

Annual General Meeting 2023

10am – 12pm – Wednesday 10th May 2023



HOUSEKEEPING



- Get involved in our poll questions
- ‘Raise your hand’ or use the chatbox for questions



- **The AGM is being recorded** and will be shared after the session



- For any support, contact Jenny via email or use the chatbox

AGENDA

- 1. Introduction** – *Shaun McCarthy*
- 2. Receive Annual report on performance**
 - a) Annual Accounts – Keith Chanter*
 - b) Risk Register – Dale Turner*
 - c) Annual Report & Impact survey - 2022/23 – Hilary Hurrey*
- 3. Approve Business Plan for 2023/24** – *Ian Heptonstall*
- 4. Changes to the Constitution** – *Ian Heptonstall*
- 5. Future Workforce** – *Holly Hansen-Maughan*
- 6. Closing Remarks** – *Shaun McCarthy*

1. Introduction

Shaun McCarthy

Chair, www.SupplyChainSchool.co.uk

WELCOME: NEW BOARD MEMBERS



Joanna Gilroy
Group Director of Sustainability
Balfour Beatty



Malcolm Dare
Executive Director Commercial & Procurement
National Highways

Our mission is
to enable a sustainable
built environment
through knowledge
and collaboration.



Our vision is
an industry where
everyone will have
the skills and
knowledge to deliver
a sustainable future.



Our Goal:

By 2025, we will inspire and enable 50,000 people annually (in our Partners and their supply chains) to be more sustainable and drive real change



GUIDING PRINCIPLES



Subject Matter

We provide learning content that builds skills to deliver a sustainable built environment.



Target Audience

We deliver a School free at the point of use for anybody who works in, or may aspire to work in, the built environment sector.



Accreditation

We will offer CPD-accredited learning where appropriate and learning that contributes to professional qualifications.



New knowledge

We engage with industry, academia and research organisations to instigate and seed fund new research that can be translated into School learning content in the future.



Leadership

We establish the School as the centre of excellence with respect to developing supply chains to deliver a sustainable built environment.



Geographic reach

We seek global best practice to reach Partners' supply chains across the UK and outside the UK, where appropriate. Our delivery partner will respond to opportunities to franchise the School at their own cost and risk.



Partners

We seek Partners who share the values of the School and who commit to share knowledge, contribute financially and in kind.



Funding

We fund the School from Partner contributions, franchise fees and appropriate sources of government or industry funding. We will not ask members for money or allow commercial sponsorship of our learning content or activities.

SCHOOL VALUES

WE ARE **COLLABORATIVE, PROGRESSIVE, INSPIRATIONAL AND INCLUSIVE**



Collaborative because we *share* knowledge and resources.



Progressive because we *deliver* measurable impact through dynamic leadership.

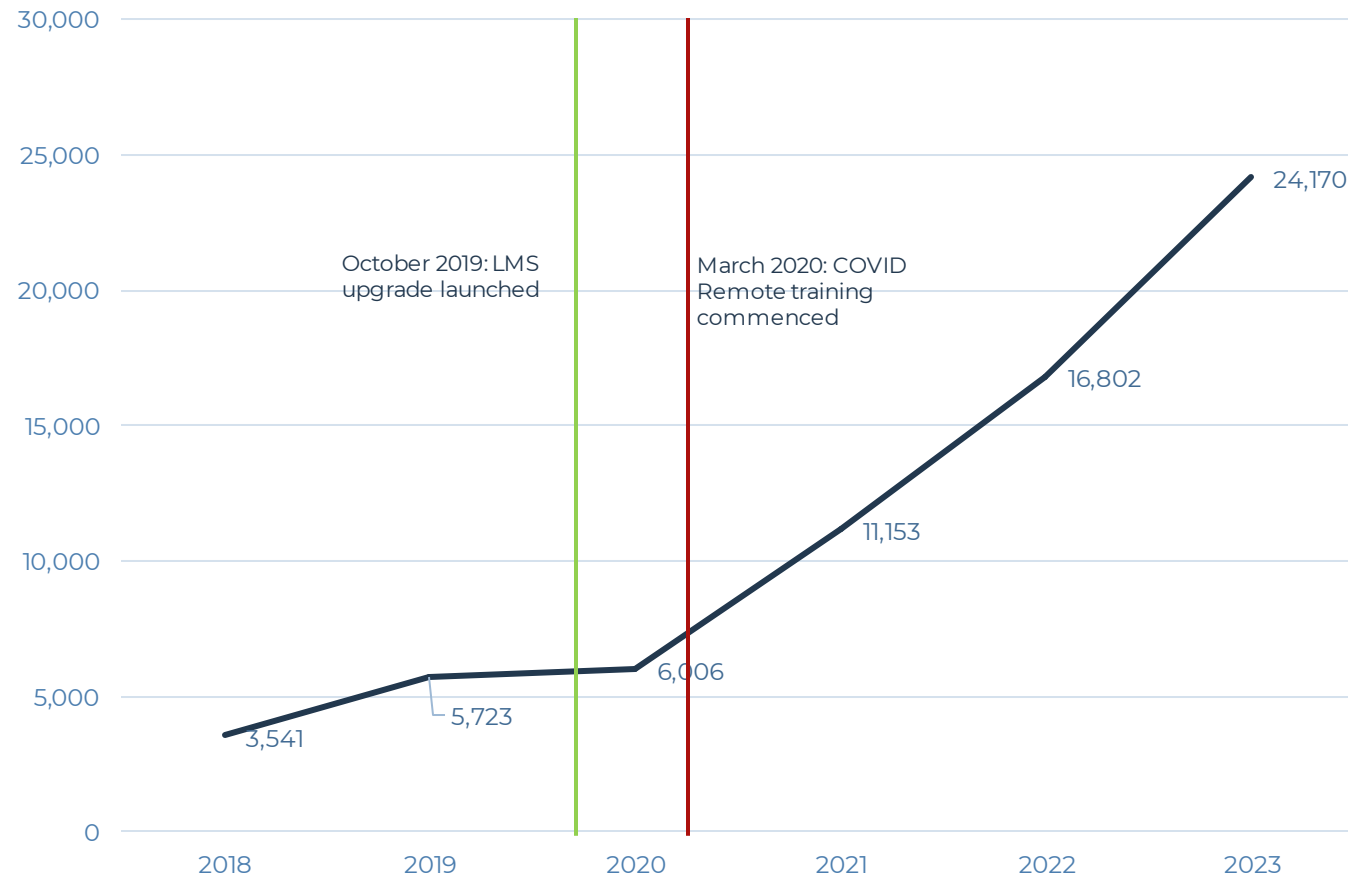


Inspirational because we *inspire* our members and Partners to drive positive change.



Inclusive because we *exemplify* respect for the planet, our colleagues and wider society.

GROWTH IN ACTIVE INDIVIDUALS



TARGET
2023/2024
35,000

TARGET
2024/2025
50,000

QUESTION TO THE PARTNERS

Do you think the School is being ambitious enough engaging 50,000 active individuals by 2025?

- Yes – it's about right!
- No – we should aim higher!
- 50,000 is too high!

WHAT DO YOU THINK?

What do you see as the big challenges over the next year?

Our partners

194 Partners Leading Our Work



ALIGN

Balfour Beatty
VINCI

BIMSON

BW
WORKPLACE EXPERTS

Clancy

ENABLE

FOX
GROUP

Hill

IKO

IPAF

ipieca

KNAUF INSULATION

Landsec

Linc

mace
DRAGADOS

M&H
McLaughlin & Harvey

mitie

MITSUBISHI
ELECTRIC

M&J
EVANS
CONSTRUCTION LTD

MWH
TREATMENT

octavius

Network
Plus

Northern
Gas Networks

NORTHERN
POWERGRID

PEEL PORTS
GROUP

Portakabin

rsbg uk

savills



SPACE

STARK
GROUP

STRABAG

suez

united
living

VEOLIA

wessex
archaeology

2. Receive Annual report on performance

- a) Annual Accounts – Keith Chanter
- b) Risk Register – Dale Turner
- c) Annual Report & Impact survey -2022/23 – Hilary Hurrey

2.a. Review of annual School accounts

Keith Chanter

School Board Member

CEO, EMCOR UK

INCOME YEAR ON YEAR & VS. BUDGET

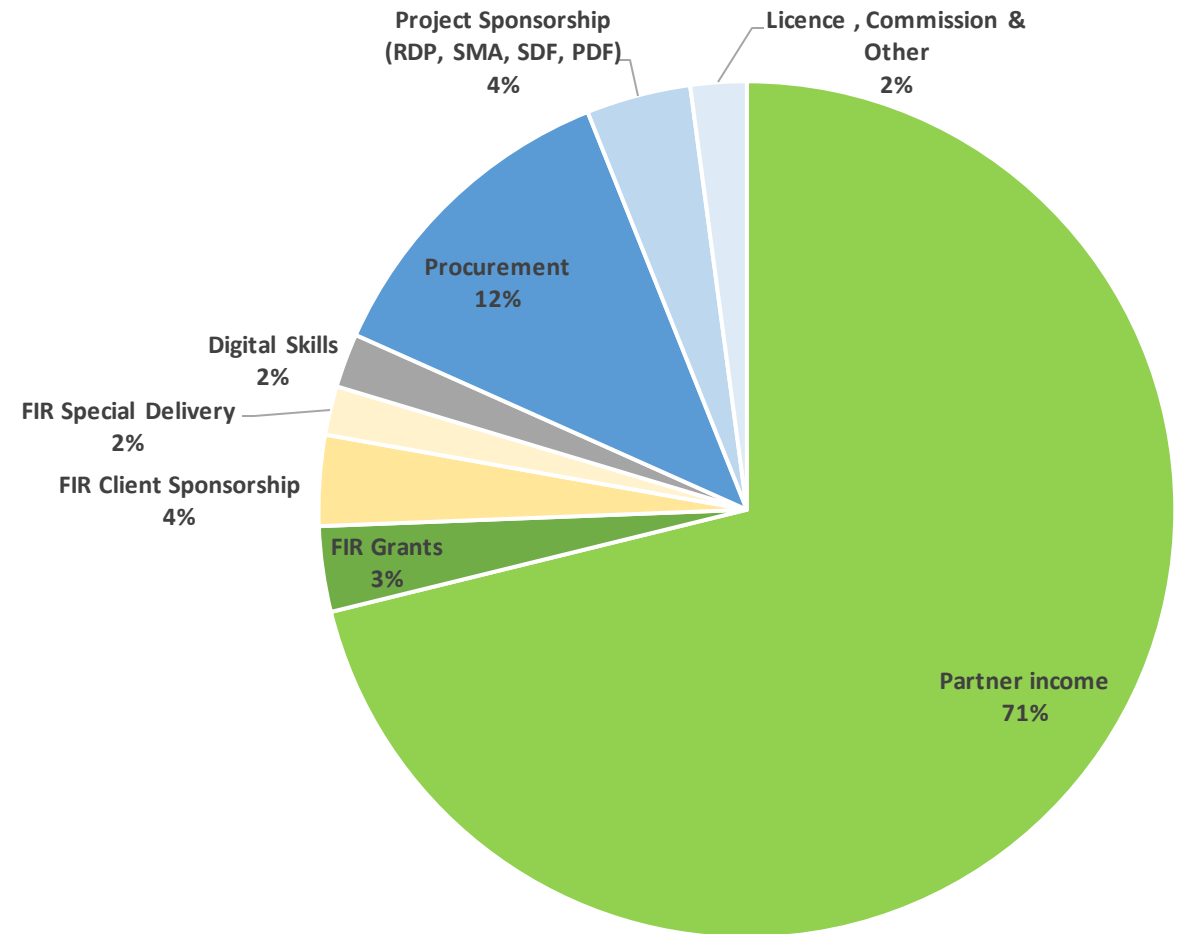
Income by source	2019/2020	2020/21	2021/22	2022/23 Budget	2022/23 Actual	Variance against budget
Partner income	905,555	1,019,292	1,491,809	1,668,847	2,080,479	
CITB Core Grant	448,500	352,436	0	0	0	
FIR Grants	189,986	94,427	149,000	152,500	94,247	
FIR Client Sponsorship	--	38,791	53,160	75,000	100,000	
FIR Special Delivery	0	0	0	48,000	55,614	
Digital Skills	46,488	65,309	102,946	88,900	59,549	
Procurement	106,824	119,615	310,874	417,364	358,206	
Project Sponsorship (RDP, SMA, SDF, PDF)	175,601	25,000	74,760	99,550	115,327	
Licence , Commission & Other	5,000	13,672	45,063	26,000	61,896	
Total Income	1,877,954	1,728,542	2,227,612	2,576,161	2,925,318	+13.5 %

NB: Income adjustments vs budget

- Budgeted income agreed through business planning at £2.576M with PM of 2%
- Revised income assumptions were presented at the AGM (additional £80K of Partner income) to £2.656M. (PM5.4%)

INCOME 2022-23

Income by source	2022/23 Actual
Partner income	2,080,479
FIR Grants	94,247
FIR Client Sponsorship	100,000
FIR Special Delivery	55,614
Digital Skills	59,549
Procurement	358,206
Project Sponsorship (RDP, SMA, SDF, PDF)	115,327
Licence , Commission & Other	61,896
Total	2,925,318



Category of spend	Detail	Budget	No.	Total	Actual	No.	Total	Variance
People costs	Direct employees	£1,028,546	18.9		£1,153,303	24		
	Projects Studio – Scotland, Project delivery & Account Management	£123,783	2		£60,600	0		
	FM Sector group	£20,400	0.3	£1,172,729	£22,440	0.3	£1,236,343	£63,614
Online platform	Learning Management System cost	£60,000	1		£60,000	1		
	Maintenance: Titus	£21,900	1		£22,500	1		
	Ongoing development: Titus	£90,000	1		£80,000	1		
	Content Management System: Strategic	£12,600	1		£15,683	1		
	Web platform Manager	£56,650	1		£50,322	1		
	Online hosting	£1,271	1	£242,421	£2,792	1	£231,297	-£11,124
Training delivery	Workshops x 140	£78,375	140		£134,539	206		
	Business Bytes x 20	£9,600	20		£9,900	20		
	Lunch n Learns x 120	£13,700	120		£15,135	120		
	Face to Face training 4 x supplier briefing (inc. 10 year anniversary)	£36,625	4	£138,300	£35,437	4	£195,011	£56,711
Ring fenced delivery	FIR direct costs	£86,200	1		£95,294	1		
	Procurement direct costs	£63,400	1		£21,319	1		
	Digital direct costs	£20,000	1		£8,786	1		
	Tool Technology costs (FIR, Procurement, RDP)	£55,000	1	£224,600	£87,400	1	£212,799	-£11,801
Category/ Content groups	Carbon Calculator & Climate Action Group	£100,000	1		£100,000	1		
	Plant Category Group	£33,000	1		£33,000	1		
	Waste Category Group	£33,000	1		£33,000	1		
	Labour Category Group	£33,000	1		£33,000	1		
	Utilities Category Group	£33,000	1		£0	1		
	Social Value Group	£33,000	1		£33,000	1		
	Lean group	£0	1		£16,150	1		
	Retrofit	£15,000	1		£0			
	Wellbeing	£15,000	1	£295,000	£0		£248,150	-£46,850
Knowledge Mgt	Expert Advice (ad hoc)	£5,000	1		£2,750	1		
	Library Review & E-learning refresh x 25	£35,250	1		£32,810			
	E-learning contractor	£75,000	25		£72,376			
	Creation of 2 x sustainability shorts	£0	0		£6,574	2		
	Filming (update video clips & e-learning)	£15,000	1		£25,502			
	CPD accreditation	£6,795	1	£137,045	£6,082	1	£146,094	£9,049
Marketing	Marketing, Comms & PR	£37,211	1		£28,099	1		
	Marketing automation	£8,875	1	£46,086	£2,150	1	£30,249	-£15,837
Overheads	Office & general Overheads	£151,000	1		£215,686			
	CIC (2.5% of turnover)	£54,980	1		£65,223			
	Travel & Courier	£15,000	1	£220,980	£17,644	1	£298,553	£77,573
Additional	Meet the Buyers	£0			£6,480	1	£6,480	£6,480
Contingency	Contingency (now spent)	£35,000	1	£35,000	£4,853	1	£4,853	-£30,147
			Budget	£2,512,161	Actual		£2,609,829	+£97,668

EXPENDITURE

ACTUAL V BUDGET

2022/23

Income:

£2,925,318

Costs:

£2,609,829

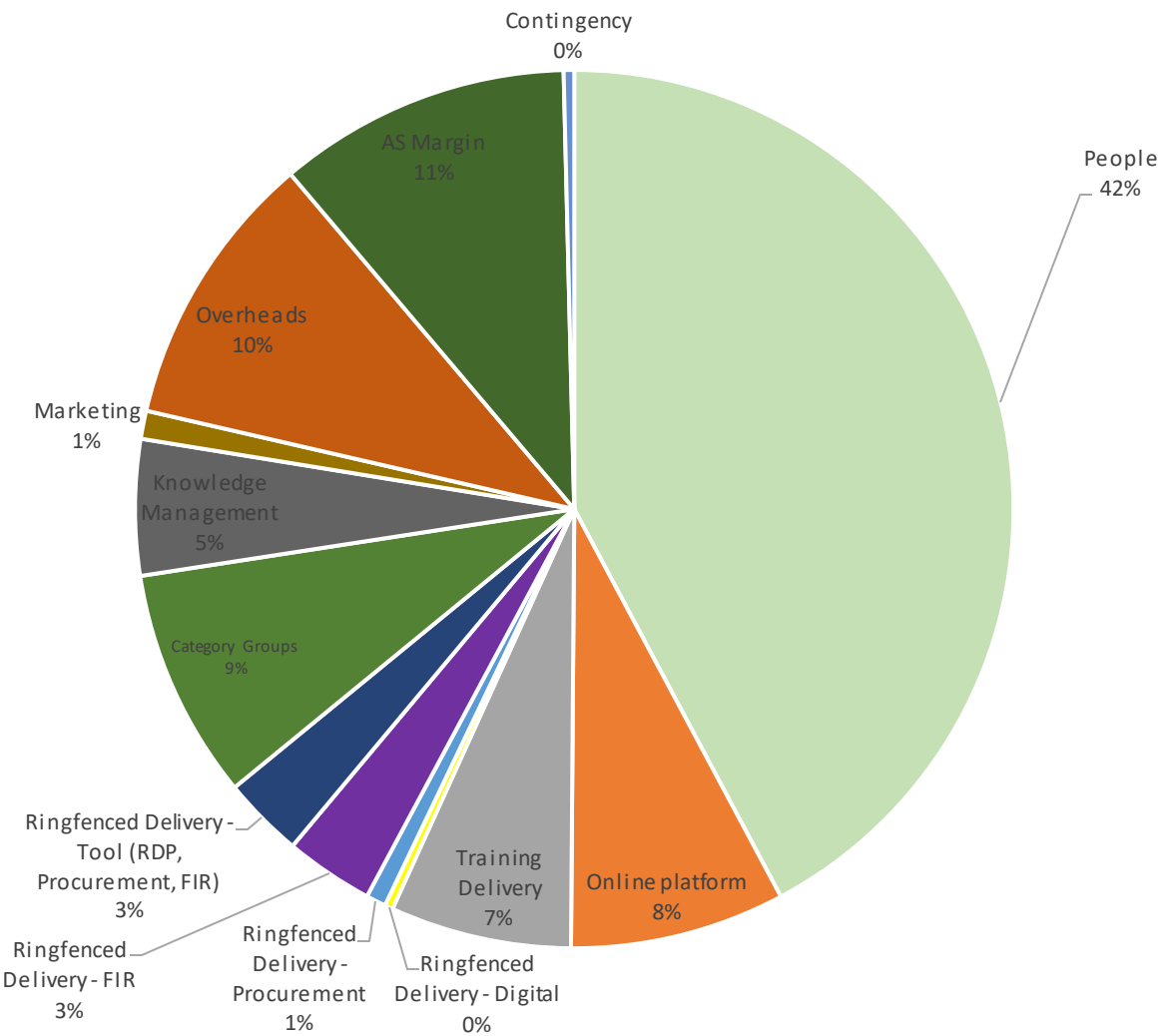
AS Margin:

10.7%

£315,489

EXPENDITURE 2022-23

Costs by activity	Amount
People	£1,236,343
Online platform	£231,297
Training Delivery	£195,011
Ring fenced delivery - Digital	£8,786
Ring fenced delivery - Procurement	£21,319
Ring fenced delivery – FIR	£95,294
Ring fenced delivery – Tool: RDP, Procurement, Diversity	£87,400
Category Groups: Plant, Labour, Waste, Carbon, Social Value	£248,150
Knowledge Management	£146,094
Marketing	£30,249
Overheads	£298,553
Contingency & additional	£11,333
Total costs	£2,609,829



FINANCIAL REVIEW

The focus of the review was to:

- Ensure that the basis of allocation of income and costs appeared reasonable given the activities delivered by ASTL on behalf of the School.
 - This I conclude is the case.
- Review the reasonableness of the “value for money” of the services delivered by ASTL.
 - Based on the review and against the deliveries made against School targets I conclude that, at least at a summary level, ASTL deliver VFM.
- Review the financial position of ASTL to assure the School of the longer-term viability of their delivery partner
 - ASTL appear financially stable and viable to continue as delivery partner for the foreseeable future.

All concluded satisfactorily

2.b. Risk register

Dale Turner

School Board Member

Director of Procurement & Supply Chain, Skanska

OUR TOP RISKS

Category	Description	Likelihood	Consequence	Inherent Risk	Mitigation	Residual Risk (Impact after mitigation)
Construction market	<p>Construction Industry downturn due to complex global supply chains. Metals and steel suppliers are currently the main issue, but any supply can be affected.</p> <p>Worst case, as a whole, stops growing and the number of partners are affected.</p>	Almost certain	High	High	<ul style="list-style-type: none"> The issues that are represented within the School are relevant to the industry. The Partners of the School will still require their supply chains to engage with the School. Live projects and pipeline are expected to move to the right, the school can add value throughout the downturn and recovery. AS concentrate on securing renewals for membership as well as looking for other sources of income. Partners, when signing up to the School, sign up to the School Values. As part of that each Partner receives annually how they have received value from the School. School plans prudently for a 5% cancellation of Partners annually (for FY 23/24 with a contingency in the costs of a further equivalent of 5% of current Partner income should there be a higher cancellation rate). Current actual rate is 3%. 	Medium
School Growth & Partner Revenue	Non-controllable pressures such as the economic risk posed by current inflation may impact employment levels; wage inflation; materials shortages, fuel and energy increases etc is a threat to future partner growth and retention.	Likely	High	High	<ul style="list-style-type: none"> Board to consider how to assist the supply chain further over the next 2/3 years (current prediction on high inflation rates) through training activities e.g. Lunch & Learns addressing the risks. Partner retention rates to be closely monitored to highlight any change to the current retention rate (3%). Training may be seen as a 'nice to have' in many organisations as opposed to investing in this however the School provides free training which is a huge positive. 	Medium

OTHER RISKS

Category	Description	Likelihood	Consequence	Inherent Risk	Mitigation	Residual Risk (Impact after mitigation)
IT development and Maintenance capacity:	Web developer is unable to grow and deliver at the pace the School requires	Possible	High	Medium	<ul style="list-style-type: none"> Risk profile has reduced significantly since the SCSS moved to a global platform. The delivery Partner works closely with the IT partners and the Director meets regularly along with the Platform Manager to discuss growth; an IT strategy is being developed as part of the business growth with regular meetings between all developers (inc. Tool) and key AS stakeholders. There is a Technology Strategy Group which has been formed (November 2022), made up of 3 x Partner organisations representatives who specialise in technology in varying forms who are providing a 'critical friend' approach to the School's technology strategy to help further develop it. Also in attendance are representatives from Titus (LMS) and StrategiQ (CMS) and from the Tool side of the business. 	Low
	Cyber security, website goes down	Possible	High	Medium	<ul style="list-style-type: none"> The School has an SSL on the tool which stands for 'Secured Socket Layer' protocol, which creates a secure and encrypted connection on the Internet. When a user is logged into their account the web address is highlighted to indicate it is on a secure domain. The servers are not contained on site or on the web developers site. The data which the School contains is not sensitive. Titus, who manage the LMS, are ISO27001 accredited and manage data under this standard. 	Low
School Delivery Partner	SCSS - Ability to attract and keep talent (AS)	Possible	High	Medium	<ul style="list-style-type: none"> Employing an apprenticeship focusing on specialist areas e.g. digital marketing. Be seen as a good employer and offer employee benefits such as contributory pension, above average for annual leave entitlement etc. Currently 'One to Watch' on Best Companies (employee engagement specialist) Ensure personal development plans and training are tailored and reviewed regularly and that there is reasonable investment within training. Reward and recognise system established so members feel valued for their value and commitment to the organisation. This is not necessarily financial. The staff are very much involved in being able to have a say via an anonymous annual staff survey; the results of which are explained and discussed and necessary actions taken. 	Low
Competition	Existing organisations widen their scope to cover skills in the construction supply chain (e.g. CIPS, UKGBC, BUILD UK, CIOB, CCS, BRE, other trade federations etc).	Likely	Moderate	Medium	<ul style="list-style-type: none"> Work closely with existing organisations, build partnerships and be involved in these groups as they emerge. Work with Partner to ensure visibility of likely threats. 	Medium

WHAT DO YOU THINK?

What other risks do you think we need to consider?

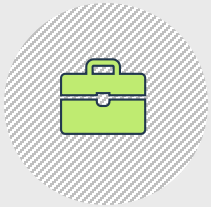
2.c. Annual report and impact survey

Hilary Hurrey
School Manager

School activity 2023

vs 2022

People



5,503

active
organisations

30% ↑



24,160

active users

44% ↑



943

bronze, silver, gold
level members

30% ↑



194

Partners

9% ↑

Assess



1,387
Corporate skills
assessments

47% ↑

8,761
Individual skills
assessments

18% ↑



1,159
Corporate re-
assessments

41% ↑

1,777
Individual skills
re-assessments

1% ↑

Learn



36,573

hours
face-to-face
training



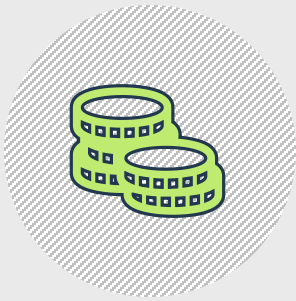
57,408

downloads of
e-learning



129,492

resources
accessed



47%

reduced costs

1%↓



47%

win new business

7%↑



58%

more collaborative

4%↑

School impact on business performance 2023



73%

better understanding of sustainability

0%



37%

retained talent

5%↑



54%

better relationships with suppliers

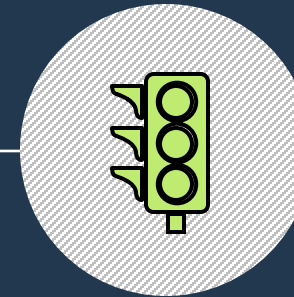
4%↑



55%

improved quality of bids

4%↑



57%

reduced reputational risks

3%↑



52%

reduced carbon emissions

5% ↓

31%

agree the School helped achieve this

16% ↓



50%

reduced waste

3% ↓

41%

agree the School helped achieve this

5% ↓



71%

increased modern slavery understanding

7% ↑

65%

agree the School helped achieve this

1% ↑



69%

increased understanding of FIR

5% ↑

54%

agree the School helped achieve this

14% ↓



57%

increased community engagement

13% ↑ ↓

46% agree the School helped achieve this

7% ↓



50%

increased understanding of responsible sourcing

1% ↑ ↓

65% agree the School helped achieve this

4% ↓



43%

increased apprentice numbers

12% ↑

25% agree the School helped achieve this

0%



35%

improved air quality

5% ↓

42% agree the School helped achieve this

2% ↑



25%

reduced water consumption

3% ↓

41% agree the School helped achieve this

2% ↑

- 1. Celebrate the success but focus on the future:** The School has seen some incredible step changes over the past four years. The seven key actions outlined in the School strategy to reach 50,000 active learners remains our focus.
- 2. Connecting to build relationships:** the 10-year anniversary event was a huge success. Feedback was strong, especially around the opportunity to connect face to face. Provision has been made to stage 4 face to face events.
- 3. Technology supports impact:** The School Board recognise that there are gaps in expertise around technology which is crucial to the growth of the School being an online product. Having strong technological expertise will ensure that the School is armed for arising opportunities and continues to provide the membership with accessible and credible learning.
- 4. Continued investment in the learning platform:** Continue to invest in the learning platform; appetite to continually better functionality is huge and more engagement means more sophisticated functionality is key.
- 5. Be agile and relevant:** remain agile in its delivery model and learning content and to ensure that we always remain relevant to the needs of our members and Partners.
- 6. Impact:** We need to constantly ensure that the training we have is impactful. This is not always easy to achieve and needs constant monitoring. Changes are being made so that the offering of the virtual training is clearer to the membership and virtual conferences provide a more thought leadership approach in their format.
- 7. Interactivity:** The switch to virtual learning has had huge benefits for accessibility and has impacted learning numbers, however it remains a challenge to ensure that attendees engage in the workshops and interactive exercises. The team will be investigating ways to improve interactivity over the next year.

3. Approve business plan for 2023

Action required:

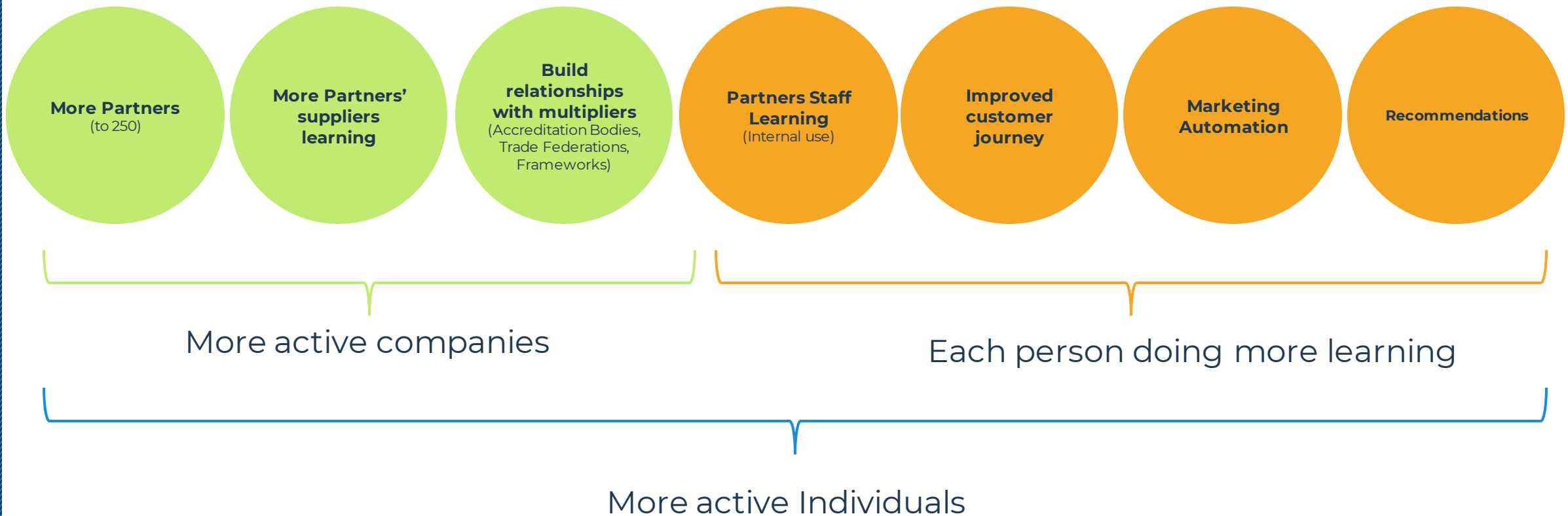
Partners are asked to approve the School Delivery Partner to operate the School based upon the enclosed budget

Ian Heptonstall

Director, www.SupplyChainSchool.co.uk

FOCUS ON

THE HOW . . . 7 ACTIONS TO DRIVE OUR IMPACT



CONTENT - PRIORITY AREAS

23/24 BUSINESS PLAN HIGH LEVEL PRIORITIES

TOP PRIORITY AREAS IDENTIFIED BY THE LEADERSHIP GROUPS



SUSTAINABILITY PRIORITIES

1 = Energy & Carbon

2 = Sustainability Procurement

3 = Social Value

4 = Waste

5 = Sustainability Strategy

NB: FM group prioritised Biodiversity over Sustainable Procurement. All other groups had the same top 5



INCOME GROWTH FOR NEXT 3 YEARS

REVISED TO 5% CANCELLATION. 5% RETAINED FOR CONTINGENCY

Funding stream	Current FY (actual + forecast)	FY 2023/24	FY 2024/25	FY2025/26
CITB FIR	77,500	181,000	181,000	181,000
Client FIR	100,000	100,000	100,000	100,000
Special FIR delivery (CITB, NH, Clancy Group)	54,675	0	0	0
CITB Procurement	441,099	99,675	0	0
CITB Digital	79,049	0	0	0
Current Partners (inc. 5% cancellation & 5% fee increase)	1,888,765	2,143,629	2,573,814	3,031,690
New Partners (recruited during the year)	Inc. in above	167,668	176,000	183,966
Project sponsors	95,166	193,900	203,595	213,775
Other income	44,211	32,000	32,000	32,000
Total	£2,780,465	£2,917,872	£3,266,409	£3,742,431
% increase	--	+4.9%	+11.9%	+14.5%

Category of spend	Detail	Amount	Number	Total
People costs	Direct employees	£1,335,059	22.8	
	FM Sector group	£23,562	0.3	£1,358,621
Online platform	Learning Management System cost	£60,000	1	
	Maintenance: Titus	£24,600	1	
	Ongoing development: Titus	£90,000	1	
	Content Management System: Strategic	£12,600	1	
	Web platform Manager	£64,890	1	
	Online hosting	£1,271	1	
				£253,361
Training delivery	Workshops x 170	£106,050	170	
	Business Bytes x 20	£8,800	20	
	Lunch n Learns x 120	£13,700	120	
	Face to Face training 4 x supplier briefing (inc. summit)	£51,875	4	
	National Highways training programme	£31,600	57	
	HS2 training programme	£24,600	38	£236,625
Ring fenced delivery	FIR direct costs (inc. Diversity Tool)	£106,450	1	
	Procurement direct costs	£13,500	1	£119,950
Collaboration Groups	Climate Action Group (includes Carbon Calculator) <small>Partners are being upsold the Calculator to cover cost. To date x 5 Partners have upgraded</small>	£100,000	1	
	Plant Category Group	£33,000	1	
	Waste Category Group	£33,000	1	
	Labour Category Group	£33,000	1	
	Social Value Group	£33,000	1	
	Interiors (inc. direct costs)	£20,000	1	
	Retrofit (direct costs)	£5,000	1	
	Wellbeing (direct costs)	£5,000	1	
	Lean (direct costs)	£8,500	1	
	Market Groups (direct costs)	£35,000	6	£305,500
Knowledge Mgt	Expert Advice (ad hoc)	£5,000	1	
	Library Review & E-learning refresh x 25	£39,750	1	
	E-learning contractor	£75,000	25	
	Filming (update video clips & e-learning)	£25,000	1	
	CPD accreditation	£7,595	1	£152,545
Marketing	Marketing, Comms & PR	£50,095	1	
	Marketing automation	£15,000	1	£65,095
Overheads	Office & general Overheads	£190,000	1	
	CIC (2.5% of turnover)	£70,609	1	
	Travel & Courier	£15,000	1	£275,609
Contingency	Contingency	£35,000	1	£35,000
	5% retained Partner cancellation fee	£112,500	1	£112,500
			Total Costs	£2,914,606

BUDGETED Costs 2023/24

5% price increase & 5% cancellation

Income:	£2,917,872
Costs:	<u>£2,914,606</u>
Margin: 0.1%	£3,266

To achieve a target margin of 10% (£290k)
delivery partner incentivised to:

Reduce cancellations:
Each 1% is worth £20,000
98% this year would add back £60,000

Seek new Partners
Every new Partner above 36 £13,335
10 new Partners (x 50% in year) £67,500

Seek new income streams £150,000
Colleges
NatWest
Other programmes e.g. RSSB, Sizewell

Please log into your Partner Page

(Password: SCSS_Partner) where
you can view the video updates for
the groups, or scan the QR code.



SCAN ME

www.supplychainschool.co.uk/partners/partner-pack/

APPROVAL OF BUSINESS PLAN

ONE VOTE PER PARTNER ORGANISATION

The Partners are asked to approve the Business Plan 2023/ 2024 as previously circulated and presented by Ian Heptonstall today.

- Yes
- No
- Abstain

4. Changes to the Constitution

Action required:

Partners are asked to approve the Board's recommended changes to the Constitution

Ian Heptonstall

Director, www.SupplyChainSchool.co.uk

KEY CHANGES

After a detailed review of the Constitution the Board have approved the following key changes.

1. Updated vision and mission (1.1 and 1.2)
2. Opportunities to licence, franchise the School in other sectors or markets (1.3.6)
3. Commercialisation of activities (1.3.8)
4. Training Partner to Training Provider (Page 5)
5. Simplified the group structures (Pages 3, 4 and sections 7, 8 and 9)
6. Define the School Team and substitute for Secretariat (Page 4 and various)
7. Election of Chair (5.2)
8. Updated the Election of Board members process (6.7)
9. School Board meetings – updated to allow for virtual meetings (6.9.2)
10. Anti-competitive behaviour – widened this to include all Partner Behaviour and merge with the section on values (11)
11. Intellectual Property Rights (13) – updated to reflect current and future nature of funding
12. General (18) – Provided clarity of the role of the Delivery Partner.

APPROVAL OF CHANGES TO THE CONSTITUTION

ONE VOTE PER PARTNER ORGANISATION

Do you agree with the Boards decision to support these changes to the constitution:

- Yes
- No
- Abstain

5. Future Workforce

Holly Hansen-Maughan
Sector Manager

We will bring Future Workforce into our industry Leadership Groups:



6. Closing Remarks

Shaun McCarthy

Director, www.SupplyChainSchool.co.uk

