

# Norse Group Board Conference Call

## Held on Wednesday 18 May 2022

### Attendees

Andy Wood	-	Chair, Non-Executive Director
Andrew Proctor	-	Non-Executive Director, Norfolk County Council
Lord Gary Porter	-	Non-Executive Director, Norse Group Ltd
Simon Hardwick	-	Non-Executive Director, Norse Group Ltd
Brian McCarthy	-	Non-Executive Director, Norse Group Ltd
Justin Galliford	-	CEO, Norse Group Ltd
Zoe Repman	-	Interim CFO, Norse Group Ltd
Katie Marrison	-	Group HR Director, Norse Group Ltd

### Also in attendance:

Stuart McWilliam	-	Group Solicitor, Norse Group Ltd
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### Apologies

Karen Vincent	-	Shareholder representative, Norfolk County Council
Simon George	-	Executive Director Finance and Commercial Services, Norfolk County Council
Helen Edwards	-	Director of Governance, Norfolk County Council

The Chair welcomed all to the Board meeting and offered congratulations to Justin Galliford on his appointment as Norse Group CEO.

The Chair thanked the Executive for their work on the Norse branding that is being undertaken.

## 1.0 Declarations of Interest

1.0 None to report.

## 2.0 Minutes of the previous meeting

2.1 The minutes of the Norse Group Board Meeting held on 19 April 2022 were reviewed.

2.2 The minutes were **APPROVED**.

## 3.0 Norse Group Action List

3.1 NorseCare Transformation: A valuation of assets, role of assets and how they can be used effectively is currently being assessed with a report to be presented at the June 2022 Norse Board meeting. The aim is to then provide a copy to NCC.

3.2 It is noted that NCC and NorseCare require an understanding of each other's obligations and must address the Commissioners requirements.

3.3 The digital care market and the role it can play within NorseCare is to be considered. **ACTION:** CEO to visit Digital Care lab.

3.3 The Board are encouraged by the collaborative relationship with NCC.

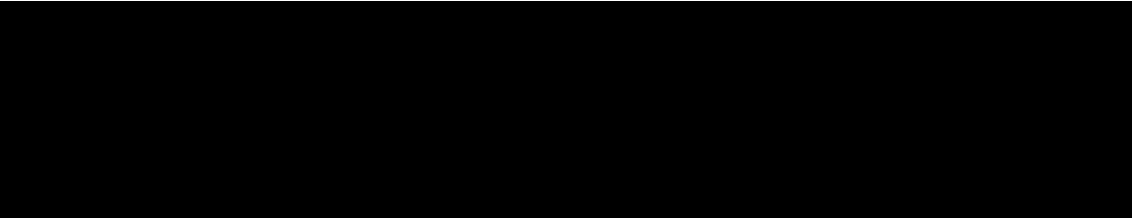
#### 4.0 Chief Executive Report

4.1 The CEO provided an update. Highlights include:

- Q4 FY22 achieved a trading profit of £4.1m which was £2.2m ahead of budget.
- NorseCare made a trading loss in the quarter due to a combination of low occupancy rates post Covid pandemic, ongoing labour cost pressures (agency staff costs) and increased provisions for the pending fine from CQC.
- Director of Care has been appointed. Paul Gilligan took post at the start of May. Paul and James Bullion – Adult Social Services, NCC have been invited to the June 2022 Norse Board meeting.
- The Executive are encouraged by Paul's enthusiasm for the role. He has already identified where improvements can be made. Paul will provide a report to the Board.
- Revised Devon Norse JV mobilised during Q4. Early indications are that the partnership has started well.
- Rochford Norse approved by Rochford Council during Q4. Mobilisation has commenced with a start date of July 2022.
- Demobilisation of 3 JVs concluded in Q4: Wellingborough Norse, Norwich Property Services Norse (NPSN) and Norwich Norse Building Limited (NNBL).
- Jamie McDonald, SHEQ Director, resigned towards the end of Q4. Roger Smith has been appointed SHEQ Director.

4.2 During the ensuing discussion the following points were raised:

- It was suggested that the Executive look at the culture's within the various business units, to identify common themes.
- Staff engagement to develop the People Plan.

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- Following the Rochford Norse JV, positive discussions continue with Brentwood Borough Council.
  - Lessons learned will be reviewed following the demobilisation of the 3 JV partnerships. It was recommended that a plan is produced for the Group to follow.
  - East Suffolk demobilisation will commence in 2023 – this will be a substantial project.

- It was suggested that the Investment Committee Terms of Reference are reviewed to possibly include reference to JV Contracts. **ACTION:** IC Chair, Norse Chair and CEO to discuss and review.
- It was suggested that a subcommittee of the Investment Committee is formed to review and manage risk (Operational and Financial) within the business and JVs.
- The Chair will consider a revised Board plan and what matters are to be presented at future meetings.
- Some challenges remain at Mayflower Court care home.
- Overall performance is down against budget in Norse Consulting. It is noted that there is profound expertise within NCGL relating to the local authority sector, however the business should consider moving from direct delivery to managed processes.
- The Board expressed concerns relating to NCGL; the business model appears to be outdated, there are leadership issues, cultural changes are required and NCGL is suffering with declining revenues and profitability.
- It is noted that NCGL appear to be chasing high risk, high return business.
- NCGL do not appear to be pursuing prospective clients and utilising the Governments Levelling Up fund. These are missed opportunities.
- SMT are currently looking at several themes to transform the business. Once these are developed, they will be presented to the Board, with a programme of delivery and budget information.
- Lyndon Watkins will be invited to the June Board meeting to discuss the IAAN/HO Proposal.

4.3 The Board **AGREED** to note the report.

## 5.0 **Group KPI**

5.1 The Interim CFO provided an update. The report was taken as read.

5.2 During the ensuing discussion the following points were raised:

- Staff turnover remains a challenge. The Board would like to receive a report, from the HRD, reflecting staff costs (including vacancy staff), accurate number of vacancies within the business and an explanation as to where the funds are sitting for the c.1k vacancies within the business.

- The Interim CFO will keep the Board updated of all matters relating to refinancing and bank covenants. **ACTION**

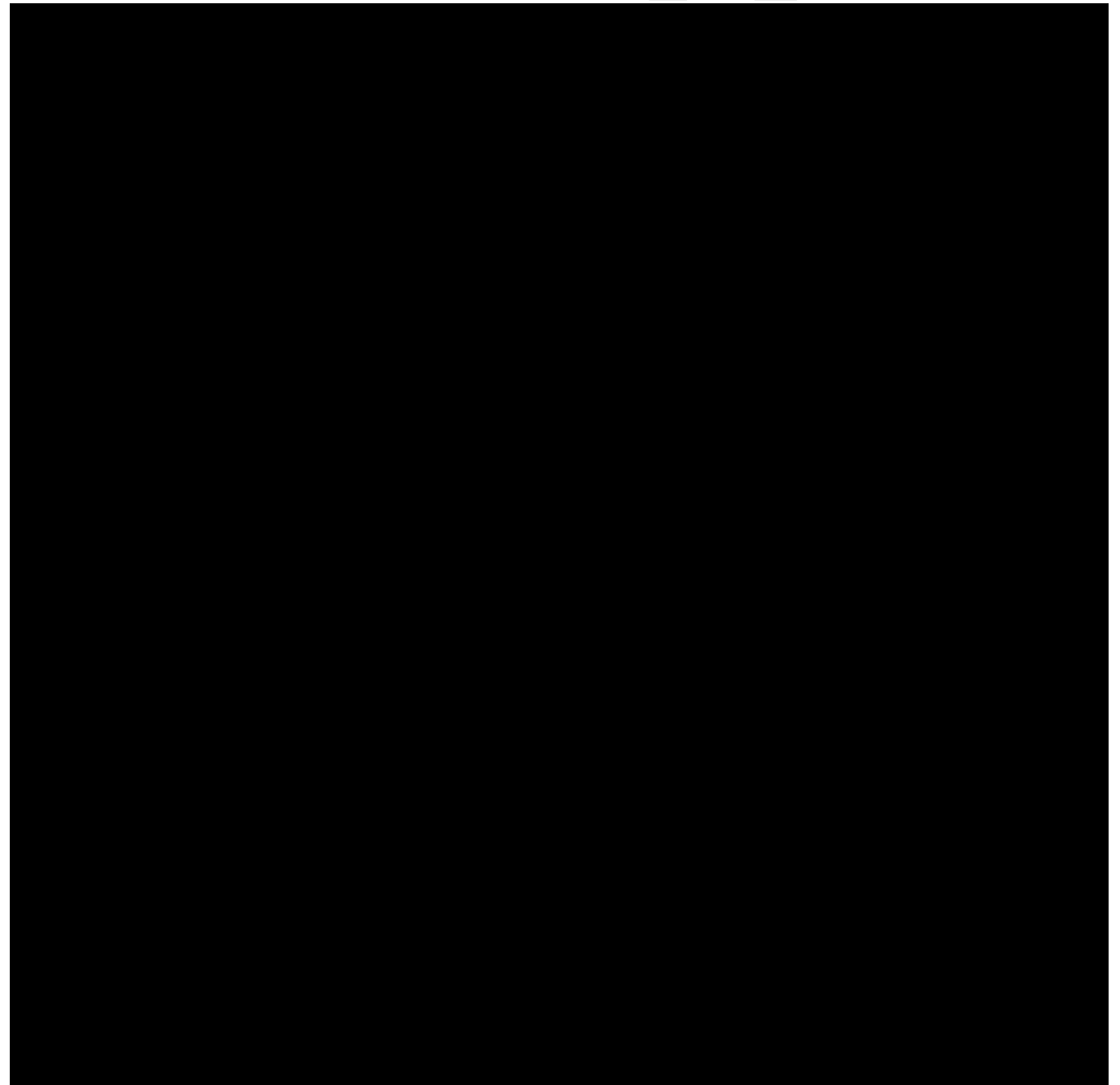
5.3 The Board **AGREED** to note the report.

## **6.0 Norse Group Financial Report**

6.1 The Interim CFO provided an update. The report was taken as read.

6.2 During the ensuing discussions, the following points were raised:

- NorseCare infection control fund ceased end April 2022
- Changes within the Environmental Act have been noted and the Group are working through these.



## 7.0 SHEQ Report

7.1 The CEO provided an update. The report was taken as read.

7.2 During the ensuing discussion the following was noted:

- The NorseCare audit team now sit within the SHEQ department.
- A risk strategy is being drafted and will be presented to the Board upon completion.
- The CEO stated that he would like the SHEQ report to provide more information on RIDDORs / accidents so that the data available can be better used and trends analysed.
- ESG Committee has been established and will offer employees with training and guidance.
- The Group are working with AI Collier to produce a Carbon Reduction Plan.

7.3 The Board **AGREED** to note the report.

## 8.0 Group Business Opportunities

8.1 The Group CEO provided an overview. The report was taken as read.

8.2 During the ensuing discussion the following was noted:

- Sales Force has been implemented.

- Restructure within the bids team is complete.
- NorseCare are seeing a recovery in private bed income post Covid. The Group are looking to appoint an individual to drive private bed sales and promote NorseCare.
- Complexities of the Highways JV are being worked through as the Group are keen to create more partnerships.
- Current work with the County is on a cost basis with margins built in.

8.3 The Board **AGREED** to note the report.

## 9.0 NorseCare

9.1 The CEO provided an update. The report was taken as read.

9.2 During the ensuing discussion the following was noted:

- The Director of Care, Paul Gilligan, will provide the Executive with his initial thoughts and considerations of NorseCare.
- NorseCare should build a solid relationship with CQC.
- Statutory sick pay is being reviewed for NorseCare staff.
- NorseCare recruitment process is not captured on any group systems, and this is being addressed by HR.

9.3 The Board **AGREED** to note the report.

## 10.0 Director Appointments

10.1 The Group General Counsel provided an update. The report was taken as read.

10.2 During the ensuing discussion the following was noted:

- The Board **AGREED** that Interims should not be Directors.
- Group General Counsel stated that there will be a pause on Director appointments until the CFO is appointed. The Group, currently, have sufficient cover.

10.3 The Board **AGREED** to note the report.

## 11.0 People Report.

11.1 The Group HRD provided an update. The report was taken as read.

- 11.2 It is noted that the Unions are looking to enhance their membership and the Group's relationship with the unions remains good.
- 11.3 The HRD should report on the apprenticeship levy and actions within the Gender pay gap report at the June Board meeting. **ACTION**
- 11.3 The Board **AGREED** to note the report.

**12.0 Communications Update**

- 12.1 The CEO provided an update. The report was taken as read.
- 12.2 The following was noted:
- Comms activity is increasing, and a comms plan has been implemented.

12.4 The Board **AGREED** to note the report.

**13.0 AOB**

- 13.1 Brian McCarthy stated that Alex Younger (Norfolk Pension Funds) has been extremely helpful following pension discussions held.
- 13.2 Appropriateness of the Board Pack is to be considered by the Board so that key issues are addressed sooner.

I declare that these are the agreed minutes.

Chairman:



Date: .....