

# Scrutiny Committee Report

Report of Head of Corporate Strategy

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To: SCRUTINY COMMITTEE

DATE: 22 April 2014



## Performance review of Sodexo Ltd (Horticultural Services)

### RECOMMENDATION

That the committee considers Sodexo Limited's performance in delivering the grounds maintenance services contract for the period 1 January 2013 to 31 December 2013 and makes any comments to the Cabinet Member with responsibility for grounds maintenance to enable him to make a final assessment on performance.

### PURPOSE OF REPORT

1. The report considers the performance of Sodexo in providing grounds maintenance services in South Oxfordshire for the period 1 January 2013 to 31 December 2013.

### STRATEGIC OBJECTIVES

2. The service contributes to the council's strategic objective of excellent delivery of key services with particular emphasis on delivering high performance services, keeping public spaces clean and attractive and ensuring good quality sport and leisure provision.

### BACKGROUND

3. Managing contractor performance is essential for delivering the council's objectives and targets. Since a high proportion of the council's services are outsourced, the council cannot deliver high quality services to its residents unless its contractors are performing well. Working jointly with contractors to review performance regularly is therefore essential.

4. The council's process for managing contractor performance focuses on continuous improvement and action planning. The council realises that the success of the framework depends on contractors and the council working together to set and review realistic, jointly agreed and measurable targets.
5. The overall framework is designed to be:
  - a way for the council to consistently measure contractor performance, to help highlight and resolve operational issues
  - flexible enough to suit each contract, including smaller contracts which may not require all elements of the framework
  - a step towards managing risk more effectively and improving performance through action planning.

## **OVERVIEW OF THE REVIEW FRAMEWORK**

6. Evaluating contractor performance has four elements:
  1. performance measured against key performance targets (KPT)
  2. customer satisfaction with the total service experience
  3. council satisfaction as client
  4. summary of strengths and areas for improvement, plus feedback from the contractor on the overall assessment and the contractor's suggestions of ways in which the council might improve performance.
7. The first three dimensions are assessed and the head of service makes a judgement of classification. The fourth element is a summary of strengths and areas for improvement and includes contractor feedback. Where some dimensions are not relevant or are difficult to apply fairly to certain types of contract, the framework may be adjusted or simplified at the discretion of the head of service.
8. Sodexo were awarded a joint contract for South Oxfordshire and Vale of White Horse district councils for the provision of grounds maintenance in October 2011 with a commencement date of January 2012.
9. The current value of the contract, as a fixed annual charge is £430,613 per annum of which South Oxfordshire's proportion is £74,044 per annum. The contract is due to end in December 2016. There is an option to extend for a further three years, subject to satisfactory performance.
10. This review is based on Sodexo's performance across the contract as a whole not just the areas owned by South Oxfordshire. South Oxfordshire's elements of the contract includes delivery of the following services:
  - grass cutting
  - maintenance of shrub beds
  - maintenance of hedges
  - maintenance of play areas

- litter clearance
- vegetation control of hard surfaces
- minor tree works
- burials at Wallingford and Kidmore End cemeteries.

## **DIMENSION 1 – KEY PERFORMANCE TARGETS**

11. KPT are recognised as an important element of monitoring the contractor's performance. The KPT cover those aspects of the service which are considered to be most important as a means of benchmarking against which performance can be measured. The KPT are:

- KPT 1 – quality inspection– the average percentage quality rating of randomly selected play areas and open spaces. Target - 85 per cent
- KPT 2 – the percentage of notifications and complaints that are resolved within agreed timescales. Target 90 per cent
- KPT 3 – Overall customer satisfaction rating for the grounds maintenance service. Target – 85 per cent
- KPT 4 – Percentage of actions, identified as part of health and safety audit inspections, which are rectified within agreed time scales. Target 95 per cent
- KPT 5 – Percentage of work orders issued that are completed within agreed time scales. Target 80 per cent.

### **KPT 1 – quality inspections**

12. This KPT is measured by monthly joint inspections by the client and contractor of randomly selected sites. As well as an overall assessment, providing a general impression of the quality of the service being achieved, each service activity for the particular site is subject to a more detailed assessment and given a score out of ten. The total of all scores for the site are then shown as a percentage, for the purposes of this review the average for the year is then calculated.

13. During this review period the average quality percentage rating of randomly selected play areas and open spaces was 86 per cent. This is above the target of 85 per cent and an improvement on last year's scores of 82.2 per cent for play areas and 80 per cent for open spaces. Last year's KPT for play areas and open spaces has been combined into this single KPT. In total 36 joint inspections took place.

## **KPT 2 – percentage of notifications and complaints that are resolved within agreed timescales**

14. This KPT is measured by evaluating the length of time the contractor takes to resolve an issue that has been brought to their attention. These can be as a result of a member of the public contacting us or as a result of the councils parks team monitoring. A notification notice is issued to the contractor with a period of time to resolve the issue, the amount of time given varies depending on the nature of the issue. For the purpose of this review the number of notifications resolved in the agreed timescale is shown as a percentage.
15. This is a new KPT agreed at the last performance review so has only been measured since April. During the period April – December 124 notices were issued and 86 (69.3 per cent) were completed within the time scales. This is below the target of 90 per cent and is an area for improvement.

## **KPT 3 – overall customer satisfaction**

16. The overall customer satisfaction rating for the cleanliness and maintenance of the council owned parks and open spaces was 92.5 per cent. This is based on 100 respondents out of 108 being fairly or very satisfied. More details of customer satisfaction are included in Dimension 2 that follows.

## **KPT 4 – percentage of actions identified during health and safety monitoring that are rectified within agreed timescales.**

17. Joint health and safety inspections by the contracts supervisor and parks officer took place on a quarterly basis throughout the review period and involved attending sites, observing the crews and examining personal protective clothing and machinery.
18. The inspections identified only five issues that required rectification. These were all rectified within the agreed timescale, exceeding the target of 95 per cent. We intend to increase the frequency of these inspections to monthly. This year we have worked with Sodexo to undertake specific site risk assessments and have completed a bank register of our sites; this identifies areas that are too steep to mow with certain mowers.

## **KPT 5 – percentage of work orders completed within agreed timescales**

19. Additional work not included within the core service is issued to Sodexo as a work order. This includes a timescale in which to complete the work. The timescales vary depending on the urgency of the work required.
20. This is a new KPT agreed at the last performance review so has only been measured since April. During the period April – December 166 work orders have been issued and 131 were completed within time. This is 79 per cent against a target of 80 per cent.
21. Based on Sodexo's performance an overall "average" KPT performance rating score of 4.0 has been achieved. An analysis of performance against the KPT can be found in Annex A.
22. For reasons of consistency and for fairness between contractors, the following is a rough guide to the assessment of Sodexo against all KPT:

Score	1 – 1.4999	1.5 – 2.499	2.5 – 3.499	3.5 – 4.499	4.5 – 5.0
Classification	Poor	Weak	Fair	<b>Good</b>	Excellent

23. The head of service has made a judgement on KPT performance as follows:

KPT judgement

Previous KPT judgement for comparison

## DIMENSION 2 – CUSTOMER SATISFACTION

24. Customer satisfaction for this report has been measured by the results of questionnaires handed out to users of the council’s parks, open spaces and play areas and sent to external customers such as the local undertakers who use the council’s cemeteries. In total 109 questionnaires were completed.

25. The main areas of questioning relating to satisfaction with the grounds maintenance service were :

- satisfaction with the overall grounds maintenance service
- satisfaction with the different elements of the grounds maintenance service
- whether there were areas of maintenance that customers were dissatisfied with.

26. There were no official complaints logged as part of the council’s formal complaints procedure during the review period. We received three compliments directly linked to Sodexo’s work.

27. Based on Sodexo’s performance a combined overall customer satisfaction rating score of 4.67 has been achieved. An analysis of customer satisfaction can be found in Annex B.

28. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of Sodexo on overall customer satisfaction:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	<b>Excellent</b>

29. Based on this performance, the head of service has made a judgement on customer satisfaction as follows:

Customer satisfaction judgement

Previous customer satisfaction judgement for comparison

### DIMENSION 3 – COUNCIL SATISFACTION

30. As part of the performance review officers with direct knowledge and who frequently interact with the contractor were asked to complete a short questionnaire, this included the shared parks manager, parks officers and monitoring officer. In total five questionnaires were sent out and returned.
31. Based on sodexo’s performance an overall council satisfaction rating score of 3.79 has been achieved. This is an improvement on last years score of 3.50. An analysis of council satisfaction can be found in Annex C.
32. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of Sodexo on council satisfaction:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	<b>Fair</b>	Good	Excellent

33. Based on this performance, the head of service has made a judgement on council satisfaction as follows:

Council satisfaction judgement

Previous council satisfaction judgement for comparison

### OVERALL ASSESSMENT

34. Taking into account the performance of the contractor against KPT, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

Overall assessment

Previous overall assessment for comparison

35. Other areas of note within the period of this review are:

- The responsibility for managing trees owned by South Oxfordshire has been moved from the Forestry Team to the Parks Team.

### STRENGTHS AND AREAS FOR IMPROVEMENT

36. Annex C also records strengths and areas for improvement relating to the performance of the contractor in this review period.
37. At the last performance review there were some concerns raised with Sodexo’s performance in their first year and areas for improvement identified. As a result an

action plan was drawn up to address these concerns. Attached to this report is an update on progress of that action plan.

## **CONTRACTORS FEEDBACK**

38. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to council processes. This is included in Annex D.

## **FINANCIAL IMPLICATIONS**

39. There are no financial implications arising from this report.

## **LEGAL IMPLICATIONS**

40. There are no legal implications arising from this report.

## **CONCLUSION**

41. The second year of the contract has gone much better than the first year and we are continuing to build a good working relationship with Sodexo. The introduction of new working hours during the summer and winter periods proved to be very successful and enabled Sodexo to keep on top of the grass cutting through the peak period of growth. Sodexo have introduced the apprenticeship scheme which has been positive, although the real benefit will be seen in the future as the apprentices build up their experience and complete their training. The fact that no formal complaints have been received and that the number of enquiries from members of the public has reduced dramatically is an indication that the residents of the district are happy with the service provided. We do still have some concerns about the level of resources available during peak times which is reflected in the poor performance of KPT2. We will work with Sodexo to improve this going forward.

42. The committee is asked to make any comments to the Cabinet Member with responsibility for grounds maintenance to enable him to make a final assessment on performance.

## **BACKGROUND PAPERS**

43. None

## Annex A – Key performance targets

KPT ref	Description of KPT	Target	Performance	Individual KPT rating (excellent, good, fair, weak or poor)	KPT rating score (excellent = 5, good = 4, fair = 3, weak = 2, poor = 1)
KPT 1	average percentage quality rating of randomly selected play areas and open spaces	85 %	86 %	excellent	5
KPT 2	percentage of notifications and complaints resolved within timescale	90%	69.3%	poor	1
KPT 3	Overall customer satisfaction	85%	92.5%	excellent	5
KPT 4	percentage of actions identified during health and safety monitoring that are rectified with agreed timescales	95%	100%	excellent	5
KPT 5	percentage of work orders completed within agreed timescales	80%	79%	good	4
Overall “average” KPT performance rating score (arithmetic average) refers to point 21 in the report					4.0
Overall “average” KPT performance (excellent, good, fair, weak or poor)					good



## Annex B – Customer satisfaction

In total, 109 users completed a questionnaire about the grounds maintenance service although not all questions were answered by every respondent..

### Q. How satisfied overall are you with the cleanliness and maintenance of the park?

Rating	Number of users	Score equivalent	Total
Very satisfied	79	X 5	395
Fairly satisfied	21	X 4	84
Neither satisfied or dissatisfied	7	X3	21
Not very satisfied	1	X 2	2
Not at all satisfied	0	X 1	
<b>Total</b>	<b>108</b>		<b>502</b>

Overall satisfaction with cleanliness and maintenance  $502 \div 108 = 4.64$

The following is a guide to the assessment of Sodexo on overall customer satisfaction for the grounds maintenance service:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	<b>4.3 – 5.0</b>
Classification	Poor	Weak	Fair	Good	<b>Excellent</b>

### Q. How satisfied are you with the standard of grass cutting?

Rating	Number of users	Score equivalent	Total
Very satisfied	82	X 5	410
Fairly satisfied	16	X 4	64
Neither satisfied or dissatisfied	3	X 3	9
Not very satisfied	0	X 2	0
Not at all satisfied	1	X 1	1
<b>Total</b>	<b>102</b>		<b>484</b>

Satisfaction with standard of grass cutting calculation:  $484 \div 102 = 4.74$

The following is a guide to the customer satisfaction assessment of Sodexo for the standard of grass cutting:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	<b>Excellent</b>

**Q. How satisfied are you with the standard of shrub bed maintenance?**

Rating	Number of users	Score equivalent	Total
Very satisfied	79	X 5	395
Fairly satisfied	17	X 4	68
Neither satisfied or dissatisfied	3	X 3	9
Not very satisfied	1	X 2	2
Not at all satisfied	1	X 1	1
<b>Total</b>	<b>101</b>		<b>475</b>

Satisfaction will standard of shrub bed maintenance calculation:  $475 \div 101 = 4.70$

The following is a guide to the customer satisfaction assessment of Sodexo for the standard of shrub bed maintenance:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	<b>Excellent</b>

**Q. How satisfied are you that the park is kept litter free?**

Rating	Number of users	Score equivalent	Total
Very satisfied	73	X 5	365
Fairly satisfied	22	X 4	88
Neither satisfied or dissatisfied	3	X 3	9
Not very satisfied	2	X 2	4
Not at all satisfied	1	X 1	1
<b>Total</b>	<b>101</b>		<b>467</b>

Satisfaction that the park is kept clear of litter calculation:  $467 \div 101 = 4.62$

The following is a guide to the customer satisfaction assessment of Sodexo that the park is kept clear of litter:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	<b>Excellent</b>

The combined overall customer satisfaction rating for the grounds maintenance is calculated as follows:

Users total weighted scores ÷ number of users  
 $(502 + 484 + 475 + 467) \div (108 + 102 + 101 + 101)$

$1928 \div 412 = 4.67$  (refers to point 27 in the report)

## Annex C - Council satisfaction

This assessment allows the council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Some questions can be left blank if the officer does not have direct knowledge of that particular question.

The numbers indicated in the following table are the total number of responses received for each question

Contractor / supplier / partner name

From (date)  To

### SERVICE DELIVERY

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
1 Understanding of the client's needs		5			
2 Response time		4	1		
3 Delivers to time		4	1		
4 Delivers to budget	1	2	1		
5 Efficiency of invoicing		1	2	1	
6 Approach to health & safety	1	3	1		

### COMMUNICATIONS AND RELATIONS

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
9 Easy to deal with	1	4			
10 Communications / keeping the client informed		3	2		
11 Quality of written documentation		2	1		
12 Compliance with council's corporate identity		5			
13 Listening	1	3	1		
14 Quality of relationship		5			

## IMPROVEMENT AND INNOVATION

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatisfied
15 Offers suggestions beyond the scope of work		1	4		
16 Degree of innovation		1	3		
17 Goes the extra mile		5			
18 Supports the council's sustainability objectives		3	1		
19 Supports the council's equality objectives		4			
20 Degree of partnership working	1	2	2		

The following table is a summary of council satisfaction based on the completed questionnaires

Rating	Votes	Score equivalent	Total
very satisfied	5	X 5	25
satisfied	57	X 4	228
neither satisfied or dissatisfied	20	X 3	60
dissatisfied	1	X 2	2
very dissatisfied	0	X 1	0
<b>Total</b>	<b>83</b>		<b>315</b>

The overall council satisfaction is calculated as follows:  $315 \div 83 = 3.79$  (refers to point 31 in the report)

## STRENGTHS AND AREAS FOR IMPROVEMENT

### Strengths

The local core staff who know the sites and have worked on the councils areas for many years
Easy to contact and deal with
Partnership working
Responsive to requests for additional services such as flooding and snow clearance
The recording of work completed has improved
Training programme introduced for new and existing staff

### Areas for improvement

Transparency and honesty with regards to day to day operational issues
Quicker response time to Notification Notices
Additional resources and equipment to deal with peak periods of work
Additional supervision to monitor crews

## **Annex D - Contractor 360° feedback**

### **CONTRACTOR'S REACTION / FEEDBACK ON COUNCIL'S ASSESSMENT**

Continuous improvement is key to Sodexo's corporate strategy, and I am very pleased that the overall assessment received is ' Good' and an improvement on last year. Notably Customer Satisfaction has received an 'Excellent' assessment something we can all be very proud of. With substantial operational changes made last year to our staffing structure, we are now seeing these benefits on the ground through our service delivery. Training and Development of our staff in their NVQ Level II in horticulture continues.

We now need to make further improvements in partnership working to ensure greater levels of satisfaction within the council, resolving complaints more efficiently to ensure we continue to develop and lay sound foundations for the future of the contract. The Horticultural Services team and myself are committed to this.

### **ANY AREAS WHERE CONTRACTOR DISAGREES WITH ASSESSMENT**

No

### **WHAT COULD / SHOULD THE COUNCIL DO DIFFERENTLY TO ENABLE THE CONTRACTOR TO DELIVER THE SERVICE MORE EFFICIENTLY / EFFECTIVELY / ECONOMICALLY?**

Continued partnership working

Support with winter works to retain our seasonal workforce

Feedback provided by

Date

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