

TLC ANNUAL REPORT 2023/24

Report of the Director of Place Management

1. INTRODUCTION AND PURPOSE OF REPORT

1.1 This report outlines Totally Local Company's performance during the first year of its operation since the new Board was appointed.

1.2 The report also details how TLC continues to take significant strides to deliver against the strategic aims of the ONE Stockport Strategy by delivering key services that make our Thriving Neighbourhoods clean and safe place to live and work.

1.3 The report also describes the programme of activity it has undertaken under the Genesis Programme that have delivered efficiencies and service improvements for TLC over the past 12 months.

2. BACKGROUND

2.1 Totally Local Company is 100% owned by Stockport Council. It is a company that primarily delivers core public realm services for the council, with responsibility for a wide range of services including waste collection, street cleaning, grounds maintenance and school meals.

2.2 The company was established as a TECKAL company, enabling it to deliver the core council services but also trade as a business where this brings economic or resilience advantages to the council. As an example, TLC provides a waste collection service for private businesses across the borough.

2.3 CRMG considered a report in June 2023 outlining recommended changes to TLC following an external review of the company. The report outlined that TLC should reshape its business to focus on the core public realm works for the council and reduced its trading activity, focussing on those areas where the company was profitable. As the company has altered its focus and as part of this change, the make-up of the Board has altered with the previously independent non-Executive Board Members having been replaced by three senior officers of the council; the Deputy Chief Executive, the Director of Place Management and the Assistant Director – Legal and Democratic Governance.

2.4 The council also resolved for TLC to bring an annual report to the Corporate Resource and Management Group Scrutiny Committee on an annual basis, ensuring

the council is able to oversee the financial performance of the company and the strategic direction of the business.

3. ANNUAL REPORT

3.1 The TLC annual report and annual financial statement have been produced by the company and are attached as appendix 1. They set out the previous 12 months performance of the company and the ongoing activity to drive continuous improvement.

4. RECOMMENDATIONS

4.1 To note and comment on the report.

APPENDIX 1 – TLC ANNUAL REPORT

Totally Local Executive Summary 23/24

A. Overview

The business has performed well both financially and operationally across 2023/24 against the continuing backdrop of higher inflation and the impacts of the Genesis Programme. The Genesis Programme is the name given to a series of projects designed to transform TLC's business operations and services following the council's review including board structures, governance, service delivery, environment, and property.

The financial results illustrate a successful year for TLC, supported by a solid Statement of Financial Position (Balance Sheet), based on a strong cash position, with improved debtor days and creditors paid in a timely manner.

A true up mechanism and improved reporting transparency between the organisations has been put in place with SMBC prior to the 23/24 Budget process. The improved SMBC budget process has ensured the right level of funding was available to deliver SMBC's core services. Due to the improved financial transparency and application of the true up process TLC were able to provide an extra in year funding of £140k for the Highways Reactive ("HWR") service in order to aid the targeted service level agreement result and provide additional capacity to counter the increased number of jobs issued.

The commercial cost centres have weathered the storm of double-digit inflation well and represent strong and resilient business models that have performed well and have outperformed their original budget.

TLC recorded a turnover of £31.4m, with an operating net profit of £111k which was higher than budgeted at £65K.

The bottom line performance is inclusive of a £900k in year credit provided to SMBC, which is made up of a combination of the SMBC realm service in year savings, profit generating commercial cost centres outperforming their budgeted profit and back office savings generated from a combination of departmental restructuring and in year savings, as a cumulative result TLC were able to provide an in year credit to SMBC that was just short of £900k.

Please also note as part of the annual result TLC also absorbed £400k worth of service and close down costs due to the discontinuation of some trading services.

2023/24 has also seen TLC continue its focus on operational efficiencies, streamlined processes, reduced costs and sustainability. TLC have continued to invest in new technologies, training, and vehicles. This will ensure that we continue to deliver on our core focus and future business plans.

- A safety-first culture
- Core SMBC services
- Operational efficiency and savings

- Financial prudence and value for money
- People
- Technology led
- Green credentials
- Profitable Trading

Any business or service risks are quickly identified and addressed through our risk management processes. TLC continue to operate within a robust governance structure and this year saw new Articles of Association and Members Agreement adopted and we welcomed three new Non-Executive Directors to our revamped board.

Finance 2023-2024

Results at 31 March 2024

Consolidated Income Statement - (TLC+WSSK) - YTD

| March 24 | Actual YTD | Reforecast YTD | Variance |
|--|-----------------------|---------------------------|-----------------|
| TURNOVER | 35,008 | 35,267 | (259) |
| Cost of sales – total | (31,087) | (31,171) | 84 |
| GROSS PROFIT | 3,921 | 4,096 | (175) |
| Administrative expenses – total | (3,697) | (3,822) | 125 |
| OPERATING PROFIT | 224 | 274 | (50) |
| Interest payable and similar charges | (73) | (66) | (7) |
| Net interest on defined benefit pension scheme | 0 | 0 | 0 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 151 | 208 | (57) |
| Tax on profit on ordinary activities | 0 | 0 | 0 |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | 151 | 208 | (57) |

B. 2023/24 Finance Report

Key themes for March 2024

• Trading (Consolidated Income Statement)

The business has performed incredibly well both financially and operationally across 2023/24 against the continuing backdrop of higher inflation and the impacts of the Genesis Programme.

The financial results illustrate a successful year for TLC, supported by a solid Statement of Financial Position (Balance Sheet), based on a strong cash position, with improved debtor days and creditors paid in a timely manner.

A true up mechanism and improved reporting transparency between the organisations was agreed with SMBC prior to the 23/24 Budget process. The improved SMBC budget process has ensured the right level of funding was available to deliver SMBC's core services. Due to the improved financial transparency and application of the true up process TLC were able to provide an extra in year funding of £140k for the highways reactive service in order to aid the targeted service level performance and provide additional capacity to counter the increased number of jobs issued.

The commercial cost centres have weathered the storm of double-digit inflation well and represent strong and resilient business models that have performed well and have outperformed their original budget.

TLC recorded a turnover of £32.8m, with an operating net profit of £111k which was higher than budgeted.

The bottom line performance is inclusive of a £900k in year credit provided to SMBC, which is made up of a combination of the SMBC realm service in year savings, profit generating commercial cost centres outperforming their budgeted profit and back office savings generated from a combination of departmental restructuring and in year savings, as a cumulative result TLC were able to provide an in year credit to SMBC that was just short of £900k.

In terms of the commercial cost centres contribution to financial success of 2023/24, 1 cost centre broke £200k profit, namely Street Lighting Planned, driven by £400k more revenue than anticipated, with 4 cost centres breached the £100k profit.

- School Meals £140k, completing a full recovery from the devastating impact of the food and wage inflation absorbed over the last 18 months due to strong leadership and a tactical focus on cost and staff management,
- Tree Team delivered a £130k profit driven by a 28% increase on revenue comparative to the reforecast,

- Our trading waste arm WSSK secured a £116k profit for the year, due to a solid service and strong cost management despite a drop in revenue from a fall in customers.
- Building and Cleaning £113k profit, based on strong service delivery and customer connection inclusive of some work on price corrections on challenging contracts improving margin.

Please also note as part of the annual result TLC also absorbed £400k worth of inefficiency and service close down costs for the service exits completed during the year.

2023/24 has also seen TLC continue its focus on operational efficiencies, streamlined processes, reduced costs together with improved resilience and sustainability. TLC have continued to invest in new technologies, training, and vehicles. This will ensure that we continue to deliver on our core focus and future business plans.

Performance by Business Area – Turnover by Business Area

| Select period: | March | | | | | | |
|---|--|---------------|-----------------|-----------------|--------------|------------|--------------|
| TLC P&L 2023-24 | P12 | Actual YTD | | | | | |
| Area | Turnover | Emp Cost | Op Cost | Profit | Reforecast | Variance | |
| Cost Contract Cost Centres - Directly Funded | | | | | | | |
| 50020 | <u>Domestic Rec & Ref Operations</u> | 9,381 | (5,707) | (3,781) | (107) | 183 | (290) |
| 51020 | <u>Parks & Greenspace</u> | 2,348 | (1,708) | (656) | (16) | 0 | (16) |
| 52024 | <u>Arbs (cost+)</u> | 468 | (316) | (160) | (8) | (14) | 6 |
| 51000 | <u>Streetcare</u> | 3,324 | (2,131) | (1,241) | (48) | (5) | (43) |
| 51005 | <u>Gully cleansing</u> | 214 | (127) | (94) | (7) | 3 | (10) |
| 51010 | <u>Winter Maintenance</u> | 463 | (74) | (408) | (19) | 20 | (39) |
| 52001 | <u>Highways Reactive</u> | 2,002 | (901) | (1,245) | (144) | 0 | (144) |
| 52011 | <u>Street Lighting Reactive</u> | 827 | (317) | (540) | (30) | 29 | (59) |
| 52022 | <u>Playground Maintenance</u> | 148 | (111) | (46) | (9) | 4 | (13) |
| Total cost contracts | | 19,175 | (11,392) | (8,171) | (388) | 220 | (608) |
| Capital Cost Centres - Directly Funded | | | | | | | |
| 52000 | <u>Highways Planned Cost+</u> | 683 | (129) | (515) | 39 | 30 | 9 |
| 52010 | <u>Street Lighting Planned Cost+</u> | 500 | (200) | (257) | 43 | 29 | 14 |
| Total Capital - Directly Funded | | 1,183 | (329) | (772) | 82 | 59 | 23 |
| Capital Cost Centres – Ad hoc Funded | | | | | | | |
| 52002 | <u>Highways Planned</u> | 314 | (79) | (245) | (10) | (10) | 0 |
| 52012 | <u>Street Lighting Planned</u> | 1,491 | (125) | (1,112) | 254 | 99 | 155 |
| Total Capital – Ad hoc Funded | | 1,805 | (204) | (1,357) | 244 | 89 | 155 |
| Commercial Cost Centres | | | | | | | |
| 51030 | <u>Commercial Grounds</u> | 482 | (252) | (180) | 50 | 23 | 27 |
| 52025 | <u>Playground Maintenance</u> | 111 | 0 | (88) | 23 | 12 | 11 |
| 52023 | <u>Tree Team (commercial)</u> | 619 | (128) | (361) | 130 | 74 | 56 |
| 52020 | <u>Sign Shop</u> | 22 | (19) | (1) | 2 | 2 | 0 |
| 53000 - 53199 | <u>School Meals</u> | 4,117 | (2,246) | (1,731) | 140 | 114 | 26 |
| 53200 | <u>Building Cleaning</u> | 3,052 | (2,568) | (371) | 113 | 93 | 20 |
| 55000 | <u>Fleet Management</u> | 2,168 | (893) | (1,269) | 6 | (34) | 40 |
| 50000 | <u>Eco Centre</u> | 328 | (76) | (248) | 4 | 3 | 1 |
| Commercial Cost Centres | | 10,899 | (6,182) | (4,249) | 468 | 287 | 181 |
| Overheads (Includes Financial Items and TAX) | | | | | | | |
| 56008 | Project Costs | 409 | (282) | (582) | (455) | (408) | (47) |
| TLC Total - (OP and OH) | | 33,708 | (20,179) | (13,520) | 9 | 51 | (42) |
| WSSK | | | | | | | |
| 50012 | <u>Trade Waste</u> | 1,152 | (324) | (712) | 116 | 140 | (24) |
| 50010 | <u>Skips</u> | 150 | (19) | (105) | 26 | 17 | 9 |
| Total - WSSK | | 1,302 | (343) | (817) | 142 | 157 | (15) |
| | | 35,010 | (20,522) | (14,337) | 151 | 208 | (57) |

Performance by Business Area – Turnover by Business Area

| Select period: | | March | | |
|---|--|---------------|---------------|-------------------|
| TLC P&L 2023-24 | P12 | Actual YTD | | |
| Area | | Turnover | Budget | Turnover Variance |
| Cost Contract Cost Centres - Directly Funded | | | | |
| 50020 | <u>Domestic Rec & Ref Operations</u> | 9,381 | 9,900 | (519) |
| 51020 | <u>Parks & Greenspace</u> | 2,348 | 2,389 | (41) |
| 52024 | <u>Arbs (cost+)</u> | 468 | 472 | (4) |
| 51000 | <u>Streetcare</u> | 3,324 | 3,380 | (56) |
| 51005 | Gully Cleaning | 214 | 224 | (10) |
| 51010 | <u>Winter Maintenance</u> | 463 | 522 | (59) |
| 52001 | <u>Highways Reactive</u> | 2,002 | 2,005 | (3) |
| 52011 | <u>Street Lighting Reactive</u> | 827 | 1,009 | (182) |
| 52022 | <u>Playground Maintenance</u> | 148 | 255 | (107) |
| Total cost contracts | | 19,175 | 20,156 | (981) |
| Capital Cost Centres - Directly Funded | | | | |
| 52000 | <u>Highways Planned Cost+</u> | 683 | 600 | 83 |
| 52010 | <u>Street Lighting Planned Cost+</u> | 500 | 500 | 0 |
| Total Capital - Directly Funded | | 1,183 | 1,100 | 83 |
| Capital Cost Centres – Ad hoc Funded | | | | |
| 52002 | <u>Highways Planned</u> | 314 | 230 | 84 |
| 52012 | <u>Street Lighting Planned</u> | 1,491 | 1,082 | 409 |
| Total Capital – Ad hoc Funded | | 1,805 | 1,312 | 493 |
| Commercial Cost Centres | | | | |
| 51030 | <u>Commercial Grounds</u> | 482 | 479 | 3 |
| 52025 | Playground Maintenance | 111 | 0 | 111 |
| 52023 | <u>Tree Team (commercial)</u> | 619 | 485 | 134 |
| 52020 | <u>Sign Shop</u> | 22 | 22 | 0 |
| 53000 - 53199 | <u>School Meals</u> | 4,117 | 4,186 | (69) |
| 53200 | <u>Building Cleaning</u> | 3,052 | 3,049 | 3 |
| 55000 | <u>Fleet Management</u> | 2,168 | 2,138 | 30 |
| 50000 | <u>Eco Centre</u> | 328 | 291 | 37 |
| Commercial Cost Centres | | 10,899 | 10,650 | 249 |
| Total - TLC - Operation | | 33,062 | 33,218 | (156) |
| Overheads (Includes Financial Items and TAX) | | 237 | 258 | (21) |
| 56008 | Project Costs | 409 | 442 | (33) |
| TLC Total - (OP and OH) | | 33,708 | 33,918 | (210) |
| WSSK | | | | |
| 50012 | <u>Trade Waste</u> | 1,152 | 1,192 | (40) |
| 50010 | <u>Skips</u> | 150 | 155 | (5) |
| Total - WSSK | | 1,302 | 1,347 | (45) |
| | | 35,010 | 35,265 | (255) |

Statement of Financial Position

The Consolidated Statement of Financial Position for TLC Ltd and WSSK Ltd is shown below:

| Consolidated Statement of Financial Position - (TLC+WSSK) March 24 | Actual | | Reforecast | | Variance | |
|---|----------------|----------------|----------------|----------------|----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Tangible assets | - | 4,280 | - | 3,438 | - | 842 |
| CURRENT ASSETS | | | | | | |
| Stocks | 215 | | 200 | | 15 | |
| Debtors | 1,166 | | 2,650 | | (1,484) | |
| Cash at bank and in hand | 5,727 | | 5,050 | | 677 | |
| | <u>7,108</u> | | <u>7,900</u> | | <u>(792)</u> | |
| CREDITORS: amounts falling due within one year | <u>(2,554)</u> | | <u>(3,300)</u> | | <u>746</u> | |
| NET CURRENT ASSETS | | <u>4,554</u> | | <u>4,600</u> | | <u>(46)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>8,834</u> | | <u>8,038</u> | | <u>796</u> |
| CREDITORS: amounts falling due after more than one year | <u>(7,929)</u> | | <u>(6,909)</u> | | <u>(1,020)</u> | |
| PROVISIONS FOR LIABILITIES | <u>(872)</u> | | <u>(872)</u> | | <u>0</u> | |
| | | <u>(8,801)</u> | | <u>(7,781)</u> | | <u>(1,020)</u> |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES | | 33 | | 257 | | (224) |
| Defined benefit pension scheme liability | | 1,746 | | 37,876 | | (36,130) |
| | | <u>-</u> | | <u>-</u> | | <u>-</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | <u>1,779</u> | | <u>38,133</u> | | <u>(36,354)</u> |
| CAPITAL AND RESERVES | | | | | | |
| Called up share capital | 0 | | 0 | | 0 | |
| Reserves | 1,780 | | 38,133 | | (36,353) | |
| | | <u>-</u> | | <u>-</u> | | <u>-</u> |
| SHAREHOLDERS' DEFICIT | | <u>1,780</u> | | <u>38,133</u> | | <u>(36,353)</u> |

Main movements

- Fixed Assets

Tangible Fixed Assets (mainly Motor Vehicles and computer equipment) were £842k higher than Reforecast at 31st March 2024, this was due to the restart of the vehicle procurement cycle.

- Stock

On 31st March 2024, total stock was £215k compared to £200k as per Reforecast, i.e., £15k ahead of Reforecast.

- Debtors:

On 31st March 2024, total debtors were £1,166k compared to £2,650k per the Reforecast (i.e., £1,484k lower than Reforecast). The reduction is driven by the impact of the exited services and continued effort to reduce the trade debtors.

At the year-end, debt over 30 days with SMBC was £255k, with debt on the PECOS system making up the balance. Both the SMBC and TLC finance teams are working closely together to work through these balances.

Total Debt over 30 days owed by LEA schools at 31st March 2024, was £39k, significantly lower than the prior year end position. There are no material debts amongst LEA schools which are of concern.

- Cash. The level of Cash remains adequate to meet current liabilities as they fall due. The combined TLC and WSSK balance at 31st March was £5.727M. This is higher than Reforecast (£5.050M) by £0.677M. The reason for the higher cash position than Reforecast is largely due to the management of working capital, strong debtor collections and holding on current liabilities.

- Net Assets. The business has modest net asset excluding pension. Net assets are ahead of the reforecast. Cash is higher than reforecast, with the creditors lower than reforecast, by similar amounts.

D Trade Debtors

Summary of debt – Aged and by type

| Consolidated Debtors Summary - (TLC+WSSK) - YTD March-2024 | | | | | | | | | | | | |
|---|---|-----------|------------|------------|------------|------------|-----------|---|---------------------------|--------------|----------|--|
| Key debtors: | | 0-15 Days | 16-30 Days | 31-60 Days | 61-90 Days | 91-120 Day | 121+ Days | Total (before bad debt provision) | Bad debt Provisison | Net Total | Comments | |
| Stockport MBC | Account Number C00246 (PECOS Debtors) | £0 | £276,785 | £226,124 | £14,604 | £2,848 | £13,727 | £534,088 | £0 | £534,088 | | |
| Stockport MBC | Account Number C01466 (Confirm Debtors) | £0 | £548 | £0 | £0 | £0 | (£2,726) | (£2,178) | £0 | (£2,178) | | |
| Robertson Facilities | Account Number C12400 (SMBC FM Debtors) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | | |
| Stockport Homes | Account Number C00233 (Buildings Permanent) | £0 | £258 | £0 | £0 | £373 | £0 | £631 | £0 | £631 | | |
| Stockport Homes | Account Number C01495 (Buildings Temporary) | £0 | £658 | £0 | £658 | £0 | £0 | £1,316 | £0 | £1,316 | | |
| LEA Schools | Account Number Various | £0 | £5,752 | £28,168 | £5,992 | £6,143 | (£899) | £45,156 | £0 | £45,156 | | |
| All Other debtors | Account Number Various | (£686) | (£918,133) | £39,892 | £24,422 | £22,353 | £30,519 | (£801,632) | (£21,720) | (£823,352) | | |
| Total | | (£686) | (£634,132) | £294,184 | £45,676 | £31,717 | £40,621 | (£222,619) | (£21,720) | (£244,339) | | |

Total Debt equates to (£222k) credit balance, which is due to the in year credit applied to the SMBC account.

30 day+ debt totals £412k, which is £115k higher than last month.

The bad debt provision is £22k, which is £3k better than last month.

C. Safety & Environment

The year has also seen some excellent safety and quality results across the business with a strong performance from our Safety, Health, Environment and Quality (SHEQ) team.

Our cumulative accident frequency rate (AFR) at the end of the year was 0.18 v our target at 0.58. A more challenging AFR target of 0.4 has been set for 2024-2025. The number of minor accidents reduced by 36% v a targeted 20% reduction. Incidents were also down by 26% and OOPs reporting (Observation of Poor Safety) stood at 320 and was on a par with the previous year. We expect to see an increase in OOPS reporting across 24/25 as part of project Nirvana.

Project Nirvana is the deployment and roll out of bespoke SHEQ software to streamline and digitise processes, remove duplication, waste and to support dashboard reporting and trend analysis. Its objectives are.

- To be a safety first led business with proven green credentials and the highest standards of quality and innovation.
- To build on existing structures, processes, tools, and technology to allow TLC to deliver on its SHEQ objectives across the business.

A total of 200 inspections, up on the previous year, and five internal audits were carried out across 23/24 and we successfully completed our ISO external audit reaccreditation without any non-conformances or issues.

Over the course of 2023-24 TLC have continued to work on reducing the green house gas emissions of their operations with work taking place around the vehicle fleet as well as the operating site at Endeavour House.

At the strategic level a report, commissioned from Logistics UK, reviewing how the vehicle fleet could be decarbonised was delivered, with the recommendations set to form the basis of TLC's vehicle procurement strategy moving forward.

Practical steps to reduce emissions have also continued, with the use of solar panels proving successful. TRAILAR solar panels have been installed on 6 refuse trucks, directly leading to the saving of 1,546 litres of diesel over the year, equating to a reduction of 4 tonnes of CO₂.

Going forward all suitable vehicles procured will be fitted with the same system to ensure emissions are minimised. Furthermore, the procurement of a new electric road sweeping vehicle is the first step in bringing in alternative fuel vehicles as they become available across the vehicle types operated.

The installation of solar panels at Endeavour House has been completed, providing 100% coverage on the main roof, covered parking bays and the vehicle wash station. Early indications around impact are encouraging with an expectation that the site will be self-sufficient through the use of solar energy with excess generated energy held in onsite batteries and further surplus exported to the grid.

D. HR & Development

This year we have continued our focus on attendance, recruitment, training, and development and building a home-grown pipeline of resources as well as continuing to support employee wellbeing.

Working closely with the operational teams we successfully improved attendance with a variety of early intervention techniques resulting in us finishing the year with attendance levels at 96% / 4% absence recorded.

TLC recognises its responsibility to support its employee wellbeing and continues to partner with a number of outside agencies with some incredible results and outcomes, especially around homelessness, domestic violence, alcohol addictions, and urgent mental health issues. This practical support demonstrates our commitment and the value we place on our teams and plays a significant role in ensuring our teams are well motivated and supported, which in turns feeds into lower-than-average staff turnover and lower levels of sick absence.

We continue to successfully develop our employees in gaining their Class C Licence, which supports succession planning within the operational divisions. In 2023/2024 we had 15 employees successfully complete their driver training either as a direct cost to TLC or via the urban apprenticeship. Our next driver training programme and urban apprenticeship cohort will continue during 2024.

General Driver Training – HR launch the new driver training modules in April 2023 seeing all employees who drive for TLC successfully complete it. We have also trained 6 internal Driver assessors which not only enhanced the skill of the employees, it improved efficiencies and reduced cost. All drivers within Refuse & Recycling were also trained to be emergency First Aiders.

TLC continue to support apprenticeships and had 18 employees on apprenticeship training during 2023 and have 12 at 2024. Almost all of those that complete an apprenticeship programme are then offered a permanent role within TLC. 68% of TLC workforce of six hundred and ninety-five live in the SK postcode range.

HR continue to be instrumental in the transformation and development of the business and play a vital role in shaping our people strategies so that we have a well-trained and committed team of employees. They have an excellent working relationship with the Trade Unions and maintain open and honest communication with everyone.

E. Projects & Change

The Genesis Programme has continued to make excellent progress and is on track this year 24/25 to deliver a number of transformational benefits to SMBC such as Project Landmark supporting the redevelopment of Bird Hall Lane and Project Evergreen the transformation of Refuse & Recycling services.

In addition, TLC has successfully completed a large number of projects this year, in partnership with SMBC, to further improve efficiencies and streamline process. See below

Change & Technology

| Project Name | Purpose/Objective | Outcome | Anticipated Benefits | Status |
|------------------------------------|--|--|---|-------------|
| Project Landmark - Adswood | Clearance of Eco Centre for development | Site cleared within timeline | To allow development of the Adswood site | Complete |
| Project Landmark – Bird Hall Lane | Clearance of BHL for development | Archiving cleared and workstream established for ongoing clearance | To allow development of the Adswood site | In progress |
| Project Landmark – Bruntwood Park | Site changes to accommodate Arbs & Playground Engineering | Proposal submitted and funding confirmed. Ready for tender | To allow development of the Adswood site | In progress |
| Project Landmark – Endeavour House | Site changes to accommodate back -office functions from BHL and freshen the site | Proposal submitted and funding confirmed. Ready for tender | To allow development of the Adswood site | In progress |
| Project Paragon - Telematics | Fit vehicle fleet with new telematics system | Telematics platform installed and users trained. Behavioural reporting planned | c£80k pa | In progress |
| Catering Dashboards | Creation of MI & Dashboards via Power BI | Complete and ready for April review | Greater of performance of individual schools | Complete |
| Vehicle Procurement | Redesign of vehicle procurement process to be more compliant and efficient | Use of Smartsheets to automate various actions and creation of a full vehicle spec and review process for tenders moving forward | Our new vehicles will be a better fit for their purpose | Complete |
| Phone Migration to Gamma | Migrate all phone and mobile device sims from EE to Gamma | Completed on time with no penalty costs. Issue identified with service @ Endeavour House. | Financial but tbc | Complete |
| Project DeNiro | Resolve outstanding audit findings | Compliance related issues either addressed or in progress. Digitisation now about to begin. Building works booked in | More compliant & efficient process with digital processes | In Progress |
| Project Nirvana | SHEQ - Digitisation of key processes | Inspections process rolled out | Efficiency savings | In Progress |

There is a strong project / change pipeline for 24/25 designed to continue to deliver operational efficiency, streamline process, and reduce costs.

We saw a strong performance from the business development team that has reduced from three to one over the past 18 months as we focus our efforts on account management & client relationships whilst continuing to promote TLC through online media campaigns and activity via LinkedIn and our website.

The results speak for themselves with £161K of new business secured and £525K retained and we have attracted 18,000 new users to the website and moved up the google rankings to #25.

Our commercial client relationships are going from strength to strength and haven't been better and we are now operating within a framework of trust and genuine partnership. It's these types of relationships along with great service delivery that allows TLC to focus on growth.

Of course, we weren't successful all the time but where we weren't we outscored every major specialist provider, who will have at their disposal vast sales & marketing resources and budgets, on both quality & service. It was only on price that we struggled. We know that is an area of weakness for us which is why we must continue to focus on operational efficiencies & technology and managing our constraints.

Business Development Activity



Finally, all operational services performed to the agreed standards and all tactical business plans and objectives expected have been met or are in flight to close out in 24/25 with further activity on track for the coming year. The tables below provide a high level summary.

Business Plan 20232024

| Safety & Environment | Financial | HR | Technology | Procurement |
|--|---|---|---|--|
| <p>Genesis Program *</p> <p>Project Nirvana *</p> <p>Reduce accidents & ill health ✓</p> <p>Improved AFR rate ✓</p> <p>Increase OOp's reporting ✓</p> <p>Increased targeted inspections / investigations ✓</p> <p>Re-tender for external audits (ISO) ✓</p> <p>Replace Lone Working Devices ✓</p> | <p>Genesis Program *</p> <p>£1.0m savings target</p> <p>Redesign Finance Reporting to improve transparency ✓</p> <p>2023-2024 Budget Principles ✓</p> <p>SMBC Funding Mechanism & True Up ✓</p> <p>Inflationary cost increases throughout 2023-2024 ✓</p> | <p>Genesis Program *</p> <p>Improve attendance by 1% ✓</p> <p>Reduce ER Casework by 5% ✓</p> <p>Reduce training spend by 5% ✓</p> <p>Reduce agency spend by 1% ✓</p> <p>Build a talent pipeline of HGV Drivers ✓</p> <p>HR System roll out across divisions/support functions *</p> <p>Develop new engagement strategies *</p> | <p>Genesis Program</p> <ul style="list-style-type: none"> • Landmark * • Zenith * • Evergreen * • GreenFleet * <p>Telematics *</p> <p>Project Sunshine Part II x</p> <p>TLC fileserver O/S upgrade ✓</p> <p>Migrate TLC mobile devices SMBC's MS Intune MDM ✓</p> <p>Improved data insight (Power BI) *</p> <p>Project Nirvana *</p> | <p>Genesis Program</p> <ul style="list-style-type: none"> • Project Landmark- Adswood ✓ & Enterprise House* • Project Green Fleet. Fleet decarbonisation* <p>Vehicle Replacement 2023-2024 ✓</p> <p>Focus on Supplier Management. Price reductions and service improvements and innovation ✓</p> <p>Savings / Cost avoidance target @ £150,000 ✓</p> <p>Redevelop our tender processes to improve contract terms and conditions and after sales support ✓</p> |

Business Plan 20242025

| Health & Safety | Financial | Efficiency | Projects & Technology | People |
|--|---|---|---|--|
| <p>Genesis Program</p> <p>Safety first culture to run through the core of the business and its decision making to be part of the companies DNA.</p> <p>To minimise the impact of the business where possible on the environment & showcase our credentials</p> | <p>Genesis Program</p> <p>Transparent financial reporting to maximise business insights and support evidence -based decision making</p> <p>Invest in Operational efficiency and savings</p> <p>Financial prudence and value for money to be exploited at every opportunity</p> | <p>Genesis Program</p> <p>Continue the process of organisational change, efficiency and safety culture</p> <p>To increase efficiency by implementing automation where practical</p> <p>To improve data insights across the business</p> <p>To deliver exceptional quality outcomes for our teams & clients</p> | <p>Genesis Program</p> <p>To increase efficiency by implementing automation where practical</p> <p>To improve data insights across the business to identify business trends to support evidence -based decision making</p> | <p>Genesis Program</p> <p>Training & Development leading to a strong pipeline of resources.</p> <p>Flexible workforce with appropriate cross over of skills</p> <p>To communicate regular & effectively with all employees to foster a feeling of community & high morale</p> <p>Invest in the HR structures & technologies</p> |
| <p>Focus</p> <ul style="list-style-type: none"> • Safety first culture • Core SMBC Services • Operational efficiency & savings • Financial prudence & value for money • People • Technology Led & Green credentials • Profitable Trading | | | <p>Vision</p> <ul style="list-style-type: none"> • To deliver quality affordable services that maximise the benefits to the residents & businesses of Stockport • To support SMBC in its vision for Stockport as a thriving inclusive town with a strong business and resident community • Profit for purpose | |

F. Summary

2023/24 has seen TLC deliver better than expected financial results, deliver on safety and its 23/24 business plans, close out a number of key projects and change initiatives and continue the focus on training and development to build a sustainable pipeline of resources. TLC have a plan for 24/25 that will focus on transformation, operational efficiencies, streamlined processes, reduced costs and sustainability. TLC will also, at the same time, continue to develop its partnership, collaboration, and shared vision with SMBC. TLC will continue to invest in projects and change, new technologies and its people to ensure that we continue to deliver on our core focus and future business plans.