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PUBLIC

To: Members of Derbyshire County Council Trading Committee

Tuesday, 30 April 2024

Dear Councillor

Please attend a meeting of the **Derbyshire County Council Trading Committee** to be held at **9.30 am** on **Wednesday, 8 May 2024** in **Committee Room 1, County Hall, Matlock**_the agenda for which is set out below.

Yours faithfully

A handwritten signature in black ink that reads 'Helen E. Barrington'.

Helen Barrington
Director of Legal & Democratic Services

AGENDA

1. To receive apologies for absence
2. To receive declarations of interest (if any)
3. To confirm the minutes of the meeting held on 14 November 2023 (Pages 1 - 2)
4. Quarterly Review of Joint Ventures (Pages 3 - 12)

5. Report from Vertas & Concertus Derbyshire Limited (Pages 13 - 34)

PUBLIC

MINUTES of a meeting of the **DERBYSHIRE COUNTY COUNCIL TRADING COMMITTEE** held on Tuesday, 14 November 2023 at Committee Room 1, County Hall, Matlock.

PRESENT

Councillor S Spencer (in the Chair)

Councillors A Dale, R George, C Renwick and S Hobson (substitute for K S Athwal).

Apologies for absence were submitted for Councillor K S Athwal.

4/23 TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)

There were no declarations of interest.

5/23 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 27 JULY 2023

The minutes of the meeting held on 27 July 2023 were confirmed as a correct record.

6/23 MATTERS ARISING FROM THE MINUTES (MINUTE NO.3/23)

It was noted that at the last meeting of the Committee, Members had agreed that future meetings would be scheduled to align with the production of the companies' half-yearly accounts to enable them to be scrutinised and considered prior to their submission to Companies House. Unfortunately, the accounts had not been made available for this meeting and would be circulated at a later date.

Members also expressed their disappointment that a representative from Develop Renew was not in attendance at the meeting.

7/23 TO CONSIDER THE REPORT OF THE DIRECTOR OF PROPERTY

Janet Scholes, the Director of Property presented the quarterly review of the joint ventures, Concertus Derbyshire Limited (CDL), Vertas Derbyshire Limited (VDL), and Develop Renew.

It had been agreed that 30% of retained earnings were paid as dividend to leave capital in the joint ventures for working capital and investment. The split between VDL and CDL was £0.256m and £01.51m

respectively. The dividend combined across CDL and VDL joint ventures was £0.407m which would be divided on a 50/50 basis.

RESOLVED that the Committee:

Notes the presentations on the activities of Concertus Derbyshire Limited and Vertas Derbyshire Limited.

8/23 **CONCERTUS DERBYSHIRE LIMITED - PRESENTATION**

Matthew Self and Tom Marshall, on behalf of Concertus delivered a presentation outlining key aspects of the work that they had been carrying out over the past six months.

9/23 **VERTAS DERBYSHIRE LIMITED - PRESENTATION**

Karen Burrowes, on behalf of Vertas delivered a presentation outlining key aspects of the work that they had been carrying out over the past six months.

The meeting finished at 5.53 pm



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

DERBYSHIRE COUNTY COUNCIL TRADING COMMITTEE

WEDNESDAY 8 MAY 2024

Report of the Director of Property

Quarterly Review of its Joint Ventures

1. Purpose

- 1.1 The report is the Director of Property as Council client's quarterly review of the joint ventures, Concertus Derbyshire Limited (CDL), Vertas Derbyshire Limited (VDL), and Develop Renew. Members will also receive a quarterly performance update from Concertus and Vertas at the meeting on their activities.

2. Information and Analysis

- 2.1 The Derbyshire County Council Trading Committee ('Trading Committee') was established by Council in March 2021, to oversee on behalf of the Council, the performance of Concertus (Derbyshire) Limited ('CDL'), Vertas (Derbyshire) Limited ('VDL') and PSP (Derbyshire) LLP and provide approval on reserved matters as set out in the shareholder/members agreements for these organisations. PSP (Derbyshire) Limited operates under the trading name of Develop Renew.
- 2.2 The rationale for establishing the three joint ventures as strategic partners to the Council is to allow the Council to concentrate on its core activity of asset management rather than non-core service delivery, and, for CDL and VDL the ability to trade competitively to the benefit of the Council.

- 2.3 Strategic Partners – Concertus Derbyshire Limited and Vertas Derbyshire Limited.
- 2.4 Separate reports are to be presented by CDL and VDL to the Trading Committee on the performance of the companies since the last Trading Committee. This report therefore considers the Council’s position as shareholder and customer to the joint ventures and is complementary to the specific reports from each joint venture company.
- 2.5 By way of background, both CDL and VDL are Limited Companies. The Council has a 49% shareholding in each company, it has four executive directors, two from each shareholder, which means decision making is 50/50, notwithstanding the 51/49 ownership split. The four executive directors and non-executive chairman are the same in each company.
- Duncan Johnson – Non-Executive Chairman
 - Chris Henning – Executive Director of Place, DCC
 - Julian Gould – Director of Highways, DCC
 - Keith Buet – Chief Operating Officer, Vertas Group Limited
 - Matthew Self – Managing Director, Concertus Design & Property Consultants Limited
- 2.6 Since the last Trading Committee a proposal for meeting the vacancy on the Board, for a second DCC director, has been made. Consideration of and potential approval of the appointment of Julian Gould, Director of Highways, will be given at the Board meeting on 29th April.
- 2.7 **Concertus Derbyshire Limited**

Performance Measures	
Financial	<p>The company accounts were circulated to Trading Committee attendees, following the last meeting. A new scale of fees has been negotiated and agreed, which reflects the different levels of complexity and scale of projects more accurately. Bench marking exercise around CDL charges, frameworks and other routes to market completed to help inform the above.</p> <p>Working with service areas and CDL to improve project budget reporting.</p> <p>The reducing capital programme is a challenge. Uncertainty over the pipeline, due to year by year budget setting prevents full realisation of some benefits of the partnership relationship.</p>

	Our cost saving measures have slowed down approvals and spend processes, which can have a knock on effect on projects and payments.
People	CDL being on site has had a positive impact on team dynamic and collaboration. Re-structured CDL team providing better client interface and more resilience in key areas. DCC has recruitment to AD positions and plans presented to improve the commissioning function, with new posts.
Business Development	CDL to report
Business Improvement	New structure to business improvement and collaboration meetings means that the right people are engaged at the right level. Tension still between our own internal processes and CDL processes. Progress being made, but cost control measures and staff turnover risks slowing this down.
Sustainability	DCC carbon reduction programme mostly on pause due to reduced capital programme.

2.8 A series of business improvements meetings and subgroups were established in 2023 going into the 2023/24 financial year with senior managers both from the Joint Venture and Derbyshire County Council. These meetings made swift progress on performance issues and problems aligning processes but were beginning to get drawn in to the operational detail. A new structure for these meetings has been developed to ensure that progress continues to be made in all areas, including:

- Separate operational and strategic meetings, ensuring the right decision makers and doers are involved at the right level and at the right time, enabling progress on strategic matters and addressing performance and operation matters.
- The relationship between CDL and the service client is more direct and streamlined. This will remove some of the pressure of expectation on Property to continue 'managing' the relationship between CDL projects and programmes and the service area and allow Property to focus on strategic planning of the asset base. The Service Asset Management Plans will be used to inform discussions and avoid duplication of effort

- The strategic meetings will focus on performance measures, providing a stronger customer voice and business planning for the future, as well as ensuring that activities are aligned to Council priorities.
- Operational meetings will pick up process streamlining and improvements.
- There is still work to clarify responsibilities at all stages of projects and programmes.

2.9 As reported last time, due to budget pressures within DCC the additional resource that was to provide 'scaffolding' to assist the corporate client was paused. There are still weaknesses in the resilience of the internal client and the DCC commissioning processes. The organisation is still not set up as a commissioning body. Changes to the structure of the Property management team are being brought about to address that.

2.11 Procurement continues to cause challenges, with DCC processes not flexible enough to maximise the opportunities afforded by more direct routes to market.

2.12 Vertas Derbyshire Limited

Performance Measures	
Financial	<p>The accounts were circulated to the Trading Committee following the meeting.</p> <p>There is an obvious tension between the Council's strategic objective to reduce the size of its estate to an affordable level and the impact this has on VDL.</p> <p>Greater efficiencies through Corporate Landlord and consistent, centralised Property decisions based on SLAs will develop over time.</p> <p>Savings on specifications and reduction in service levels being looked at in order to meet ambitious savings targets.</p> <p>New charges for 24-25 agreed in line with inflation/contract.</p>

People	Relationships and liaison at all levels have continued to develop and improve, with regular progress meetings now in place. DCC Property team has had significant resilience issues in FM, which are being addressed, but remain a challenge.
Business Retention & Development	One output of the asset planning process will be greater certainty around retained assets, enabling future business planning. Opportunities to share details of VDL and CDL offering to asset purchasers are being looked at.
Business Improvement	KPI and SLA review across both services. Customer helpline monitoring. Reduced levels of service complaints and requests for escalation.
Sustainability	VDL to report

- 2.13 The customer helpline continues to be a very positive tool. Calls to the helpline are consistent. It's helpful to have the breakdown of type and time and response, highlighting (for example) an increase in calls regarding grass/grounds in summer, as you would expect. Of note is that there has been a noticeable reduction in complaints and concerns being routed through Property, easing pressure on our FM team.
- 2.14 When the work transferred to VDL, there was a noticeable lack of written information regarding specific site specifications. Work to review and price grounds maintenance works on our corporate sites and countryside sites in conjunction with Place colleagues, based on SLAs, is now complete. This ensures clarity and transparency both now and in the future. Costs are within anticipated levels.
- 2.15 All property budgets and decisions have been transferred and centralised in Property, under a Corporate Landlord model (barring schools and some countryside sites). This is enabling services to be considered strategically and consistently. The SLAs will assist and the centralised model should begin to enable greater efficiencies as existing contracts end.
- 2.16 Discussions are ongoing with VDL on how savings and efficiencies can be achieved through the joint venture. The intention is to identify an asset, or collection of assets by geography or nature, to enable a pilot demonstration of a full hard and soft FM service by VDL.

2.17 The accelerated programme to challenge the size of the Council's estate and reduce it where appropriate, has a significant impact on the VDL service team. The impact of redundancies is something that both partners are keen to avoid, both on a human level and a financial one. Efforts to share the outcome of asset planning and the pipeline of potential disposals, as early as possible is reaping benefits in that regard. Opportunities to move vacancies around and hold them against less critical assets have been discussed. This should ensure continuity of service on high risk assets such as schools and occasional reduction in service on administrative assets, avoiding the need for redundancies.

2.18 Opportunities exist at the end of the asset challenge and planning process, when we will be able to provide a list of assets that the Council is likely to retain, enabling future service planning to be carried out with greater certainty.

2.20 **Develop Renew**

2.21 Develop Renew is the trading name for PSP (Derbyshire) LLP. A joint venture established as a limited liability partnership between the Council and PSP Facilitating Limited. The Council has a 50% share in the partnership which is a public facing commercial entity and seeks to engage with the wider developer, investor and landowner markets.

2.22 The Partnership is used on an as and when basis where there is opportunity to deliver social returns from developing land or assets and where it is financially viable.

2.23 The Partnership has an option agreement over only one asset which is Cavendish Road. All marketing activity has been paused, as a result of the asset being listed as an asset of community value and a number of applications for easements, which are unresolved. The moratorium period on marketing the asset ends in July at which point there will be a review of the options.

2.24 No further assets have been put through the Partnership in the last quarter and there are no updates.

3. **Consultation**

3.1 No public consultation required.

4. **Alternative Options Considered**

- 4.1 Alternative Option 1: Do Nothing and not report progress to the Trading Committee. It would be possible to rely on existing arrangements as set out in the Council's Constitution which ensure efficiency, transparency and accountability in how the Council operates, as well as corporate law that regulates companies and LLPs. However, this is not recommended. In a 2019 report by law firm, Trowers & Hamlins, identified the importance of good governance in local government, noting that the desire to get a company up and running could mean that in some instances, good governance could take second place, resulting in unmanaged risk and lower than expected returns.
- 4.2 Alternative Option 2: Do something different. The arrangement the Council has put in place with the Trading Committee provides a governance framework and it would be possible for officers of the Council to report the progress of the joint ventures. However, this is not recommended. The Trading Committee represents the Council as shareholder and the Financial Reporting Council (FRC) which is the body responsible for promoting high quality corporate governance in companies recommends a dialogue between the company and the shareholders

5. Implications

- 5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

6. Background Papers

- 6.1 None

7. Appendices

- 7.1 Appendix 1 – Implications
7.2 Appendix 2 – Presentation report slides from Concertus, Vertas Derbyshire Limited

8. Recommendation(s)

That Committee:

- a) Notes and comments on, as appropriate, presentations on the activities of Concertus Derbyshire Limited and Vertas Derbyshire Limited

9. Reasons for Recommendation(s)

9.1 Good governance provides that there is a dialogue between a company and LLP and its shareholders/members.

Report Author: Janet Scholes

Contact details: Janet.Scholes@derbyshire.gov.uk

Implications

Financial

- 1.1 Regular dialogue between the finance teams of both VDL and CDL takes place with finance officers of the Council. This includes monitoring the cashflow position of each JV to act as an early warning sign of any potential issues. The current expectation is that neither JV will require financial assistance from the shareholders going forwards.
- 1.2 Future decisions on dividend payments will be taken by the Directors of the Companies, with input from the Shareholders.

Legal

- 2.1 Legal services work closely with the client property department to consider any legal implications arising from each of the JVs; Any future legal advice on each JV will be provided as required, with external legal support engaged where appropriate.

Human Resources

- 3.1 None

Information Technology

- 4.1 None

Equalities Impact

- 5.1 None

Corporate objectives and priorities for change

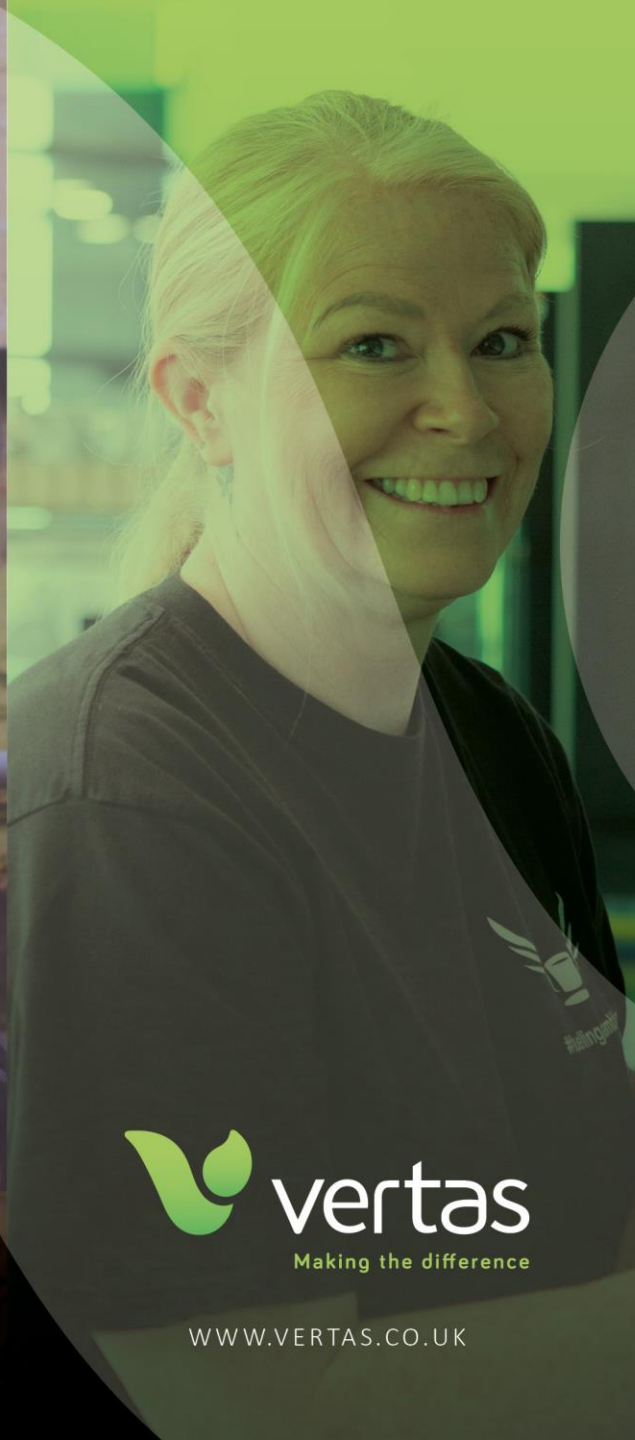
- 6.1 The joint ventures support the Council's Enterprising Council strategy and with market-based charges the key priority relating to value for money.

Other (for example, Health and Safety, Environmental, Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 CDL and VDL are private limited companies and required to comply with company law in particular the Companies Act 2006. Develop Renew is a limited liability partnership formed under the Limited Liability

Page 9 Partnerships Act 2000 and many provisions of the Companies Act 2006 also apply. As corporate bodies they have responsibilities and obligations under Health & Safety, Risk Management, Sustainability, etc.

- 7.2 The joint ventures support Corporate Property in the delivery of the Council's Corporate Property Asset Management Strategy.



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Agenda Item 5

 **Concertus**
DESIGN & PROPERTY CONSULTANTS

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 **vertas**
Making the difference

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 **OPUS**
PEOPLE SOLUTIONS

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Focus

Summary

- DCC countryside and corporate sites grounds maintenance revised specification completed, issued and approved for implementations.
- Support throughout 2023/24 of the DCC asset optimisation programme with further site closures being proposed, pending cabinet approval. Savings achieved through redeployment of colleagues with reduced redundancy payments since the start of the joint venture.

Year	Reduced	Revenue	Estimated Redundancy	Actual Redundancy	Redundancy Saving
2020/21	1	£9,758.35	£4,542.50	£0.00	£4,542.50
2021/22	3	£74,256.82	£51,740.24	£50,114.92	£1,625.32
2022/23	5	£173,809.60	£46,639.28	£22,824.16	£23,815.12
2023/24	23	£616,353.48	£92,469.21	£43,654.64	£48,814.57
TOTAL	32	£874,178.25	£195,391.23	£116,593.72	£78,797.51

*Please note – ‘estimated redundancy’ is based on all site colleagues being made redundant and ‘actual redundancy’ is based on the colleagues who were made redundant as some were redeployed.

- Full management structure created and implemented in 2023/24 providing an effective service with positive feedback being received from clients. Will further support our objective to deliver service excellence to support DCC with the ability to provide dedicated customer support.
- Ongoing focus on absence to ensure support and wellbeing of colleagues is at the forefront of service delivery.
- Innovation is an ongoing priority in terms of new ways of working, service auditing software, client / management reporting, equipment, resolving service issues to achieve efficiencies and improve service delivery which is already showing effective, particularly within grounds maintenance.
- SLA and KPI’s – Work continues to review SLA’s and KPI’s with our customers to ensure shared visibility and expectation with regards to performance of service delivery.
- Investment- £120k invested in new machinery during 2023/24 with further investment planned for 2024/25 to support innovation priority.

Finance

Budget	Forecast	Expected
£ 405,000.00	£ 456,000.00	£ 460,000.00

- Year end accounts still awaiting sign off.
- Accounts are also subject to year end statutory auditing process.
- Based on previous periods we expect to achieve budgeted profit and margin.
- Turnover is tracking less than budget due in the majority to DCC site closures throughout their Estate's optimisation programme.
- We have worked closely on cost control to ensure the closures haven't impacted negatively on profit and margin.
- We aim to be able to provide year end finance figures at the next trading committee meeting.

People

Multi skilling of colleagues

Providing support for colleagues to diversify into other areas of our service provision to provide option for fulltime working and providing a work life balance, also reducing the requirement for sub-contractor working. An example is Joe, who can deliver handyman, PAT testing and cleaning services within VDL.

Long Service awards

We continue to support the long service awards for colleagues with 7 colleagues achieving 25 years' service and 1 colleague achieving 40 years' service in 2023/24.

Continuous conversations

Throughout 2023/24, 100% of colleagues received a minimum of three recorded conversations.

Menopause leave

The Vertas Group has introduced a new policy offering leave to colleagues who are experiencing menopause symptoms. The new company-wide policy has been introduced to support colleagues who are experiencing menopause, helping women navigate their symptoms most comfortably and effectively.



People

Employee benefits

Potential total rewards package available to colleagues. Using the benefits when needed could increase annual salary by up to 18.7%. This is funded by Vertas Group as a further reward scheme for colleagues.

Benefit	Detail	Estimated savings per annum
Pension	The employer contribution of 3% to your pension saving pot.	£669.24
Telus Health Discount Scheme	Discounts on gym membership, car insurance, school uniform saving up to 8% of your annual salary.	£1,784.64
LifeCare	Life event counselling, 24/7 GP for you and your household, stop smoking support, speak to a dentist online, a personalised get fit programme with calls with a nutritionist, financial advice and much more.	£1,205 (savings based on 10 counselling sessions, access to a 24/7 GP, nutritionist course, and 1 hour with a financial adviser)
Bike to Work	Save up to 48% on a new bike. *please note, that this is a salary sacrifice scheme and eligibility applies	£332.50 (savings based on a bike worth £1000)
Vertas Finest	Be a winner of the Vertas Finest recognition scheme	£134.65 (value based on winning once a year)
Refer a friend	Refer a friend to a live vacancy and if they are successfully appointment you receive up to £500.	£500
MyView PayNow	Be able to stream money as you earn it.	-
Increasing your annual salary by		£4,626.03
Basic hourly rate		£11.44
Enhanced hourly rate including your perks		£13.80

*Please note, the above calculations are based on a basic hourly rate of £11.44, working 37.5 hours a week and having a standard tax code.

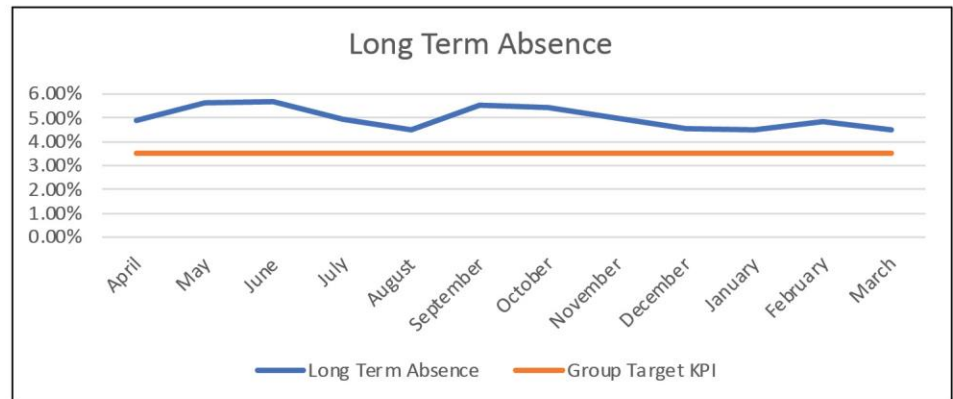
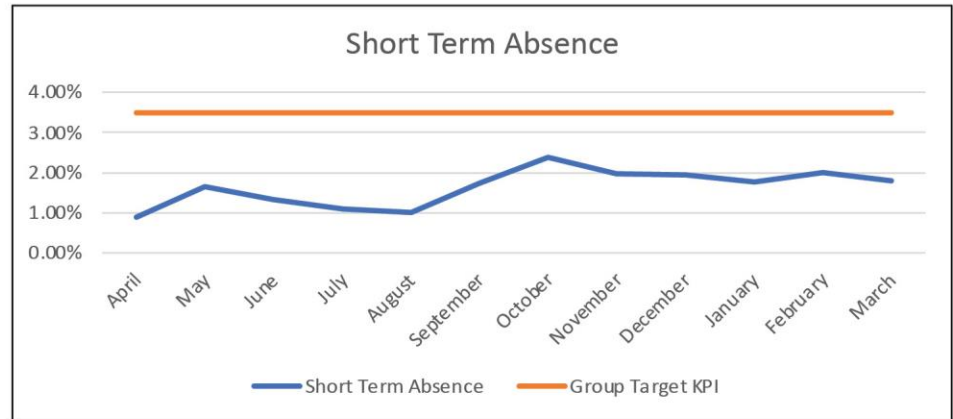
People

Absence

Short term absence levels are lower than the group target of 3.5% with an average level of absence throughout 2023/24 standing at 1.63%. This may be achieved by WeCare, a free online support service for all Vertas colleagues; with a range of services including Mental Health support, Get Fit Programme and life event counselling. Also, mandatory return to works discussions are undertaken to support our colleagues upon their return.



Long Term absence, excluding COVID, has been in excess of the group target of 3.5% for 2023/24, with an average level of absence standing at 5%. Colleagues are provided with additional support with management contact, Occupational Health services, mental health first aiders and WeCare service.



People

Group Recognition Programme

Vertas Finest is a quarterly Group recognition scheme. The scheme runs on the Colleague Hub (Workvivo) and is open for **all colleagues** to nominate individuals across the Group who demonstrate our values. All submitted nominations will be shortlisted by Vertas Group's senior leadership team and the three winners will be announced on the hub.

Vertas Finest Nominations for a bronze, silver and gold winner who will receive a reward. A VDL colleague has recently been awarded the gold recognition reward.



People

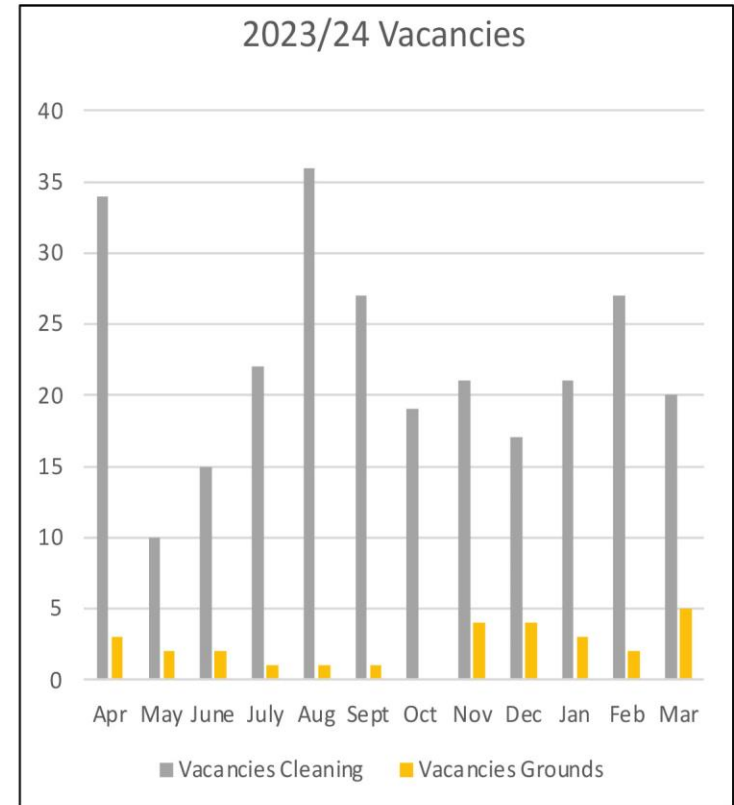
Vacancies

- Primary focus is to overcome an industry wide challenge of recruiting to vacancies and closing a gap in the workforce however the number of vacancies has begun to gradually reduce within cleaning throughout 2023/24

2023/24	APR	MAY	MAY	MAY	MAY	MAY	MAY	MAY	MAY	MAY	MAY	MAY
Vacancies Cleaning	34	10	15	22	36	27	19	21	17	21	27	20
Vacancies Grounds	3	2	2	1	1	1	0	4	4	3	2	5
Total	37	12	17	23	37	28	19	25	21	24	29	25

- Vacancies in cleaning have now reduced to 2.50% and grounds has reduced to 14.71% of the overall workforce

- Refer a friend is still available for any of our colleagues who refer a friend to work with us and they can earn up to £150
- VDL continue to working in conjunction with Employment advisors from the Department of Work and Pension at Derby City Job Centre
- Appointed three apprentices supported by Derby College during 2023/24



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Customer

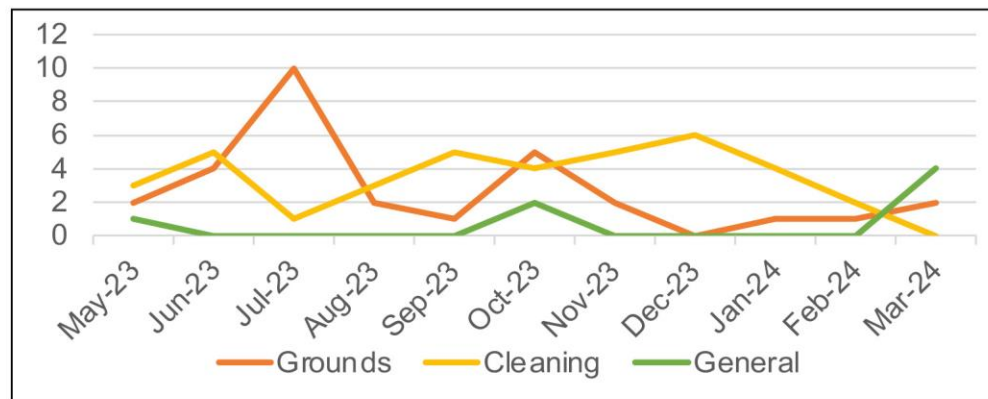
Helpdesk

The Customer first helpdesk continues to be available for our Derbyshire County Council partners. The helpdesk is completely funded by Vertas Group and contributes to VDL added value services.

With a consistent number of calls since its implementation in May 2023, it is becoming increasingly effective in creating a communication channel.

The helpdesk facility is accessible to all DCC colleagues, client and partners and can be shared and continually promoted in all sites to fully utilise its potential to enable a timely response to call and provide full visibility of trends of calls received by the helpdesk.

The utilisation of the helpdesk ensures that DCC & VDL colleagues have at their disposal an effective means of communication that provides a tracking number to ensure a response and conclusion. The helpdesk has the ability for data reporting which can be shared as part of the fortnightly joint DCC & VDL operational meetings.



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Vertas Derbyshire supporting
Derbyshire County Council



Customer First Helpline
Tel: 03330 342202
mail@vertas.co.uk

Across Vertas Group, we want to support Derbyshire County Council to ensure the cleaning and grounds for your properties operate exceptionally, and we deliver an outstanding service.

Our Customer First helpdesk offers support with any questions and issues, ensuring:

- 👍 We listen to what you need
- 👍 Log and track your questions
- 👍 Allocate your request to the best person to support
- 👍 Follow up to ensure you are satisfied with our delivery

Our helpdesk is open from 8:00am and until 5:00pm.



Customer

Business Key Performance Indicator's

- The introduction of business Key Performance Indicators (KPI's) have been fundamental in strengthening our service delivery within VDL.
- H & S audits to ensure compliance in terms of chemical and equipment usage.
- Manager, Senior and Executive site visits undertaken monthly to interact with clients and colleagues, undertake audits, and ensure our colleagues are working safely .
- Training compliance should exceed 90% completion
- Colleague and client surveys undertaken on a yearly basis
- 100% of continuous conversations completed.

Service Density

- Supporting DCC in the transfer of cleaning services in some sites that previously remained with service departments. This is following the DCC transfer of budgets to the Property Team. Value of sites transferred in 2023/24 is £52k

New Business / Ad Hoc

- New business across grounds and cleaning in VDL for 2023/24 was secured to the value of £92K. Additional services provided on an 'ad-hoc' basis at the request of our clients at a value of £68K

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Risks

Business Risks

- Vacancy and absence fulfilment – recruiting and retaining the right staffing levels is challenging in today’s climate due to competition with supermarkets etc.
- Whilst working with DCC assisting with their reduction of service/assets and building portfolio trying not to make colleagues redundant.
- Servicing and repair costs on larger items of ageing grounds machinery so an opportunity to review replacement machinery to support zero carbon aims. (Net zero by 2030)
- Debt due to outstanding invoice payments for services delivered. This is becoming increasingly common within the education sector.

The Future

People

- Training and Development to create our future leaders and strengthen succession planning
- Continuous Conversations to assist people engagement.
- Recognition of talent through our Vertas finest initiative and Making the difference Awards

Sustainability

- Focussing on carbon net zero and social value.
- Working with our sustainability partner Planet Mark to identify and agree our scope 1,2 and 3 carbon measures.
- Alignment with DCC strategic sustainability requirements.

Contracts

- Multi academy trusts; both cleaning and grounds services.
- Additional services with DCC Property such as security, environmental, energy, passenger transport management etc.
- Additional services to non-DCC customers; waste, washroom, specialist cleaning.
- Identifying integrated FM opportunities in Derbyshire.

Finance

- Rolling 2-year business plan.

Concertus

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To transform the property delivery team



Bring innovation and best practice to the Council Property Services



— A PARTNERSHIP | WORKING TOGETHER —



Deliver better projects for Derbyshire County Council clients



Deliver savings (overall Project costs and Construction costs)



Deliver projects on time and to a good standard



Improve the reputation of Corporate Property and the Council in respect to Property



Help support the transformation of Property



Finance Overview

	FY 23/24 Budget	FY 23/24 Actual (unaudited)	FY 24/25 Budget	Secured Pipeline 24/25
Turnover (£)	£5,041,864	c.£4,900,000	£5,435,000	£1,500,000
Net Margin (%)	10.80%	c.4.8%	4.7%	-
Net Profit	£544,423	c.£220,000	£250,000	-
	Q1 (reforecast)	Q2 (reforecast)	Q3	Q4 (prov.)
Original Budget	£1.133m	£1.137m	-	-
Reforecast Budget	£1.000m	£1.390m	£1.463m	£1.330m
Turnover	£1.000m	£1.390m	£1.576n	c.£1.000m

FY 23/24 Narrative

- Savings on productive labour and other overheads, has helped to recover early Q1 losses alongside a positive Q2
- Positive position in Q3 will help to recover Q4 potential losses
- Negative WIP build up throughout 23/24 of around £300k has reduced turnover however, will unwind in 24/25
- Slowdown in commissioning from DCC has resulted in a Q4 dip, which will continue into Q1 & Q2 24/25
- Successful business development activity throughout 23/24 will yield income for 24/25 (BD activities incur time lag)
- Secured pipeline in 24/25 of £1.500m (28% of budget)

People

COLLEAGUE UPDATE

- 38 employees start of year vs current headcount of 44
- Vacancy list as of 25th April, stands at 17
 - 4 x Building Surveyors (various levels)
 - 3 x Project Managers (various levels)
 - 2 x Quantity Surveyors (various levels)
 - 4 x Structural / Civil Engineers (various levels)
 - 4 x Mechanical/Electrical Engineers (various levels)
- The YTD rolling staff turnover is 31.5% vs industry metric of 16%.
- Rolling year absence 1.5%
- Employee productivity at 69% and efficiency 87%
- 1% of Turnover invested in Employee Training of employees (excludes Apprenticeships/ Trainees/ Professional Chartership Programmes and Time)
- 23% of employees on Professional Chartership Programmes and Professional Trainee Programmes (with new initiatives to expand on our staff's professional achievements)

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NOTTINGHAM
TRENT UNIVERSITY

Sheffield
Hallam
University

DERBY college

Apprenticeships

RIBA

RICS

CIBSE

CIAT

ilm

Concertus
DESIGN & PROPERTY CONSULTANTS

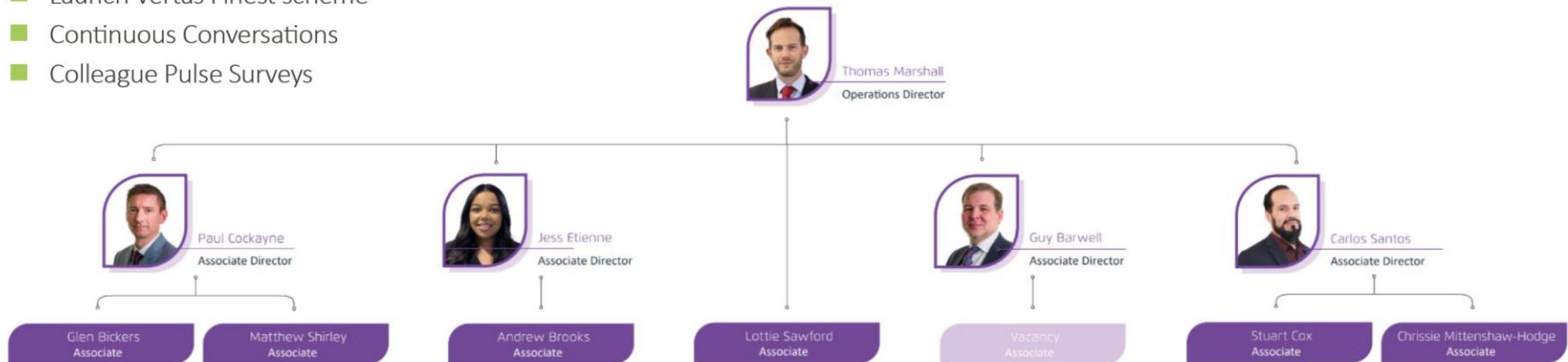
vertas
Making the difference

OPUS
PEOPLE SOLUTIONS

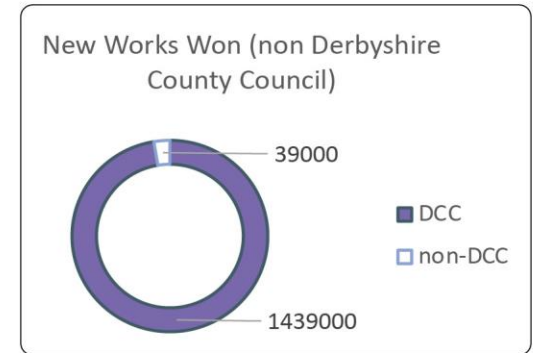
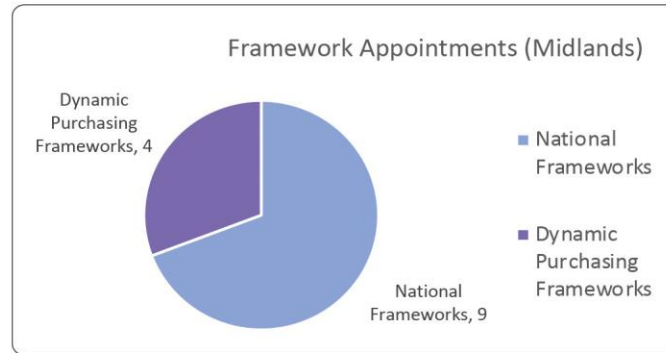
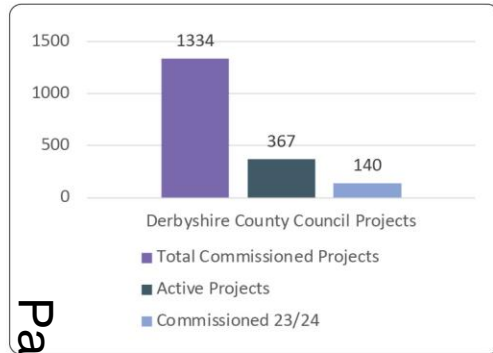
People

23/24 ACHIEVEMENTS / INVESTING IN OUR COLLEAGUES

- New leadership and management structure for CDL
- New teams within Concertus Group (H&S/CDM team, CoW team, Funding team)
- Investors in People Gold Accreditation
- Launch of Workvivo – colleague engagement platform
- Medicash Employee Benefit plus Wecare ERP
- Launch of My Pay Now scheme (30% of earned gross pay in-month)
- CDL offered 5 weeks of work experience visits from local schools with excellent feedback, and repeat requests for 24/25
- 9-box Assessment (to identify rising talent)
- Launch Vertas Finest scheme
- Continuous Conversations
- Colleague Pulse Surveys



Contracts



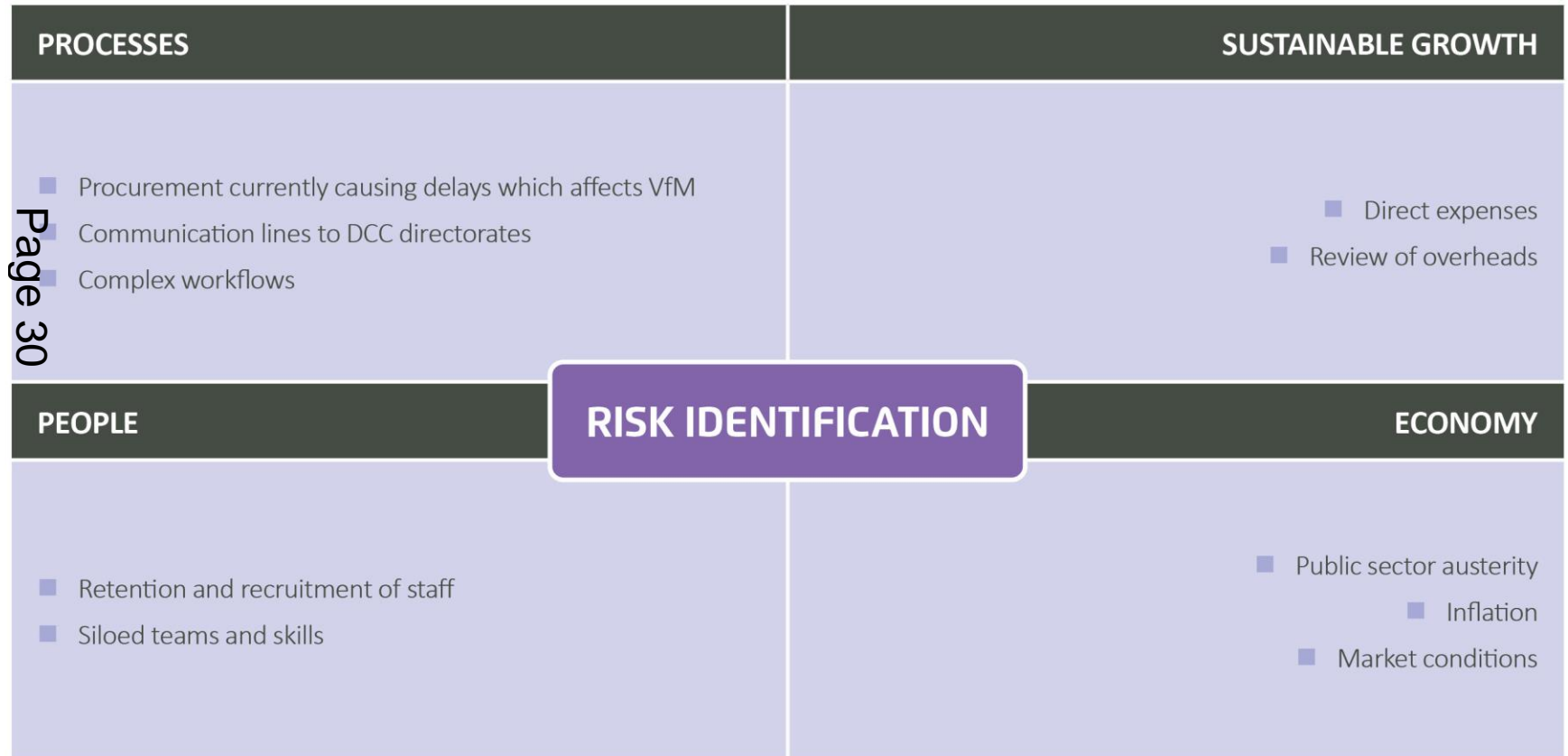
PROJECTS WITH DCC (CDL)

- Total projects commissioned YTD: 140
- Total fee of projects commissioned YTD: £1,438,851.60 (pipeline)
- Total active projects: 367
- Total fee of active projects: £9,701,535.02 (spanning multiple FY)
- Of the 1,334 projects commissioned through DCC, 367 are active projects which the CDL team are working on with a total fee of £9.7m, of this 140 projects were commissioned within the current year with a total fee of £1.4m

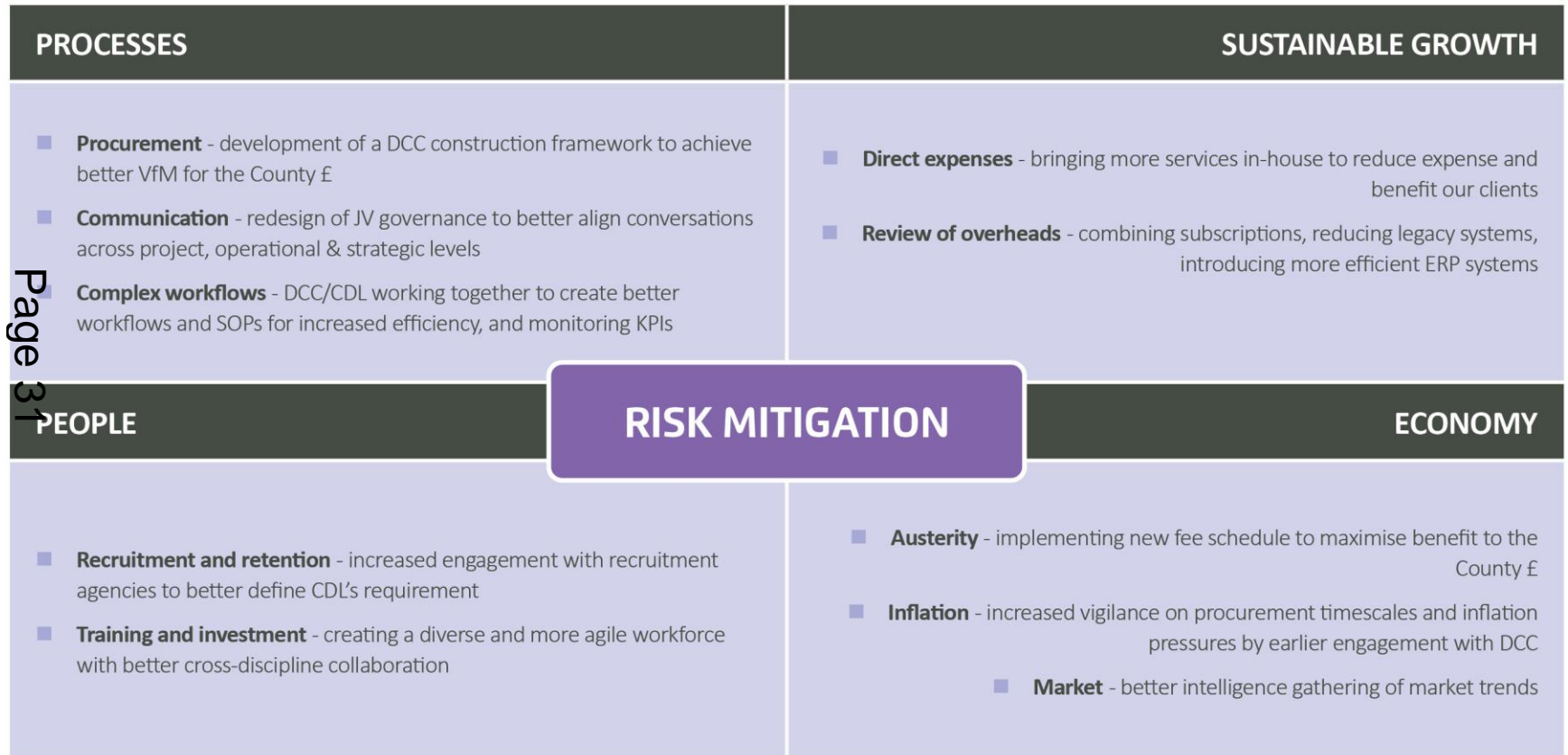
PROJECTS OUTWITH DCC (CDTL)

- Total projects commissioned YTD: 17
- Total fee of projects commissioned YTD: £39,347.62 (pipeline)
- Total active projects: 14
- Total fee of active projects: £41,750.09 (spanning multiple FY)
- Of the 60 projects commissioned to CDTL, 22 are active projects with a fee of £89k, of these 13 were commissioned within the current year with a total fee of £31k

Risks



Risks



The Future

Page 32

FINANCIAL

- Turnover £5.35m for the Financial Year 2024/25
- Net profit target of £250k / 4.7%
- Reassessment of overheads and margin capabilities

GROWTH

- Marketing and BD to target public sector clients within Derbyshire and Nottinghamshire (MATs, OPE)
- Creation of discipline specific business plans to ensure CDL remains a market leader

INFRASTRUCTURE

- Investing in IT systems to move the business to a cloud-first approach with better aligned software provision
- Development of partnership supply chain with SME's

PEOPLE

- Proactive recruitment and development of colleagues to facilitate people strategy
- Aspire to Inspire development programme to identify future leaders and invest in their success

Any Questions?

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