



Annual Performance Report
Newport City Council / Newport Norse Ltd Joint Venture
Year 2022/2023

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Chartered
Building
Company

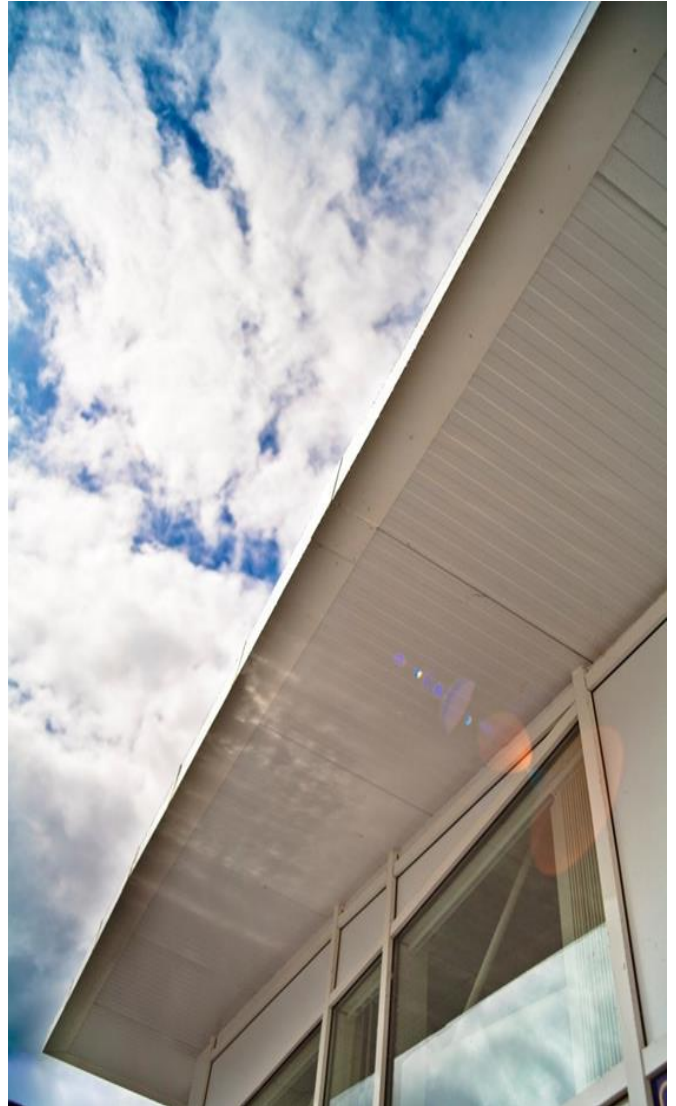
1. Introduction

The purpose of the report is to inform the Client of the annual performance of the Councils partnership company Newport Norse Limited.

This report is a requirement of the JV contract (Clause.11.3). The JV agreement sets out the fees and charges, which themselves can be varied by agreement between the parties. This report seeks to provide an annual update on the value created for the Council from the Joint Venture in support of its social value commitments.

In February 2023 the Council made a decision to extend the contract by 18 months, ending on the 31st of December 2025. As part of this arrangement Newport City Council would gain the first **£156,000** of any cashable value created and would have a 50% share in any cashable value remaining.

At the time of writing this report the Council has commissioned consultants to advise on the options for delivery available to it post contract, which is likely to see a move to a new model. Norse Group will work with the Council in the demobilisation of the current contract and will interface with the Councils new arrangements as may be required in the run up to its start date of the 1st January 2026.



2. Performance 2022/23

Norse is the Councils appointed joint venture partner . This is a Public-to-Public partnership (with retention of the Welsh public sector pound within the public sector, rather than dividends to shareholders).

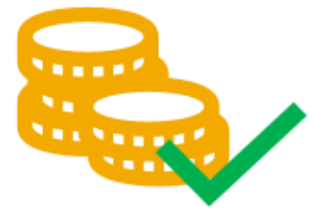
Norse has been able to provide economies of scale, access to other specialists, advice on governance frameworks and access to specialist support functions and systems. These are bespoke to Property and FM which enable and improve local JV productivity. These include Safety Health Environmental and Quality (SHEQ), Human Resources, Finance, and Information Technology, as well as specialist support in the Property and Construction fields.

Newport Norse turnover at inception in 2014/2015 was **£4,067,150**, with turnover rising to **£24,930,946** in 2022 to 2023.

Over the same period rebate paid back to the Council has increased from **£69,000** (2015), to **£698,000** (2022)*.

Total rebate to date has been circa **£4m** and, (subject to achieving our business plan), a further circa **£678,000** is planned to be generated by the end of the financial period for 2023/2024. Therefore, the projected cumulative value share to the Council by the end of March 2024 will be circa **£4.7m**. *subject to audit

Turnover



£25m

(up £7m)

Value generated



£1.54m

(up £15k)

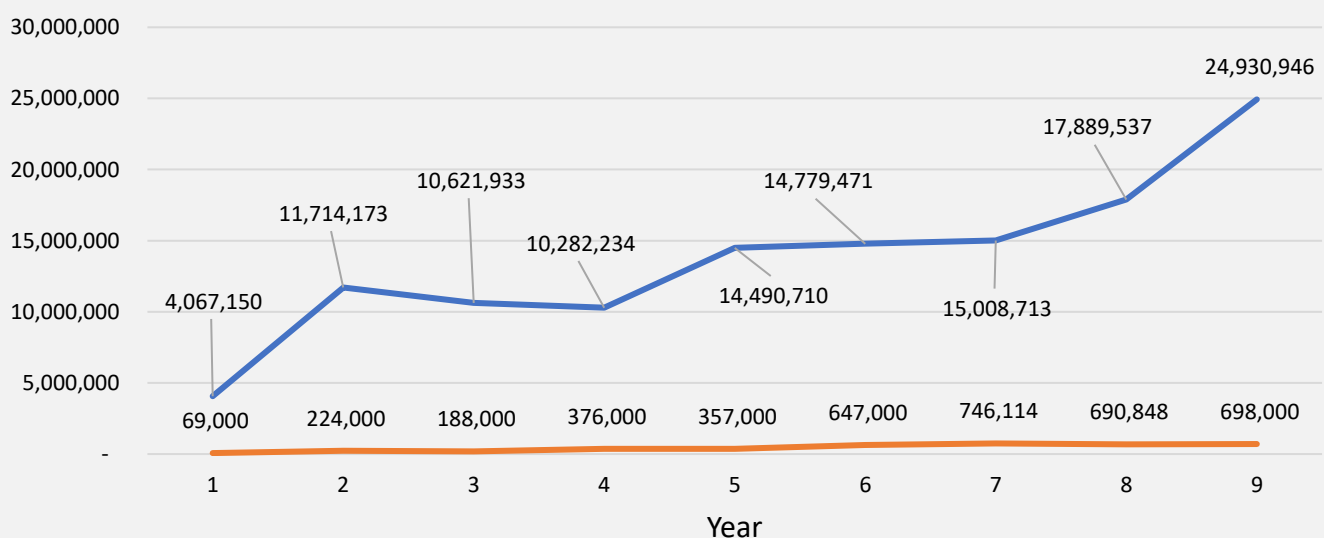
Rebate



£698k*

(up £8k)

Annual Turnover & Rebate 2014 to 2023



3.0 Business Plan Objectives 2023/2024

Our business plan objectives for 2023/2024 are;

FINANCE

- Achieve a profit of circa £1.2m
- Achieve an NCC rebate of circa £678k
- Achieve turnover of circa £20m
- Achieve non-core work of £1.0m
- Gain £500k of new third-party business
- Seek to build the business further to enable increased rebate for NCC in 2023/24

CUSTOMER

- Engage proactively with NCC and colleagues to begin to plan for transition of the service to NCC post December 2025
- Develop our approach to 'Social Value' and align with NCC TOMs
- Reflect NCC's commitment to Carbon Net Zero in our service
- Collect regular customer feedback and achieve a customer satisfaction rate of 90%
- Engage positively with client bodies such as the Education Liaison Group, Newport Association of School Governors, NCC Performance Scrutiny Committee etc.
- Support the Council's strategic project related groups, Strategic Asset Management Group, People Services Capital Board

PROCESS

- Build upon the property compliance system (c365) roll out and further develop the system.



- Review with ICT Service Connect roll out and implications of Project One
- Maintain ISO accreditation within Group
- Engage in the budget setting process with NCC for 2024/25 from September 2023
- Continue to implement our Communication and Engagement Plan



PEOPLE

- Ensure the Group values of Quality, Innovation, Trust, and Respect are embedded locally
- Develop further succession planning for key roles in the business
- Sponsor and support the hire of three new apprentices
- Continue to develop local work experience programme
- Maintain positive staff morale and satisfaction
- Continue building career pathways for our staff setting out/continuing their technical and professional journeys



4.0 Building 'Social Value'

Our industry has a moral duty to go further in shaping a fairer society that is prepared for the challenges ahead. We must create, maintain, and look after buildings as standard that are ready for our changing climate, that are net zero carbon in operation and that enable people, business and communities to thrive.

We have aligned our own sustainability strategy alongside the UN Sustainable Development Goals and the **Well-being of Future Generations Act 2015** in our overall goal to meet the needs of future generations. NCC Cabinet approved the adoption of the overarching framework in 2022 for use within NCC, and by extension its JV partners. The methodology was developed in conjunction with the WLGA National Procurement Network and the National Social Value Task Force Wales, which is a cross-sector working group combining both public and private sector organisations.

In August 2023, NN presented a report to the Joint Venture Board detailing how the business will adopt the NCC overarching framework.

The TOMs (Themes, Outcomes and Measures) for social value are a measurement framework that allows for an unlocking of social value through its integration into the JV and projects.

The Newport Norse Core List will support the delivery of social value, support the Norse Group climate change work, and will assist in the reporting of compliance with the Wellbeing of Future Generations (Wales) Act 2015.

The Newport Norse Business Plan demonstrates its commitment to prioritising social, economic, cultural and environmental wellbeing for our partners. It recognises that the way in which it manages spend with suppliers, service providers and contractors can make a significant contribution



Well-being of Future Generations Act 2015

The Well-being of Future Generations Act gives us the ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being, thinking about long-term impacts, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

Whilst unique to Wales, the act attracts interest globally as it offers a huge opportunity to make a long-lasting, positive change to current and future generations.



to this priority. The Welsh TOMs framework was designed around 7 themes (the 7 well-being goals of the Well-being of Future Generations (WFG) (Wales) Act 2015), 35 Outcomes and 93 Measures:

Themes – The overarching strategic themes that an organisation is looking to pursue;

Outcomes – The objectives or goals that an organisation is looking to achieve that will contribute to the themes;

Measures – The measures that can be used to assess whether these Outcomes have been achieved. For the TOMs Framework, these are action based and represent activities that a supplier, service provider and contractor could complete to support a particular desired outcome.

The purpose of the framework is that a number of measures are chosen where they are applicable to the nature of the service delivery (this could be just a few measures, or upwards of 20 measures) as well as considering the target marketplace and its ability to respond in a positive and constructive way.

Please see table overleaf for the Newport Norse JV CC Core TOMs. This is the first year monitoring social value outcomes in accordance with the Newport City Council TOM's.

This places a monetary value to the social benefit generated and it is intended that this is done on an annual basis going forward. The sum generated in 2022/2023 is



The UN Sustainable Development Goals

The UN Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice.



 **£17,958,684**
Maximising social value

National TOM's Wales ref.	Measure	Value created in 2022/2023	
		£	17,958,684
NTW1	No. of direct employees (FTE) hired or retained within NCC Boundary	£	4,042,500
NTW1.1	No. of direct employees (FTE) hired or retained within Cardiff Capital Region	£	5,472,500
NTW 5	Union Recognition Agreement in place		Yes
NTW 6	No. of staff hours spent on local school college visits	£	1,404
NTW 7	No. of weeks of training opportunities on the contract (BTEC, City & Guilds, NVQ, HNC, RQF) that have either been completed during the year.	£	95,898
NTW 8	No. of weeks of apprenticeships on the contract that have either been completed during the year, or supported by the organisation - Level 2,3, or 4+	£	36,106
NTW 14	Total amount (£) spent in the supply chain through the contract, where goods or services provided by businesses in the Cardiff Capital Region.	£	8,142,000
NTW 33	Investment and support provided to local environmental education initiatives (e.g. Carbon Literacy Wales)	£	20,300
NTW 34	Have systems in place for source segregated recycling of the different waste streams		Yes
NTW 43	Number of low or no emission staff vehicles included on project as a result of a green transport programme (miles driven)	£	120
NTW 50	No. of employees (FTE) hired on the contract as a result of recruitment programme that have been unemployed for a minimum of 6 to a maximum of 12 MONTHS	£	48,672
NTW 50a	No. of employees (FTE) hired on the contract as a result of recruitment programme that have been long term unemployed for a minimum of 12 to a maximum of 24 MONTHS	£	36,292
NTW 50b	No. of employees (FTE) hired on the contract as a result of recruitment programme that have been long term unemployed for 24 MONTHS or longer	£	19,115
NTW 52	No. of employees (FTE) taken on who are not in employment, education of training (NEETS)	£	37,410
NTW 57	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	£	4,494
NTW 61	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation		100%
NTW 77	No hours volunteering time provided to support local community projects	£	1,873

We will seek to build further upon this by pursuing actions which directly relate to the Council's new Corporate Plan.

This includes:

- Expanding on our commitment to environmental sustainability, through furthering our work with the Norse Group and our supply chain in managing and mitigating our impact to the environment - such as our reverse logistics initiative on cleaning plastics, predicted to save 1,890kge carbon annually (the equivalent to planting 86 trees).
- Supporting the Council's commitment to net zero carbon by 2030, utilising our expertise to support ambitious current and future projects, and committing to moving to an all-electric fleet.
- Continuing to promote economic growth by promoting employment and development – not only through continuing to invest heavily in developing and upskilling our existing workforce, but in reaching out to local communities, supporting schools in the development of young people, and creating opportunities for untapped talent to undertake apprenticeships.
- Committing to increasing spend with local suppliers, working in partnership with local businesses and SMEs to promote innovation, develop the local economy and boost growth.
- Continuing to work with NCC to rationalise, protect and enhance the council's property estate.



norse
GROUP

"I would love to see more women put themselves forward for all sorts of roles in the property and construction industries as I know they would be very capable of doing them..."

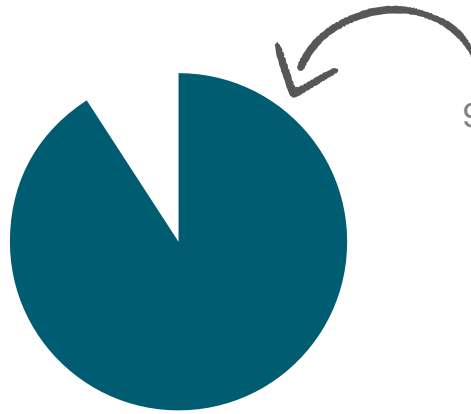
LAURA EDMUNDS
CLIENT SERVICES TEAM MANAGER, NEWPORT

 International Women's Day



5.0 Bassaleg School Project Case Study

Growth



91% Construction spend within 20 miles of the project.

Education



Pupil interactions in Newport Schools/colleges



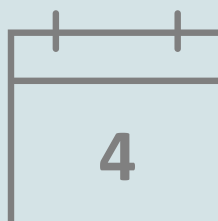
Hours invested in STEM delivery

Promote Local Skills & Employment

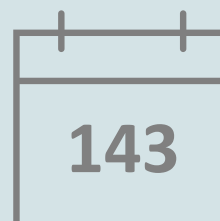
Jobs created



Local Labour: jobs from the Newport postcode

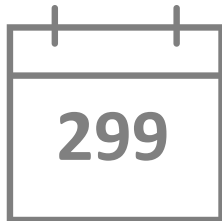


Local labour: weeks of employment for long term unemployed

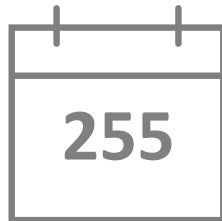


Promote Local Skills & Employment

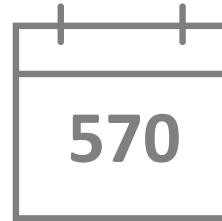
Weeks of new entrants into the Industry



Training: weeks of trainees



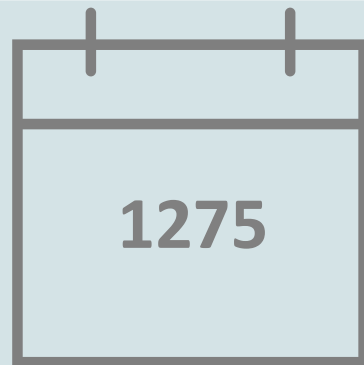
Training: weeks of apprentices



Work Placements: weeks of work experience on the project



Total Targeted Recruitment and Training Weeks achieved.



Site Visits

Site Tours: Over

20

Site visits take place for pupils and staff



Site Visitors: Over



Visitors welcomed to the project

Gifts in kind

£5000



Value of
Works and gifts
in kind
donated

Considerate
Constructors Scheme

45

45

Audit Score

Conclusion

The last financial year has been the most successful yet and we have exceeded our business plan return. Over the last nine years Norse has invested heavily in developing a motivated and well-trained team which is evident from the Social Value attended for the year.

We are grateful to the Council for extending the contract for 18 months, and colleagues see that as a positive endorsement by the Council of a job well done.

The Council also gains increased financial and social value in the short term, and continued service delivery.

This extended period helps the Council avoid the cost of change in the short term, allows more time to develop its new model of delivery and put in place the comprehensive arrangements needed for transition to a new model of delivery in January 2026.



Lyndon Watkins
Managing Director – Newport Norse Ltd
November 2023



St Andrews School, City of Newport – Steel Frame being erected October 2023

Author: Mark McSweeney – Director (*Professional & Contract Services*)

Version: Final

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