

Derbyshire County Council Trading Committee
Matthew Self
Tuesday 14 November 2023



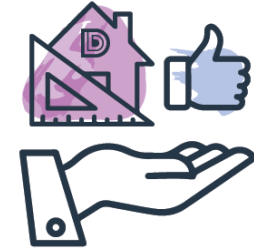
— A PARTNERSHIP | WORKING TOGETHER —



— A PARTNERSHIP | WORKING TOGETHER —



To transform the property delivery team



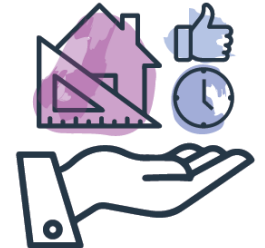
Deliver better projects for Derbyshire County Council clients



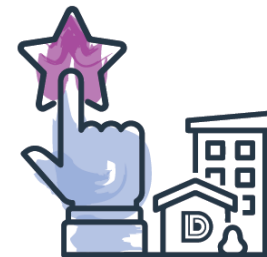
Bring innovation and best practice to the Council Property Services



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

	FY 22/23 Actual	FY 23/24 Budget	YTD Actual 23/24	Forecast YE 23/24
Turnover (£)	£5,084,825	£5,041,864	£2,237,024	£4,700,000
Net Margin (%)	19.21%	10.80%	(-0.80%)	6.00%
Net Profit	£976,613	£544,423	(-£18,936)	£300,000

/ **FY 22/23** – Improved performance from productive labour, delayed commissions from 21/22 increased revenue significantly, negative WIP rolling into 23/24 all contributing to a positive year end and strong dividend

/ **FY 23/24** – Savings made against productive labour, however turnover impacted by missed recruitment targets failing to backfill positions

/ Positive position for professional services in Q2 is helping to reverse the Q1 position, and solid margin for specialist services has assisted also

/ Negative WIP brought into FY 23/24 of £156k has hampered margin in Q1, however this has reversed into Q2 with turnover exceeding budget resulting in an overall positive net margin for Q2

/ Savings consistently made against overheads YTD has helped to recover net margin for Q2

/ Successful Business Development Activity with National and Regional Frameworks, District Councils; Multi Academy Trusts and Principal Contractors through Design and Build appointments.

CDL Retained Earnings & Dividend

/ Retained earnings and dividend as reported at board 30/10/2023:

FY 22/23	Concertus Derbyshire Ltd
Retained Earnings	£853,000
Dividend 30% of RE	£255,900
DCC Dividend	£127,950

/ Agreed that 30% of retained earnings are paid as dividend to leave Capital in the Joint Venture for working capital and investment

COLLEAGUE UPDATE

/ 38 employees start of year vs current headcount of 37 + 3 SLT from Concertus

/ Vacancy list as of 31st Oct:

- 2x Project Managers
- 2 x Building Surveyors
- 1 x Structural Engineer / Civil Engineer
- 1 x CAD Technician
- 1 x Bid Writer

/ Incoming employees before year end, 1 x Associate Project Manager, 1 x Associate Funding Manager, 1 x Building Surveyor

/ The YTD rolling staff turnover is 15% vs industry metric of 16%.

/ Rolling year absence 3% (1 long-term case who is now T1 retired)

/ Employee productivity at 82% and efficiency 90%

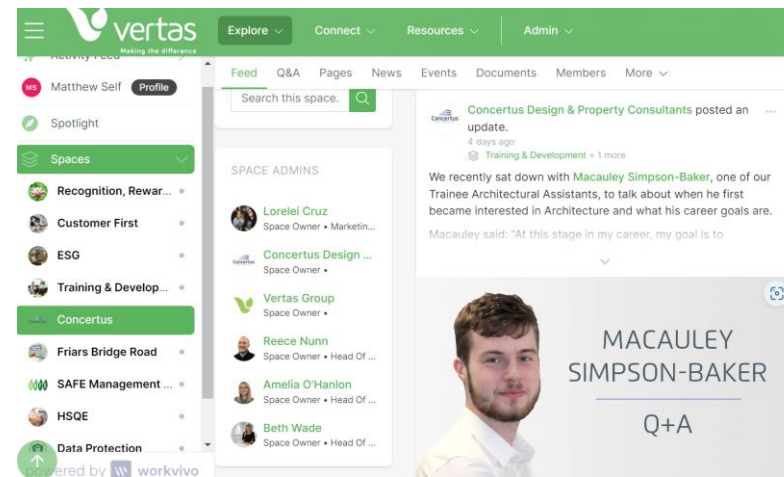
/ 1% of Turnover invested in Employee Training of employees (excludes Apprenticeships/ Trainees/ Professional Chartership Programmes and Time)

/ 29% of employees on Professional Chartership Programmes and Professional Trainee Programmes (with new initiatives to expand on our staff's professional achievements)

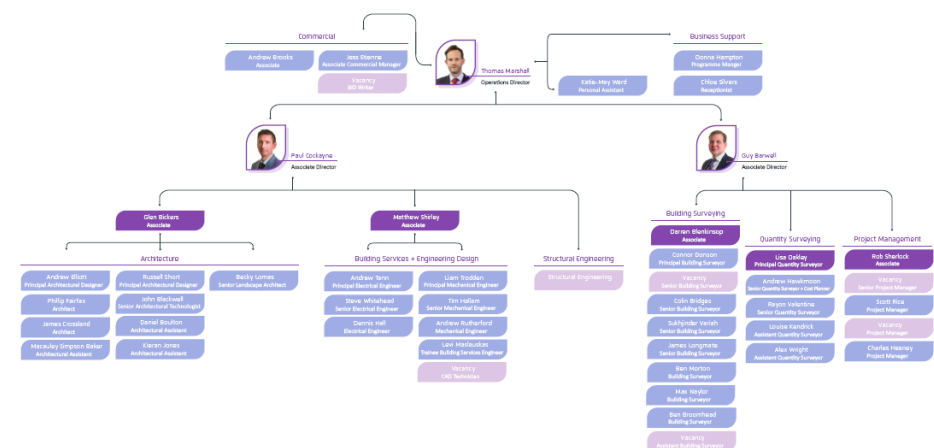


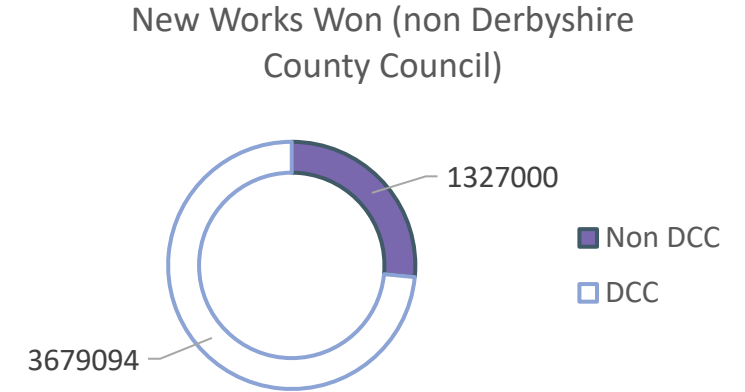
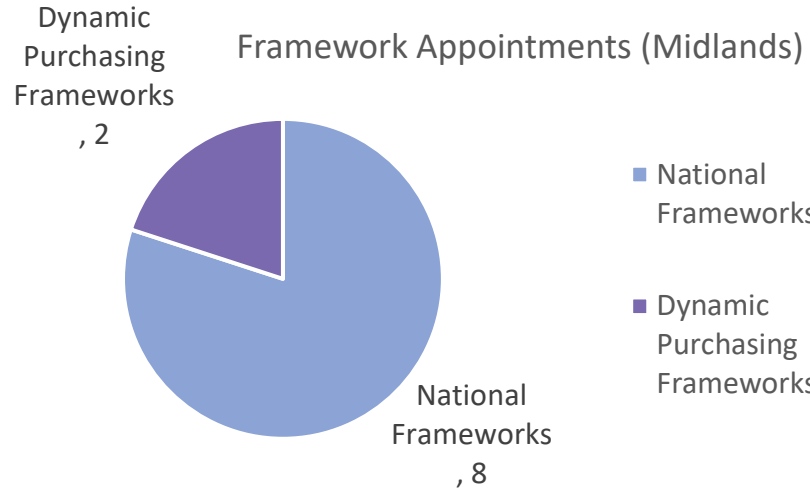
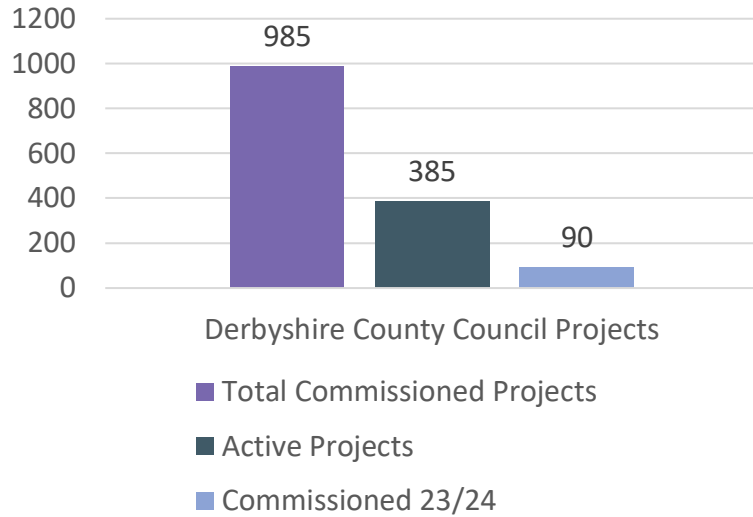
Achievements / Investing In Our Colleagues

- / Investors in People Gold Accreditation
- / New Leadership and Management Structure
- / Launch of Workvivo – Colleague Engagement Platform
- / Medicash Employee Benefit plus Wecare ERP
- / Colleague Pulse Surveys (a 3% improvement on engagement by staff to 86%)
- / Launch of My Pay Now scheme to support colleagues with up to 30% of earned gross pay in-month
- / Launch Vertas Finest Recognition scheme
- / Continuous Conversations, 3 per year for all staff for positive engagement based on excellence, care and goals
- / Work experience visits from local schools with excellent feedback



Concertus Professional Services | East Midlands





PROJECTS WITH DCC (CDL)

- / Total projects commissioned YTD: 90
- / Total fee of projects commissioned YTD: £1,282,767.61
- / Total active projects: 385
- / Total fee of active projects: £10,779,472.64
- / Of the 985 projects commissioned through DCC, 385 are active projects which the CDL team are working on with a total fee of £10.8m, of this 90 projects were commissioned within the current year with a total fee of £1.28m.

PROJECTS OUTWITH DCC (CDTL)

- / Total projects commissioned YTD: 13
- / Total fee of projects commissioned YTD: £31,159.53
- / Total active projects: 22
- / Total fee of active projects: £89,503.83
- / 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

PROCESSES

- / Procurement policy and process, CDL are aiming to cut delays in procurement which contribute to increased costs
- / Closer ties with DCC Directorates to improve lines of communication and provide tailored services
- / Complex workflows, DCC/CDL working together to create better workflows and SOPs for increased efficiency

SUSTAINABLE GROWTH

- / Direct expenses reassessment, bringing more services in-house to reduce expense
- / Public Sector funding cuts, reassess fee structure to align with the requirement for best value

RISK MANAGEMENT

PEOPLE

- / Retention and recruitment of staff, as well as national skill shortage in accordance with service plans to achieve in year business targets
- / Multi-skilled colleagues to diversify their abilities, creating a more agile workforce

ECONOMY

- / Public Sector Austerity – implementing new ways of working to maximise benefit to the County in such times
- / Inflation and the availability of labour/ materials to support the delivery of projects to time and to budget

FINANCIAL

- / Turnover £5.7m for the Financial Year 2024/25
- / Gross profit target of £2.35m
- / 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 in this sector

INFRASTRUCTURE

- / New office – relocation from Chatsworth Hall to the County Hall Campus (increases our ability to work collaboratively with DCC)
- / Development of Partnership Supply Chain with SME's

PEOPLE

- / Proactive recruitment and development of colleagues to facilitate Growth Strategy
- / Aspire to Inspire Development Programme to identify future leaders and invest in their success



Thank you for listening.
Any questions?