these services delivered (geographically)?</li> <li>• How these services are delivered (i.e. structure).</li> <li>• How does Norse link with the NCC organisational structure?</li> <li>• How does Norse add value to NCC corporate priorities?</li> <li>• How does Norse fit with NCC's Norfolk Forward Programme?</li> <li>• Specifically in regards to costs and benefits – confirm the following: <ul style="list-style-type: none"> <li>Costs <ul style="list-style-type: none"> <li>▪ Financial (turnover, profitability (profit made and given back to NCC), liabilities, assets)</li> <li>▪ Human</li> <li>▪ Opportunity</li> </ul> </li> <li>Benefits <ul style="list-style-type: none"> <li>▪ Tangible (grants, KPIs, awards, profits, numbers of people employed)</li> <li>▪ Non-tangible (partnerships, added value)</li> </ul> </li> </ul> </li> </ul>	
<b>Planned outcomes</b> <ul style="list-style-type: none"> <li>▪ Increase Member understanding of Norse and its relationship with NCC</li> <li>▪ Provide transparency of Norse arrangements, policies and processes.</li> </ul>	
<b>Deadlines and timetable</b> Report and presentation to 15 <sup>th</sup> September 2010 meeting of the Corporate Resources Overview & Scrutiny Panel.	
<b>Terms of reference agreed by:</b> Corporate Resources Overview & Scrutiny Panel	<b>Date:</b>

The report of this review (7 pages + the 9-Norse Group Annual Report for 2009/10) was submitted to Norfolk's Corporate Resources Overview & Scrutiny Panel on 15 March 2011 with the following recommendations:

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

The report is available online at: <http://www.norfolk.gov.uk/view/carp150311item10pdf>

## **APPENDIX E: DOCUMENTS CONSIDERED**

Trading figures for the former Devon Property, 2005/06 and 2006/07

### **Committee Reports:**

Future of Devon Property (CX/06/89: Executive, 05/09/06)

Task Group on Devon Property (CX/06/113a: Policy & Resources Scrutiny, 20/11/06)

Future of Devon Property (CX/06/120: Executive, 19/12/06)

Timetable of the Council's Asset Reviews (CX/07/92: Policy & Resources Scrutiny, 26/09/07)

Interim report on the NPS contract (CX/08/86: Policy & Resources Scrutiny, 24 September 2008)

NPS contract — the first 19 months (CX/08/96: Policy & Resources Scrutiny, 12 November 2008)