



# CORSERV

ANNUALREPORT  
2023-24



A CORNWALL  
COUNCIL COMPANY

Andi



**Working together to improve the  
lives of people in our communities**





# Financial Highlights

## Revenue

2023/24

£215.2m

2022/23 £238.7m

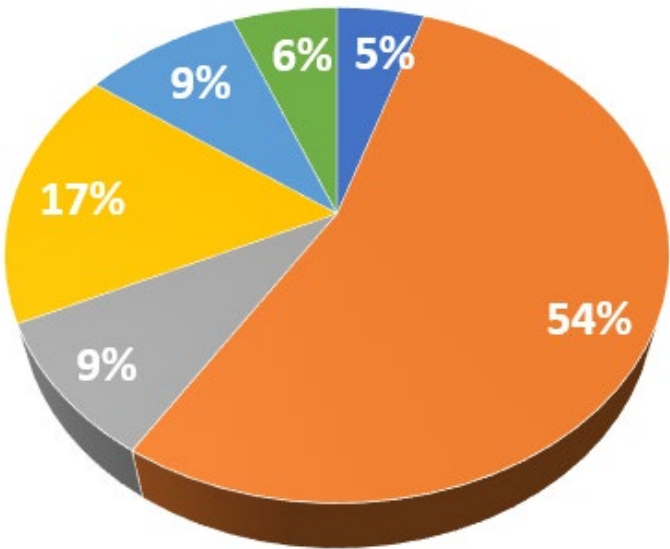
## (Loss) / Profit before Tax

2023/24

-£4.62m

2022/23 -£4.55m

# Revenue



Corserv	5%
Cormac Solutions	54%
Cornwall Airport	9%
Corserv Facilities	17%
Cormac Contracting	9%
Corserv Care	6%

Chart above shows 2023/24 revenue split % by company

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## Interim Chairperson's Statement



Julia Gregory

With the restructuring of the Corserv business now complete, we look ahead to an exciting future. At our core will remain a focus on providing great value, high quality services to the people of Cornwall. In future these services will be supported by investment secured from our growing commercial activities.

The transformation of the Corserv Group into Corserv Solutions will continue to ensure that we further strengthen the brand and support business growth. This change will benefit our partners and the residents of Cornwall. We continue to deliver excellent work in all aspects of the Group, including Corserv Care and Facilities, whose vital services help and support the members of our community who need it most, and Cormac, who continue to do a great job from transforming our green spaces into family-friendly areas and wildflower meadows that can be nurtured and enjoyed, to looking after our highways network, and performing in the top quartile in the UK. Cornwall Airport Newquay has seen its passenger volumes return to levels last seen before the Covid 19 pandemic and, with a potential new partnership in the pipeline, looks set to continue its growth, remaining a key part of Cornwall's transport infrastructure and continuing to bring huge economic value to the County.

In June, Falmouth attracted thousands of visitors when it hosted National Armed Forces Day for the first time to celebrate our military personnel. Cormac played a crucial role at the event, as they facilitated the traffic management planning and helped to keep the visitors safe.

I am proud that Cornwall continues to strengthen its reputation as an innovative and forward-thinking county that 'makes things happen'. The Group will continue to play its part in this journey and will collaborate and work closely with our partners and residents to ensure that the county continues to thrive and prosper for one and all.

## Interim Chief Executive Officer



Paul Cooper

2023/24 saw a period of significant change in the Corserv Group, as the structural plans set out in last year's strategic review were successfully implemented. Cornwall Housing has left the Corserv Group and now reports directly to Cornwall Council. In addition, all trading activities in Corserv Ltd and Corserv Care Ltd have now been consolidated into Corserv Solutions Ltd (formerly Cormac Solutions Ltd). The majority of activities in Corserv Facilities Ltd have also been moved to Corserv Solutions, with the exception of the ownership, and management of the PRA properties which will remain in Corserv Facilities Ltd for the foreseeable future.

Corserv Solutions Ltd now operates with three distinct Divisions (Cormac, Care and Facilities) supported by a central services function which includes activities such as Finance, Procurement and Business Systems. The Board believes that with this structure firmly established we are very well placed to move forward with the business plan as agreed with its shareholder, where strong external growth from its core divisions will bring increased benefits to the Group and meet its objectives of working together to improve the lives of the people of Cornwall.

Alongside the Group restructure plan, Cornwall Council provided a refinancing package to Corserv Limited. A £30m equity investment took place in March 2024 which has enabled the company to repay all long-term loans, significantly improving financial standing and reducing the burden of financing costs going forward.

There are strong signs of commercial growth developing across the business. Cormac has almost doubled its commercial revenues this year and there are clear signs of a similar diversification in the Care Division as it develops its Lifeline and Care and Support services. The development of these business streams is essential; it will enable Corserv to best support the people of Cornwall during a period of increasing pressure on public finances.

As we look forward to 2024/25, we will continue that journey of commercial growth. We will also deliver an ambitious programme to develop our business support systems, ensuring that our front line businesses have the best possible systems and processes to support them in that journey.

I would, as ever like to place on record my thanks to our amazing staff who, through their efforts contribute so much every day. It is with their support that we look confidently to the future and the exciting opportunities that it will bring.

# Who we are and what we do

The Corserv Group is a diverse group of businesses, owned by Cornwall Council and established to improve the lives of people in our communities by generating growth and opportunity.

Our companies are Corserv Solutions, Cornwall Airport Newquay and Corserv Facilities.

Cornwall Housing, previously part of the Group was transferred to Cornwall Council on 1 July 2023. All of the activities of Corserv Care transferred into Corserv Solutions on 1 November 2023. Similarly, the majority of Corserv Facilities activity transferred on 1 February 2023, leaving that company focusing entirely on the Private Rented Accommodation aspect of its business.

We deliver high-quality services across all our businesses that provide essential services to Cornwall and beyond. These include:

- Highways maintenance and management
- Environmental maintenance
- Highways, transport and environment infrastructure projects
- Adult reablement and social care
- Adult day care services
- Facilities management
- Property maintenance and cleaning services
- Vehicle fleet management
- Recruitment and temporary staffing

These services are brought together with shared business support functions that support improvements to our service delivery and systems, giving greater value for money and economies of scale, while ensuring a consistent approach and maintaining corporate governance. These support services include human resources, finance, procurement, IT business systems, marketing and communications, company secretarial and legal.



# How we do it

Corserv was created to bring together various Cornwall Council owned trading businesses to deliver efficiency, reduce costs and improve quality of service. In addition, Corserv provides income and savings to Cornwall Council, generating greater economic benefit to Cornwall.

By combining knowledge and experience across our Group, we can ensure that strategy and corporate governance are aligned, as well as allowing us to be more commercially focussed.

Our leadership team is supported by shared support services, enabling us to achieve significant economies of scale, reducing costs and standardising our policies and practices across the Group.



# Group Highlights and Achievements



## People



## Service Excellence



Cormac sickness absence fell below UK average: 2.03% vs 2.6% (2023 ONS data)



20 colleagues in Cormac have become professionally qualified, including as Chartered Engineer, Incorporated Engineer, Engineering Technician, Chartered Environmentalist and Chartered Surveyor



Delivered c£40m pa of social value to the community of Cornwall



There were no BSI non conformities or breach of CQC standards in 2023/24 for Corserv Care.



Highway maintenance service was ranked as top quartile in the National Highway & Transportation Network Survey



Cormac were awarded Highly Commended in the Structural Category at The Concrete Society Awards, for the Coverack Coastal Defence project



Cormac retained its ISO9001 Quality accreditation (in addition to ISO14001 for Environment and ISO45001 for H&S)



Cormac external business grew from 10% of total revenue in 22/23 to 22% in 23/24



Cornwall Airport Newquay crowned fastest growing airport in the UK in 2023



Contractors Health and Safety Assessment Scheme (CHAS) Accreditation successfully achieved in Corserv Care



Cornwall Airport Newquay added £72m in GVA to the regional economy



Cornwall Airport Newquay increased the international network to almost 50% of overall traffic volume



Corserv Care successfully turned around and integrated services following three significant provider failures.



Corserv Facilities refurbished 156 properties ready to let



Cormac's Northern Access Road Project in Truro received an Excellent Rating from Considerate Constructors Scheme





## Sustainability and Climate Change



## Collaboration and Innovation



For the third year, Cormac have been recognised at the annual CIRIA BIG Biodiversity Awards following success in 2019 and 2022



Our Environment Service Making Space for Nature Manager, Melissa Ralph, was the winner of CIRIA's Biodiversity Champion Award



An estimated 94% of our waste was reused and recycled during the last financial year



60% carbon saving through use of recycled aggregates on our Saints Trails project



Cormac recycled a record 62,903 tonnes of construction aggregates (equivalent to 6 Eiffel Towers in weight) saving an estimated 570 tonnes of CO<sub>2</sub>e (equivalent to the average annual emissions of 95 UK citizens)



Cormac's 'Living Churchyards' project was awarded 'highly commended' accolades in two different categories of CIRIA's national 'BIG Biodiversity Awards 2023'



Our operational carbon emissions are now -13% lower than our 2019/20 baseline, when corrected to account for recent business structural changes



Following the success of our initial pilot, 12 additional Biomethane highway maintenance vehicles were purchased and added into our fleet



Our first independent energy savings assessment was recently undertaken to help drive further efficiencies and emission reductions



Our complex carbon accounting practices were independently verified for the first time in line with the international standard ISO 14064, providing assurance for our key stakeholders



Our comprehensive ISO 14001 certified Environmental Management System performed twice as well as other organisations, according to independent industry benchmarks



Welcomed three new services in Corserv Care – Respite, Day Opportunities and Employment Services



Positive Provider Assessment and Market Management Solution (PAMMS) audit of Trefula House with no improvement actions required.



Cornwall Airport Newquay retained all areas of CAA compliance, passing all audits and securing the renewal of the aerodrome and spaceport licenses





# Health and Safety

As a company we put health and safety at the centre of all our activities. Dedicated teams support all aspects of the business in the effective planning and delivery of services.

## Corserv Facilities

### Overview of 2023/24

- Corserv Facilities has implemented a bespoke intranet service for all Safety, Health, Environmental and Quality (SHEQ) information to the business
- Staff can access information via the intranet using the facilities app or QR codes on their mobile telephones. This has enabled staff to utilise SHEQ documents (risk assessments, method statements, policies, HR documents and the Support Hub
- In order to maintain and grow the ISO management system, the SHEQ team were upskilled, staff were trained in noise surveys and lead auditor training for ISO 9001, 14001, 45001 was completed. Further training NEBOSH environmental was undertaken, allowing Facilities to evaluate systems and meet key environmental targets
- The employee engagement group has gone from strength to strength, participants have provided great feedback and advice, which has enabled employees' voices to be heard. This provides vital information to the Senior Leadership Team (SLT) who ensure appropriate actions are implemented
- Departments have undertaken a quality management program. This included process mapping of their department, the establishment of compliments and complaints officers, and moving systems away from personal drives and onto a single SharePoint platform. This will ensure transparency, accessibility and understanding how departments operate, and to identify continual improvements
- The Learning and Development department has been working in collaboration with the SHEQ team, providing face to face training to operatives in manual handling, working at height, noise, vibration, legionella, fire awareness and COSHH. This has greatly improved compliance
- Corserv Facilities undertook an evaluation of noise and light assessments. New risk registers were established to provide guidance and measurement to the tasks conducted, ensuring safe working practice
- A mask 'face fit' program was rolled out in 2024, and supervisors have had the necessary training to conduct face fit testing. The SHEQ team have also supported departments, conducting batch testing to help increase compliance
- The SHEQ team have been rolling out a bitesize training program over 23/24 for managers and supervisors, to upskill their knowledge and implement or train their operatives. Training conducted ranged from risk assessments, lone working, waste management, to driving

## Corserv Care

### Overview of 2023/24

- CHAS Accreditation successfully achieved
- 11 further team members trained in Mental Health First Aid
- 166 Near Miss incidents reported (an improvement of 62% on the previous year)
- Risk Assessment templates built into Total Mobile for community teams, improving efficiency and accessibility of information.
- No RIDDOR or LTI's in the year.
- Positive Provider Assessment and Market Management Solution (PAMMS) audit of Trefula House with no improvement actions required.

## Safety, Health, Environment and Quality (SHEQ) Audits

- Health & Safety audits are completed by Registered Managers and Community Care Supervisors in each team on a monthly basis. Leadership H&S visits are also completed monthly by various members of the SLT. The Access Care Compliance system is used to log audits and improvement actions. During 2023/24, Registered Managers have started to complete mock inspections using the Care Compliance system, preparing the services for Care Quality Commission (CQC) inspections under the new single assessment framework
  - ° 322 H&S audits were completed during 2023-24
  - ° The average scores for the audits completed in 2023- 24 were 4.25 out of 5
  - ° SLT completed 22 H&S Leadership inspections in 2023- 24
- There were no BSI non conformities or breach of CQC standards in 2023/24



## Cornwall Airport

### Overview of 2023/24

- The reporting of near misses has increased resulting in lower incident rates
- Incident reporting has been improved to include staff feedback on the closure element
- RIDDOR rate remains at zero
- The new training team continue to add value to the Health and Safety training delivery, improving health and safety holistically to ensure everyone understands the responsibilities and accountability for individual roles. This covers all the legislative requirements
- The Airport SMS has been reviewed as part of the wider legislative review
- A new H&S/Compliance monitoring system has been identified and will be in the process of procurement
- All management and senior supervisors have undertaken a Senior Managers Investigatory Training Course
- MEWP Training – 20 staff trained
- IOSH – 16 trained this year

### Safety, Health, Environment and Quality (SHEQ) Audits

- The Company are now using internal inspection and audits in line with CAA requirements and those of Health and Safety. Compliance monitoring is set out over a 3-year rolling plan in the Aerodrome Manual

## Cormac

### Overview of 2023/24

- There were three RIDDOR incidents in 23/24, a reduction of 75% on the previous year. Two notifiable injuries, which were one case of broken ribs and one case of an avulsion fracture to an ankle, and one notifiable disease. This was a confirmed case of HAVs following an occupational health assessment, the affected person stated that they had confirmed HAVs symptoms four years prior to commencing employment with Cormac and had not declared this on their onboarding health assessment questionnaire. This case of HAVs was not caused during employment with Cormac, but we reported it on confirmation
- Lost time incidents in 23/24 resulted in 110.5 lost days, which is a reduction of 79.2% on the previous year
- The Cormac annual safety plan was completed at 92.77% at the end of Q4, the target completion was 90%.
- There has been a real focus on mental health throughout the year, with staff volunteering to share their own first hand experiences to raise awareness. A number of colleagues have come forward seeking support as a result of this initiative. All of these people were advised to seek help from their GP and were also offered counselling via occupational health. These presentations

also resulted in 60 people volunteering to become Mental Health First Aiders

- Near miss reporting continued to increase throughout the year; this was encouraged and supported at monthly safety steering groups held by the SHE Manager
- Following the decentralisation of the group, the Cormac SHEQ system has been revised and improved
- The two senior safety advisors have begun studying for the NVQ level 6 qualification in Occupational Health and Safety Practice. Once completed the full SHE team will hold high level qualifications and professional status with IOSH
- The incident / accident reporting and investigation procedure was audited and improved procedures introduced. After implementation of the new process, all incidents must be reported to the business director and the SHE manager within an hour of occurrence. Early intervention and the timely sharing of learning has resulted in a significant reduction in safety related incidents and lost time
- New H&S strategy document has been approved by the board

### Glossary of Terms:

RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences Regulations

NEBOSH - National Examination Board in Occupational Safety and Health

COSHH - Control of Substances Hazardous to Health

PAMS - People Asset Management System

SMS - Safety Management System

BSI - British Standards Institution

CHAS - Contractors Health and Safety Assessment Scheme

CAA - Civil Aviation Authority

LTI - Lost Time Injury

IOSH - Institution of Occupational Safety and Health

HAVs - Hand Arm Vibration

MEWP - Mobile Elevating Work Platform

RIDDOR stands for Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. It is a set of regulations in the United Kingdom that require employers, the self-employed and people in control of work premises to report certain workplace incidents. These incidents include:

- Deaths at work
- Injuries at work that result in the victim being away from work for more than seven days
- Certain serious injuries, such as amputations, loss of sight, or fractures
- Diagnosed cases of certain occupational diseases, such as occupational cancer or dermatitis
- Dangerous occurrences, such as explosions, fires, collapses, or releases of harmful substances

RIDDOR also requires employers to keep records of all reportable incidents. These records must be kept for at least 40 years.

The purpose of RIDDOR is to help prevent accidents and ill health at work by ensuring that employers are aware of any hazards in their workplace and take steps to control them. By reporting incidents, employers can help the Health and Safety Executive (HSE) to identify trends and patterns of accidents and ill health, and to target their enforcement activities where they are most needed.

2023/24 RIDDOR Summary	Over 7 days	Specified	Fatality	Occupational Diseases	Dangerous Occurrence	CQC Notification & RIDDOR	Total RIDDORs
Cormac	0	2	0	1	0	N/A	3
Facilities	4	0	0	0	0	N/A	4
Care	0	0	0	0	0	1*	1
Cornwall Airport	0	0	0	0	0	N/A	0

\* Care - 1 x CQC Notification/RIDDOR relating to a resident fall incident in Trefula (not included in Employee RIDDOR stats)

### Lost Time Incidents - Enforcement and Improvement Actions (HSE/CQC/ Environment Agency - Near Misses

2023/24 Incident Summary	Lost Time Incidents	Enforcement & Improvement Actions HSE/ CQC/EA)	Near Misses
Cormac	14	0	560
Facilities	5	0	68
Care	0	0	166
Cornwall Airport	1	0	188

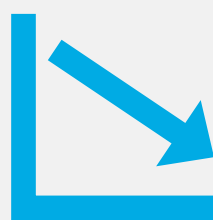
### Inspection – base line score for the year

2023/24 HSEQ Inspections scores	L2 Inspection average score
Cormac	3.98
Facilities	3.82
Care	4.25
Cornwall Airport	N/A



## Carbon Reduction

Following Cornwall Council's Climate Emergency declaration, we have been identifying, investigating and pursuing key emission reduction opportunities across our business.



-1,660 t CO<sub>2</sub>e  
reduced so  
far from our  
baseline

We recognise that we have a leading role to play and that by facilitating positive organisational changes we can help to achieve carbon neutral operations by 2030. This will give us our best chance of contributing to the worldwide goal of keeping global warming below the critical +1.5°C 'tipping point' threshold for ecosystems, human health and well-being.

We have developed and published a comprehensive and dynamic 'Carbon Reduction Plan', which will be regularly updated in the years ahead to take into account our challenges, performance and emerging opportunities.

### 2023/24 FY Highlights:



#### Additional Biomethane Vehicles

Following the success of our initial trial, a further 12 vehicles we added to our fleet, and we are about to start installing one of the UK's first biomethane vehicle fueling stations.



#### Independent Energy Audit

Our first specialist energy saving assessment was recently completed, which will help to identify further cost-effective saving measures and emission reduction opportunities.



#### Independent Verification

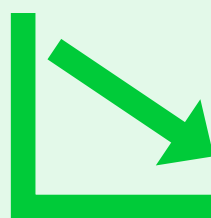
Our carbon accounting practices were assessed for the first time in line with the international standard ISO 14064. This will help to further refine complex accounting methodologies and provides assurance to our key stakeholders.



Cormac biomethane highway maintenance vehicle, part of our alternative fuel pilot with local company Bennamann.

## Nature Recovery

Cornwall is facing both an ecological and climate emergency. Local biodiversity is following exactly the same worrying trends as those seen globally. Common species are becoming rare and there are fewer places where nature can prosper.



-1,660 t CO<sub>2</sub>e  
reduced so  
far from our  
baseline

Without a wide range of nature, we will not have the healthy ecosystems that we rely on for the air we breathe and the food we eat.

While we don't own any land, we do manage and maintain a large amount on Cornwall Council's behalf. If we add up all the green spaces that we look after, it is clear that we have a significant responsibility and opportunity to achieve highly positive outcomes for people, places and nature.

### 2023/24 FY Highlights:



Cormac's 'Living Churchyards' initiative was awarded highly commended accolades in two different categories of CIRIA's national 'BIG Biodiversity Awards 2023'.



Work has started on delivering Cornwall Councils' flagship Shared Prosperity Fund (SPF) 'Urban Green Shoots' project, bringing increased biodiversity to public open spaces.



We developed a new comprehensive 'Biodiversity Standard' to bolster our internal environmental management systems and drive further exemplary operational performance.



Building upon the previous 'Making Space for Nature' project, Cormac is supporting the delivery Cornwall Council's 'Urban Green Shoots' project, creating even more nature-rich spaces within local communities.



# Circular Economy

We are committed to embedding circular economy principals across all of our business activities, expanding the lifespan of existing materials and reducing waste.

## Aggregate Recycling Scheme

We operate four Environment Agency permitted sites, where during the 2023/24 financial year, a record 62,903 tonnes of waste from highway construction and maintenance activities was processed into quality, affordable and sustainable secondary aggregate products.

By transforming waste back into a valuable resource and keeping materials in use for longer, we are supporting a circular economy for construction materials. We have been able to increase our operational efficiency and reduce demand for the extraction, processing and transportation of new construction materials and their associated emissions.

Recycled aggregates can have up to 59% lower emissions per tonne than primary aggregates. Concrete rubble type wastes can be reused as a construction fill or foundational material, while Reclaimed Asphalt Pavement (RAP) can be fed back into asphalt manufacturing processes, reducing the amount of new stone and bitumen required.



Mobile aggregate crushing and screening unit processing waste that was generated from Cornwall's highway network.



94% of our waste was reused or recycled last year

## PPE Recycling Scheme

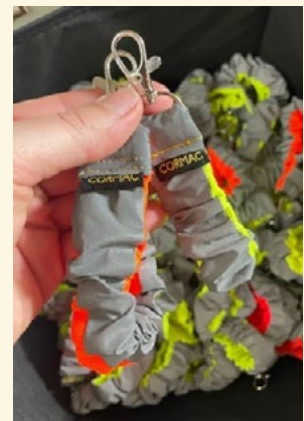
Personal Protective Equipment (PPE) has a very high environmental impact due to its intensive manufacturing process. One tonne of clothing, results in 22 tonnes of carbon emissions, which is a worse ratio than asphalt, concrete or steel.

Options for purchasing alternative sustainable materials are currently limited and in order to keep our people safe, we cannot reduce the amount of PPE purchased. We can however try to significantly expand the lifespan of these materials. Our highly unique circular economy partnership with local business 'TeX Innovation' enables us to reuse and recycle our end-of-life PPE, diverting it from incineration and landfill.

18% has been cleaned, repaired and resold.

37% has been recycled into new products.

45% has been shredded for use in insulation.



Lanyards for promotional giveaways and safety wristband for school crossing patrol awareness made from our recycled PPE.

# Supporting our local supply chain

## Procuring goods, services and works from Local Supply Chain.

To deliver the services we provide to the residents of Cornwall, we buy goods, services and works from our supply chain partners.

We are committed where feasible and viable to acquire these goods, services and works from local supply chain partners to keep the money we are spending circulating in the economy of Cornwall.

Local Supply Chain is classified as 'True Cornish Suppliers' and also National Suppliers who have a physical presence within Cornwall using Cornwall infrastructure and employing Cornish staff.

We are currently spending £127.6m with the Local Supply Chain, which equates to 70% of the group's expenditure being spent within Cornwall. Year on Year we continue to increase the amount of money spent within Cornwall and we are extremely proud to be such a significant revenue generator for the Cornish economy.

In some situations it is not possible or appropriate to utilise the local supply chain. Our external growth results in us undertaking works for example in Devon meaning at times it is more suitable to utilise Devon based contractors.

Equally, the specialist nature of some items that we purchase is not always available within Cornwall, such as some raw material or specialist contractor services. This is particularly relevant to the operation of Cornwall Airport which is truly unique in terms of some of the suppliers it is required to utilise, and the Cornwall Economy will never be in a position to offer some of these services.

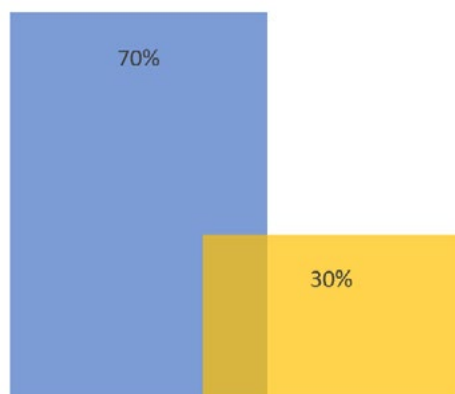
Where we need to utilise out of County supply chain, if possible, we tie the supply chain in to social value commitments through our formal procurement agreements to ensure that benefit is still realized within Cornwall from expenditure with those National suppliers.

The Key Social Value Metrics are:

- **Jobs: Promote Local Skills and Employment:** To promote growth and development opportunities for all within a community and ensure that they have access to opportunities to develop new skills and gain meaningful employment.
- **Growth: Supporting Growth of Responsible Regional Business:** To provide local businesses with the skills to compete and the opportunity to work as part of public sector and big business supply chains.
- **Social: Healthier, Safer and more Resilient Communities:** To build stronger and deeper relationships with the voluntary and social enterprise sectors whilst continuing to engage and empower citizens.
- **Environment: Decarbonising and Safeguarding our World:** To ensure the places where people live and work are cleaner and greener, to promote sustainable procurement and secure the long-term future of our planet.
- **Innovation: Promoting Social Innovation:** To promote new ideas and find innovative solutions to old problems

## Supply Chain Location

- Local Supply Chain - 70%
- National supplier - 30%





# Corporate Social Responsibility

Social Value Portal was appointed by Corserv Group to help embed social value into our operations, enabling us to measure, validate and report on the company's contributions to the wider society.

Social Value Portal was engaged to:

## Define measurement

Social Value Portal developed a social value measurement framework (TOM System) that reflects Corserv's priorities and values.

## Set-up platform and processes

Social Value Portal created a Corserv Group Master Account and 6 sub-accounts to enable monitoring of Social and Local Economic Value (SLEV) delivery across their business areas.

## Validate data for robust reporting

Social Value Portal completed a thorough review of all data uploaded on the portal. Reports and project summaries could then be generated through the system.

## Key Highlights

The social value delivery shows the widespread impact and benefit delivered to local communities, as well as wider society, by Corserv Group throughout 2022-23.

Corserv Group delivered a total SLEV amounting to £38m. The major part of the SLEV (95.4%) was the Local Economic Value (LEV), delivered through employing local people and spending with local supply chain partners. Most notably, Cormac employed 671.8 local people and spent £32m with local supply chain partners, overall allowing them to unlock £36m of LEV.

LEV is a key part of social value delivery and will always make up a large proportion of overall delivery figures. Sourcing labour and goods locally generates high LEV figures due to the relatively high proxy values of measures capturing local employment and spend.

In terms of Social Value, the Corserv Group have performed well against the Environmental Theme, delivering £1m of SV and waste saved through reuse of products and materials, where 9,859 tonnes of waste were saved, generating £953,396.24 of Social Value.

Total Social & Local Economic Value Delivered:

**SLEV - £38,025,130**

LEV*	SV**
£36,260,224	£1,764,907

99%

of delivered £SLEV was unlocked

9,859

Tonnes of waste saved

672 fte = £17m

Full-time equivalent jobs

\*Local Economic Value (LEV) - LEV is the monetised value of local jobs and local spend resulting in additional economic value locally. It works under the assumption that the jobs and money spent are simply being diverted from other areas therefore this value is only displaced rather than created.

\*\*Social Value (SV) - SV is the monetised value of additional benefits created for communities and society directly.

# Corporate Social Responsibility

## Charity fundraising

As part of our Corporate Social Responsibility, Corserv supports local charities by carrying out a wide range of fundraising activities throughout the year, as well as supporting employees in carrying out a volunteering day in their community.

Our two corporate charities are selected by our employees every two years. The current charities we are supporting are Cornwall Air Ambulance Trust and Prickles & Paws Hedgehog Rescue.

Cornwall Air Ambulance Trust is a charity that provides critical care to people in Cornwall and the Isles of Scilly. The paramedic aircrew provide pre-hospital care at the scene of the incident and attend more than 1000 missions every year. Given the county's isolated beaches, rural settlements and challenging road networks, Cornwall Air Ambulance is considered a lifeline by residents and visitors alike.

Prickles & Paws Hedgehog Rescue provide a service of rescue, emergency care, rehabilitation and release for native British hedgehogs in Cornwall and the Southwest. They inspire learning and conservation through improving the knowledge and understanding of hedgehogs for the general public through educational workshops and online engagement.

## Mental Health First Aiders

The Mental Health First Aid (MHFA) qualification is a nationally recognised course which allows people to undergo training to support their colleagues and peers with mental health concerns.

The Corserv Group MHFA network was set up in October 2021 to share good practice, resources, ideas and a support network for each other.

Our MHFAiders® complete two days of face-to-face training, run internally by our qualified instructors.

The training teaches attendees to:

- Recognise warning signs of mental ill health
- Identify, understand and help someone who may be experiencing a mental health issue
- Listen, reassure and respond in a crisis – and even potentially stop a crisis from happening
- Develop the skills and confidence to approach and support someone while keeping yourself safe
- Gain an understanding of how to support positive wellbeing and tackle stigma in the world around you

Once completed the attendees are listed as a MHFAider® on our Mental Health intranet pages and are a point of contact for mental health support across the Group.



# Our People

As part of the Group restructure, our HR team have supported a number of activities to ensure a smooth transition consistent one company approach, including

- Improvements in reducing the gender pay gap and the formulation of a gender pay gap action plan
- The introduction of an Equality, Diversity & Inclusion (EDI) strategy including a pilot of EDI training for all colleagues
- Reintroduction of the annual Employee Survey with 10% increased participation, a focus on EDI and the introduction of tangible action plans in place to act on colleague feedback
- The April 24 pay award was paid on time, keeping to our commitments to colleagues
- Updated corporate induction
- Improvements to people policies, including enhancements to paternity pay
- Review of agency usage to ensure a more consistent cost-effective approach and timely process for temporary to permanent recruitment
- Education on occupational health support and employee assistance programmes available for all colleagues

- Continued collaborative working with our Trade Union colleagues
- Better usage of funds available within the Apprenticeship levy to support colleagues learning

## The HR Operations team were busy with:

- Continued to grow the CorHCM (our HR System) project creating support, better business intelligence and developing employees to better support our users
- Improvements to EDI data collation
- Continued support with numerous TUPE in and out activity across the business
- Continued to improve our onboarding process, working with our customers to tailor onboarding to better suit business needs





## Our Mission

### *Working together to improve the lives of people in Cornwall*

In our commitment to enhancing the lives of people in our communities, each of our teams plays a crucial role. From delivering essential care services to ensuring safer roads, or stimulating job creation in the region, we are dedicated to making a positive impact in the lives of both residents and visitors in our communities, fostering a stronger, safer, and more prosperous environment for all.

Examples of how our businesses support our mission:

- Cormac is at the forefront of transforming our highways and environment, paving the way for safe and enjoyable travel across our local areas. Beyond just road improvement, Cormac is a catalyst for economic expansion, driving progress through the design and construction of vital infrastructure projects
- Cornwall Airport helps local residents fly to global destinations and brings visitors from every corner of the globe to showcase

our beautiful county

- Corserv Care offers more than just care; it provides a helping hand to those needing extra support in their homes, empowering our residents to maintain their independence and enjoy the comfort of living in their own space
- Corserv Facilities will reduce in scale but retain its core interests in servicing, repairs, and specialised property solutions, ensuring that its focus is on delivering long term profitable contracts.

## Our Vision

Improving lives across our communities shapes our work ethic and our working practices. It is the reason that we exist and how we ultimately measure our success.

Everything we do helps shape Cornwall and its economic growth. Looking ahead, we will continue to grow by engaging in projects and delivering services in Devon, Dorset, Somerset, and further afield.

Our vision for the future:

- Cormac to become the provider of choice for managing and maintaining our highways, environment and transport needs
- As it transitions to a new arrangement, to continue to

support Cornwall Airport to become the first-choice regional airport in the South West for airlines and passengers

- Jobline to be the recruitment agency of choice in its chosen industry sectors and location
- To position Corserv Facilities to contribute to Cornwall Council's Carbon Neutral Challenge, working to deliver a carbon neutral fleet and delivering capital projects with a carbon reducing ambition
- Corserv Care services to grow and develop new services and invest in reablement, domiciliary care and tech enabled care.



## Our Values

Our values shape everything that we do across our Group. From construction to care services, from travel to transport and everything else in between.

Our values guide the way we work with our business partners, within our communities and with each other.

**Collaborative** - working and supporting each other to serve our communities

**Innovative** - always looking to improve and modernise

**Trusted** - we are open and honest and do what we say we'll do

**Positive** - we are optimistic and believe in doing the right thing



# Aligning with Cornwall Council Priorities



A brilliant place to be a child and grow up



A thriving, sustainable Cornwall that offers a secure home, a decent income and a great environment for all



Vibrant, safe, supportive communities where people help each other to live well



Supported by an empowering and enterprising Council that offers a consistently excellent customer experience and great VFM

We look, in everything we do, to support our Shareholder in delivering their strategic priorities for Cornwall.

We contribute in a number of ways and through all Group companies:



## Corserv (our whole organisation)

We will enhance our return of value to our Shareholder through our new Business Plan & Commercial Strategy

We will create social value that benefits our communities, including local employment and a local supply chain

We want to give local taxpayers good value for money and deliver efficient services

We want to give good services to Cornwall's residents

We will always try to get it right first time

We will invest in digital technology

We will work with communities and be open and honest about what we do

We will be a greener Organisation, reducing our carbon and enhancing our environment

We want to work with communities, so everyone feels safe and a part of their local community

We want people to volunteer and get involved in their community

We are committed to the wellbeing of our employees

## Corserv Care

We want to help people to live independently and support people to look after themselves at home for longer

Community Services including STEPS/CorCare and Corserv Care

Trefula House - providing of a safe a home to vulnerable individuals who live with dementia, challenging behaviours and life limiting conditions

Lifeline and Assisted Living - Embedding Technology Enables Care at the heart of care and support planning

## Corserv Facilities

Providing Facilities Management services to Schools and Multi Academy Trusts

Supporting over 10,500 social homes across Cornwall

Providing Facilities Management services to over 300 council buildings

Supporting Carbon neutral ambition

## Cormac

Delivery of Highway & Environment Term Services, including network management, community engagement, maintenance and network improvement programmes

Contributing to the delivery of the LTP: 20mph rollout, Community Highway Schemes, School Streets, Travel to Work and Minor Highway Improvement Programme

Delivery of infrastructure for Cornwall's Growth

We will support the devolution, carbon reduction, ecological and Social Value objectives of the Council

Working to mitigate the Climate and Ecological Emergencies through the projects we deliver

# Our Strategic Priorities

Our strategic priorities reflect our values and centre around people, service excellence, collaboration, innovation and sustainability. These are developed to describe our contribution to the Shareholder's strategic objective to work with communities for a carbon neutral Cornwall, where everyone can start well, live well and age well and the associated priority outcomes and are:



## People

attracting and retaining the best talent and looking after our employees

### Respect and investment in our people

- Our people strategy encourages a culture of collaboration and sharing, removing any blame culture
- Our employee engagement and development initiatives such as the Group employee survey ensure sufficient investment is made in our people
- We continuously improve communications across the Group. Developing collaborative ways to work together and building a culture which allows everyone's voice to be heard
- Our employee development includes an increased apprenticeship programme, leadership development, succession planning and improved employee relations
- Our wellbeing initiatives include the three strands of health, mental and financial
- Our apprenticeship strategy helps local young people learn skills and gives them the opportunity for a career in Cornwall, rather than out of the county.



## Collaboration and innovation

doing even better by working together

### Collaboration and innovation to improve our business models

- We work together across all business areas and collaborate to continuously improve. We adopt and share best practice from across the Group
- Our HR team not only provide strategic direction but also improve services so that we can become a modern, forward-thinking employer with a skilled and motivated workforce that can deliver for today and is ready for the future
- We are building a high-quality provision that is commercially successful, this actively contributes to the development of talent across Cornwall and helps deliver the capacity and capability to succeed
- We have a combined marketing and communications strategy that has been implemented and continues to be further developed to effectively reach different stakeholder groups.



## Service excellence

building centres of excellence and competing in an open market with good value for money

### Driving excellence in service delivery

- The drive to service excellence while ensuring that health and safety remains a key priority for the Group
- We provide strategic leadership, delivering consistent policies across the Group
- We focus on making high volume transactions more cost and time effective and to the highest quality standards
- We continue to invest in technology. Examples include the implementation and development of a Group HR system, a coordinated Group finance system, the development of web-based company portals, an intranet, supporting mobile workers and the implementation of other collaborative business tools
- We raise standards in welfare facilities - investing in offices and depots
- We collaborate and innovate to improve our business models.



## Climate change and sustainability

meeting the needs of the present without compromising our future

### Ensuring a positive contribution to climate change and sustainability

- We value, protect and enhance our surroundings in order to build a stronger foundation to grow our local economy and make our local area a better place to live and work
- We focus on environmental issues, such as wildlife and landscapes, travel and transport and water management; social issues, such as health and happiness and quality of life; and economic issues, such as local economic development and employment
- Our 'Zero Harm' vision recognises that the target of having no adverse environmental impact will be difficult to achieve, but we are clear in our aim to continually improve and actively lead for an overall positive environmental outcome for our local area.



# CORMAC

## Highways, Environment and Civil Engineering

The Cormac business comprising of our main service streams of highway and environment term services, civil engineering consultancy and operations, surfacing and aggregates and recycling is well positioned following a successful 2023/24:

- We are a mature and sustainable business which is developing in line with our strategy and plans
- Our external business growth is on track, having grown from 10% of total revenue in 22/23 to 22% in 23/24 with our regional business developing across the region.
- We have established ourselves on four South West local authority frameworks, which are delivering good continuity of work, and are now a framework supplier for the Environment Agency across the South West
- 2023/24 has seen a strong financial performance in a challenging environment while continuing to invest in our people and improving our safety record
- Our business has a national profile, as part of a UK wide network, our teams winning industry awards and a growing interest in our established and innovative Teckal company
- We generate significant Social Value (c.£40m pa), contribute to Cornwall Council's mission and priority outcomes and react quickly to emergency situations, minimising adverse impacts on our communities

Cormac has continued to build on the foundations of its "for the Future" programme, which commenced in 2022 to support the delivery of our strategy and objectives.

This includes significant progress and opportunities from a restructured

business with three distinct business streams and leadership roles that align with our objectives:

### 1. Term Services (asset management, maintenance and work programmes):

through a rigorous Value for Money process this part of our business secured Cornwall Council's Highway and Environment Term Service Contracts until 2028/9. Its objective is to create value for our communities, working closely with community stakeholders including Town & Parish Councils. In 2023 our highway maintenance service was ranked as top quartile in the National Highway & Transportation Network Survey and has continued to grow resident satisfaction in Cornwall, with a 26% increase in satisfaction since 2018.

### 2. Infrastructure (consultancy and contracting projects):

our integrated design and build team is focused on planning, designing and building infrastructure with the objective to support Cornwall's Growth, and outcomes of homes, jobs and sustainable communities. Most notably has commenced delivery of the highway infrastructure for Truro's Langarth Garden Village and Newquay Strategic Route serving the Newquay growth area.

### 3. Regional Business (external commercial focus):

our external business has continued to develop and diversify during 2023/24, with external growth of both our surfacing and quarry business, across Devon and Cornwall. This includes delivery of a significant sub-contract surfacing the A30 St Austell Link Road. We have continued to deliver annual surfacing programmes for both Devon County Council and Torbay Council.



## Major Achievements 2023/24

### Organisational Development

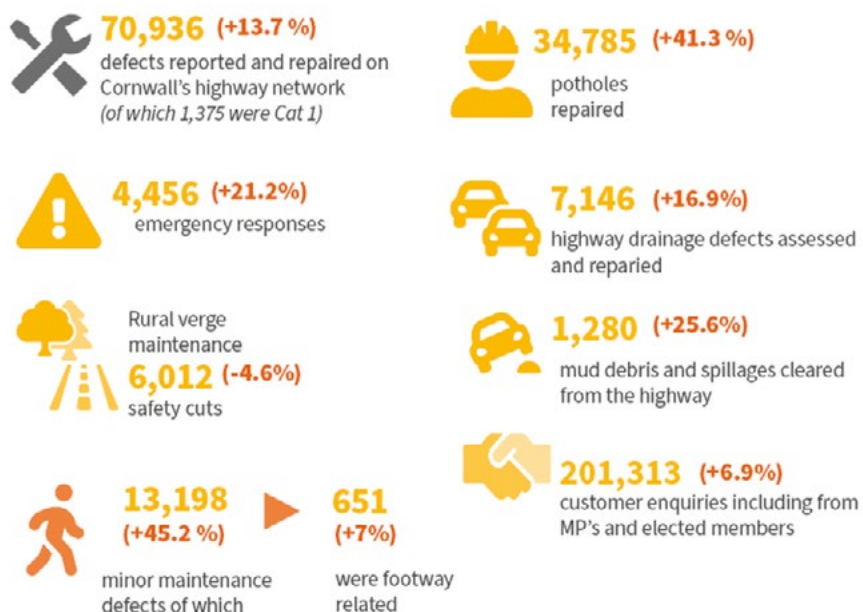
Our delivery against our four business imperatives; Safety First, Profitable, Investment in our People, and Customer Satisfaction has been strong, and is set out in the following sections.

Safety: delivery of our 23/24 Health & Safety Plan with significantly reduced incident frequency rates and increased near-miss reporting, supported by improved team engagement on our Safety First imperative.

- Targets achieved across all key performance indicators
- Devolved Health & Safety function has led to a small team being created, they have facilitated and advised, and managers have led
- Significant improvements on Prior Year in relation to RIDDOR & Lost Time Incident AFRs, and Near Miss frequency rate
- More granular H&S performance data and monthly reviews has enabled managers to be more accountable for their H&S performance
- The Term Service Business delivered significant improvements on Prior Year: 0 vs 8 RIDDORS, 7 vs 16 LTIs, 299 vs 208 Near Miss
- A 79% reduction on Prior Year of Lost Time days arising from H&S incidents improves our productivity, which brings associated commercial benefits
- Customer satisfaction, including our highway maintenance being rated as top quartile in the national survey, strong contract performance reported through the Contracts Oversight and Management Board and our performance KPIs on our Term Service Contracts rated as "Green RAG". Cornwall's resident survey continued to show an improving trend in resident satisfaction

### REACTIVE MAINTENANCE DATA FOR 2023/24

Includes defects reported by our inspectors, or through a public report



in highway maintenance and maintenance of public open space, with highways rated as 15% above Local Government Association average. We are winning repeat business on our Devon Council frameworks and are now working collaboratively with a number of Devon second tier authorities

- Profitability: in 2023/24 we exceeded budgeted profit £5.16m vs £5.12m. We have benchmarked our 3.6% margin against Construction Industry

### Top 100

(2023 Construction Index), and are equivalent to 36th place, equal to Amey UK, Clancy Group, Mears Group and Colas. Our total revenue grew by 28% on prior year. External revenue grew 173% in year, (£32m vs £12m) and exceeded budget, in line with our business plan objectives, it contributed £1.76m gross profit. We recognise our increasing risk profile due to our wider client base. Our Profitable imperative remains core, but we have a need to balance this with our investment needs.

## Our Imperatives & Our Values





## Our People & Our Teams

The devolved Human Resources function has created significant value for the Cormac business, it is supporting managers and has enabled delivery of improvement objectives to be prioritised. The development of a “People Plan” in 23/24 has driven a number of key initiatives including delivery of People KPIs, improving our Learning & Development and talent & development pipeline along with the concept of “Brilliant Basics”.

Achievements include:

- Achieved annual KPI targets across all HR/People indicators
- Significant improvements on Prior Year in relation to sickness absence and attrition reduction which creates financial benefits. Reduced absence & improved productivity has contributed to efficiency savings
- Sickness absence below UK average: 2.03% vs 2.6% (2023 ONS data)
- Annual Leave initiative introduced mid-year to drive down leave carry over resulted in 0.8% carry over (special cases/6 colleagues)
- Our development programme has gained momentum. Our roles as a “career development organisation” and being recognised as an “employer of choice” has continued to develop, this supports Cormac being perceived as a business that generates long-term Social Value
  - ° Colleagues are studying for Level 2, 3, 4 & 6 qualifications. The Level 2 Highway Maintenance programme is delivered internally through Cormac’s Notter Bridge Training Centre. With a number pursuing professional qualifications with industry bodies
  - ° During the year over 20 colleagues have become professionally qualified, including as Chartered Engineer, Incorporated Engineer, Engineering Technician, Chartered Environmentalist and Chartered Surveyor
  - ° 9.5% (93 H/C) of colleagues are Apprentices, Graduates or on formal training programmes; a rate that has increased from 4.6% in 2020/21
  - ° Cormac is dedicated to engaging, inspiring, and

supporting all our staff and member of our community in taking the next step in their careers. This commitment is carried out through various community activities, including working with the local colleges and schools at career information events, work experience, T-Level placements, site visits, school activity sessions, and SEND (Special Educational Needs and Disabilities) initiatives

- Cormac were awarded Highly Commended in the Structural Category at The Concrete Society Awards, for the Coverack Coastal Defence project. The £3.2M scheme now protects the coastline with a 57m long reinforced concrete retaining wall, in turn protected by 8,000 tonnes of granite rock armour
- For the third year, Cormac have been recognised at the annual CIRIA BIG Biodiversity Awards following success in 2019 and 2022. The awards were attended by members of Cormac’s Environment Service who were awarded two Highly Commended accolades for the management of Closed Churchyards in the Biodiversity Legacy and Community Engagement categories
- Our Environment Service Making Space for Nature Manager, Melissa Ralph, was the winner of CIRIA’s Biodiversity Champion Award, Established Professional for her work as Client Lead for the Making Space for Nature project. Melissa’s leadership has led to the creation of diverse habitats in deprived communities, increased pollinator species, and the transformation of greenspaces into cherished wildlife habitats.





## Value for Money

Our value model sets out four components of value creation for our shareholder and stakeholders.

### Financial Value

- Our financial value includes the £5.16m of net profit delivered in 23/24 and the corresponding contribution to Corserv Group finances
- Commercial flexibility has been provided, including flexible arrangements to vary contract to suit priorities & budgets, ability to use a range of payment-mechanisms depending on risk profiles, no barriers to innovation in the assets we manage – “test bed” concept along with no commercial barrier to change.

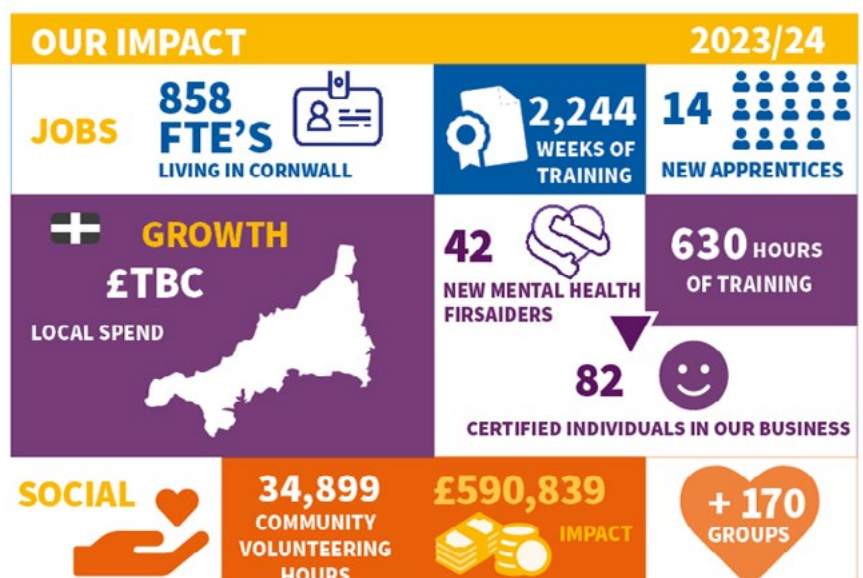
### Customer Satisfaction

- Customer satisfaction, including our highway maintenance being rated as top quartile in the national survey, strong contract performance reported through the Council's Partnership Board and our performance KPIs on our Term Service Contracts rated as “Green”
- Resident surveys rated the highway maintenance we provide as 15% above LGA average and has increased by 26% since 2018. In addition resident satisfaction of our environmental services maintaining public open spaces has increased by 11% since 2022
- We are winning repeat business on our Devon County Council frameworks and are now working collaboratively with a number of Devon second tier authorities.
- Northern Access Road Project in Truro received an Excellent Rating from Considerate Constructors Scheme. An independent organisation aimed at raising standards within the construction industry
- Cormac retained its ISO9001 Quality accreditation (in addition to ISO14001 for Environment and ISO45001 for Health & Safety) following successful independent Third Party audits.

## Social Value (inc Carbon reduction)

- Our initiatives are continuing to create value: our forecast social value generated in 2023/24 is c.£40m and equates to 28p in every £1 spent with Cormac. Our Sustainability Manager is consolidating our employee engagement and through internal communications is creating recognition for teams delivering our initiatives, this includes establishment of environmental goals, including increasing our environmental site compliance, PPE recycling partnership, rainwater harvesting in depots, wildflower turf trials, zero emissions grass cutting, 60% carbon saving through use of recycled aggregates on our Saints Trails project, numerous project awards, and regular updates on our carbon reduction and nature recovery.

### Cormac Value Model



# CORSERV FACILITIES

## Facilities Management

### Principal Activities

Working independently or in partnership Corserv Facilities provides a range of hard and soft Facilities Management services to Cornwall Council, Cornwall Housing and a wide range of external customers.

Our property maintenance service provides reactive maintenance, planned maintenance and statutory compliance across fabric, mechanical and electrical trades.

We also deliver capital projects including commercial refurbishments, extensions and new builds.

Our cleaning service is Cornwall's largest cleaning company employing 400 cleaners delivering all aspects of commercial cleaning.

Our premises coordination service helps our customers ensure their buildings are compliant and well managed offering a full facilities management service.

### Overview of 2023/24

Corserv Facilities is a division bringing together two key operational areas that were previously underperforming. This year has therefore been one of change, consolidation and transition. This task has been and remains significantly challenging both operationally and financially, with not all going as planned but the organisation is now moving towards a regularised position with more robust and focused management arrangements ensuring we deliver profitable services. These challenges and service improvement arrangements will continue into 2024/25 with a continued emphasis of building a solid foundation for profitable growth in future year.

The company's largest contracts are with:

- Cornwall Housing (CHL) for whom we currently provide repair and maintenance services for the Councils' 10,200 homes. There are significant challenges in the service provided to Cornwall Housing. The contract completes in March 2025 and CHL will progress new arrangements that disaggregate the contracts into regional delivery model. We do not consider this as a viable way forward for the business and will not be tendering for the new contract arrangements
- Our subcontract to Lorne Stewart provides services to the Council across their office and commercial estate. After the initial set up, the council has seen an improvement in performance metrics for many of the areas delivered but with significant commercial challenges. The Company continues to work to address any residual issues
- Our Capital Projects Team oversee delivery of this important business stream. Learning from the experience of the capital projects completed during the year, this team will be critical in ensuring that future schemes are delivered to appropriate quality and timescales. The team have a healthy pipeline and potential to grow through profitable activities.

### Achievements 2023/24

- Continued to develop and improve our 5 year contract with our Mechanical and Electrical partner to deliver facilities services to Cornwall Council
- Reviewed viability across the business, establishing key service and profitability targets for all services
- Continued growth of our capital projects team, securing a live pipeline

- Competitively tendered and won a number of external contracts on the open market demonstrating value for money. Contracts include a number of multi- year property maintenance contracts
- Fundamentally reviewed our soft services contracts to ensure all activities are profitable and represent Value for Money.



# CORSERV FACILITIES

## Fleet Services

### Principal Activities

Fleet Services consists of fleet management and vehicle maintenance including body shop and fabrications. We manage a fleet of over 1,000 vehicles and 1,200 items of plant providing an end-to-end service from acquisition through to disposal. We also provide vehicle and plant maintenance services for a wide range of external customers from three main locations across Cornwall.

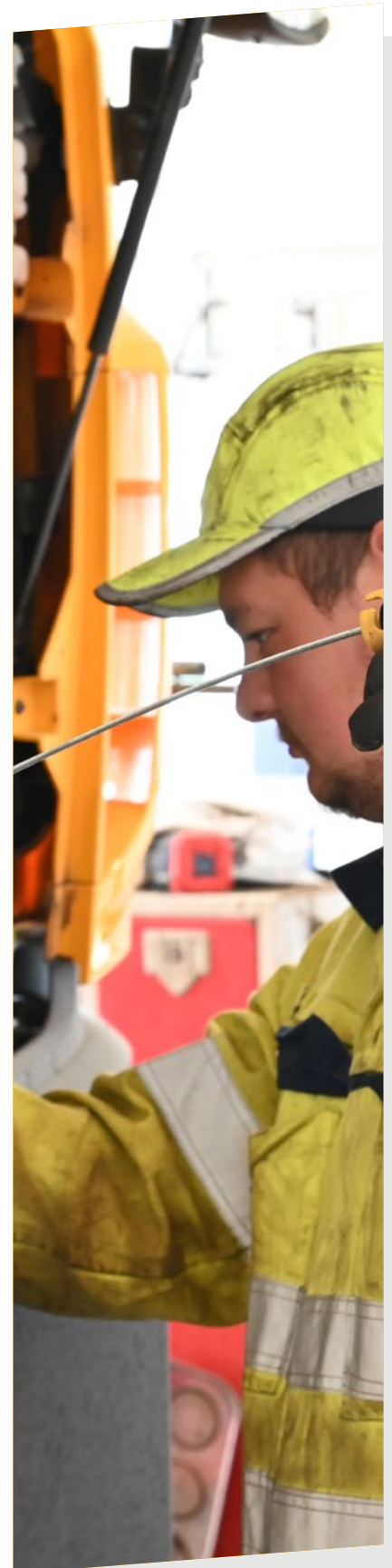
### Major Achievements 2023/24

- Continued development and investment in our new 16,000 sq ft workshop facility at Cornwall Airport Newquay
- Took delivery of our first 12 Gas Vehicles to run on net zero fugitive bio methane as part of our 2030 Ultra Low Emission Vehicles (ULEV) strategy
- Deployed a range of Electric Vehicles across our fleet including electric pool cars
- Maintained our Green Compliance Score (OCS) score for our Operator's Licence

- Implemented a new suite of policies to manage road risk and to protect our fleet drivers
- Invested over £4m in renewing our vehicle and plant fleet

### Value for Money

- We regularly benchmark our hire rates with external providers to ensure we continue to offer a value for money service
- Well over a third of our vehicle maintenance business is external business from other companies. This work is won competitively in the external market. We hold a range of maintenance contracts with national and regional operators
- We competitively tender all our vehicle and plant purchase frameworks helping to ensure value for money for our customers ensuring we leverage our whole fleet buying power.





# CORSERV FACILITIES

## Property

### Principal Activities

The Private Rented Acquisitions (PRA) project is an acquisition-based programme to deliver homes for use as temporary accommodation throughout Cornwall.

It was approved by Cornwall Council in January 2019 and Corserv Property Limited was commissioned in July 2019 (renamed Corserv Facilities in 2021) to provide the acquisition, refurbishment and management of the properties. The programme is supported by the core housing management services of Cornwall Council.

The PRA project was commissioned to deliver the following aims and objectives:

- Prevent and reduce rough sleeping and homelessness in Cornwall
- Reduce unplanned use of emergency accommodation
- Deliver suitable accommodation solutions, of an appropriate quality and in an appropriate location, for households who are homeless, or at risk of homelessness
- Ensure sustainable flow of move-on from emergency accommodation through to settled accommodation in discharge of duty.

### Value for Money

The PRA project works within the financial parameters set by the original 'Structured Solutions Report' from April 2018. This report was commissioned by the Council which informed the total budget required to both acquire and refurbish the properties.

This sets indicative values by property size and location and an assumed 8% refurbishment budget.

The project continues to be delivered within the original budget envelope, however, over time, increases in prices in the local property market has meant affordability has become and continues to be a significant challenge. The condition of affordable properties has resulted in an increased requirement for refurbishment to ensure compliance with appropriate standards. With the refurbishment work largely completed, the associated number of void properties has reduced significantly but was higher than anticipated throughout the year.

The volume and value of required works is significantly higher than estimated in the business plan and is a direct outcome of the client base.

In light of these challenges and that most refurbishment work is now complete it is clear that the full scope of the original objectives is unlikely to be achieved. The project is being reviewed with the Commissioner to determine how it can be best delivered going forward.

### Achievements 2023/24

- Maintained a total of 168 properties to date as part of the PRA scheme in challenging market conditions
- Continued to deliver the project in an extremely challenging property market



- Nor Manor (11 flats) refurbishment completed with handover in September 2023.



# CORSERV CARE

## Corserv Care Services

Corserv Care works closely with Adult Social Care, Health Services and the wider voluntary sector to support over 15,000 people a year through the provision of reablement services, long term support at home, nursing home care and a call response service. In addition to these key personal care and support services, Corserv Care is also commissioned by Adult Social Care to provide experienced leadership and management capacity to support market fragility and provider failure across the social care sector in Cornwall ensuring that, in the event of provider failure, people receive continuity of care and vital workforce is retained within the sector; this activity is known as Strategic Provider of Last Resort.

### STEPS

STEPS is a county-wide service that provides short term, reablement focused support to people at home or people returning home from hospital. The service operates 365 days per year supporting c3000 people per year to regain and maintain the skills and confidence needed to remain living at home as independently and as safely as possible and reducing the need for long term support. Working in partnership with the voluntary sector, the service continues to provide significant support to health and adult social care ensuring people recover and achieve their maximum independence.

## Care and Support

**Care and Support** is a county-wide service offering long term home care to support people to remain living in their own homes. The service complements the range of services offered within Corserv Care. Long term care is offered to people who are funded through the local

authority and health services; this year has also seen the introduction of home care for people who wish to purchase services under private arrangements. This service is further enhanced through its partnership working with voluntary and community sectors across Cornwall to ensure people receive the additional support for them to remain living at home for as long as they are able and willing to do so.

## Strategic Provider of Last Resort

The Care Act 2014 places a duty on local authorities to ensure that there is continuity of care in the event of service interruption as a result of business or provider failure, and also service interruptions for other reasons; Cornwall Council has commissioned Corserv Care as a Strategic Provider of Last Resort to provide capacity to support in such situations where we work in partnership with the Council to providing leadership and management support. This additional, experienced capacity focuses on assessing the individual circumstances of the Provider, the creation of clear action plans and delivering a solution to ensure people receive the continuing care they require. This activity supports people who are privately funded and those people who receive funded care from the local authority and health.

A key priority is also to support the workforce impacted by the provider failure. Corserv Care works with Proud to Care Cornwall to ensure staff are maintained within the health and social care system to ensure vital capacity is not lost.

## Trefula House

Trefula House continues to provide high quality care and support to residents who have complex needs,

dementia and require end of life care.

Working with local health services the home is focused on delivering personalised care and support to residents and their families. The home is part of the St Day community and is supported by local businesses who value the relationship with local residents and their families.

Activities, outings and fun days which welcome the local community are all part of the opportunities provided by the home to enhance people's quality of life.

## Lifeline and Assisted Living Services

Lifeline provides a 24/7 365 days a year call monitoring service to over 11000 customers both within Cornwall and on behalf of other local authorities and Housing providers. The service provides community alarms, monitoring and innovative technology enabled care solutions.

This service is key in supporting people to feel safe living in their own homes in the knowledge that there is someone able to respond when the alarm is raised. This helps to promote confidence and independence and provides a level of confidence for families and carers.

The monitoring service provides an excellent platform from which to develop more innovative solutions. The introduction of technology enabled care provides greater assurance to people living in their own homes and to their families. 2024/25 will see the development of key partnerships with technology enabled care providers alongside the creation of wider partnerships with the voluntary and private sector to ensure we continue to enhance the service and support that people are offered.

## Workforce

Corserv Care employs c400 staff. We pride ourselves in being an employer of choice with a selection of career opportunities and supportive working patterns. We have developed a range of staff support and wellbeing services that reflects the diverse needs of our workforce and to offer support with work/life balance. Guaranteed shift patterns offer staff the opportunity to balance work and home life. This stability in hours is often welcomed alongside opportunities to work full or part time.

Our wellbeing services offer support to all staff and provide opportunities for group wellbeing sessions through activities such as walking. Feedback across the services from staff has been very positive.

We continue support staff across the care services through the successful roll out of Mental Health First Aid training which equips people to support colleagues and sign post them to services where a need is identified. During 23/24 we trained 16 people bringing our total of trained staff to 27.

## Training and Development

Corserv Care offers a wide range of training and development opportunities for people who are new to the service and for employees who have been working in care and wish to further their career. We recognise people benefit from a range of training and development opportunities and our portfolio of learning and development supports flexible delivery of this.

Registered Managers and aspiring managers have been supported to undertake Leadership training and Development at Levels 5, 3 and 2.

19 Apprenticeships were supported and 2 Senior staff completed programmes in Clinical and Social Care Leadership during this period.

With the portfolio of services, Corserv Care are also able to offer alternative career opportunities for

staff who may wish to come away from front line delivery but who may still wish to be involved in services that make a positive difference to people's lives.

## What people and their families say about us

We continue to receive positive feedback from people who have used our services and their families which is shared regularly with staff:

*"My mother has been lucky enough to have post hospital care from a wonderful team of carers sent by arrangement with Launceston Hospital and you. They really helped bolster Mum's confidence and assured her she was making good progress towards continuing independence at the age of 100."*

*"The whole team have given 100% of their time. Always a smile on their faces. The caring I have received is out of this world, and their love from their hearts. I will miss them all. I'm sure I will never meet a team as loving and caring as this team."*

*"The service is totally professional, organised, person centred, gave reassurance, well planned transfer"*

*"its an incredible home with an incredible team of staff who make it that special place."*

*"family would like to thank everyone in Lifeline for their support"*

## Looking forward – Corserv Care's 4-year Business Plan

A focus for the company in its future business plan is growth in private income through its newly created Care and Support Service and the Lifeline Assisted Living Service. A key area of development is the delivery of a comprehensive technology enabled care approach which will complement and enhance the services offered through the STEPS reablement service and more widely across the home care market. supporting the Council to deliver savings through evidence-based alternatives to paid care and support, including avoidance of hospital



admission and long-term dependency on home care services.

Corserv Care is preparing for services to be transferred in July 2024. This transfer will enhance the portfolio of services and will ensure that younger adults with disabilities are provided with services which encourage or rebuild independence enabling people to flourish within their local communities. Following transfers the services Corserv Care will work with clients, their families and carers to co-produce plans for future delivery of services to ensure they offer the support required by individuals to enable them to live a fulfilling and meaningful life.





## Principal Activities

Cornwall Airport Newquay is a vital transport infrastructure asset for the region, providing access to and from key business and leisure markets as well as being home to vital rescue and critical care flight services such as Coastguard Search & Rescue and Air Ambulance operations.

The 2023/24 financial year was the first fully recovered year for global aviation in terms of consumer demand, following the COVID-19 pandemic. However, effects of the pandemic are still being felt across the industry in terms of cost escalations, aircraft delivery delays and shorter booking patterns, all of which reduces airline confidence and growth potential.

Despite the on-going challenges within the industry, Cornwall Airport Newquay has recovered strongly. Passenger numbers returned to almost pre-pandemic levels and significantly the airport recorded its busiest winter season ever and was the fastest growing airport in the UK in 2023.

The plan assumed operating losses of £4,090k in 2023/24: actual losses were broadly in line at £4,110k.

We expected to service around 410,000 passengers. Through additional flying, particularly during winter, actual passengers handled was 436,000 generating additional airline and ancillary income. Offsetting this were adverse variances within the commercial estate due to vacant property, additional staff costs to handle the growth of PAX volume, and overspend of essential repairs & maintenance.

## Major Achievements 2023/24

- Handled c.21,000 air transport movements
- Crowned fastest growing airport in the UK in 2023
- Grew more year-round services than ever before
- Increased the international network to almost 50% of overall traffic volume
- Retained all areas of CAA compliance, passing all audits and securing the renewal of the aerodrome and spaceport licenses
- Retained highest 'Very Good' status from the Regulator for our Accessibility services
- Added £72m in Gross Value Added (GVA) to the regional economy.

## Value for money

A 2023 independent study showed that the airport contributes £72m in GVA annually to the regional economy, up from the pre-pandemic position.

We will continue to work with partners to achieve the potential of the Spaceport infrastructure which is forecast to deliver 478 jobs and £26m GVA by 2028.

2023/24 saw the airport's route network restored, with more airline partners, securing a really strong foundation from which to continue growing the network.

Work to diversify the business and activities across the airport site and take advantage of the legacy investment of the G7 infrastructure, is progressing positively. During the year we worked with our shareholder, undertaking a review with the aim of identifying a strategy that takes advantage of our unique location and operational opportunities. This has culminated in a decision to work in partnership with private investment, facilitating increased investment and also development capability within the region. It is intended this approach will support significant development of the airport's estate, creating highly paid professional jobs and increasing non-aeronautical revenues.

We continue to invest in our team and to create development opportunities for local people, which will expand as the site continues to develop.



# Governance Report

## Group Board and Governance Committee Structure Summary

During the 2023/24 financial year, the Corserv Group has undergone a major restructure in-line with our single entity objective. On 1 July 2023, staff from Corserv Limited transferred to Cormac Solutions Limited, Cornwall Airport Limited or Cornwall Housing Limited. Cormac Solutions was renamed Corserv Solutions on 15 August 2023. Cornwall Housing Limited left the Corserv Group on 1 September 2023, becoming a directly owned subsidiary of Cornwall Council.

The businesses of Corserv, Corserv Care and Corserv Facilities transferred to Corserv Solutions on 1 September 2023, 1 November 2023 and 1 February 2024 respectively. The shareholding of Cormac Contracting transferred to Corserv Solutions on 26 March 2024 meaning that it became a directly owned subsidiary of Corserv Solutions. When the disaggregation of the Airport is finalised and permanent arrangements are put in

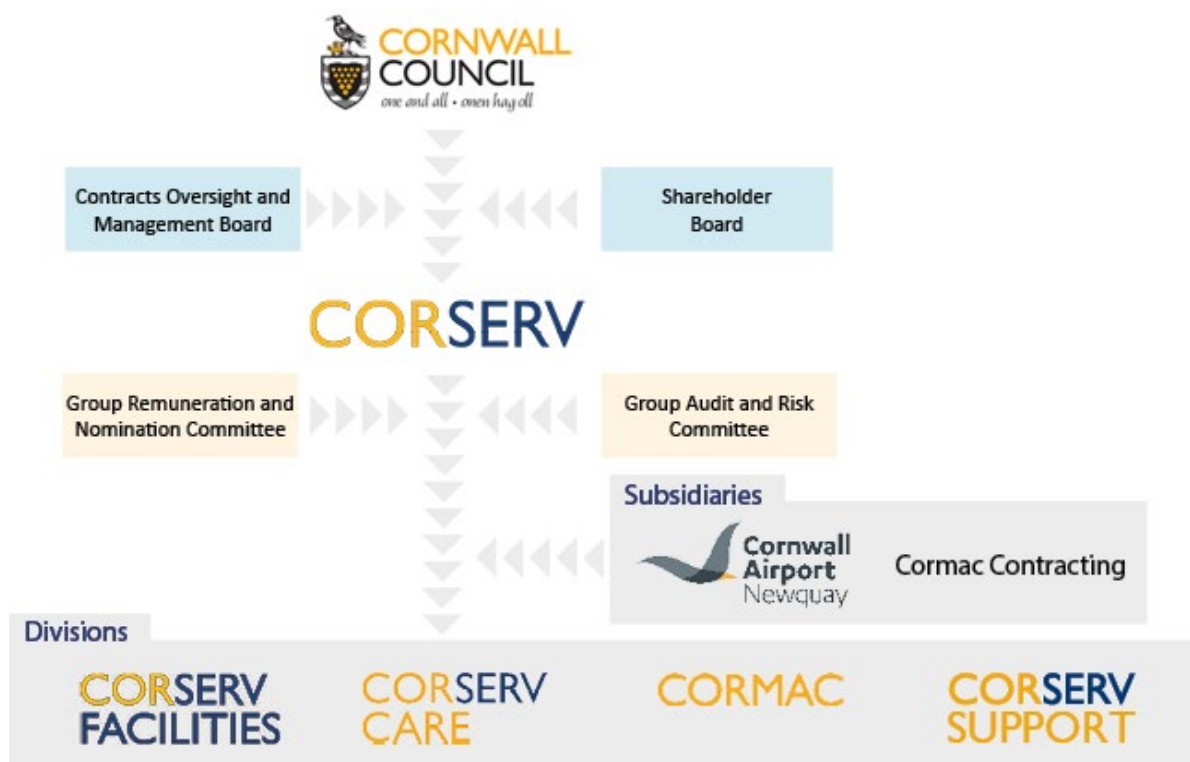
place regarding the Private Rented Acquisitions Project (which currently remains in Corserv Facilities), the intention is that Corserv Solutions will become a single direct subsidiary of Cornwall Council.

In order to support our new structure, the company's governance function has been streamlined. A Change Board has been established, which consists of both executive and non-executive directors, as well as management, in order to oversee the restructure and any resulting change programmes. The Corserv Solutions Board launched in February 2024, replacing the separate Corserv and Group of Companies Boards. The Airport continues to have monthly board meetings.

The Operational Committee, which is an executive committee, launched in April 2024. The purpose of the Operational Committee is to scrutinise operational matters with

key issues to be escalated to the Corserv Board.

As of July 2024, the Board consist of an Interim Chairperson (following the retirement of the incumbent Chairperson on 1 April 2024), 3 Non-Executive Directors and 2 Executive Directors. Our governance is strengthened by the appointment of the Non-Executive Directors. The Non-Executive Directors bring specialist knowledge and experience in their respective professions, which ensures that the Board has the appropriate balance of skills, experience, independence and knowledge to enable it to discharge its duties and responsibilities effectively. We intend to increase the size of the Board in the 2024/25 financial year, in-line with the CIPFA Local Partnership Guidance, by appointing two additional non-executive directors (with specialisms in care and direct sales focused



The above diagram summarises the Corserv Group Board and Committee structure.

commercial experience).

The Board of Directors are primarily responsible for determining strategic objectives and policies and accounting for the company's activities to the Shareholder. The Non-Executive Directors have a particular responsibility to offer specialist advice, to ensure that strategies proposed for the development of the business are critically reviewed and tested, to examine the operational and financial performance of the company, to hold management to account and to fulfil a key role in corporate accountability through their membership of the Board and its Committees.

The Board operates by receiving written reports (including recommendations) circulated in advance of Board meetings from the Executive Directors on matters within their respective business areas.

Reports are also provided from other departments (such as Finance, HR and Legal) where required. Where appropriate, the Board also receives presentations on key areas of the business and undertakes site visits to gain a better understanding of the operation of business initiatives.

Under the guidance of the Chairperson, all matters before the Board are discussed openly and presentations and advice are frequently received from other senior executives within the Group and from external advisors to facilitate the decision making of the Board. Details of Directors attendance on the other subsidiary Boards is set out in Appendix 1.

Under its Articles of Association, Corserv is required to obtain Shareholder consent in respect of a number of Reserved Matters before engaging in that activity. In terms of

the governance arrangements with our Shareholder, a new ways of working document has been agreed and the Partnership Board has been refocused as a Contracts Oversight Board (which is jointly chaired with a Corserv and Cornwall Council representative).

The Corserv Board delegates detailed consideration of certain matters to Committees of the Board. These Committees are the Audit, Risk and Assurance Committee (ARAC) and the Remuneration and Nomination Committee (RemCom). The CEO, Interim Director of Resources and Corserv Chairperson also attend Shareholder Board on a quarterly basis.





## Board Attendance, Operation and Activities

During the 2023/24 financial year, Corserv continued to review and strengthen the Board composition to reflect its commitment to ensure the right balance of expertise and skills in order to deliver on both current and future strategy. The main Board changes in the 2023/24 financial year were as follows:

- Al Hoare resigned from the Corserv Facilities Board in June 2023 following his resignation as Managing Director of Corserv Facilities
- Mike Hanrahan resigned from the Corserv Board and subsidiary Boards in July 2023
- Paul Hayes was appointed as a Non-Executive Director in July 2023
- Tony Byrne was appointed as a Non-Executive Director in July 2023
- Julia Gregory was appointed to the role of Senior Independent Director in August 2023
- Julia Gregory was appointed to the Board of Cornwall Airport Limited as a Non-Executive Director in October 2023
- Tim Jeans resigned from the Board in October 2023
- Paul Hayes resigned from the Board in January 2024.

Post the 2023/24 financial year, in order to address capacity gaps in the Board composition, Sarah Morgan was appointed as a Non-Executive Director in April 2024. Julia Gregory was appointed as the Interim Chairperson from 1 April 2024 (following the retirement of the former Chairperson Pete Andrew). Tony Byrne has assumed the Senior Independent Director role on an interim basis.

The Corserv Board schedule 11 meetings each year, with extraordinary Boards being called where required. There were 8 scheduled Group of Companies Boards during 2023/24.

The Corserv Solutions Board launched in February 2024.

The Directors and their attendance during 2023/24 for Corserv Limited were as follows:

Board membership	Position	Appointment date	Attendance	% of meetings attended
<b>Chair</b> Pete Andrew (resigned 1/4/2024)	Non-Executive Chairperson	September 2019	9/9	100%
<b>Executive Directors</b> Cath Robinson (resigned 1/7/2024)	CEO	March 2018	9/9	100%
Paul Cooper	Interim Director of Resources (until 1/7/2024); Interim CEO	August 2022	9/9	100%
<b>Non-Executive Directors</b> Tim Jeans	Non-Executive Director	September 2017	4/5	80%
Julia Gregory	Non-Executive Director	October 2020	9/9	100%
Tony Byrne	Non-Executive Director	July 2023	6/6	100%
Paul Hayes (until January 2024)	Non-Executive Director	July 2023	4/5	80%
Simon Ashby	Non-Executive Director	January 2023	8/9	89%
Mike Hanrahan (until July 2023)	Non-Executive Director	October 2020	3/3	100%
<b>In attendance</b> Cat Pritchard	Head of HR	July 2023	6/6	100%
Jackie Noyes (until June 2023)	Governance and Control Officer	August 2022	6/6	100%

## Board Committees' Terms of Reference

A range of key matters are delegated to Committees of the Corserv Board, as set out in each Committee's Terms of Reference. Each Committee's Terms of Reference are adopted (and amended) by a resolution of the Corserv Board.

## Dealing with Directors conflicts of interest

The Board has in place a procedure for the consideration and authorisation of Directors' conflicts or possible conflicts with the company's interests. This is in accordance with the Directors' duty to avoid conflicts of interest under provisions of the Companies Act 2006 and the Articles of Association, which grants to non-conflicted Directors' authority to approve such conflicts, subject to appropriate conditions. Any conflicts of interests, and the measures taken to address those conflicts, are clearly set out in the minutes. The directors complete a declaration of interests form annually, which is reviewed in order to identify any potential conflicts of interest.

## Internal Conflict

The Board is responsible for maintaining systems of internal control. These systems are designed to manage and mitigate rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. There are ongoing processes for identifying, evaluating and managing the significant risks faced by the Group that have been in place throughout 2023/24. The Board delegates detailed scrutiny of risk to the Audit, Risk and Assurance Committee who review the annual Risk and Assurance Framework.

# Group Audit, Risk and Assurance Committee

## Introduction

The purpose of the Group Audit, Risk and Assurance Committee (ARAC) is to assist the Corserv Board with ensuring good governance by reviewing and monitoring:

- i. the integrity of the financial information provided to the Shareholder;
- ii. the Corserv Group's systems for internal controls and risk management (including the risk and assurance framework and the Group's whistle-blowing and fraud policies);
- iii. the internal and external audit processes; and
- iv. the Group's processes for compliance with laws, regulations and ethical codes of practice.

The members of ARAC are mandated to be independent Non-Executive Directors by the Terms of Reference. At least one member is required to have relevant financial experience and be competent in accounting and/or auditing. The Chairperson of the Corserv Board is not permitted to be a member of ARAC in order to maintain independence. ARAC meets at least 5 times each financial year, with one meeting being dedicated to review of the Group's accounts.

## Corserv Audit and Risk Committee composition and meetings

The Corserv Audit, Risk and Assurance Committee met five times during the financial year 2023/24. Membership of the Corserv Audit and Risk Committee and their attendance were as follows:

Member attendance	Role	Appointment date	Number of meetings attended	% of meetings attended
Member attendance				
Simon Ashby	Chairperson	April 2022	5/5	100%
Julia Gregory	Member	Sept 2022 (to ARAC)	2/2	100%
Antony Byrne	Member	Sept 2023 (to ARAC)	3/3	100%
In Attendance (regular)				
Cath Robinson	CEO	March 2018	5/5	100%
Paul Cooper	Interim Director of Resources	August 2022	5/5	100%

## Role of the Audit and Risk Committee

The Corserv Group Audit and Risk Committee is responsible for providing effective oversight and governance over the Corserv Group's financial and regulatory reporting, including the adequacy of related disclosures, the performance of assurance provided during the year, the internal financial and regulatory control environment and the monitoring processes in place.

The most significant matters which the Committee considered and made decision on during the year are set out as follows:

Financial reporting	<ul style="list-style-type: none"> <li>Monitored the integrity of the financial statements of the Company/Group</li> </ul>
	<ul style="list-style-type: none"> <li>Reviewed and recommended to the Corserv Board the approval of the Corserv accounts and audit completion report 2022/23</li> </ul>
	<ul style="list-style-type: none"> <li>Review of the draft accounts and completion reports for the Corserv Group</li> </ul>
Internal control and compliance	<ul style="list-style-type: none"> <li>Internal Audit plan presentation 2023/24</li> </ul>
	<ul style="list-style-type: none"> <li>Agreed the Internal Audit plan for 2023/24</li> </ul>
	<p>Internal Audit reports on:</p> <ul style="list-style-type: none"> <li>Cyber outbound security</li> <li>CHL property compliance</li> <li>Corserv recruitment, onboarding and leaving</li> <li>Corserv policies</li> <li>Cormac consultancy</li> <li>Langarth (Northern Access Route)</li> <li>CHL/CFL Operational review</li> <li>Corserv Care business plan</li> <li>CFL commercial processes</li> </ul>
External Auditor (Bishop Fleming LLP)	<ul style="list-style-type: none"> <li>Considered and approved the Bishop Fleming external Group audit plans for year-ending 31/03/24</li> </ul>
	<ul style="list-style-type: none"> <li>Review draft Corserv Group accounts as prepared by Bishop Fleming for the year-ended 31/03/24</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>Reviewed the Financial Regulations in the December 2023 meeting</li> </ul>

## Risk and Assurance

The Audit, Risk and Assurance Committee is responsible for ensuring appropriate risk management processes are in place and for the assurance across the Group.

## External Audit Report

The Group's external auditors Bishop Fleming LLP completed the audit of the Group and Subsidiary Company accounts for the financial year-ending 31 March 2024.

The Audit Reports for Corserv Limited and its Subsidiary Companies confirmed that the financial statements gave a true and fair view of the Corserv Group affairs to the financial year ending 31 March 2024.



# Corserv Remuneration and Nomination Committee

The Remuneration and Nomination Committee's principal function is to consider remuneration matters for the Corserv Group.

The Committee is responsible for:

- determining the remuneration, the terms of engagement of Executive Directors and Senior Management;
- maintaining and reviewing the remuneration policy to ensure it remains appropriate to attract and retain high calibre people who are able to continue the success of the company;
- ensuring remuneration is aligned with and supports our strategy and reflects our values and optimises performance;
- making recommendations to the Board with regard to remuneration levels and benefit packages;
- reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Corserv Board and recommend any changes to the Board;
- identifying and nominating for the approval of the Corserv and any subsidiary Board, candidates to fulfil Board vacancies as they arise; and
- considering succession planning for Directors and other senior executives.

The Committee consists of independent Non-Executive Directors. The Corserv Chairperson, the CEO and external advisors may be invited to attend all or part of any meeting where appropriate. The Committee meets at least 5 times in each financial year.

Trade Unions are recognised by the Group and are consulted as part of an annual pay review process.

## Corserv Remuneration and Nomination Committee Composition and Meetings

The membership of the Committee currently and during the year to 31 March 2024 (with each member serving throughout the year), as well as attendance at Committee meetings in the year were as follows:

Member attendance	Role	Appointment date	Number of meetings attended	% of meetings attended
Member Attendance				
Tim Jeans (until October 2023)	Chair	September 2017	3/3	100%
Julia Gregory (Chairperson from October 2023)	Non-Executive Director	October 2020	3/5	60%
Pete Andrews	Non-Executive Director	September 2019	5/5	100%
Simon Ashby (coopted for one meeting)	Non-Executive Director	April 2022	1/1	100%
In Attendance (regular)*				
Cath Robinson	CEO	March 2018	4/5	80%
Cat Pritchard	Head of HR	July 2023	2/2	100%

\* Other Directors and Senior Managers also attended Committee meetings (by invitation) during 2023/24.

During the 2023/2024 financial year and into the 2024/2025 financial year, the Committee lead the process for the appointment of a CEO as well as reviewing executive pay (in accordance with the procedure set out in the company's Articles of Association).

The CEO normally attends meetings by invitation, as does the Interim Director of Resources on occasion, but they are not present when their own remuneration is being decided. The Head of HR and Advisor to the Board regularly attends meetings.

# Governance and Risk Management Structures

## Including Strategic Risk Management

Each of the Corserv subsidiary Boards maintains its own Risk Register. These are reviewed as part of the monthly subsidiary Board meeting cycle. The Group Risk Register and Group Risk Matrix are being reviewed by the Group Audit and Risk Committee as part of the Risk Assurance Framework. The main Group risks and their mitigations are detailed below.

### Risk or internal control issues

#### Cormac financial performance

The planned reduction in pipeline of capital works from the Shareholder's new operating model presents a significant risk to Cormac.

The mitigation to this risk is to grow external business to increase revenue in-line with the 4 Year Business Plan and to seek collaborations with other public sector bodies.

#### Change Management

In the 2023/24 financial year, we streamlined our operations by undertaking a group restructure. This was a significant change programme with dedicated finance, HR, legal and other key workstream resource assigned to it, as well as Project Management to co-ordinate and oversee the work. A Change Board was also set up, consisting of both non-executive and executive directors, as well as senior management, in order to ensure that the project met its objectives. The Project Management Office acts as an integral internal control and also manages other complex projects such as the culture programme, the Corserv Facilities Transition Project and Care Change Programme.

#### Corserv Facilities Transition Project

A decision was made in the 2023/24 financial year for Corserv Facilities to exit its non-viable activities (including, hard and soft services) and continue its viable activities (including capital works). The future of the Private Rented Acquisitions project is expected to be finalised in the 2024/25 financial year. This project will require careful management which will be overseen by the Project Management Office.

### Information Security and GDPR

We are mindful of the economic and reputational damage that can be caused by a cyber attack. We will be reviewing our cyber security policies, business continuity plans and disaster recovery plans to ensure that we are prepared to deal with a cyber attack.

#### Procurement Act 2023

The Procurement Act 2023 will come into force in late October 2024 and will change the means in which Corserv can procure works, supplies and services. The change in legislation provides Corserv with an opportunity to review its procurement policies and update its procurement policies to ensure that value for money is being achieved.

### Environmental, Social and Governance Issues

The Board aims to achieve carbon neutrality across the Corserv Group by 2030 in-line with its Carbon Reduction Plan. The 4 Year Business Plan sets out how we aim to achieve this target, for example by procuring ultra-low emission vehicles (ULEV) and the procuring of alternative fuel. The Sustainability Strategy sets out the measures Corserv will put in place to improve sustainability and increase social value. These measures include striving to be a 'zero waste organisation', increasing spend with Cornish based suppliers to stimulate the local economy, requiring all suppliers to pay staff the Foundation Living Wage and including social value as a key element of the Corserv tendering process in order to deliver on the company's ESG commitments.

#### Safeguarding Assurance

The Board takes safeguarding duties very seriously. Details of the safeguarding assurance measures the

Group has adopted are included in the Employee wellbeing section within the Corporate Social Responsibility part of this report.

### Strategic Business Plan

The Group prepares a 4 Year Business Plan annually. This plan is presented to and formally approved by the Shareholder. The 2023-2027 Business Plan (with redactions) is available to view on the Corserv website.

The Plan details strategic objectives and financial targets for the 4-year duration of the plan. The document also records performance against targets and objectives set in prior year plans.

# Financial Report

## Finance Director's Statement

The year to 31st March 2024 was once again a challenging period for business in the UK. Ongoing geopolitical issues continue to affect the macroeconomic climate, whilst the domestic picture was dominated by the ongoing cost of living crisis. However, the gradual fall in inflation over the course of the year does at least offer encouragement that pressures on pay and general expenditure will now start to ease. Looking forward, we await the impact that the change in Government will have on national and local trading conditions, although what seems certain is that the Corserv Group will continue to operate in very challenging commercial markets.

Key business headlines during the year were: -

- Successful completion of the Group restructure plan (see below)
- Departure of Cornwall Housing Ltd (CHL) from the group reverting to direct ownership under Cornwall Council
- In the second year of a 10 year long term contract for provision of Highways and Environmental services to Cornwall Council, the Highways division of Cormac continued to perform well with good levels of client and resident satisfaction
- Cormac continues to develop a strong pipeline of external commercial contracts, extending the business beyond its traditional local government market
- Cornwall Airport Ltd (CAL) has continued to secure new airlines and additional routes resulting in a significant increase in turnover during the year
- Corserv Care is now fully established as the principal strategic provider of last resort (SPOLR) to Cornwall Council, and the process to transfer remaining in-house services to the company continues. The company is developing an increasingly wide offering to the private market to supplement this core activity
- The PRA properties within Corserv Facilities are now largely refurbished, with compliance checks completed. Most properties are now released for let
- Continuing development of the company's integrated finance system 'Workday'
- Ongoing delivery of projects to support the move to Net Zero and improve the County's environment.

Corserv Facilities continued to service its key contracts with CHL and Lorne Stewart plc. Its key areas of focus in the year included:

- Improvement of business processes for trading with Cornwall Housing Limited
- Investment in business systems in order to support best practice processes
- Review of all soft service contracts.

The Group continues to target the development of external sales and the significant increase in turnover for Cormac Contracting is a clear indication of this policy. The current business plan details the importance of this strategy as the business seeks to offset reduced turnover from Cornwall Council with growth in the external sales pipeline. We will continue to work to mitigate the potential impact of further local government budget restrictions in the coming years.

### Group Restructuring

During the year the group successfully implemented its restructuring plan whereby the activities of Corserv Ltd, Corserv Care Ltd and Corserv Facilities Ltd (with the exception of the PRA project) were consolidated into Corserv Solutions Ltd (CSL); The Company now consists of three clear trading divisions and is supported by a central services function. In addition, the Group successfully implemented the departure of Cornwall Housing Ltd back to direct ownership under Cornwall Council.

Cormac Contracting Ltd and Cornwall Airport Ltd remain in the Corserv Group alongside CSL, however discussions are ongoing with an external investment partner which could result in the Airport leaving the Group by the end of the current financial year.

### Cashflow

In March 2024, Cornwall Council provided a £30m investment into the group via a share issue, which has enabled the business to repay all of its working capital and intercompany loans in full. This has had a very positive impact on the liquidity ratios of the three ongoing trading entities, however cashflow remains a challenge and requires careful management whilst the group continues to provide subsidy support to the Airport and navigates and through some short term operational issues. The business is also planning for further fleet investment in 2024/25 both for its own use and for the use of Cornwall Council.

Closing cash balances were £4.9m (vs £7.5m prior year).



## Revenue

Revenue (excluding CHL for the whole year) has increased by 14% on the 2022/23 financial year. For the purposes of comparison, revenue and profit are shown by Business division - rather than entity - for Cormac, Corserv Care and Corserv Facilities. The main points of comment are: -

- All of the trading activities in Corserv Ltd moved to CSL in September 2023
- Some elements of the 2022/23 turnover, particularly in Corserv Ltd, included intercompany sales which no longer apply following the business reorganisation
- Turnover for Cornwall Airport has increased to more than £20m
- Turnover for Cormac Contracting has also seen substantial growth
- Corserv Care continues to increase its activities showing an improvement in turnover of more than 17%.

Company (£000)	Total Revenue	Total Revenue	Variance
	23/24	22/23	+/-
Corserv	11,200	21,389	-10,189
Cormac (CSL)	115,003	106,759	8,244
Cornwall Airport	20,244	11,407	8,837
Corserv Facilities	35,578	31,593	3,985
Cormac (CCL)	20,125	6,522	13,603
Corserv Care	13,055	11,111	1,944
Cornwall Housing		49,895	-49,895
Cornwall Development Company		-12	12
Rural Economic Partnership		4	-4
<b>Corserv Group</b>	<b>215,204</b>	<b>238,668</b>	<b>-23,464</b>

## Consolidation

As an intermediate parent company, Corserv Ltd has again elected not to produce consolidated accounts this year.

## Financial Results

The financial data is taken from the audited statutory accounts. The accounts were approved at Board meeting on 10 October 2024, following review at the Audit Risk and Assurance Committee on 5 September 2024. Audit testing was positive with no material errors identified and opinions are unqualified for all companies. Emphasis of matter statements on going concern are included for companies affected by the forthcoming Group restructure, but there has been no impact on asset valuation.

## Teckal Status and Compliance

Under the terms of the Procurement Act we are required, as a 'Teckal Company' to undertake at least 80% of our activities on behalf of Cornwall Council as our sole shareholder.

Following the Group restructure, Corserv Solutions Ltd became the single 'Teckal Company' serving the whole business. The audited financial statements of Corserv Solutions Ltd for the 2023/24 financial year show a total turnover of £136.6m of which £120.0m or 88% relates to activities undertaken on behalf of Cornwall Council. As such, the company remains compliant with the requirements of procurement legislation.

## Profit Before Tax

The refinancing package provided in the year (as outlined in cashflow above) resulted in the write off of intercompany loans, which in turn distorts the operating profit picture. The table therefore shows the position including and excluding this adjustment for each division/entity.

Having recorded a loss of £2.9m in 2022/23, Cornwall Airport reported a pre loan write off position of £416k profit. Under a Group tax relief arrangement, the underlying deficit of the Airport has been used to offset corporation tax charges elsewhere in the Group, principally Corserv Solutions. The underlying financial position of the Airport remains stable, with an (i.e., pre group funding) loss of £4.11m in 2023/24 compared to £3.68m in the previous year.

After allowing for the corresponding impact of both Group Relief and refinancing, Group profit has deteriorated during the financial year. The most significant reason for this is the losses in Corserv Facilities which have arisen from commercial issues in its contracts with Cornwall Housing and Lorne Stewart. As a result, the business will not be re-tendering for the Cornwall Housing contract when it expires in 2025.

The element relating to PRA activities within Corserv Facilities has stabilised as properties are mostly now brought into rental, however the current business model

of this project is under review to ensure it provides for a profitable position in future years.

Cormac (CSL)'s profit for the year pre Cornwall Airport tax losses was £6.52m which was a significant improvement on the 22/23 profit of £2.09m and slightly above the forecast profit of £5.04m.

Cormac Contracting, whilst continuing to improve its turnover, has posted a trading loss due to operational issues on some of its larger projects in the year, most notably those with Suez Recycling.

## Cash Return

As part of the refinancing package, the shareholder has agreed to a simplified arrangement for Group cash returns, however due to the overall loss making position in the year the returns for 2023/24 are limited to Interest the PRA loan and the subsidy provided to CAL.

Future projected returns are set out in the 2024-2028 business plan.

Company (£000)	Profit / (Loss) 23/24 Before Loan Write Off	Profit / (Loss) 23/24 After Loan Write Off	Profit / (Loss) 22/23	Variance
Corserv	-557	-5,166	-2,239	-2,927
Cormac (CSL)	1,993	1,993	1,671	322
Cornwall Airport	416	4,312	-2,928	7,240
Corserv Facilities	-5,609	-5,609	-855	-4,754
Cormac (CCL)	-238	-238	-179	-59
Corserv Care	-624	89	-89	178
Cornwall Housing			100	-100
Cornwall Development Company			-21	21
Rural Economic Partnership			-9	9
<b>Corserv Group</b>	<b>-4,619</b>	<b>-4,619</b>	<b>-4,549</b>	<b>-70</b>

## Appendix 1

### Subsidiary Board Attendance

Cormac Solutions Limited			
Board membership	Role	Appointment date	Attendance
<b>Chair</b> Pete Andrew	Chairperson	26/10/2020	8/8
<b>Executive Directors</b> Cath Robinson Dominic Bostock	Group Managing Director Managing Director - Cormac	01/03/2018 27/11/2018	6/8 8/8
<b>Non-Executive Directors</b> Julia Gregory Mike Hanrahan (until July 2023) Tim Jeans (until October 2023) Simon Ashby	Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director	29/10/2020 29/10/2020 26/10/2020 01/01/2023	8/8 1/2 3/3 6/8
<b>In attendance</b> Jackie Noyes (until June 2023) Paul Cooper	Governance and Control Officer Interim Director of Resources	08/08/2022 22/08/2022	8/8 5/8

Corserv Care			
Board membership	Role	Appointment date	Attendance
<b>Chair</b> Pete Andrew	Chairperson	24/02/2022	8/8
<b>Executive Directors</b> Cath Robinson Alison Waller	Group Managing Director Managing Director	25/05/2019 01/03/2018	6/8 8/8
<b>Non-Executive Directors</b> Julia Gregory Mike Hanrahan (until July 2023) Tim Jeans (until October 2023) Simon Ashby	Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director	24/02/2022 24/02/2022 24/02/2022 01/01/2023	8/8 1/2 3/3 6/8
<b>In attendance</b> Jackie Noyes (until June 2023) Paul Cooper	Group Governance and Control Officer Interim Director of Resources	08/08/2022 22/08/2022	8/8 5/8



Cornwall Airport Limited			
Board membership	Role	Appointment date	Attendance
<b>Chair</b> Pete Andrew	Chairperson	26/10/2020	8/8
<b>Executive Directors</b> Sam O'Dwyer	Managing Director	01/01/2022	8/8
<b>Non-Executive Directors</b> Tim Jeans Cath Robinson	Non Executive Director Group Managing Director	24/04/2014 09/05/2021	3/3 8/8
<b>In attendance</b> Paul Cooper Jackie Noyes	Interim Director of Resources Governance and Control Officer	22/08/2022 08/08/2022	5/8 8/8

Corserv Facilities Limited			
Board membership	Role	Appointment date	Attendance
<b>Chair</b> Pete Andrew	Chairperson	26/10/2020	8/8
<b>Executive Directors</b> Cath Robinson Al Hoare (until June 2023)	Group Managing Director Managing Director	15/10/2019 1/10/2021- 30/6/2023	8/8 2/2
<b>Non-Executive Directors</b> Julia Gregory Mike Hanrahan (until 2023) Tim Jeans (until October 2023) Simon Ashby	Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director	29/10/2020 29/10/2020 26/10/2020 01/01/2023	8/8 1/2 3/3 6/8
<b>In attendance</b> Jackie Noyes (until June 2023) Paul Cooper	Company Secretary Interim Director of Resources	08/08/2022 22/08/2022	8/8 5/8

These appointments were registered as statutory Directors at Companies House.



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