

Appendix 3

**STRATEGIC BUSINESS PLAN  
2013-15**

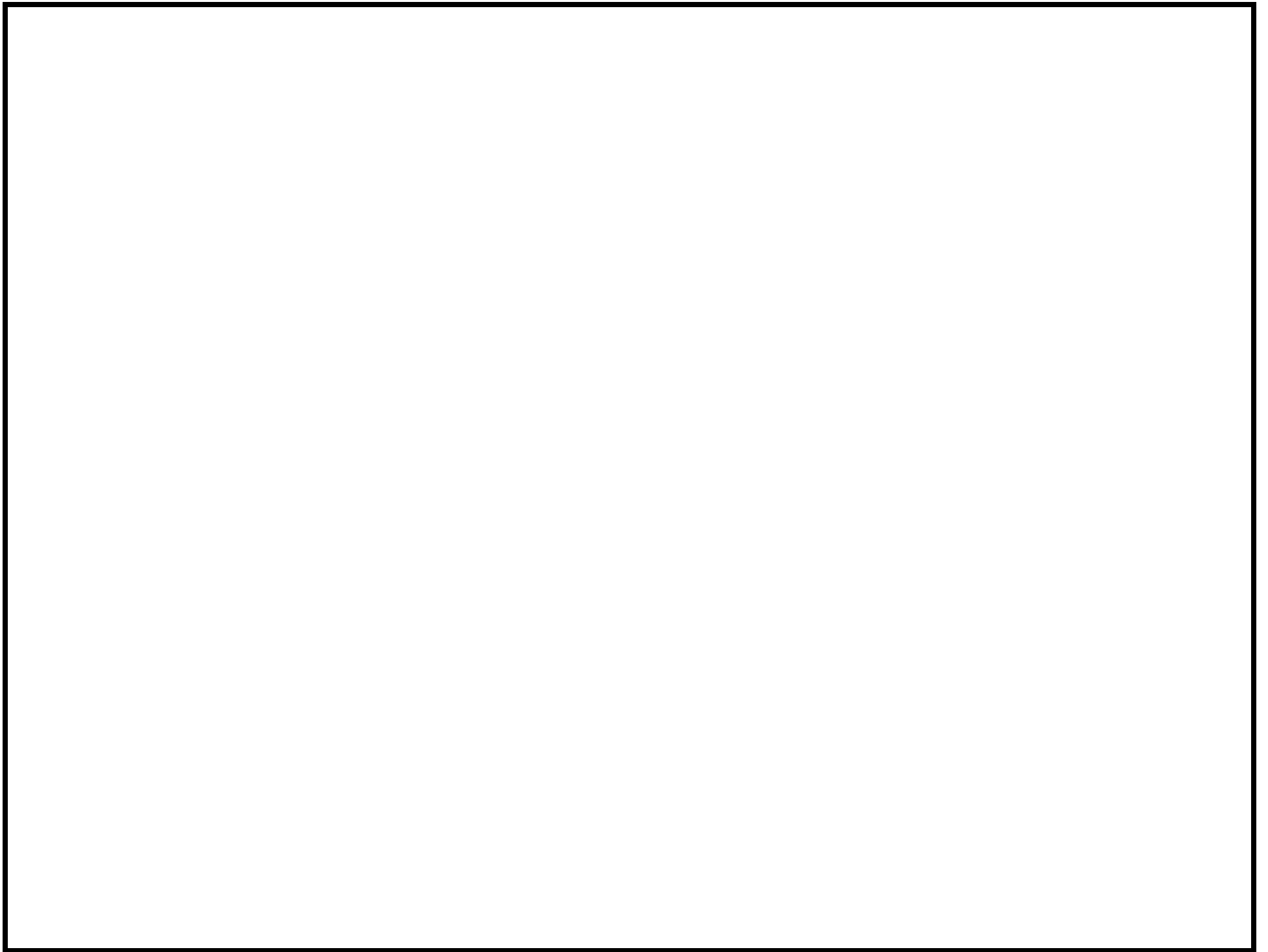
**NORTH TYNESIDE TRADING COMPANY LIMITED**

**QUADRANT  
COBALT BUSINESS PARK  
THE SILVERLINK NORTH  
NORTH TYNESIDE  
TYNE & WEAR  
NE27 0BY**

**DATE OF INCORPORATION: 11 DECEMBER 2012**

**COMPANY NUMBER: 08326780**

**JANUARY 2013**



## TABLE OF CONTENTS

	Page
<b>Executive Summary</b>	2
<b>Introduction</b>	2
<b>Who we are and how we work</b>	
History	3
Governance	4
Appraising business opportunities	5
Assets	5
<b>What we offer</b>	
Products and Services	6
Customer Base	6
<b>What we want to achieve</b>	
Mission	7
Strategic Ambitions	7
Risks	7

## **EXECUTIVE SUMMARY**

North Tyneside Trading Company Limited was established as a Private Company, Limited by Shares in December 2012.

The Company is wholly owned by North Tyneside Council being the sole shareholder of the Company.

The Company has been created by the Council to generate an income from the delivery of traded services to the public and private sector.

Whilst our primary function is to deliver an income to the Council, it is fundamental that we operate our business with the highest levels of integrity, accountability and transparency.

The Company will deliver services itself and through subsidiaries (e.g. North Tyneside Trading Company (Consulting)). Any trading the Company undertakes must be approved by the Council.

## **INTRODUCTION**

This is the first Strategic Business Plan for North Tyneside Trading Company Limited. It sets out the mission and strategic ambitions of the Company for the next two years and how these can be delivered. Details regarding the Company's history and governance are included.

This strategic plan will provide a sense of direction for the Company and will guide our business development. It will introduce the Company to potential business partners, clients and stakeholders who wish to do business with us.

## WHO WE ARE AND HOW WE WORK

### History

At its meeting on 16 April 2012, North Tyneside Council's Cabinet asked officers to develop options for alternative business structures to generate income for the Council. Cabinet received a further report on 11 June 2012 seeking approval to agree the next steps in developing the Council's trading opportunities. A further report was presented on 12 October 2012 to gain Cabinet's approval for appropriate purpose, structure and governance for the trading company, as well as the process for appraising trading opportunities.

North Tyneside Trading Company Limited and its subsidiary North Tyneside Trading Company (Consulting) were incorporated with Companies House on 11 December 2012.

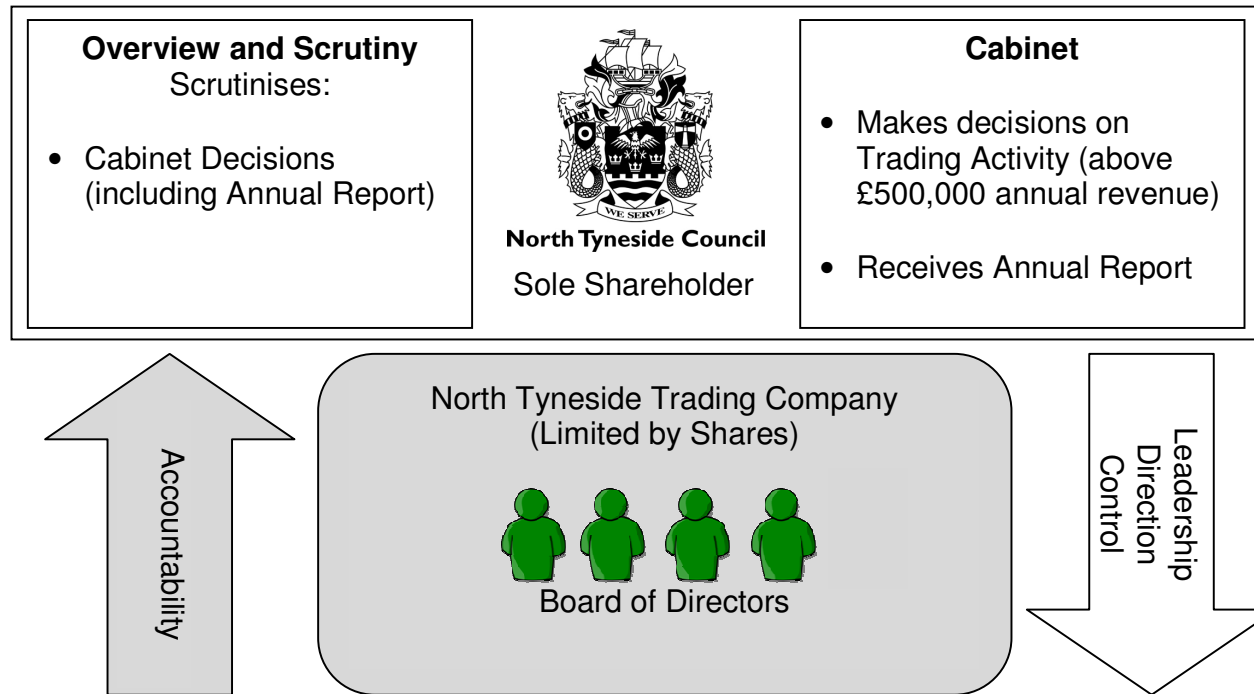
As a wholly owned company we are accountable to North Tyneside Council as the sole Shareholder. Through us the Council aims to:

- Create an innovative and dynamic organisation responsive to customer needs and the market;
- Generate income through the delivery of high quality services; and
- Improve and enhance the skills of its workforce through delivering opportunities for staff to work across all sectors and in new markets.

## WHO WE ARE AND HOW WE WORK

### Governance

We are governed by a Board of Directors and guided by Articles of Association which regulate the affairs of the Company. The composition of the Board of Directors for the Company is four Directors, two members from the Council's Senior Leadership Team and two Cabinet Members. Elected Members on the Board have a role at the heart of the Company, and will be representing the residents of North Tyneside. This will be integral to the development of both companies and will demonstrate the link between local democracy and public sector outcomes. It is therefore fundamental that we operate with the highest levels of integrity, accountability and transparency. The Board of Directors is directly accountable to the Shareholder (the Council). The Council's Overview and Scrutiny have an integral role in examining any Shareholder decisions.



## **WHO WE ARE AND HOW WE WORK**

### **Appraising business opportunities**

As defined in the Articles of Association, the object of the company is to:

‘Provide services to public bodies and other customers as appropriate’.

When trading opportunities are identified a business case will be developed outlining the potential benefits, risks and resources involved in pursuing that opportunity. Each business case must be approved by both the Council (by Cabinet or under delegated powers) and by the Company Board of Directors.

### **Assets**

The Company was established with no assets or staff. The Council will initially provide the resources required to pursue agreed business opportunities under the European Union De Minimis "State Aid" Regulations. The Council is permitted to provide aid of up to €200,000 (circa £160k) over a rolling three-year period.

## WHAT WE OFFER

### **Products and Services**

Many of the services provided by North Tyneside Council are recognised as being of a high quality and delivered by a highly skilled workforce. Products and services delivered by the Company will largely mirror those which are delivered by the Council.

The initial scope of services will be developed primarily around professional and consultancy services, sport and leisure services, environmental services, services to schools and conferencing and catering facilities. This may however be expanded as and when new business opportunities are identified.

It is important that we understand profitability and the resource impacts of each business opportunity to enable us to make sound development decisions.

### **Customer Base**

It is anticipated that our clients will primarily be public and private sector organisations, though there is the potential to include individual customers.

We acknowledge the need to develop and bring together our portfolio of services in a way which makes it easy to understand access and explore.



## WHAT WE WANT TO ACHIEVE

### **Our Mission**

To maximise opportunities to expand Council services and expertise into the public and private sector to generate profit for a public purpose

### **Strategic Ambitions**

We must develop a strong foundation for our business to enable it to grow and succeed in the future. In response to our challenges we will therefore:

- Create a corporate identity;
- Develop and bring together our portfolio of services;
- Maintain a unified, viable business through growth;
- Understand and test our potential to compete and deliver services; and
- Deliver high quality services to fulfil our contracts.

### **Risks**

These ambitions are set against a backdrop of tough financial times. The most significant risks which could prevent us from achieving our strategic ambitions include:

- There may be insufficient opportunities in the marketplace;
- The Company may fail to be competitive and to secure contracts;
- The Council may not retain the skills, experience and capacity needed to support the Company; and
- The Company may fail to generate sufficient levels of profit.

Monitoring and mitigation of these risks by the Directors of the Company and by the Council as shareholder will help to enable the company to fulfill its strategic ambitions and to achieve its mission.