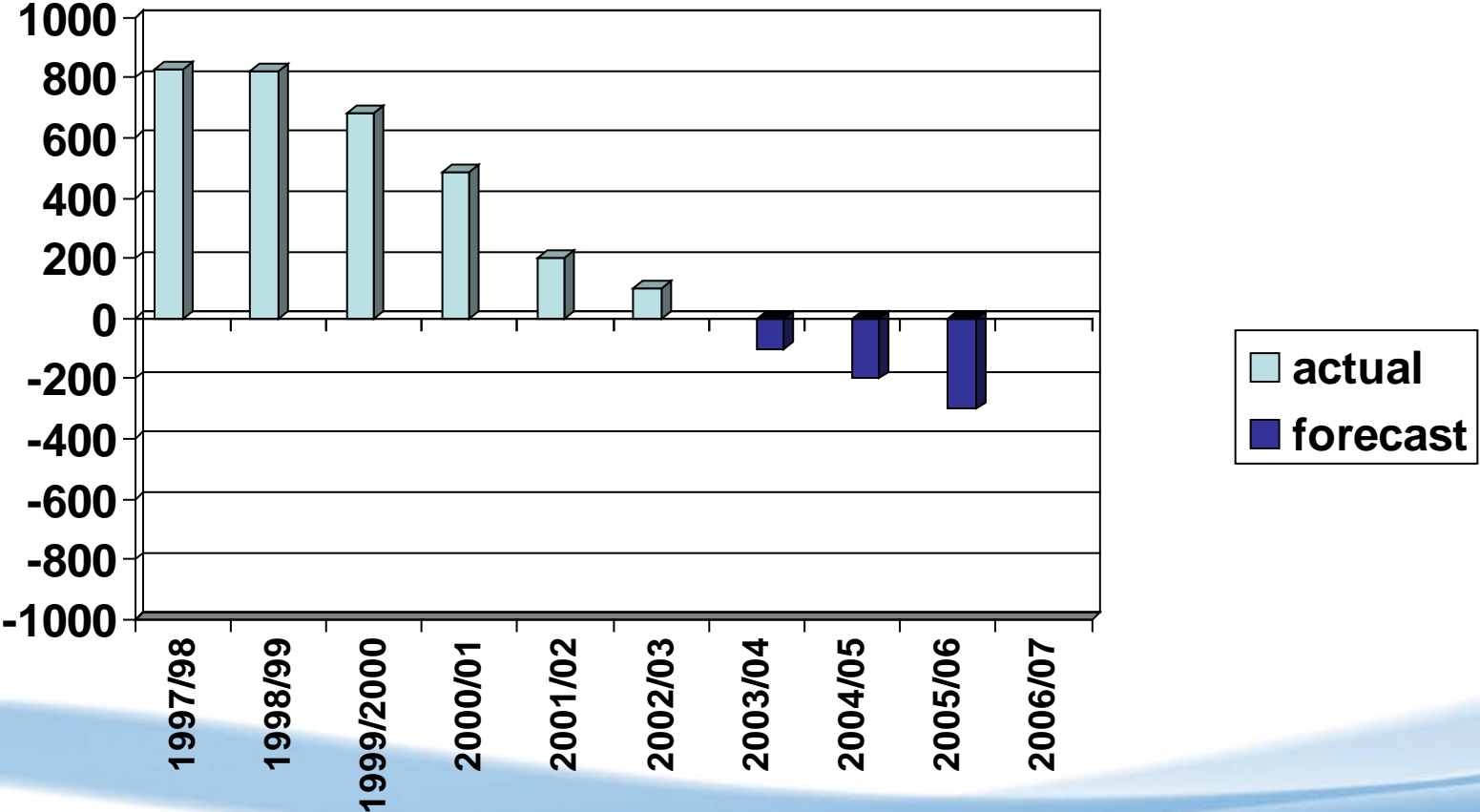


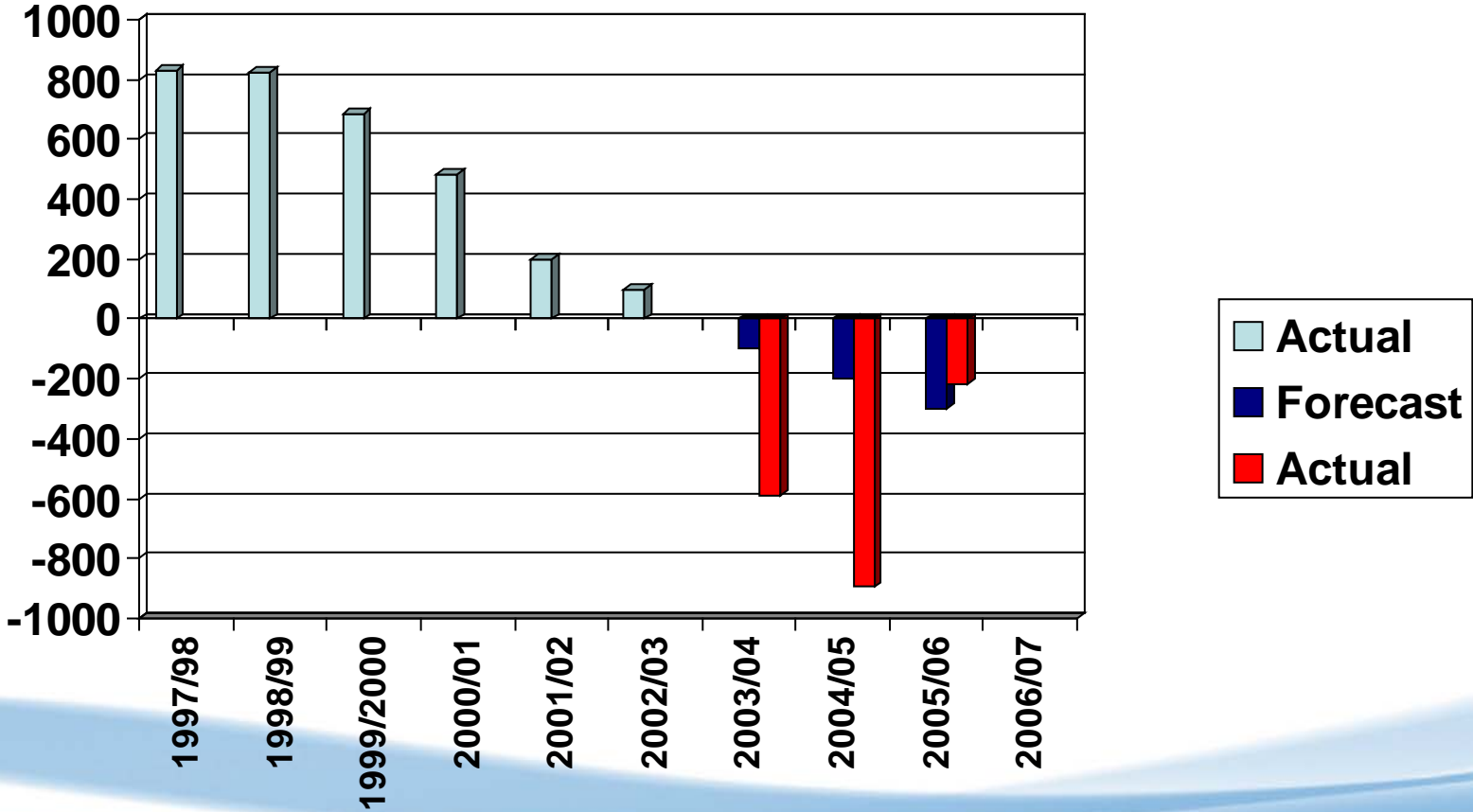
History

- SDS success under CCT
- Best value changed the game
- Scrutiny review 2002
- Make or buy ?

Surplus/deficit 1997-2005



Surplus/deficit 1997-2005



What Mattered to Stockport Members

Retain control – “make it”

BUT -----

- Viable
- Flexible
- Value for money

Options considered

Status quo

Merge back with client departments

Wholly Owned Company (WOC)

Joint Venture (JV)

Tender work

Management Buy Out

Externalise

The perceived advantages of the WOC

- Maintain Democratic control
- Ensure Competitiveness
- Clarity of role
- Respond to legislative change
- Maintain the benefits of an in-house provider
- Improve services

– Transforming Stockport Direct Services into a Wholly Owned Company Business Case
September 2006

Business Case Financial Comparison Status Quo v. WOC

	Year 1 (£000's)	Year 2 (£000's)	Year 3 (£000's)	Total (£000's)
Option A – WOC (after tax)	323	334	364	1021
Option B – Status quo	193	257	89	539
Saving through having WOC	130	77	275	482

–Transforming Stockport Direct Services into a Wholly Owned Company Business Case
September 2006

What was at stake

- School Meals
- Civic catering
- Highway Maintenance
- Street lighting & signs
- Property Maintenance
- Building cleaning
- Fleet Management
- Special needs transport
- Security & CCTV services
- Grounds Maintenance
- Street cleaning
- Skip hire
 - **& Potentially**
- Refuse collection and Recycling
- Commercial waste

Issues in setting it up

- Skill gap
- Cash flow
- Brand & name
- Governance
- Communication
- Blockers/critics/doubters.....
- Finance & legal advice – external
- Service level contracts – both ways

Skills Gap & Culture change



"You seem to have the qualifications we're looking for in an accountant"



*"Wow... flexible, strong and intelligent!
You're just the sort of person we need*



“No, don’t put the cheque in the post - I’ll send someone round to pick it up.”



"Can you run that past me again,
Watson - you seem to have lost me."

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**87% OF THE 56% WHO COMPLETED MORE
THAN 23% OF THE SURVEY THOUGHT IT
WAS A WASTE OF TIME**

D Day – 1st November 2006

- 1000 Employees transferred
- Bank Accounts
- SAP
- Legal framework
- £1million invoices raised
- VAT registered

The **co-operative** bank
good with money

1 St. Peters Square,
Stockport SK1 1NX

08-90-24

Pay HM REVENUE & CUSTOMS only

Date 27/01/09

The sum of ONE MILLION & SEVENTY SIX

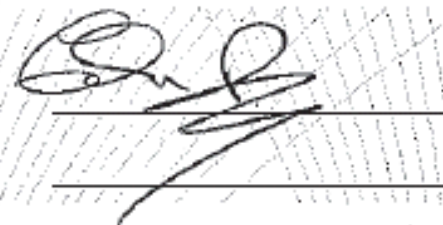
THOUSAND, NINE HUNDRED & SEVENTY EIGHT

£1076 978.45

This cheque contains 33% recycled paper.

Pounds + 45p

SOLUTIONS SK LIMITED



⑈ 500868 ⑈ 08 90 24 7035 1006 ⑈

www.cooperatives.com 0506 0208

account payee

Achievements to date

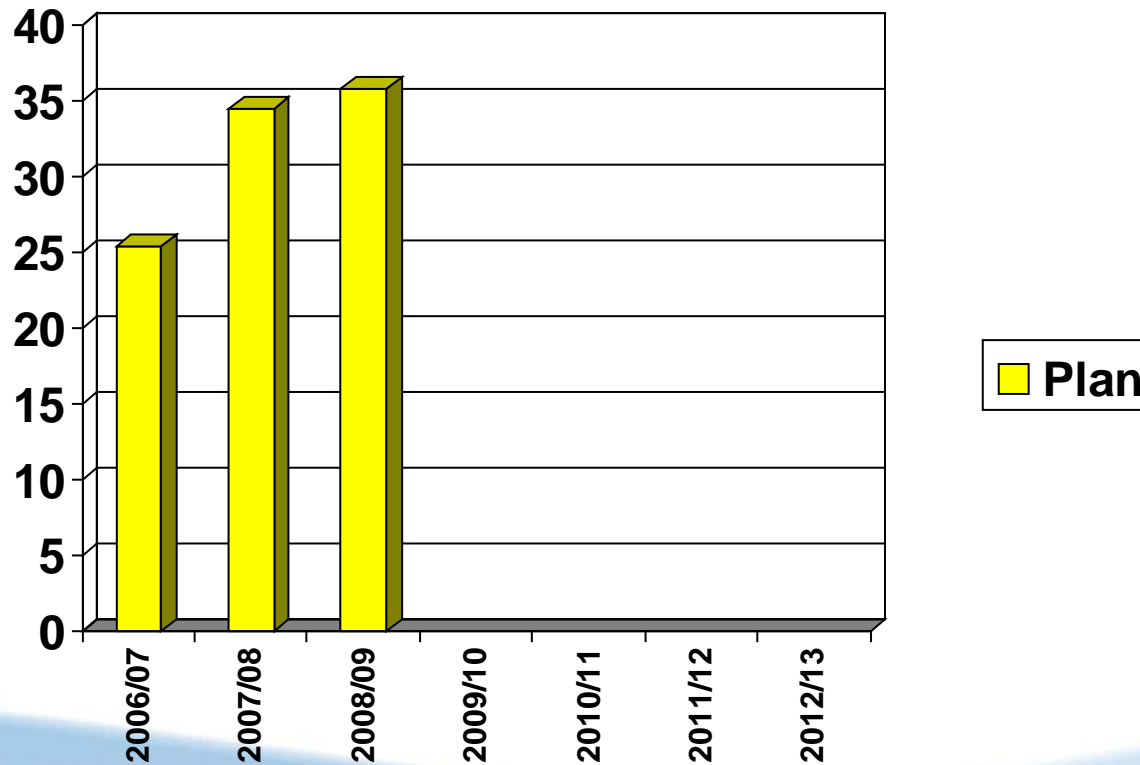
- Waste Solutions SK Ltd
- Refuse & recycling
- Public JV's
- Employees future
- Dividends
- Added value

Challenges

- Dividend
- Terms & conditions
- Wholly Owned Company - OPPS
- Continue to develop the new culture
- Drive efficiencies
- Collaboration

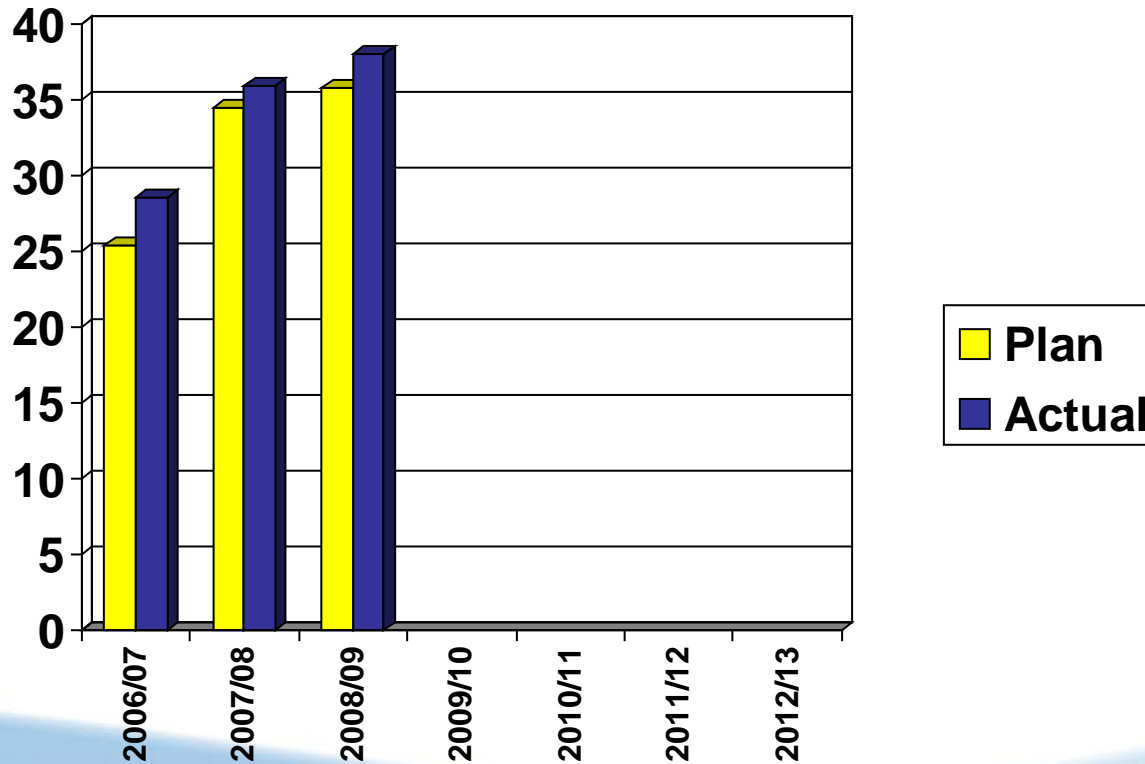
Turnover Performance Business Plan

£(m)



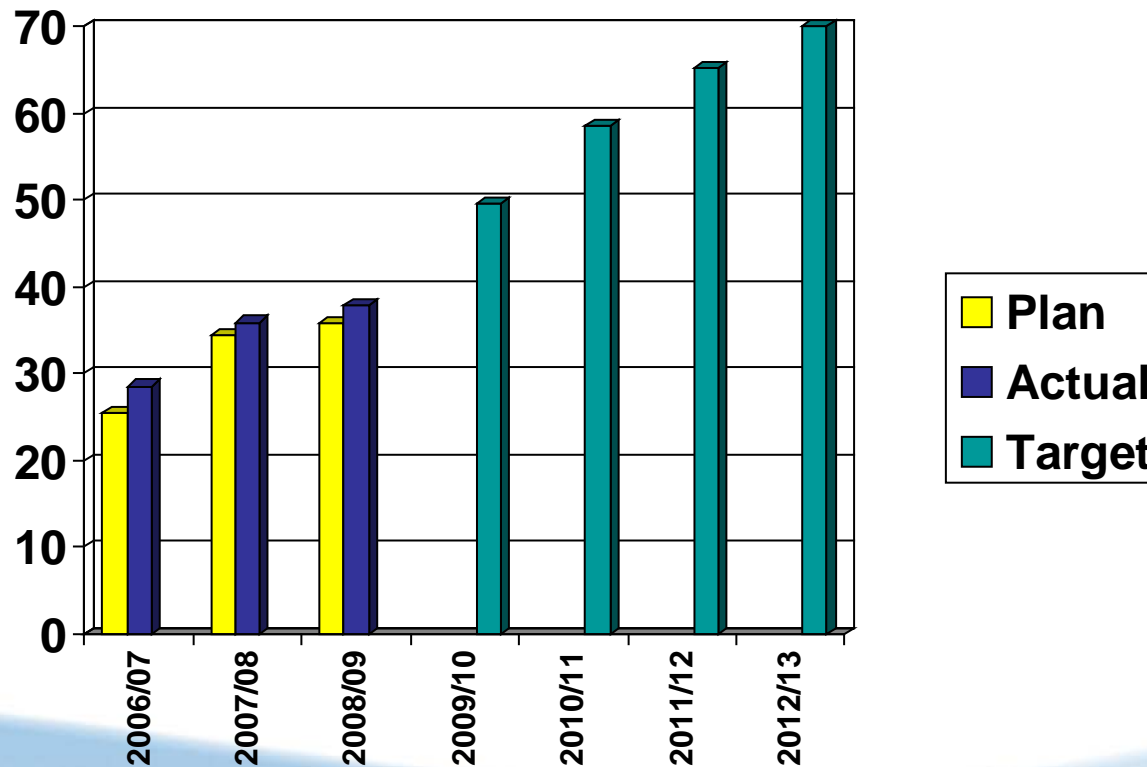
Turnover Performance Business Plan v. Actual

£(m)



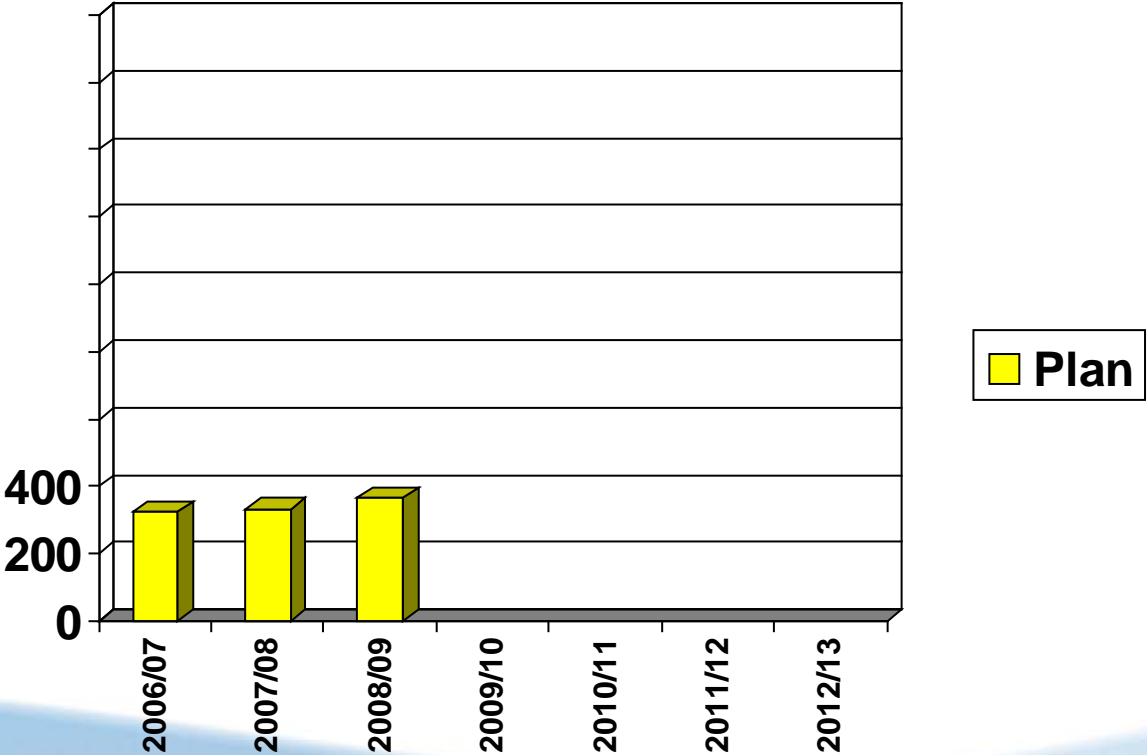
Turnover Performance Business Plan v. Actual v. Revised Target

£(m)



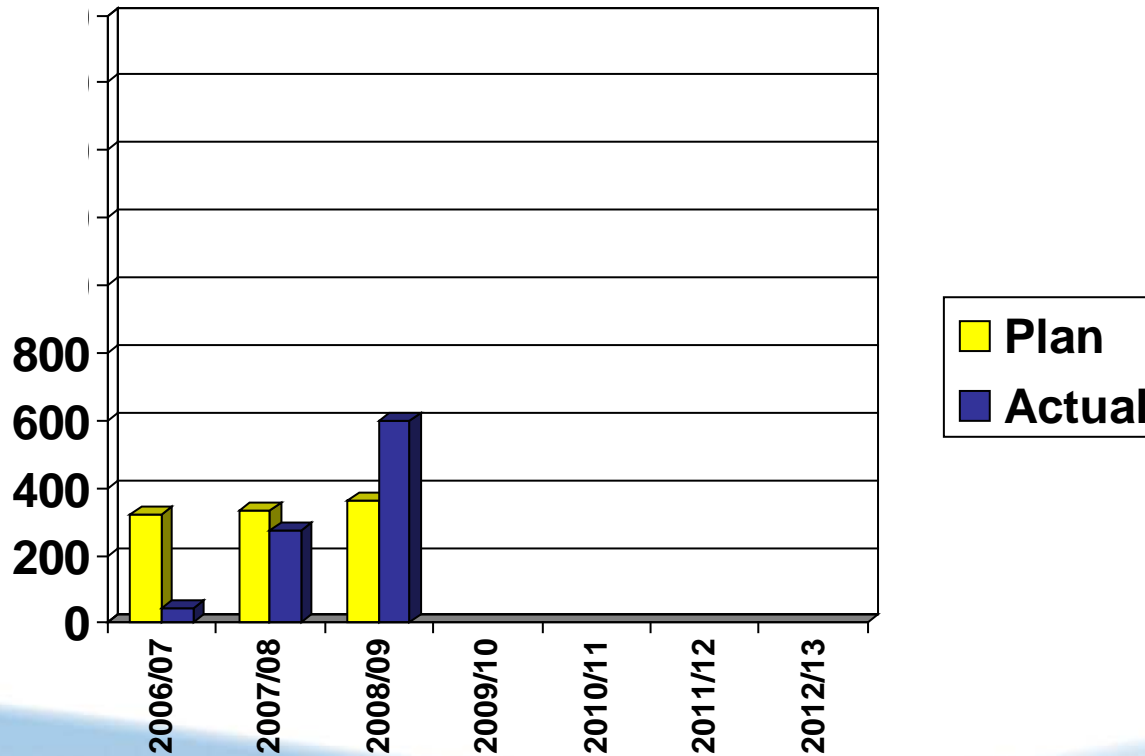
Profit Performance Business Plan

£(000's)



Profit Performance Business Plan v. Actual

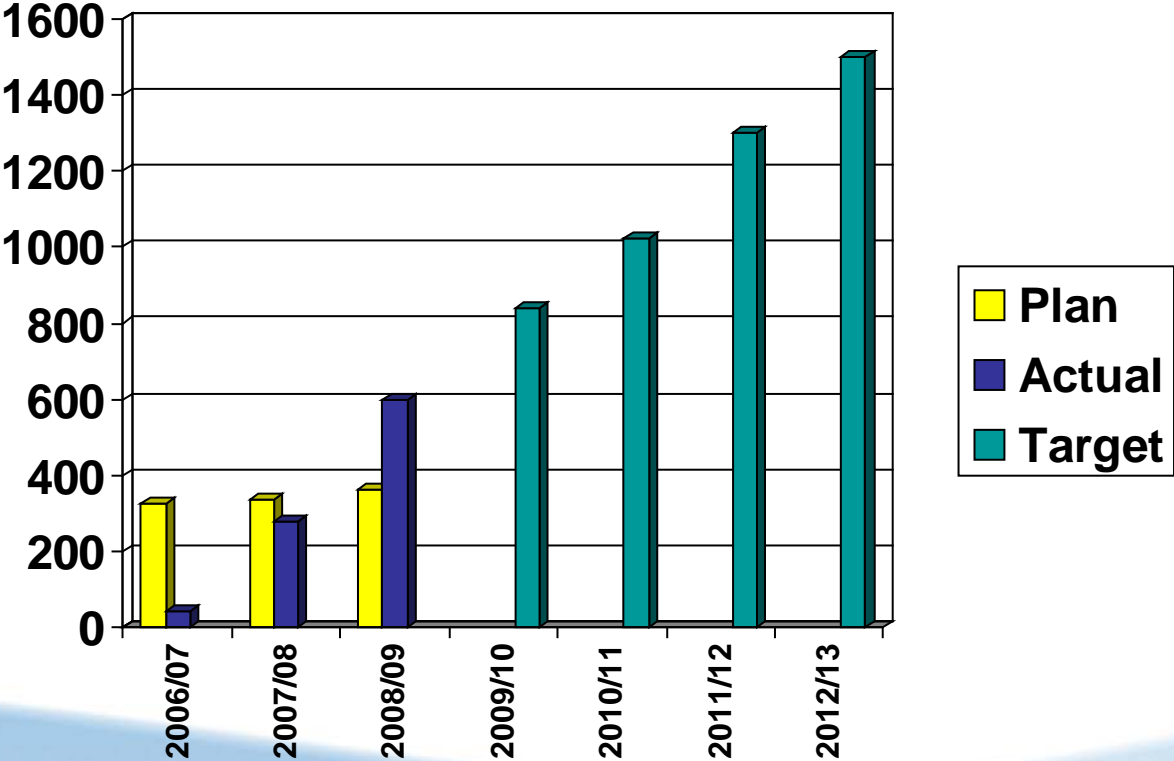
£(000's)



Profit Performance

Business Plan v. Actual v. Revised Target

£(000's)



Vision

- Joint ventures
- Contracting
- Incremental growth
- Subsidiaries
- JV & WOC partnerships
- Consultancy
- Acquisitions

In 2007/08

- Over 1,000 employees (86% living in SK1-8 postcode districts)
- c£2million of external business
- c.£750k of council central services purchased
- £6 million spent with local suppliers (SK1 – SK8)
- 171 formal compliments received / 98 formal complaints dealt with
- Over 1,500,000 primary school meals delivered
- 6802 tonnes of litter & detritus cleaned off the streets (+14.9% on year)
- Recycling & composting rate best ever – combined figure 35.46%
- Cleaner streets BV 199; 19% for 2007-08, the best result since inspection regime began
- ISO 9001-2000 retained, SSAIB accredited, liP retained

The Company Model ?

AN OPPORTUNITY