



membership resources

Trading and charging web portal: Case Study

Norfolk Council: NPS Property Consultants

A Company Model



Pictured Mike Britch, Managing Director NPS

NPS Property Consultants is one of the earliest examples of local authority trading in a commercial context.

Originally as a business unit within Norfolk County Council the company originally utilised powers under the Local Authorities (Goods and Services) Act 1970, to establish itself as a trading arm of the council. Flexibility, in being able to trade as a commercial venture led to the formation of a company circa 1992 with NPS becoming a limited company in 2002. This was all in advance of new powers under the Local Government Act 2003.

NPS offers a range of property related services and now has a number of regionally based operations throughout England. Services provided by NPS include architectural services, estate and planning services, building surveying, project management, strategic asset management, consultancy services, NAU archaeology, and graphic design and consultancy services. These services are delivered across different sectors including education, housing health, civic, leisure and commercial and residential services.

NPS now resents a group of companies with a range of public and private sector clients though the companies within the NPS group which remain wholly owned by the public sector with partners enjoying a share in the companies' success.

The business is directed by Mike Britch (pictured above) from the groups head office in Norwich. Turnover for 2008/09 has reached £68 million with a business plan projection of £77 million that Mr Britch anticipates will be met. NPS now employees 1300 staff.

The Company board includes the cabinet member for commercial services for Norfolk County Council. The company needs to report twice a year to the cabinet as the local authority is in effect the shareholder to whom the board is answerable. The company articles mean that the strategic direction is set by the council whilst the day to day operational issues rest with the managing director and the senior management team. Profits generated from the company provide a return to Norfolk County Council and to partners.

There are three major benefits to the structural arrangements around NPS that Mike Britch believes has helped with their successful business development:-

- Firstly the commercial freedoms and flexibilities of a company structure have helped create a dynamic environment in which to develop new products and services. The Company structure however means that this is within a strategic framework set by the public sector whilst bringing a commercial dynamic to trading operations.
- Secondly the model has attracted and retained key personnel who might not otherwise be within a public sector environment. This has allowed the cross-fertilisation of skills between those with private sector and public sector backgrounds creating a vibrant approach to delivering within the company model.
- Thirdly the development of NPS has allowed for a distinctive company brand to be developed, attracting clients who might not otherwise consider a public sector delivery partner or contractor. Freedom from 'corporate baggage' on a marketing approach has allowed front of house marketing to be developed within a more engaging marketing strategy supporting the expansion of the business into new markets.

Mike however warns that a risk analysis is an important first step for authorities considering a trading route. For some councils with expanding operations and a desire to move on to bigger and more commercial based approaches careful analysis of what type of company model would best suit their purpose is essential as part of the appraisal process. NPS only went for incorporated status after considerable analysis of what this would mean to them. For some a simply charging approach might be the best solution. It is important to balance the risks of any given approach against the likely benefits and to remember that one size doesn't fit all. Partnering approaches with other councils or other local authority companies may also provide a solution.

You can visit the NPS website at <http://www.nps.co.uk/>