

Shareholder Working Group – WOC Business Plan Review Template

This appraisal tool provides a framework to support members of the Shareholder Working Group in reviewing the business plans of the Council's Wholly Owned Companies (WOCs).

The template can be used to capture feedback to enable reporting to the Shareholder, represented by the Finance Sub-Committee.

How to use the Appraisal Tool: Work through each business plan independently. Consider the matters detailed under the 5 core appraisal criteria, writing down any additional items you wish to consider. Responses can be recorded in the righthand column to support feedback.

In considering the overall assessment of the Criteria items can be scored as presenting High, Medium or Low Risks to achievement or present Opportunities for future achievements (H/M/L/O)

NAME OF ASDV: ANSA ENVIRONMENTAL SERVICES LTD

CRITERIA	MATTERS TO CONSIDER	Assessment (H / M / L / O)	Response / Comment
Strategy	<ul style="list-style-type: none"> Is there a clear focus on priorities and vision? Are key stakeholder expectations being managed? Is there evidence to demonstrate that business plan will achieve customer expectations? Is planned product development and market analyses aligned with market demand and vision / strategic objectives? Is there a focus by the company on reducing its carbon footprint, environmental sustainability by reducing energy consumption, and/or promoting healthy lifestyles? 	<p>L</p> <p>M</p> <p>L</p> <p>O</p> <p>L</p>	<p>Yes, clear priorities, good company knowledge, so low risk</p> <p>Generally, yes but shareholder dividend needs to be discussed, CEC funding gap and contract renewal in 2023</p> <p>Yes, the proven track record of the management demonstrates their competency to deliver for customers</p> <p>Good synergy with CEC's values. Some review of markets P40- P43 but little conclusions drawn from it. Will be more of a focus for the Sister company.</p> <p>Yes, clear initiatives underway to achieve their carbon goals</p> <p>Business Plan Sections: 2.4 – Vision/ Strategic Objectives 2.5 - Shareholder Support 3.1 - Internal Operating Environment 3.2 - External; incl. Product Developments and Market Analysis 4.1 - SWOT/ Customer Review 7.3 – Environment</p> <p>Highlights Presentation Slides Sections: 1 – Introduction 2 – Business Development; incl. Corporate Plan Alignment; Community Engagement; Carbon Neutral & Sustainability</p>

Shareholder Working Group – WOC Business Plan Review Template

CRITERIA	MATTERS TO CONSIDER	Assessment (H / M / L / O)	Response / Comment
Value for Money	<ul style="list-style-type: none"> Are the financial plans transparent to you as shareholder? Are the forecast achievements against each income stream transparent? Are commercial development plans robust especially for new business/? Do services offer represent value for money to clients / customers – how is this demonstrated? Is there evidence that the company has reduced costs to improve margins? Are plans scenario tested to understand their resilience? Is the Company Board offering a dividend? 	<p>H</p> <p>L</p> <p>O</p> <p>L</p> <p>L</p> <p>O</p> <p>O</p>	<p>SHWG has concerns on the potential funding gap between Council MTFS and company forecasts. It was proposed that there is a further meeting with both ANSA and our commissioning team to see how these concerns are being dealt with. The SHWG is keen to closely monitor this situation.</p> <p>Good previous performance but changes in consumer behaviour means a forecast funding gap</p> <p>No, it does not seem to be broken down by income streams other than Core, Projects Comm (page 129)</p> <p>Income from Alliance and wider market offers growth potential. Little detail on commercial growth plans but Sister company will develop these.</p> <p>Yes, lower costs and higher retained profits</p> <p>Clear cost improvements over time that are continuing.</p> <p>No evidence of scenario planning. With the future so unstable and their strong capacity to adapt during the pandemic, this planning may not be a worthwhile task.</p> <p>Not yet established</p> <p>Business Plan Sections: 4.3 - Financial Review 5 – Business Development; incl. Company Strategy; Client Opportunities; Financial Plan 6 – Risk Analysis Appendices A-D</p> <p>Highlights Presentation Slides Sections: 2 – Business Development 4 – Finance</p>

Shareholder Working Group – WOC Business Plan Review Template

CRITERIA	MATTERS TO CONSIDER	Assessment (H / M / L / O)	Response / Comment
Impact & Risk	<ul style="list-style-type: none"> Are delivery plans sufficiently robust? Are risks to current services identified and managed? Is innovation risk assessed to understand likely returns on investment? Is there evidence that the impact of any commercial development plans on existing core clients/contracts has been identified, assessed robustly and managed effectively? Are financial plans suitably robust to withstand variations in operating costs or demand such as that driven by inflation, bad weather or customer behaviour? Is the company at risk of issuing a profit warning, or are financial risks robustly mitigated? Does the Company have adequate reserves to manage risk? 	<p>L</p> <p>L</p> <p>L</p> <p>O</p> <p>H</p> <p>L</p> <p>L</p>	<p>The SHWG recognise the adverse impact that Covid has had on the business.</p> <p>Yes. Delivery plans are provided throughout the report</p> <p>Yes – especially government changes to RAW</p> <p>New fuel types are being trialled to minimise risk</p> <p>Full commercial development remains slow (understandably given the pandemic) and will be the focus of the new Sister company.</p> <p>Funding gap has been identified but no plan as yet to tackle it</p> <p>Reserves are high but could be needed to fill funding shortfalls</p> <p>Reserve funds seem adequate and may allow a return to shareholders</p> <p>Business Plan Sections: 3 – Operating Environment; incl. Market Analysis 4 – Performance Analysis; incl. SWOT and Business Challenges/ Constraints 5.3 - Financial Plan 6 – Risk Analysis</p> <p>Highlights Presentation Slides Sections: Covid19 and Risk Management slides 4 – Emerging Issues</p>

Shareholder Working Group – WOC Business Plan Review Template

--	--	--	--

CRITERIA	MATTERS TO CONSIDER	Assessment (H / M / L / O)	Response / Comment
Control	<ul style="list-style-type: none"> Are services clearly identifying where they fulfil statutory obligations on behalf of the Council? Are strategic commissioning arrangements clear, robust and well managed? Are KPIs managed and achieve strategic objectives? Are quality assurance mechanisms in place such as for ISO / HSE? Are all necessary licenses and standards up to date? Are other assurance mechanisms in place to ensure compliance to any necessary statutory and regulatory frameworks? Is the company complying with Teckal exemption? Are client contracts governed appropriately? 	<p>L</p> <p>L</p> <p>L</p> <p>L</p> <p>L</p> <p>L</p> <p>L</p>	<p>The SHWG recognise that transfer of functions from TSS, and potentially Orbitas, to ANSA will have a positive effect on the Teckal status of the company; and that additional profits that may be generated by these transfers/ mergers.</p> <p>The SHWG noted that ANSA had included their view of the current status/ working position on governance in relation to findings from recent public interest reports; this material will be considered alongside the Council view, with particular input from Legal Services, in due course.</p> <p>Yes, they clearly understand their legal obligations and the regulatory landscape Yes, as mentioned on P17</p> <p>Yes, demonstrated by pages 34 & 35</p> <p>Yes, P36 and ANSA are also winning awards Yes Yes, full QA systems detailed on page 22</p> <p>Yes, it is creating a Sister company to ensure Teckal compliance Yes, no evidence otherwise</p> <p>Business Plan Sections: 2 – Business Overview; incl. Services Offered 3 – Operating Environment; incl. Governance, KPIs and SHEQ; and External Regulation 5.4 – Teckal</p> <p>Highlights Presentation Slides Sections: 2 – Business Development; incl. Corporate Plan Alignment Slide on Public Interest Case Studies</p>

Shareholder Working Group – WOC Business Plan Review Template

CRITERIA	MATTERS TO CONSIDER	Assessment (H / M / L / O)	Response / Comment
Service Delivery	<ul style="list-style-type: none"> Are key service achievements evident? Are current customers / clients satisfied? Were there any service delivery failures in the last year, and were they dealt with appropriately? Is future service delivery in line with market / customers demand and strategic objectives? Have development plans been aligned to current contract delivery and resource plans to ensure sufficient capacity, capability and control to deliver success? Are you anticipating any challenge to service standards throughout the year, and how are you preparing to minimise these? Is there sufficient capacity and capability to respond to any changes in priorities? 	<p>L</p> <p>L</p> <p>L</p> <p>L</p> <p>M</p> <p>L</p> <p>L</p>	<p>The SHWG noted that ANSA has won a succession of national awards</p> <p>Yes, good service maintained during difficult operational period</p> <p>No evidence to show they are displeased</p> <p>Yes, but exceptional circumstances due to the pandemic</p> <p>Yes, it aligns with CEC policy</p> <p>Not evidenced in the report</p> <p>Plans to bring more HGV drivers on stream are underway, which will help with current operational difficulties</p> <p>Yes, capacity expanded during lock down when more waste was collected from homes meaning 1,700 more lorry trips</p> <p>Business Plan Sections: 3.1.2 – KPIs 4 – Performance Analysis 5 – Business Development 6 – Risk Analysis</p> <p>Highlights Presentation Slides Sections: 1 – Introduction 2 – Business Development 5 – Emerging Issues</p>