

Entrepreneurial South Norfolk

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Working with you, working for you

Where we are...



Commercialisation and Entrepreneurialism

Improving service
resilience

Behaving in a
more business-like
manner

Effective
commissioning of
services

Sweating assets
to increase
returns

Exploiting
opportunities to
generate
profit/funding

Supporting
economic
development
agenda

Supporting different delivery
arrangements (partnering,
mutuals, third sector)

Profit is not a dirty word!

Raising fees and charges

Service expansion (sell more of the same)

Service extension (enhanced or added value offers)

New ventures/collaborations (not part of current service)

Increasing profit by becoming more efficient

... ensuring we can continue to deliver those services that matter to local residents the most.

**Property
Investment-
Big Sky
Developments
Ltd**



**£220,000 rent per annum from our rented homes
6.4% return on our commercial property portfolio**

There are
NO PROBLEMS
Only opportunities
IN DISGUISE.

Key Issues

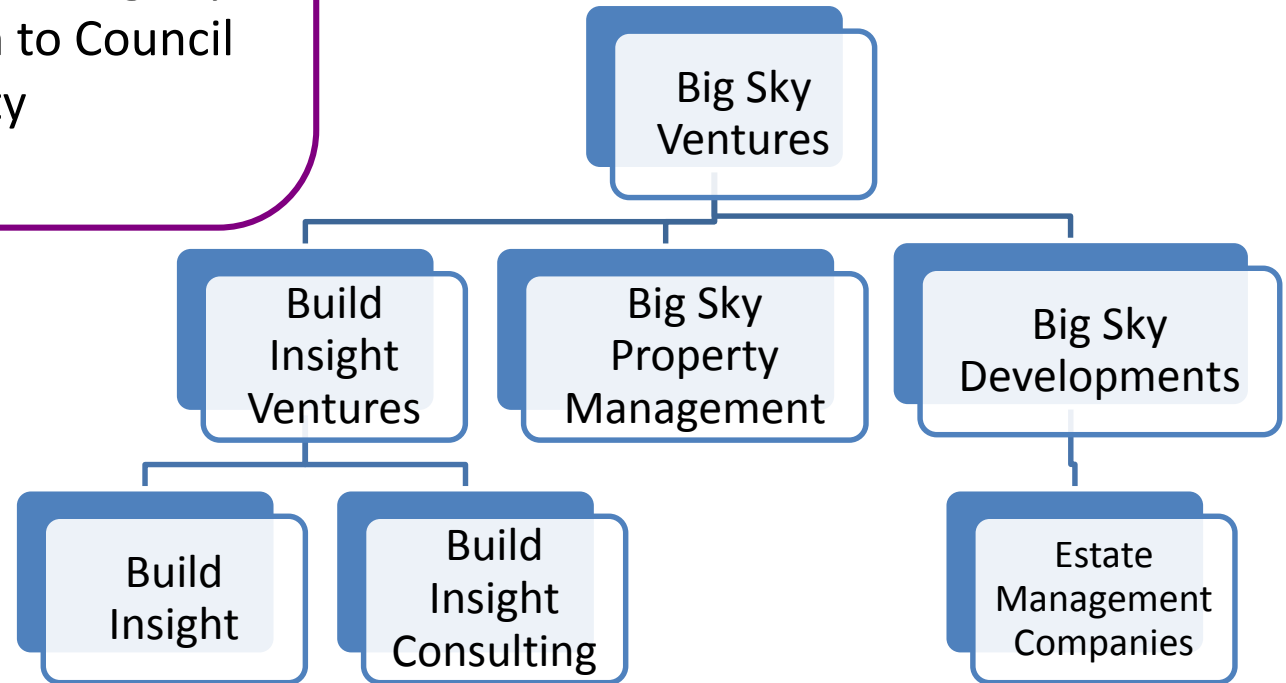
- Funding shortfalls
- Housing shortage
- Lack of development pace
- Limited good commercial accommodation outside Norwich
- Poor quality rental property and landlords

Opportunities

- Surplus land
- Take developers profit
- Create regular income
- Equity growth
- Develop a brand
- Economic development – A11 growth corridor
- Council tax/Business rates

Big Sky Ventures

- Flexible
- Tax efficient
- Maximise profits to Big Sky
- Maximise return to Council
- Minimise Liability





Big Sky Property Management

- Property investment and management company
- Acquired 4 surplus former hostels
- Acquiring new build homes from Big Sky Developments (20)
- Good quality homes – good quality tenants
- Available for long term lets
- Landlord people can trust
- Revenue return and equity growth
- Innovative affordable housing delivery using S106 receipts to purchase open market property to be sold on shared equity terms



Governance Challenges

- Who are the Board and who are the shareholders? Where do the limits of authority lie?
- Clear Scheme of Delegation
- Managing a group – the Council's interests versus the Company's interests
- Clear business plan
- Cultural shift from a Council mindset to a commercial one



Financial Challenge

- Maximising the return
- Minimise tax leakage
- Best route for financing?
- Balance of loans versus equity
- The Accounts – preparing for consolidation
- Management of cashflow
- Procurement – follow the Council v company strikes out
- Contingency – make sure you have one!

CNC Building Control



- 30% efficiency saving
- £250,000 investment returned within 3 years
- £400,000 worth of savings returned to partners over the 5 year contract
- New participation agreement about to be signed for a further 5 years.

**Build Insight
Limited and
Build Insight
Consulting
Limited**



- Approved Inspector UK market share 2012 was 40%. This has increased by 10% in the past three years.
- Build Insight – a fully integrated, multi-disciplined consultancy practice providing professional services throughout the construction industry and across the country.

Leisure Centres



- £4m investment in Wymondham Leisure Centre
- 100% increase in monthly income from memberships
- 20% increase in footfall to over 570,000 per annum
- 33% increase in swim school members

What we have learnt in our commercialisation and entrepreneurialism venture?

Political and leadership team buy-in is key

Invest in your staff to develop their commercial nous and bring in fresh talent

Understand your market

Be brave and accept risk is inherent

Keep it simple to start with and be realistic about what you can achieve

Know your numbers

Keep the momentum

Have a robust delivery plan

Ensure clear accountability and monitoring

Use critical friends- don't be afraid to ask for advice- and collaborate where you can

The next steps on our commercial journey...

Procurement

Shared Services
Partnership

Making the most of commercial
opportunities to deliver better value
for our residents