

The logo for DELTA SHARED SERVICES LTD features the word 'DELTA' in large, multi-colored block letters. The 'D' is pink and grey, 'E' is orange and teal, 'L' is green and grey, and 'T' is blue and purple. Below 'DELTA' is the text 'SHARED SERVICES' in white, bold, sans-serif font, followed by 'LTD' in a smaller font size.

DELTA
SHARED SERVICES LTD

A photograph of two employees, a woman and a man, sitting on a wooden ledge outdoors. They are both wearing dark blue polo shirts with the DELTA logo and lanyards. They are looking at a document held by the woman. The background shows a modern building with large windows and some greenery.

Business Plan
2021

1. Introduction

Nearly one million people, depend on the thousands of people, supported by the less than 200 people in Delt.

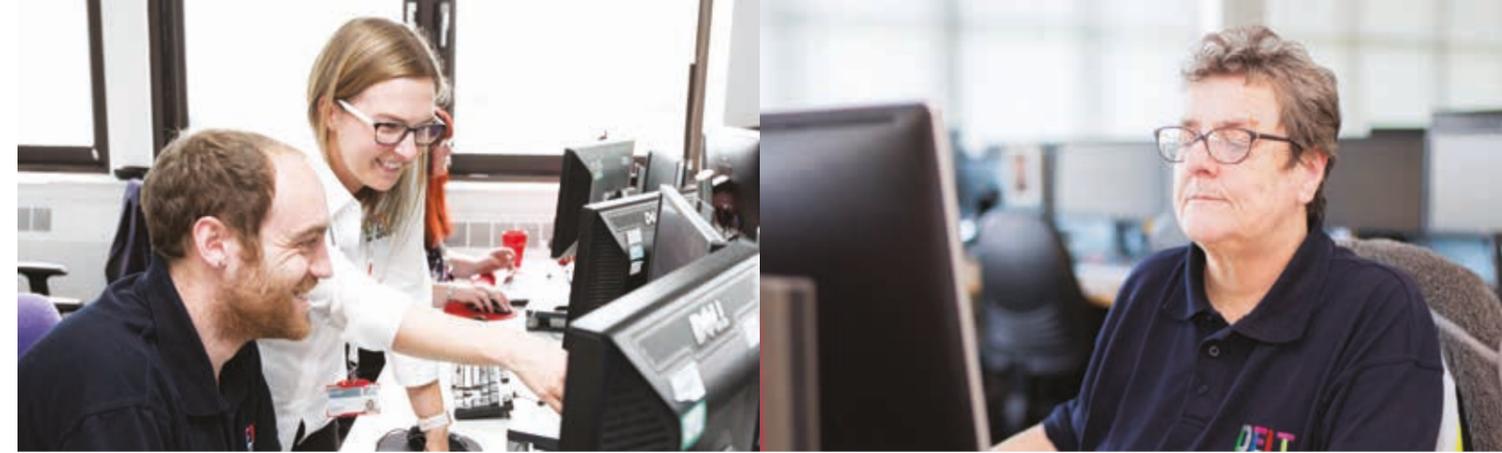
Delt was formed with the singular vision to 'Help People Do Amazing Things'. Organisations who work in the public interest, often without much recognition, make up much of our client and partner base. We seek to build long term, collaborative relationships for the benefit of the whole public interest sector.

Running complex back-office operations is not part of core business for many organisations. Head teachers want to

educate children, clinicians want to treat patients, firefighters want to rescue people. Nobody really went into these professions to worry about payroll, IT, HR, estates management or any of the other support services Delt provide. These back-office functions are what we do well, in order to let others focus on their core mission.

At some point in our lives we, almost, all need to call on public interest support

services and the ability to work with such organisations is not just a business opportunity, it's the whole reason we exist.



Since formation we have significantly grown our capabilities and can now provide almost all back office support services. We have also expanded the sectors we operate in, whilst retaining a focus on the public interest.



A list of services and sectors doesn't capture the impact that Delt can have on an organisation. We do not simply take existing workloads and deliver marginal change but rather, completely transform the culture and delivery approach, which results in materially higher satisfaction from both those consuming our services, and those who deliver them.

Delt has a unique ethos, delivering the operational benefits of an agile private sector company, wrapped up in public sector ethics and values. This is not conventional outsourcing or cost driven shared services. Any profits made by Delt are owned 100% by the public sector and are ultimately used to deliver public benefit. Our largest customers can become shareholders, helping to steer our business. These ethics are exemplified in our corporate social responsibility practices which deliver greener and more sustainable operations, a positive contribution to our local communities and a healthier work culture. 2021 sees an increased focus on building a more diverse and enabled workplace and more socially responsible procurement.

We do not see slow or inefficient back-office services just as a problem to be fixed – rather it is a patient not being seen, a vulnerable person not being helped, or

a child not being educated. We believe avoiding such impacts is best achieved not by fixing things when they go wrong, though this is still important, but by trying to make sure that they do not fail in the first place. This attitude puts a different perspective on our approach to working with our customers. Notwithstanding our commitment to service excellence, Delt also performs well financially, so far generating £6m of efficiency savings which has been retained in the public sector. That return is amplified in socio-economic terms and Delt enables a regional annual gross value add of over £14m and the support of nearly 300 local jobs.

Over the next 24 months we will continue to invest heavily in our people and our communities. Whilst we already have higher staff engagement than the UK average, there is still scope for improving this to world class levels and we will seek to cement our position as an employer of choice. We will invest further in marketing and more targeted communications to the appropriate sectors to deliver on our growth plans.

The market for back-office support services is huge. Our realistic addressable market is smaller. Delt delivers the greatest benefit to the public interest sector where services are currently delivered

in-house. This does not exclude pursuing or delivering work for other organisations especially when asked to do so but our proactive marketing efforts will focus on opportunities in:

The public interest sector where services are currently delivered in house; and where long-term partnership is desirable. Where socio-economic impact is as important; and where physical geography is contiguous with existing Delt operations. These soft constraints contain our addressable market to a manageable size in the hundreds rather than thousands of organisations.

The growth and success of the company's services has delivered strong financial performance. This has enabled us to contribute over £3m in dividends to shareholders in the last 3 years. As with all shared service companies, our focus now is on extending our reach to other services and customers, scaling at pace to enable us to continue to meet our objectives. We welcome the drive from NHS England towards integrated care systems which will provide opportunities for Delt in terms of growth and collaboration for the services we already deliver for both Health and Local Government.

The table below highlights our historic financial performance and presents a view of the financial upside from projected growth, growth that will be realised through increasing the number of shareholders in the business. These projections are anchored to the various commitments and developments in this plan. The financials in section 5 contrast the table below with our existing business model as a prudent comparison.

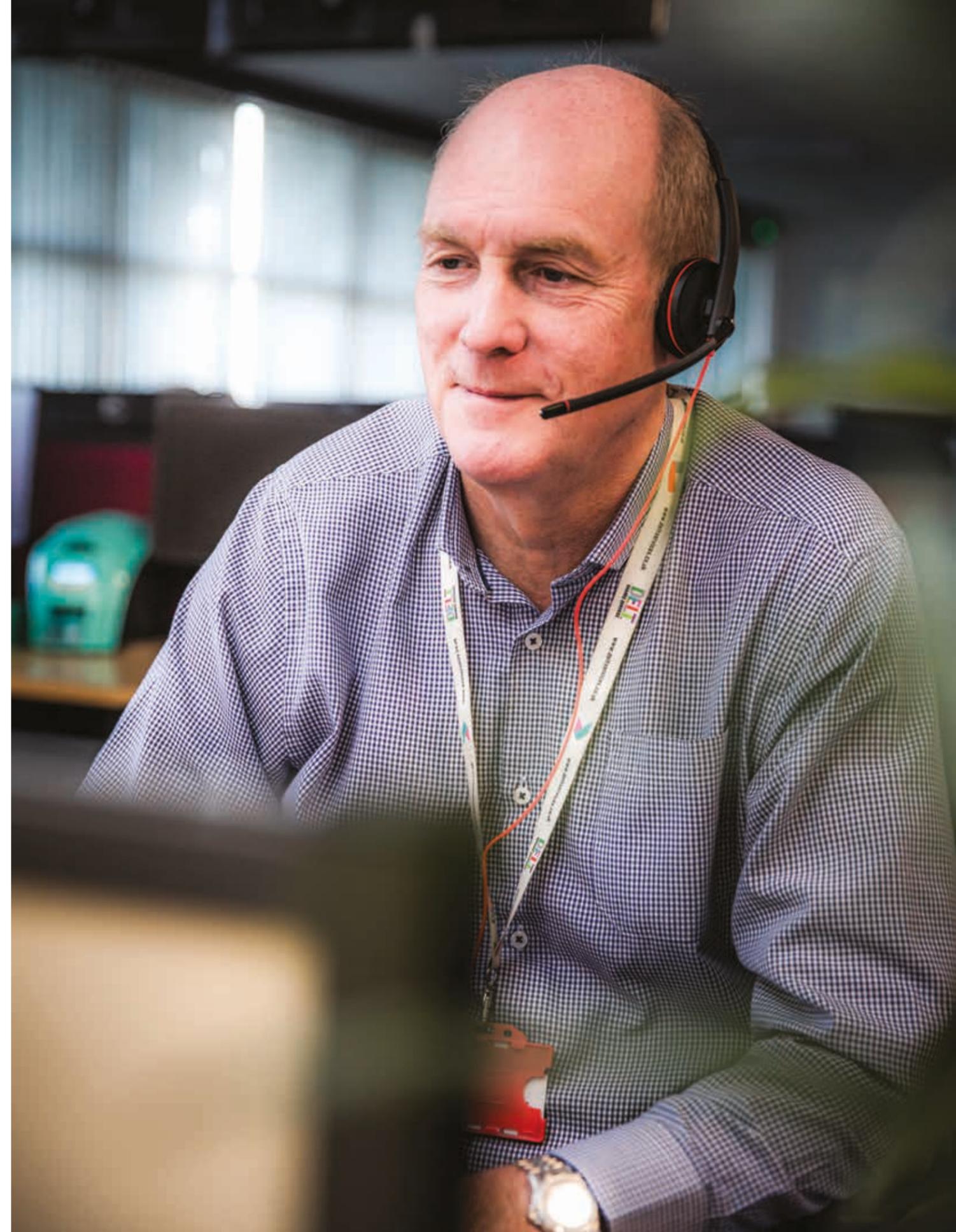
The growth assumptions in this table are for:

- 1 One new IT shared service (shareholder) in quarter three of 2021/22 and 2022/23 with a value of £4m per annum.
- 2 One new shareholder (non-IT services) from quarter three 2023/24 with a value of £1m per annum.

Growth Projections - Current and New Shareholders/Services

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	£'000										
Turnover	4,112	11,688	13,955	15,119	18,093	19,181	17,940	20,487	25,113	29,152	30,815
Cost of Sales	(3,232)	(10,086)	(10,199)	(11,112)	(12,630)	(14,192)	(12,756)	(15,472)	(19,913)	(23,527)	(24,653)
Gross Profit	880	1,602	3,756	4,007	5,463	4,989	5,184	5,015	5,201	5,625	6,162
Overheads	(808)	(610)	(1,598)	(2,823)	(4,122)	(4,072)	(4,767)	(4,404)	(5,065)	(4,884)	(5,010)
Net Profit	72	992	2,158	1,184	1,341	917	417	611	136	741	1,152

Our business plan includes predictions, estimates or other information that might be considered forward-looking. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this publication. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events.



2. Our Services

Delt has a full back-office services capability and although we deliver many of the benefits of Business Process Outsourcing, we bear no resemblance to traditional outsource providers.



2:1 Information Technology

Delt's IT provision is the very back-bone of the business delivering exceptional customer service and putting the customer right in the heart of everything we do. It also supports many of our other back-office services. Too many customer support services become fixated on the lowest cost of a transaction, which ignores the real, though off-book cost of a front-line worker being unable to operate effectively, or at all. Our customer manifesto drives us to deliver exceptional levels of both service and care that exceed conventional SLAs and cost metrics.

In 2020 we achieved 100% customer satisfaction and an above average NPS (Net Promoter Score) of 33. We continue to deliver against our SLAs and exceed customer expectations. We will further improve and nurture this throughout 2021 and beyond.

Our IT consultancy provides bespoke engagement in a wide range of areas including, but not limited to, IT and digital strategy, cyber security, compliance, product development and workplace transformation. Our technical delivery includes the definition, design

and delivery of standardised and bespoke IT solutions in partnership with our customers, delivering maximum value from any engagement.

Underpinning our success, as a service, is our ability to truly understand the nuances of our customers' operating environments alongside their values. We can mirror that in the delivery of our service ensuring we do not simply become a 'support service' but an extension of the team, a partner of the business.

I've not seen such a successful "go live" in any environment before and considering the breadth of the business you have covered this is a very real achievement. I fully understand how much work and effort has gone into this achievement.

Gavin Gracie, CEO,
Transforming Futures Trust

2020 SUCCESS

Working closely with a multi-academy trust we defined an innovative, digital solution to address the needs of modern teaching whilst also addressing the need to be cost effective, adaptable and responsive to change. We delivered this modern workplace solution in under six weeks, across fourteen sites in Devon and Cornwall, transforming teaching and learning for 650 staff and all students. This resulted in an immediate productivity improvement of thirty minutes per day for each member of staff.



IT Consultancy



Cyber Security



Training & Education



Payroll & Pensions



Fleet



Print & Mail



Facilities Management



HR / OD Advisory



Procurement & Finance



Innovation



Project Management

2020 SUCCESS

Our team played a vital role to support local GP surgeries and the NHS Devon Clinical Commissioning Group during the COVID-19 pandemic. Working non-stop we transformed the IT service enabling our customers to work differently within just three weeks. In one-weekend alone, our team provided 500 laptops to help our local GP surgeries to consult with patients from home, a project which would usually have taken up to a year to complete. The extraordinary efforts of Delt to deliver above and beyond has been praised by critical NHS services for helping them remain open and responsive to their patients, staff and local people.



2:2 Cyber Security

With the surge in remote working during 2020 and the global threat landscape ever changing, Cyber Security and Information Governance is more important than ever. In addition, we will ensure effective training and awareness to identify and mitigate the risk of a data breach (GDPR) and Cyber-attack.

Our dedicated team has the skills to work with our customers to achieve Cyber accreditations, building trust and reducing risk to their organisation and customers. This includes but not limited to:

- Data Security and Protection (DSP) Toolkit for the NHS
- Cyber Essentials
- Cyber Essentials +

We own and manage a large technical infrastructure, from desktop to data centre, hosting critical data and applications. Our managed service supports approximately 8,000 IT users across healthcare, local government, education and the third sector, and our 140 strong local IT workforce have a track record of delivering outstanding customer service using modern tools, working practices and highly skilled staff.

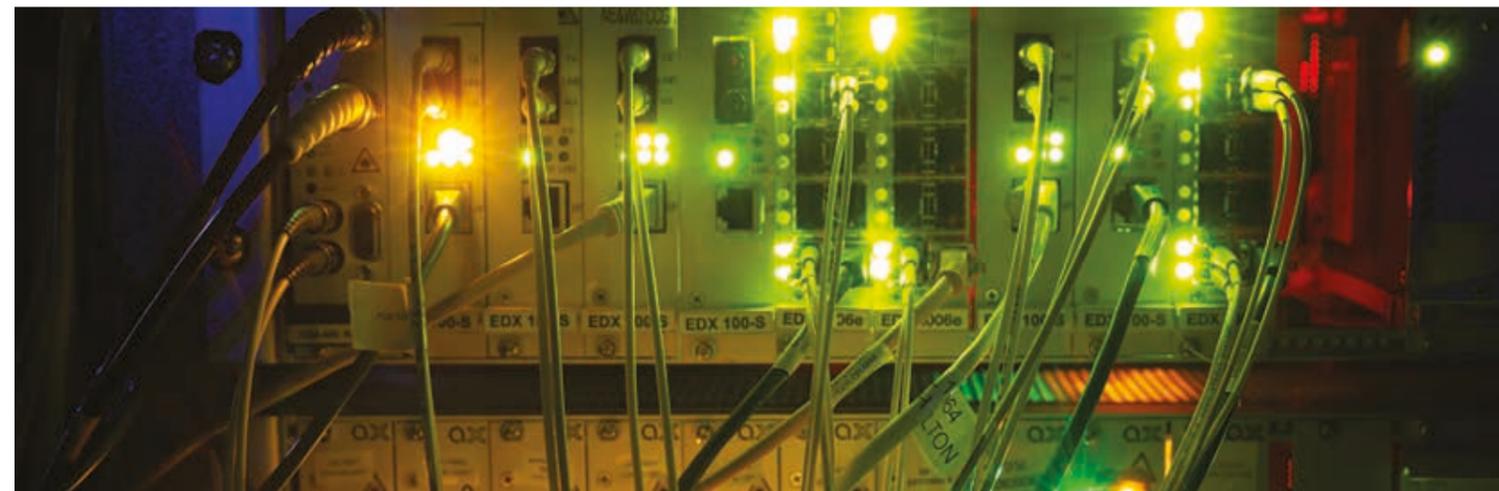
TECHNOLOGY INFRASTRUCTURE AND OPERATIONS IN 2021

The pace of digital technology disruption and increasing business demand is putting pressure on our IT organisation to deliver new digitally enabled services, rapidly, securely and at scale whilst maintaining high service levels and cost savings. Our ability to support business growth demands the ongoing transformation of our IT operations, with a focus on scalability and agility. Significant investments in both automation and process simplification are being made to deliver consistently high customer satisfaction at acceptable cost.

Our priority for 2021 will focus on the preparation for the onboarding of a new IT shareholder whilst also continuing to focus on service excellence and cyber security. We will deliver this by working with our internal and external partners to ensure our operational capabilities continue

to keep pace with emerging technology and new ways of working. In 2021 we will accelerate adoption of technology such as artificial intelligence, machine learning, robotic process automation, analytics and cloud to deliver services which are "better, faster, cheaper". We will drive process optimisation to reduce waste and continue to drive continuous service improvement through our customer manifesto whilst further investing in developing our Cyber and Information Governance capability. Our investment in people will also accelerate with a specific focus on new technology and digital leadership.

In parallel with our transformation journey, we will also look to grow our cyber security services and expand modern cloud and workplace services within our target markets. Our marketing plan will focus on driving positive case studies, PR and successes to drive greater awareness of our overall offering.





2:3 Human Resources and Organisational Development

Our advice and guidance help our clients to build the most effective and efficient use of their resources and enable them to focus their time on core business activities. Instead of doing without, or bearing that cost alone, our shared service means that our partners benefit from a highly capable, multi-skilled team that understands business needs at a reduced cost.

The scope of our services includes:

- Assessing the alignment of HR structures, systems and processes against best commercial practice
- Reviewing any barriers to the delivery of effective people practices and developing and delivering on recommendations for both strategic and operational effectiveness
- Providing interim HR Advisory and Senior Leadership support to HR and OD teams
- Delivering communication and engagement plans to ensure successful implementation of change programmes.

We know that every organisation is unique –so we provide flexible services that can be tailored to each customers' requirements in a way that reflects the individual culture of an organisation whilst aligning our values to that of the customer's.



HR Manager,
Transforming Futures Trust

2020 SUCCESS

In 2020 we kicked off the delivery of our HR provision by successfully engaging in with organisations in education, health and blue light sectors. Highlights included the review and transformation of a multi academy trusts' HR department; moving it from a reactive administrative support function to a proactive customer driven service that enables effective people practices across the organisation. We also developed and delivered a virtual assessment centre for a blue light service to successfully recruit a key strategic leader into their organisation.

HR AND OD IN 2021

In 2021 we are expanding on our success and will grow our services by investing in additional resources to enhance the capability and capacity of our current HR and OD team. We will create compelling case studies with a target to market our offering to both current partners and new customers. The integration of our new HR and Talent Management system presents opportunities to deliver additional benefits over and above HR advisory and administration services with a focus on helping customers with culture change and employee development.



2:4 Payroll and Pensions

Public sector payroll is inherently complex. The payment of salary to detailed terms and conditions requires a level of skill and knowledge in our people in addition to systems and processes that deliver an agile service. We provide a fully managed payroll service that reduces the burden of work on our customers and ensures compliance with their statutory and contractual requirements.

2020 SUCCESS

We have transformed from a payroll only service to one delivering an integrated HR, Payroll and Talent Management solution, for 8,500 people. At the start of the pandemic our team had to move to working from home whilst ensuring continuity of service. We paid everybody accurately and on time whilst working remotely. In October 2020, whilst transitioning to a new payroll system, we updated and paid 3,000 employees in line with the updated nationally agreed terms and conditions.

PAYROLL AND PENSIONS IN 2021

The growth of our payroll business has been limited over the last 24 months by our inherited core technology platform. Although we have landed new customers, the real focus of the team has been on building an entirely new service, work which was completed in late 2020.

In 2021 we will assertively market the transformational capabilities we can now provide in cloud-based HR administration, performance and talent management, payroll and pensions administration. Our target market will, like other business lines, be directed towards those in the public interest sector who have both traditionally complex payroll set-ups and are more focused on service quality than lowest cost. In order to achieve this, we will work in tandem with Marketing and Communications to better position Payroll as a Service through highlighting successes, areas of exceptional delivery and opportunities to fix and improve customer/business issues.



2:5 Project Management

The Delt project management team provide highly qualified project professionals to manage delivery across all sectors including, but not limited to, IT, economic development, tourism, healthcare and education. With more than 150 years combined experience, resources can be flexed in and out of a customer's project without the need to recruit additional staff.

2020 SUCCESS

We completed over 300 business change and transformation projects for shareholders and commercial customers in FY 20/21. This included the delivery of a Customer Relationship Management system, Wi-Fi access points, electronic point of sale equipment and a digital storage capability with a capacity of over 1 Petabyte for Plymouth's new world leading museum, The Box.

2020 SUCCESS

The PMO (Project Management Office) also delivered a project that re-insourced highways maintenance, refuse and recycling services for Torbay into SWISCO, a private company owned by Torbay Council after 10 years of the service being outsourced. The Delt Project Manager provided Torbay with a project plan, developed a governance structure and enabled the smooth transition of core services, financial systems, IT, health and safety, HR, payroll, pension and a range of other enablers to allow the new business to function. A significant amount of project resource was committed in the latter part of this year to support Devon Clinical Care Commissioning Group to establish Covid-19 vaccination centres across the county. Delt project managers planned site surveys, provided vital equipment and enabled technical support.

PROJECT MANAGEMENT IN 2021

The overarching objective for 2021 is to grow our project management offering for all our customers by expanding into non-IT project work. Although IT projects will always remain core to our offering, the abilities within the PMO exceed the breadth of work we currently undertake.

To support this objective, we will work to promote Project Management as a Service beyond our current customer base and target communications towards identified businesses whom we believe we can establish partnerships and deliver a level of Project Management that far exceeds expectations. Our marketing plan will focus on driving positive case studies, PR, and successes to drive greater awareness of our overall offering.





2:6 Print and Mail

Our technical experience can help customers deliver on their printed communications on a pay-as-you-go basis. We operate extremely efficiently to ensure no investment is wasted and to provide printed materials rapidly without compromising on quality.

We have developed our service to become a one stop shop to support our customers. By providing a quality competitive solution we can help to take away the challenge of managing multiple specialist suppliers as we can provide outputs in a variety of formats including simple business cards to large scale outdoor banners.

As well as traditional print offerings, we have coupled with our mail service to provide customers with significant postage discounts, by using our print to mail service, we can take digital outputs and manage the entire print, pack and post cycle so that our customers can be free of the burden. Our flexible approach means

that there is no minimum or maximum quantity that we produce.

2020 SUCCESS

The recent investment in large format latex printing and finishing equipment has enabled us to provide signs and floor graphics to a number of schools to aid their Covid-19 secure environments. In addition, we have been commissioned to provide many large format graphics to support the re-opening of Plymouth Argyle's Home Park Stadium.

PRINT AND MAIL IN 2021

The Print and Mail business has been traditionally restricted by geographic boundaries. We will develop new gateways for UK wide customers to access our services through further investment in technology. Investments in our large format print and finishing capability are allowing us to generate income from new and existing customers as well as reducing outsourcing.

We feel confident in our overall service and deliverables and therefore we must now focus on elevating the awareness of our offering, beyond our current customer base. We will do this through targeted social media and an internet web store that will help us remove geographic boundaries to business. Ultimately an online focused push of our offering will best enable us to extend our reach and customer portfolio.



2:7 Financial Management

Our Finance service covers every aspect of managing a company's finances. The foundation is a robust and efficient service for transactional finances including debtors, creditors and cash. In combining this service with management accounting, forecasting, planning and analysis, Delt has rounded service that can be integrated with and add value to a company's existing practices.

2020 SUCCESS

We scoped and implemented Workday's Adaptive Planning and Reporting system, reducing lead times for month end, budgeting and planning in addition to improving transparency for managers and enabling us to tailor information and analysis to customer need.

FINANCIAL MANAGEMENT IN 2021

Until 2020, Finance had not been marketed as a stand-alone service, but rather one that supported our other business lines. This has now changed, and we are providing both transactional and strategic finance support to other organisations. Investments in process automation and in complex planning and modelling tools, will allow us to position our finance offering as transformational rather than simply transactional. This change will allow us to develop a marketing and communications plan that will market a flexible and agile service to several sectors and customers.

The economic impact from COVID is already changing the future for many organisations and a range of sectors face financial and operational challenges as we move through the pandemic and beyond. Now, more than ever, finance needs to be driving decision making with insightful business analysis for managers to help them decide future direction and build resilience into their business models and financial plans. Our success and experience in a range of sectors will allow us to take our experience into the market to support both new and existing customers.



2:8 Facilities Management

We recognise that the provision of a healthy, fit for purpose workplace supports the productivity of staff. To that aim we work with customers to understand their specific estate needs. We would then offer advice and support to ensure that a future strategy and current use are well linked. As well as providing strategic advice we offer a flexible service to meet the need for proactive and reactive maintenance.

2020 SUCCESS

We have supported the re-opening of many schools following the recent pandemic, advising on, and maintaining a COVID secure educational environment.

FACILITIES MANAGEMENT IN 2021

In the current climate, having a compliant Covid-19 secure working environment is critical to maintaining a healthy workforce, customer access and keeping critical on-premise services running. Delt are experienced in working with its customers to develop secure working environments and addressing issues, if the worst should happen.

We can drive out best value solutions to ensure an estate stays in optimum shape. These contracts are often a mix of in-house services and facilitated contracts depending on customer requirements. The focus for 2021 will be somewhat reactionary as we relocate a large primary data centre for a shareholder and support several investment projects across our Academic portfolio.



3. People

Human Resources and Organisational Development

For Delt to grow it is imperative that our people are agile and resilient in response to changing market and economic challenges and we are committed to maintaining

culture whereby our people are healthy, engaged and adaptable. The investment into our people strategy involves continuous improvements in all our talent

management initiatives and accountability for deliverables on those initiatives at all levels of the organisations.

Strategic Workforce Planning

Our workforce planning process provides a framework for making informed workforce decisions in line with our values, business plan and budgetary resources. It also provides a means of integrating a range of talent management strategies, including performance and succession planning; employee career development and leadership development; wellbeing and recognition which, if implemented in isolation, may not produce the expected outcomes and benefits. Our core principles support our ability to respond to the business needs with the right resource at the right time:

- Workforce planning is integrated into the business planning process
- Accurate and timely evidence is used to make informed workforce decisions and actions
- We pause before adding headcount to consider all resource options
- We will leverage a flexible contingent workforce to address talent gaps “just in time”
- Workforce plans are monitored, evaluated, and adjusting on an ongoing basis throughout the year
- We must embed a learning culture where continuous training and development builds internal and mobile talent pipelines

In 2020 this was put to the test with the pandemic as our people were required to adapt to a new way of working while sustaining both service delivery levels to our current customers and driving growth with new customers. During this time, we have validated that we have strength within the capabilities of our staff to flex and adjust to changing workforce requirements; mobilising our team to prioritise the enablement of remote working for both ourselves and our customers. With 85% of our staff working remotely 100% of the time, this will continue to be a focus for us based on the nature of our business.

A Highlight on Priorities

2021 and beyond involves a focus on embedding a culture of continuous learning where employees are involved in new ways of learning which empowers them to innovate and create value in their delivery. Through establishing the Delt University, our employees will have access to Delt career pathways through a targeted programme of learning using our online platform which is accessible from anywhere at any time.

In addition to this we will engage with employees to help work towards an accreditation with the Best Companies to Work For. We aim to be an employer of choice and be part of the Sunday Times Top 100. This underpins our values and acknowledgement of every staff member being able to contribute and add significant value to the business through opportunities to consult and engage on ways in which we can innovate our business (Staff Voice).



3.1 Corporate Social Responsibility

Our corporate social responsibility practices deliver more sustainable operations, a positive contribution to our local communities, a more diverse and enabled workplace, socially responsible procurement and a healthier work culture.

Environmental Sustainability

In all areas of the business, we are committed to the following Zero to Waste Landfill initiative:

- Since 2019 our printing service has been buying paper through the Forest Sustainable Scheme. Delt has balanced 1379 kg of carbon dioxide to protect 966m² of critically threatened tropical forest.
- 85% of our waste is recycled
- We operate a zero to landfill policy for Waste Electrical and Electronic Equipment and, in 2020, have saved over 12 tonnes of such waste from entering landfill

Community

Delt and its staff seek to make a positive contribution to our local communities. This is more than conventional corporate social responsibility but a real commitment to making things better for other people where we live and work. Here are a few ways we make this happen:

- 1. Volunteer matching** – for staff who carry out voluntary work for registered charities, Delt will match up to two days taken from the staff member’s annual leave entitlement with the same amount of paid “Charity leave”.
- 2. Delt Charity Days** – we support two charities each year using our manpower. We encourage our teams to work together on a paid leave basis, to support the charity’s goals.
- 3. Community Event Sponsorship** – we are proud sponsors of the Primary Schools Challenge in Plymouth. This sponsorship, and our employees’ commitment to the event, provides 3,000 school children with the opportunity to run a virtual half marathon leading up to the Plymouth Half Marathon.



Workplace Wellbeing

The overall physical, mental and emotional health and wellbeing of our staff has always been and remains a critical component to our commitment to a happy and healthy workplace. This commitment was recognised when we received accreditation through the Workplace Wellbeing Charter in 2019 and while we are proud of this achievement it now acts as a guide to ensure we are continuously improving. Our commitments include:

- **Delivering ongoing Health and Wellbeing training for line managers to ensure we are continuously holding open two-way conversations that highlights opportunities to signpost support available (Mental Health 1st Aiders, Occupational Health and Employee Assistance).**
- **Providing an online Wellbeing Platform that enables employees to learn how to self-manage all aspects of their wellbeing, body, mind, money and nutrition.**
- **Continuously monitor and report on employee health and wellbeing data to ensure we are proactively engaging employees with the right interventions, programmes and initiatives at the right time.**



Diversity and Inclusion

We recognise that we cannot build diverse teams without creating an inclusive environment and we are always seeking ways to ensure we are creating a workplace where employees have equal opportunities during the entire employee lifecycle. Our current commitments include:

- **Continuous education of all employees on Equality and Diversity to increase awareness and promote organisational expectations in managing fair practices.**
- **Fostering a company culture where every voice is welcome, heard, and respected by providing multiple channels for staff feedback.**
- **Eliminating bias in our internal and external hiring process by engaging multiple interview panels in the process; made up of staff from across the organisation including cross functional leadership and team roles.**

Modern Slavery

Whilst Delt Shared Services Ltd do not currently have a legal obligation to publish a modern slavery statement, we have chosen to do so. We believe the localised nature of our activities and our customers, contractors and supplier geography, puts us at lower risk than some in the shared service industry. Nevertheless, we remain vigilant in the detection and prevention of modern slavery and human trafficking and have a zero-tolerance approach to any:

- **Human trafficking including all aspects of child slavery.**
- **Forced work through mental or physical threat.**
- **Being controlled or owned by an employer through mental or physical abuse or the threat of abuse.**
- **Slavery in supply chains.**

Based on our commitment to a collaborative approach with our employees, customers and suppliers around modern slavery we have:

- **Contacted all 296 of our suppliers and requested copies of their modern slavery statements and asked them to confirm they have the requisite policies in place.**
- **Worked both internally and within our stakeholder group to ensure that through all our procurement processes we assess the risks around the Modern Slavery Act and take positive action to ensure that there is no modern slavery within our business or our supply chain(s).**

We report to our Board annually on the impact of our external compliance work with suppliers and the impact of the internal training and compliance programmes for Delt staff.



4. Marketing and Communications

Growth is critical to the success of Delt, both internally and in the view of our shareholders. Delt needs to increase the breadth of its service offering and the number of shareholding customers.

As such, Delt's biggest challenge is successfully communicating how we help people do amazing things to the right individuals and organisations. Recognising the breadth of work being undertaken, we will shout both about Delt's successes and those that we enable for our customers. We will utilise multiple channels to share

human-centric stories. We will showcase the efforts of our staff, who are the driving force behind each of our deliverables. All of which will be achieved through a content marketing strategy.

Underpinning all our marketing efforts will be our new Brand Ambassadors who

are knowledgeable within their niche and provide valuable contributions through thought-leadership and conversation. The expectation is for potential customers to recognise Delt as the leading Shared Services partner within our region and an employer of choice.

MARKETING AND COMMUNICATIONS IN 2021

2020 saw considerable improvements to our marketing outputs that supported brand awareness, customer relationships and staff communications. In achieving this we have been able to identify the opportunities to enhance and grow our marketing efforts into 2021.

The current marketing capacity consists of one full time marketing position overseeing all elements of the marketing mix. To further embed this work and take maximum advantage from our performance and market position, we will expand capacity in this area so that we can establish an Account Based Marketing strategy. This will ensure we are able to achieve an 'always-on' approach with a consistent social media schedule, case study turnaround, website

updates and relationship nurturing within our current customer base.

In expanding marketing resource and personnel, we will work closely with the individual service areas to identify opportunities and markets for growth. We will work to grow individual influencer profiles to help build and nurture new connections. We will target our content marketing to sectors or customers, thus ensuring our case studies and thought leadership is not wasted effort.

In addition, through having an additional Marketing position, we can better align our CSR practices to our internal and external communications. We will be able to dedicate resource to working closer within community organisations and charities to

further support and embed Delt's values and community outreach aspirations.

Whilst Delt's proposition of growth is all encompassing, individual services also have strengths to grow in their respective niche. This additional investment will enable us to work in partnership with department heads to carve out marketing strategies that support their growth plans.

Service Areas with identified opportunities for growth

I & O

Delt's biggest function, naturally has the biggest opportunities for growth however that comes in a highly competitive market. Initially we will focus our efforts on our current customer base who do not work with our IT teams and then seek to build connections with key decision makers across Blue Light Services and MATs. In focusing our efforts in this way we can draw on experience and success from 2020.

PMO

The PMO is highly functioning and well placed to push forward with growth plans beyond the IT provision. The skill set and capacity allows for a targeted marketing plan that pushes non-IT work to the forefront of our marketing funnel, demonstrating to potential customers just what can be achieved through partnering with the PMO.

HR & OD

Successes have presented opportunities to market the team's abilities as a service. Through presenting best practice, case studies and thought leadership pieces we can highlight demonstratable examples as to how HR can support and partner with SMEs and Delt's current customer base (where HR is not already being accessed).

Print & Mail

Through considerable investment Print and Mail is perfectly positioned to explore growth opportunities. Much of this will be done through making direct contact with potential customers. Alongside this we will support the team through generating more case study pieces and focusing on the highly important green initiatives.



Marketing to 2024

Delt's key deliverables through to 2024 will ensure an 'always-on' approach and will form the backbone of our communications activities.

	2021/22	2022/23	2023/24
PRO ACTIVE	Content Marketing – generating compelling & engaging case studies that can be repurposed across channels		
	Brand Awareness – raising the company profile through active outputs of content		
	Building brand ambassadors		
	Support individual service areas with marketing		
OPPORTUNITIES	Customer Communications – working with partners to establish mutually beneficial communications		
	Third Parties – work with third parties to cross promote the brand and successes		
	Topicality – monitor and utilise industry trends to capture share of voice and push out through leadership		
	Best Companies To Work For Accreditation (Sunday Times Top 100)		
REACTIVE	Quarterly business reviews – provide successes & updates		
	Annual Service Delivery Reviews – provide successes & updates		
	Establish Crisis Management plan that protects and reinforces the brand values		
INTERNAL COMMUNICATIONS	CEO Weekly Updates		
	Deltranet & Staff news – to drive regular updates and 'goings on' from all business functions		
	Quarterly staff briefings – for significant business news and successes		

5. Finance

Our work and success in the last five years has delivered strong financial performance. In a time when there are significant downward pressures on public funding, Delt has continued to deliver strong surpluses through process improvement and building a robust balance sheet whilst providing our shareholders with £3.3m of dividends in the last 4 years for front line services.

Looking ahead we are now set to grow the business with new services and shareholders. The current financial climate for both Health and Local Government is an opportunity for Delt to use its experience and capacity to drive more value for new shareholders and additional customers.

The financials include the outputs from each departmental business plan. We test affordability and the value of the required investments as part of our planning process. Our capital plan for 2021/22 is budgeted at £2m and focused on our infrastructure as we continue to invest in shaping our capacity and capability based on the latest technologies. The new world of work means that security and availability of systems is a key focus in our delivery plans.

We continue to invest in significant amounts of training and development for our staff. Ranging from e-learning to technical skills, leadership development and peer to peer learning, we have increased our training budgets each year which has delivered the benefits outlined in the Human Resources and OD section above. We expect that level of investment to increase as we progress through the planning period.



Budgets and Forecasts

CURRENT SHAREHOLDERS AND SERVICES

Whilst our focus is on growth, it is prudent to report on the future projections based on our existing customer base and business model (Table 1). Our baseline projections show only minimal growth in existing income streams with no new shareholders

through to March 2025. Whilst we believe that to be very unlikely, these projections still show a balanced position with a continued ability to commit significant dividend payments to existing shareholders from existing equity.

In looking at the financial projections in Table 1, and compared to the original business plan, we now expect to pay total dividends to shareholders of £4.43m through to 2024/25, a £0.8m increase. The Board reviews this position each year as we extend the financial projections against this baseline in light of any growth in both new and existing services/shareholders whilst also retaining the ability to invest in our services and infrastructure.

The company's reserves position (Table 2) projects the levels of equity and planned dividend through to March 2025.

Table 1

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	£'000										
Turnover	4,112	11,688	13,955	15,119	18,093	19,181	17,940	19,487	19,917	20,357	20,809
Cost of Sales	(3,232)	(10,086)	(10,199)	(11,112)	(12,630)	(14,192)	(12,756)	(14,472)	(14,829)	(15,129)	(15,514)
Gross Profit	880	1,602	3,756	4,007	5,463	4,989	5,184	5,015	5,088	5,228	5,295
Overheads	(780)	(610)	(1,598)	(2,823)	(4,122)	(4,072)	(4,767)	(4,404)	(5,065)	(4,884)	(5,010)
Net Surplus	100	992	2,158	1,184	1,341	917	417	611	23	344	285

Table 2

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	£'000										
Reserves b/f		72	1,198	3,356	3,540	4,081	3,898	3,865	4,276	4,024	4,068
Current year P&L	72	1,126	2,158	1,184	1,341	917	417	611	23	344	285
Distributions				(1,000)	(800)	(400)	(200)	(200)	(275)	(300)	(300)
Distributions - One Off						(700)	(250)				
Reserves c/f	72	1,198	3,356	3,540	4,081	3,898	3,865	4,276	4,024	4,068	4,054
Cumulative Dividend				(1,000)	(1,800)	(2,900)	(3,350)	(3,550)	(3,825)	(4,125)	(4,425)
Dividend - Original Business Plan											(3,625)
Additional Dividend											(800)

Growth Projections - Current and New Shareholders/Services

The table below, which is included in section 1 above and which should be read with reference to the footnote there, highlights the upside from delivering to the commitments in this plan which would see an increase in the number of shareholders and transferred services through to March 2025. The noted assumptions are listed below Table 3.

Table 3

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	£'000										
Turnover	4,112	11,688	13,955	15,119	18,093	19,181	17,940	20,487	25,113	29,152	30,815
Cost of Sales	(3,232)	(10,086)	(10,199)	(11,112)	(12,630)	(14,192)	(12,756)	(15,472)	(19,913)	(23,527)	(24,653)
Gross Profit	880	1,602	3,756	4,007	5,463	4,989	5,184	5,015	5,201	5,625	6,162
Overheads	(808)	(610)	(1,598)	(2,823)	(4,122)	(4,072)	(4,767)	(4,404)	(5,065)	(4,884)	(5,010)
Net Profit	72	992	2,158	1,184	1,341	917	417	611	136	741	1,152

** Assumes three additional shareholders

- 1) We expect two new shareholders, one each year in 2021/22 (quarter three) and 2022/23, with a contract value of £4m per annum for IT services.
- 2) Based on our diversification into education, we expect another shareholder with a contract value of £1m per annum for wider corporate support services from 2022/23 (quarter three).
- 3) These projections also include assumptions for an increase from our lower value, high volume transactional services (payroll and print).

The growth model is built on the timing of driving financial value from any new shared services. Post service integration there is a significant piece of work to understand the service, its drivers and cost base in driving through operational and financial value. Our experience to date sees that value being realised at the end of year two onwards for each new contract/service.



Helping people do amazing things

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