

Norse Group Board Q4 2022/23
Held on Thursday 18 May 2023

Attendees

Andy Wood	-	Chair, Non-Executive Director
Greg Peck	-	Non-Executive Director, Norfolk County Council
Craig Dearden-Phillips	-	Non-Executive Director, Norse Group Ltd
Brian McCarthy	-	Non-Executive Director, Norse Group Ltd
Lord Gary Porter	-	Non-Executive Director, Norse Group Ltd
Justin Galliford	-	CEO, Norse Group Ltd
Zoe Repman	-	CFO, Norse Group Ltd
Katie Marrison	-	Group HR Director, Norse Group Ltd

Also in attendance:

Stuart McWilliam	-	Group Solicitor, Norse Group Ltd
Nick Maddox	-	Group COO, Norse Group Ltd

Apologies:

Harvey Bullen	-	Director of Financial Management, Norfolk County Council
Katrina Hulatt	-	Head of Legal Services, Norfolk County Council

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 Meetings held on 23 February 2023, [REDACTED] were reviewed.

23 February 2023:

The minutes were **APPROVED**.

[REDACTED]

3.0 Chair Update

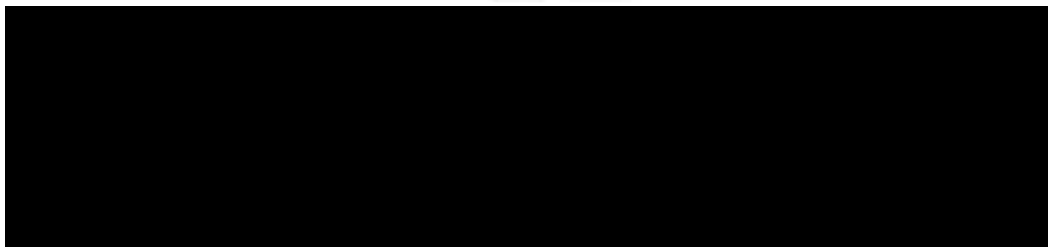
3.1 The Chair welcomed everyone to the Board meeting, particularly Greg Peck, Craig Dearden-Phillips and Nick Maddox who are attending their first quarterly Board meeting.

The Chair provided an overview of the progress made during his 12-month tenure as Chair.

4.0 Chief Executive Report

The report was taken as read. The following was noted:

- Q4 FY23 achieved a trading profit of £2.8m. This was £0.5m ahead of budget. Overall trading profit for the year was £4.6m - £0.4m behind budget.
- Inflationary pressures have been consistently stubborn, particularly around fuel, energy, building materials and food prices.

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- Joint Venture pipeline continues to grow, NCS currently has 9 'warm' leads.
 - There is potential for new work from Peterborough City Council following the demobilisation of NPS Peterborough. This reflects the work that the Group has undertaken, beyond what was expected, to ensure that relationships and reputations remain high within the demobilisation of all JVs.

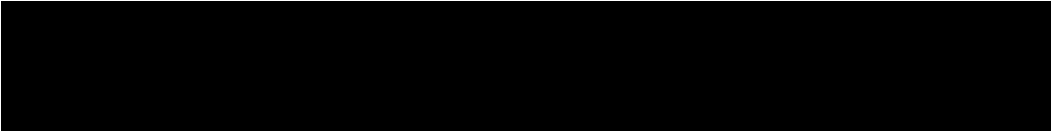


During the ensuing discussions, the following was noted:

- Norse HR have been working well with the Unions to address labour and pay increases.
- The Board stated that it would be beneficial to know the % increases in labour, fuel, energy, and inflation for the three business areas. This will

allow the Group to explain how the increases have affected the business and trading profit.

- It is noted that the Group have been subsidising NCC Home for School transport c. £500k. This added value that the Group provides to NCC must be communicated to the Shareholder and NCC Cabinet.
- Whilst NorseCare labour costs continue to be a challenge significant headway is being made through targeted recruitment campaigns.
- It was recommended that a suite of KPIs is developed relating to losses through bed sales. Whilst this is being addressed through the Inner Circle work, these KPIs should be included within the Group KPIs.
- Potential clients are presenting an interest in environmental matters, and the Group should capitalise on this as it clearly demonstrates an area of growth.
- It is noted that the political context has changed following the recent local elections. Building relationships with Council members is key, to maintain current relationships and ensure future engagement. It is important that the Group positions itself, services, and products that it can offer within this changed landscape.



- It is noted that the Chair met and held positive discussions with Tracey Bleakly (Integrated Care Board Chair).

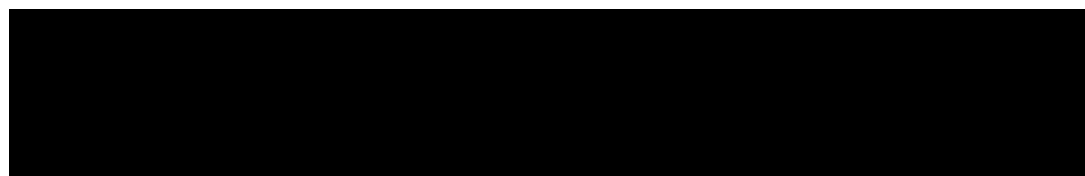
The Board **AGREED** to note the report

5.0 Norse Group Financial Report.

5.1 The report was taken as read; the following was noted:



- PWC pre-Audit has been proceeding well and ahead of plan.
- It was recommended that the Group produce a set of rules relating to the level of debt that is acceptable (particularly with interest rates at the current rate).
- At the current time, the Group will not enter lease or debt finance situations.



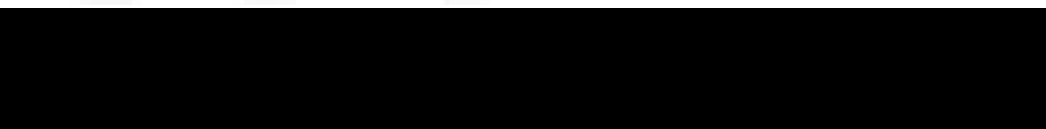
- A report and policy regarding returns to the Shareholder should be produced, detailing when and how dividend payments are made and the amounts paid.
- It was recommended that data on reasons why employees leave or join Norse is obtained, so that the Group can improve conditions and retain staff.
- The Chair stated that it would be useful to have an official AGM. This will provide Norse with an opportunity to update NCC on the Group's performance and promote Norse to Members who may not be aware of the range of services Norse offers and the benefits Norse provides to the County, outside of providing a dividend payment.
- The Group will continue to have covenants in place (even though they are not required for any borrowings with NCC) to ensure, that if external borrowing is required, the data can be provided to potential lenders.
- As requested at the last Board meeting, the financial impact of JVs that are ending was presented to the Board.

The Board **AGREED** to note the report

5.0 Group Operations Summary.

5.1 The report was taken as read. The following was noted:

- Operationally, trading in NCS has been strong.
- Change is being driven and legacy issues addressed, particularly within NCGL.



- Full PI Insurance review has been undertaken and by moving to a different insurer, costs have been reduced.
- An Executive overview of the NorseCare Programme was provided.

5.2 The Board **AGREED** to note the Reports.

6.0 Norse Group SHEQ Report

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

7.0 Group Business Opportunities

7.1 It was recommended that the Group Business Opportunities report is improved to be more informative. **ACTION!**

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

7.0 NorseCare Update

7.1 The report was taken as read and NorseCare will be discussed in more detail at the [REDACTED] Board Meeting.

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

9.0 People Report

9.1 The report was taken as read.

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

10.0 Corporate Communications

10.1 The report was taken as read.

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

11.0 Legal Update

11.1 The report was taken as read.

11.2 Greg Peck will replace Andrew Proctor as a Statutory Director of the Norse Group Ltd.

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

12.0 Audit Committee

12.1 The CFO asked the Board to notify her if there were any questions relating to the Audit Committee papers attached in the Board report.

12.2 Going Concern paper – Severe but plausible scenarios were presented. The Audit Committee Chair is supportive of the Going Concern paper presented.

12.3 Norse Energy Impairment paper - The Audit Committee Chair is supportive of the Norse Energy Impairment paper presented.

13.0 AOB

13.1 An update on head office accommodation will be provided at the next Board meeting.

13.2 Presentations and updates by Borne and the Project One team were provided to the Board.

I declare that these are the agreed minutes.

Chairman: 

Date: 31. 8. 23