

Report of Head of Resources

Wellingborough Norse Business Plan 2017-22

1. Purpose of report

This report presents the business plan relating to Wellingborough Norse Ltd for the years 2017-22. Whilst this is a five year plan it will be reviewed annually.

2. Executive summary

This business plan has been reviewed and agreed by the Wellingborough Norse Board and is presented for members' information and consideration in line with the contract specifications.

3. Appendices

Appendix 1 – Five year business plan (exempt)

4. Proposed action:

4.1 The committee is invited to RESOLVE to agree the Five Year Business Plan 2017-22 as set out in Appendix 1 to the report.

5. Background

5.1. Wellingborough Norse Ltd, a joint venture between the borough council and Norse Commercial Services, has been in existence since March 2012 and is governed by contractual specifications via a liaison board and formal company board.

5.2. The contract specifications state that an annual business plan should be agreed between the company and the council before the commencement of the financial year to which it relates.

5.3. This report presents that business plan as requested. In order to facilitate business planning this document covers the five year period to the end of the formal contract with Wellingborough Norse, but will be subject to annual review and reporting.

6. Discussion

6.1. The five year business plan is attached as appendix 1. The framework for the

business plan provides for it to:

- Include the mission statement and objectives of the company, explaining how the company plans to assist the council in delivery of the council's strategic objectives. Its mission statement is to "provide the best possible services for the same or lower cost whilst developing relationships and business growth".
- Set out all the outputs of the company, demonstrated by performance indicators for each of the services provided. This will include any explanation for how compliance with the service specifications is planned to be achieved and include methods for monitoring both the delivery of the services and the performance indicators.
- Describe any improvements or enhancements in, or development of, the provision of any of the services.
- Include financial, business growth and resourcing action plans
- Include a major investment plan, if appropriate
- Include a risk register relating to the services within the business plan

6.2. The company has an objective to "understand and respond to the commercial market in which we operate to capture new business". It recognises that the current economic environment is a very difficult one to compete in and therefore has decided to concentrate on establishing a solid structure on which to base future competitive growth.

6.3. Over the past year the focus has been on building the weighbridge and waste transfer station at Trafalgar House, enabled by the council's capital budget, and aiming to provide a new income stream. This is the most significant new initiative, but the existing areas of the business (cleaning, trade waste and grounds maintenance etc) also continue to grow.

6.4. The coming years present a financial challenge for Wellingborough Norse as inflation and employment costs (such as the apprenticeship levy and increases in minimum wage) will rise. To date all inflation costs have been absorbed by the company but this is an increasing challenge.

6.5. Despite the financial challenges, Wellingborough Norse is forecasting that it will continue to deliver the forecast profit to the council as it continues to focus on efficiencies and commercial opportunities.

6.6. The liaison board has met on a number of occasions, with the council represented by Councillors Carr (Chairman) and Emerson, as well as the Chief Executive, with the Head of Resources as appointed observer. The relationship between the partners is one of mutual respect and a desire to achieve efficiencies at no detriment to service quality.

6.7. The company has produced its business plan for 2017/22 to reflect the reporting

information it delivers to the liaison board. This will ensure a constant flow of relevant information which reflects the plans for the coming period.

7. Legal powers

- 7.1. Section 111 of The Local Government Act 1972 gives the council power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 7.2. Section 2 of the Local Government Act 2000 gives the council the power (subject to certain exceptions which do not apply here) to do anything which they consider is likely to achieve the promotion or improvement of the economic, social or environmental well-being of the borough.

8. Financial and value for money implications

There are no financial implications arising directly from this report. The business plan sets out Wellingborough Norse's approach to efficiencies and income for the next five years. The company assumes that cost savings can be achieved by ongoing efficiencies, together with opportunities to increase income. It is expected that the profit share can be maintained over the coming years.

9. Risk analysis

The business plan contains a risk register which highlights the major risks facing the company. One of the key concerns at present is the uncertainty in relation to the collection and disposal of waste. There are ongoing discussions with the county council as the disposal authority (the council is only responsible for its collection), the resolution of which may have an impact on the business or structure of Wellingborough Norse.

10. Implications for resources, equalities, and stronger and safer communities

There are no resources implications arising directly from this report.

11. Author and contact officer

Bridget Gamble, Head of Resources
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12. Consultees

Nicola Holden, Commercial Director, Wellingborough Norse
Senior management team of the borough council

13. Background papers

Norse contractual documentation.

