New Service Models
and
Revenue Generation for Local Government

Why Trade Outside?

- Increases financial return
- Creates employment
- Reduces costs via economies of scale
- Increases customer base and reduces risks
- Knowledge transfer from clients
- Demonstrates competiveness

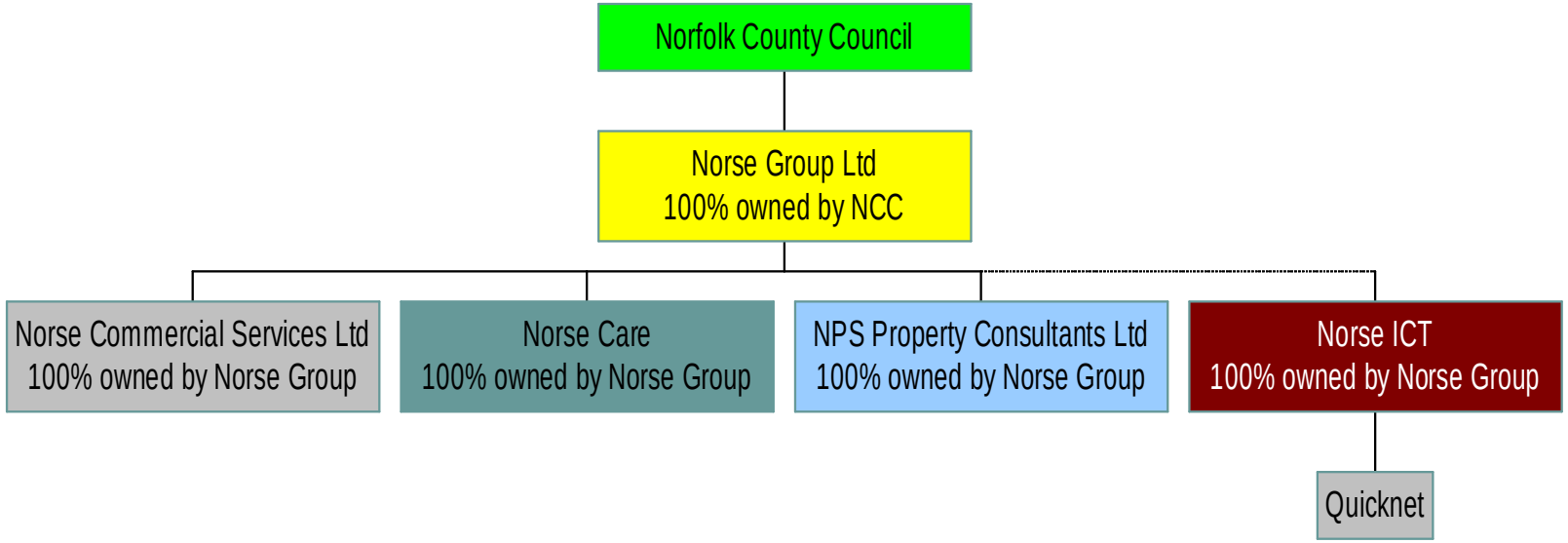
Benefits to Shareholder(s)

- Vehicle for delivery of services where the market is unresponsive or expensive
  - School transport
  - Community equipment stores
- Reduced staff
  - No employee liability
  - Recruitment/retention
  - Reduced support services to operate

Benefits to Shareholder(s)

- Support for good causes
  - Theatre Royal
  - Rising Stars programme
  - Build Norfolk
- Direct financial returns
  - Volume discount
  - Budget reductions
- Access to expertise/resources
  - Support for BSF programme
  - Emergency planning

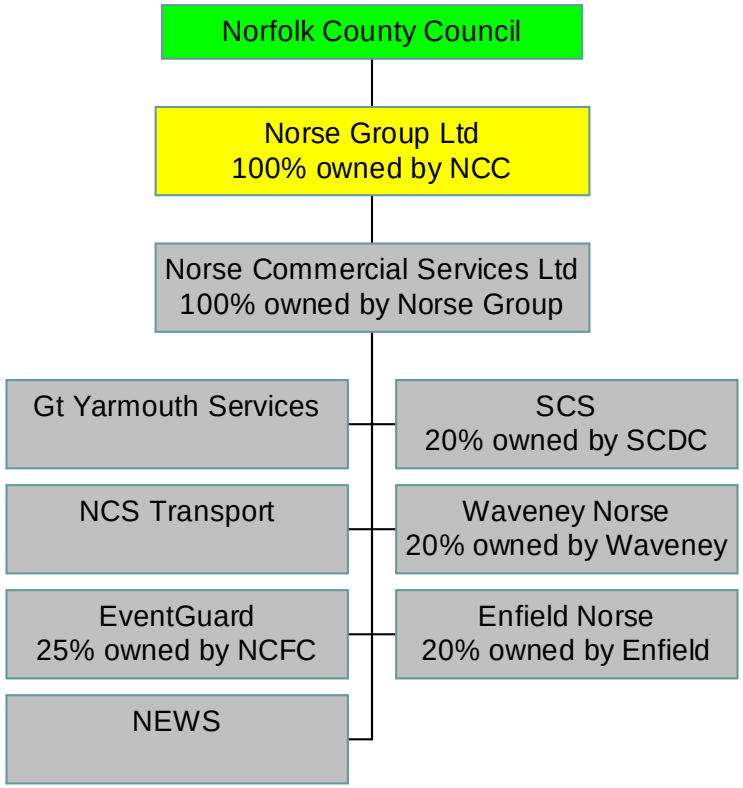
Company Structures



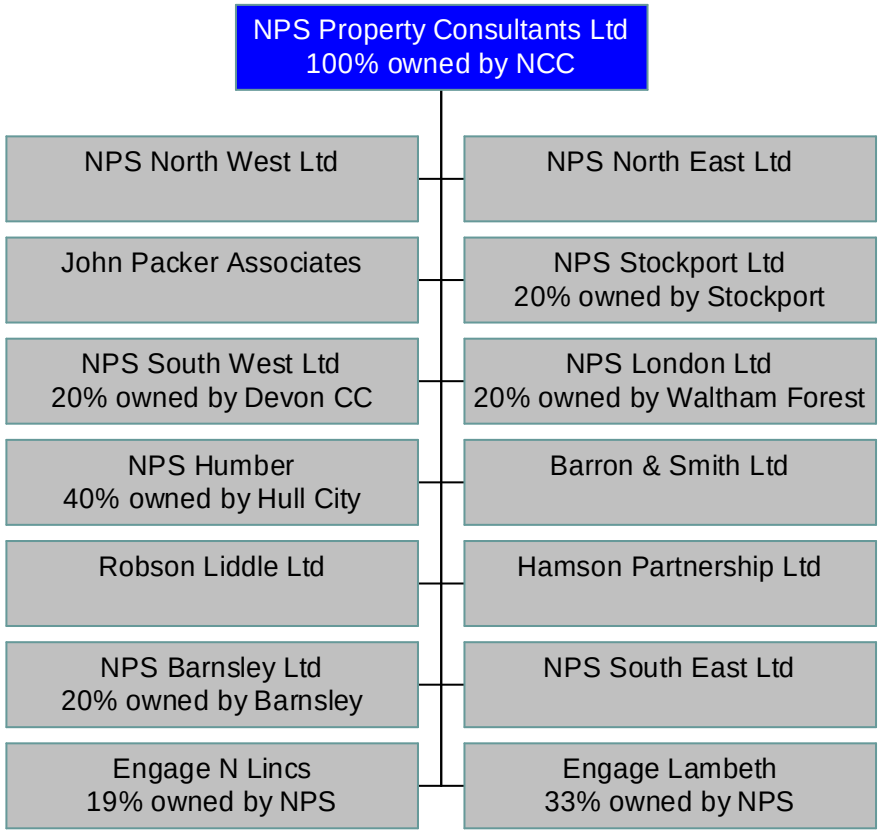
Governance

- Two NCC Directors have majority voting rights
- Shareholder Committee
- Shareholder Representative
- Matters requiring Leader approval
- Twice yearly Cabinet reports
- NCC service performance via Review Panels

Company Structures



Company Structures



Company Stats

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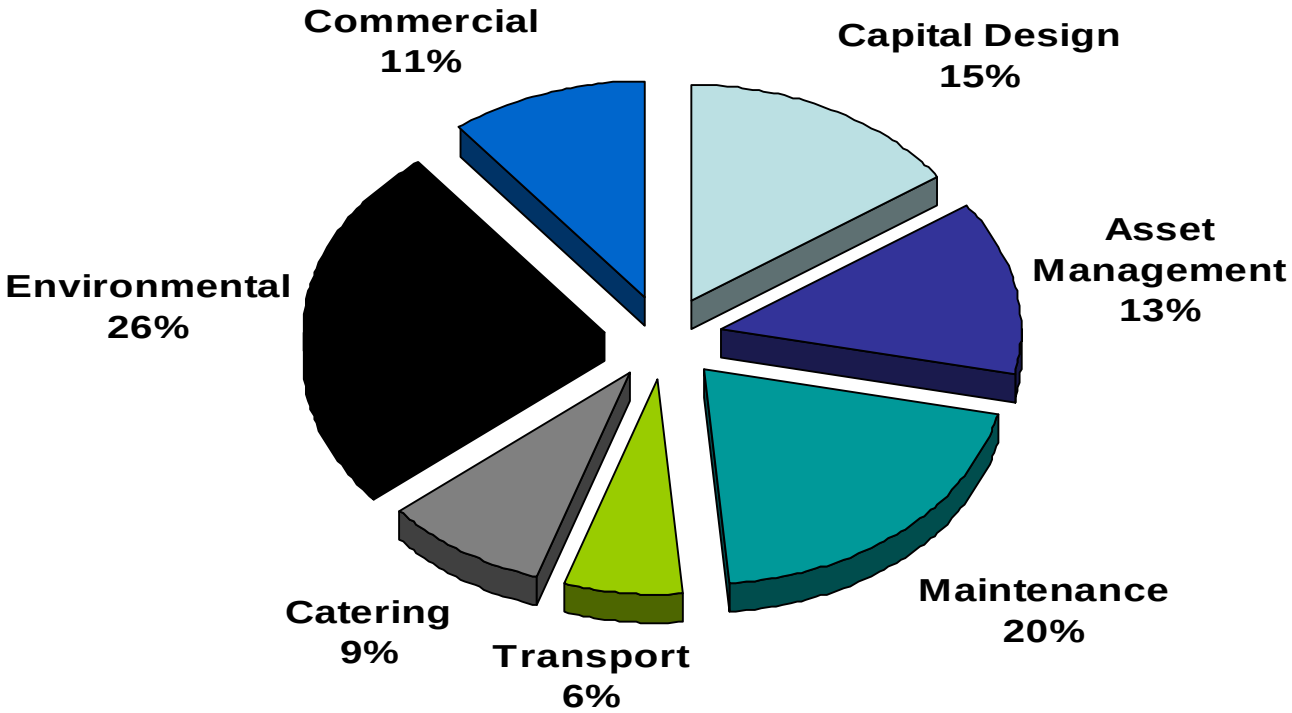
2009-10

- Turnover £190M+
- Gross Operating Profit £6.195M
- Staff numbers 6,120
- Equity Shareholders Funds £23.3M before pension deficit
- Total investment by NCC since 2002 = £2M

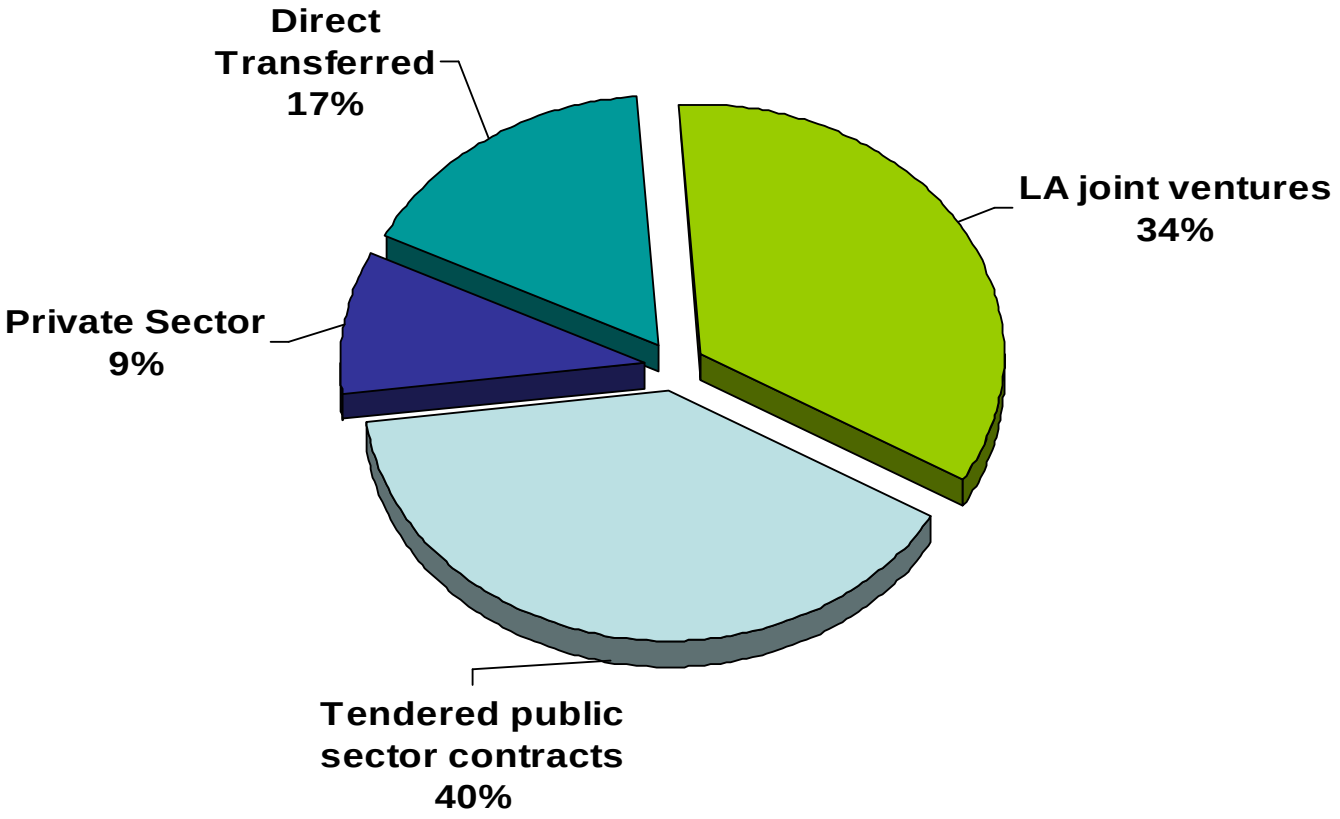
2011-12

- Turnover £250M+
- Gross Operating Profit £10M
- Staff numbers 8,000+
- Equity Shareholders Funds £40M+ before pension deficit
- Total investment by NCC since 2002 = £2M

Split of Work

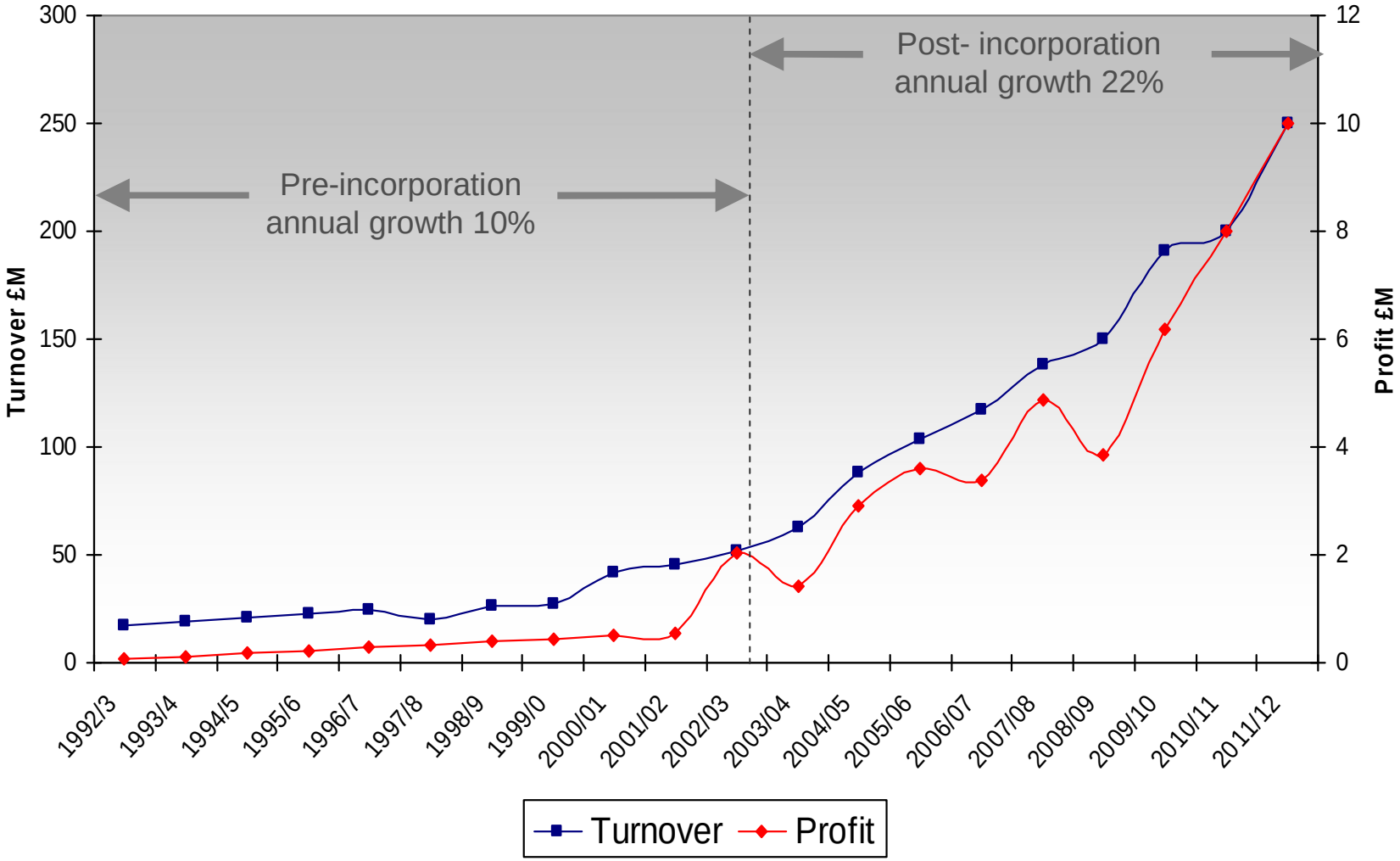


Source of Work



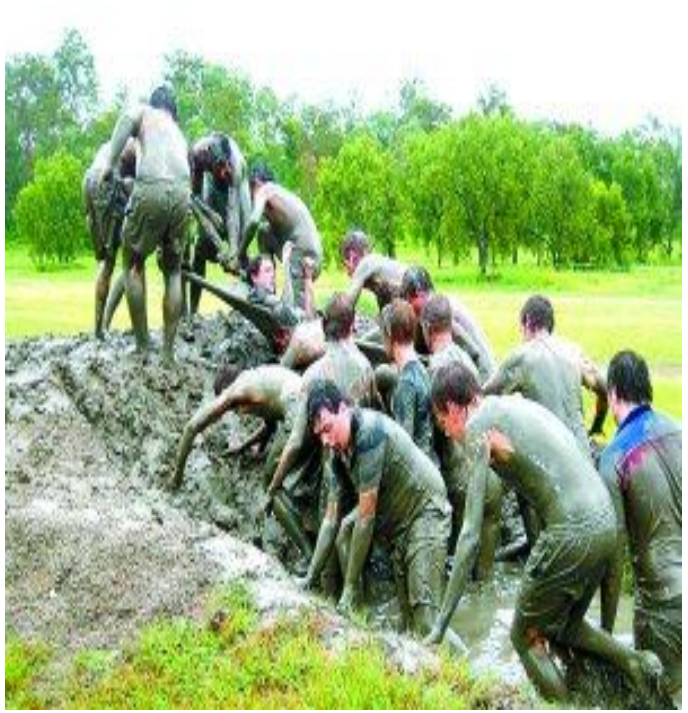
Office Locations

Turnover/Profit Growth



Challenges for 2011-12

- 10%+ reduction in work
- Re-balancing of workforce
- Efficiency savings – driving out duplication
- Pension cost increases – 3% per annum
- Curtailment of capital works
- Recruitment of senior managers
- Member/Investor relations



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