

Norse Group Board Meeting

Held on Thursday 15 February 2024

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
Paul Pawa	-	Group Strategic Development Director, Norse Group Ltd
Harvey Bullen	-	Director of Financial Management, Norfolk County Council

Apologies:

Katrina Hulatt	-	Head of Legal Services, Norfolk County Council
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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 November 2023, [REDACTED] were reviewed and **APPROVED**.

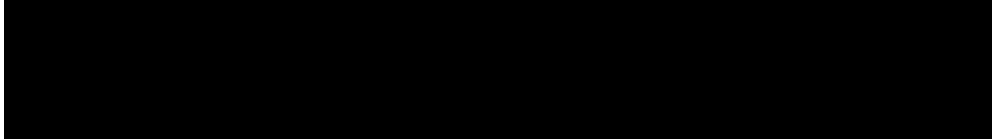
3.0 Matters Arising

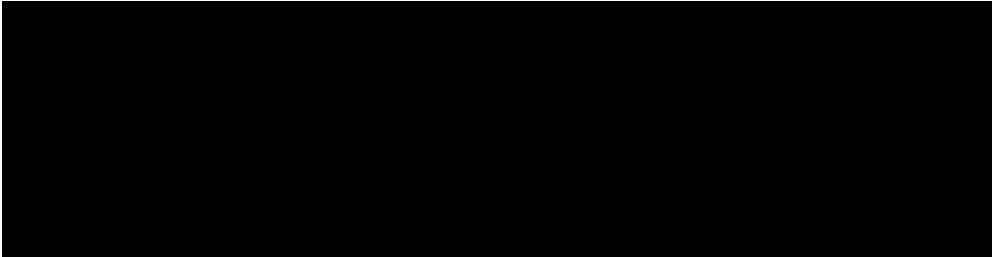
- 3.1
- Governance review of JV contracts is being undertaken by Andy Tansley. On going **ACTION** – GCOO
 - The Chair recommended that the Board pack is amended to include:
 - Norse Care transformation
 - Project One
 - Public Service delivery
 - Social impact
 - Group debt level

4.0 Chief Executive Report

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

- Local Councils are under extreme financial pressure and Norse should be conscious of possible payment delays.
- Following discussions with some Councils, the CEO stated that the outlook is harsh with a possible reduction in work and services required. This will ultimately put pressure on contracts.
- Statutory services, and what is deemed a statutory service, remains a challenge.
- Norse is aware of financial problems within local council budgets and will work to mitigate the Group's risk.
- It is noted that Norse continue to make payments on time.
- The CEO provided the Board with an update on the NCC Shareholder Officer Panel, that had taken place prior to the Q3 23/24 Board meeting. [REDACTED]

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- Recruitment in NorseCare is problematic particularly for Team Leader roles. This remains under review by HR.
 - An Occupational Health Manager has been recruited and is proving successful. This is a beneficial post.
 - The Sustainability Manager has produced a Group 'Net Zero' strategy which will form part of the wider ESG strategy. The strategy will be presented to the Norse Board in Q1 2024/25.
 - The Group are completing a due diligence review into the purchase of 'Proving' to use their carbon analyser tool (net zero reporting tool) for environmental services. The technical phase should conclude soon. The Board will be updated on whether this purchase will be beneficial to the Group, particularly in Highways, although it is noted that this tool would benefit other sectors i.e., NEWS.

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- The refurbishment of Amsterdam Place is underway however restricting costs is proving difficult.
- Norse rebrand will take place across P11 and P12.
- Project One is progressing however BAU is challenging.

The Board **AGREED** to note the report

5.0 Group Operations Summary.

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

- The budget gap in Consulting and Partnerships is closing.
- Key areas of focus are:
 - NCC home to school transport. An agreement has been reached with NCC, however Norse and NCC will continue to work together to identify where savings can be made going forward.

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- Search ongoing for an alternative site for Medway Norse operations and the potential sale of existing site.

- Uttlesford DC are not exercising their right to extend the JV.
- The Chair stated that it would be beneficial for the Board to understand the mobilisation and de-mobilisation of JVs and suggested that GT as internal auditors, could conduct a review.

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

6.0 Strategic and Business Development Update

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

- Outlook remains encouraging.
- Teckal work, outside of the county boundary must remain profitable. Analysis of work and profitability is being undertaken.
- The Board would like the Strategic and Business Development report to provide more information on profitability and recovery and risk.
- Norse rebrand launch information will be circulated to the Board.

6.2 The Board **AGREED** to note the Report.

7.0 Finance Report

7.1 The report was taken as read; the following is noted:

- Going forward the finance report should include trading profit, capital receipts, EBITDA and debt planning.

- The Executive are aware that net-debt is not in a good position, however it is expected to break even next year, and this has been budgeted for.
- Finance is reviewing payment terms to suppliers, particularly smaller suppliers, and whether payment runs could be increased throughout the month.
- It was recommended that a 2-to-3-year debt programme is produced, reflecting forthcoming payments and amount of debt held. This will also assist the assessment of bank covenants.
- A debt plan is to be included in the next quarterly Finance Board papers. **ACTION**

- The Chair and Board congratulated the Executive on resolving the Norwich debt issue.

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

8.0 Shareholder Governance Report.

- 8.1 The report was taken as read. The following is noted:
- Work continues on Teckal and the company structure.
 - The Balance Scorecard is being finalised. This will be sent to the Board upon completion and will be included in the Board papers for future meetings.
 - The Chair stated that the Board welcome the recent Shareholder letter in providing clarity to the shareholders needs and requirements.

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

9.0 SHEQ Report

- 9.1 The report was taken as read. The following is noted:
- A serious incident at Havant (refuse collection) was reported to the Board.
 - SHEQ team are looking at workplace safety and the psychology surrounding safety.

- For assurance, the Board asked where the Group are rated against the industry RIDDOR average.

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

10.0 People Report

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

- Norse are keen to receive wellbeing certification.

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

11.0 Corporate Communications Update

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

- A large amount of work is being centred around the new branding.
- Work continues with Community Sports Foundation and the new branding will be incorporated in this.
- There will be a soft launch of the rebrand, due to sensitivities of the current economic environment.

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

12.0 Governance Update

12.1 The Norse Group Slavery and Human Trafficking Statement was **APPROVED**.

13.0 Project One Update

13.1 Jon Phillips and Charlotte Buck provided the Board with a progression update. The following is noted:

- Manager briefings, across the Norse Group have been well received.
- It was questioned whether the contingency budget was adequate. Jon Phillips stated that it is difficult to calculate at this stage, however there are potential risks.

14.0 AOB

- 14.1
- There are two potential appointments to the NorseCare Advisory Board. Shareholder approval for the appointments is required. HRD will share the candidates CVs with the Board.
 - Board effectiveness review is to be undertaken. **ACTION** HRD
 - Governance handbook is being reviewed.

I declare that these are the agreed minutes.

Chairman.



Date:

16.05.24.