

Joint Scrutiny Committee Report

Report of Head of Corporate Strategy

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To: JOINT SCRUTINY COMMITTEE

DATE: 24 May 2016

Performance review of Sodexo Ltd (Horticultural Services) - 2015

RECOMMENDATION

That the committee considers Sodexo Limited's performance in delivering the grounds maintenance services contract for the period 1 January 2015 to 31 December 2015 and makes any comments to the Cabinet Members with responsibility for grounds maintenance to enable them to make a final assessment on performance.

PURPOSE OF REPORT

1. The report considers the performance of Sodexo in providing grounds maintenance services in Vale of White Horse and South Oxfordshire for the period 1 January 2015 to 31 December 2015.

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 supply 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 £457,174 per annum of which Vale of White Horse proportion is £357,656 per annum and South Oxfordshire is £99,518 per annum. The reason for the significant difference in values is because of the amount of land ownership at each authority.
10. During 2015 Sodexo approached the councils regarding their financial situation and the significant losses they were making on this contract. Following discussions at a joint Cabinet briefing Independent Cabinet Members Decisions were taken to approve additional funding to Sodexo until the end of the initial contract period. The contract is due to end in December 2016. There is an option to extend for a further three years, but during discussions with Sodexo they have indicated they do not wish to extend the contract on the current contract value.
11. The contract includes delivery of the following services:
 - grass cutting

- maintenance of horticultural features:
 - flower beds
 - hanging baskets
 - shrub beds
 - mixed borders
- maintenance of hedges
- maintenance of play areas
- litter clearance
- vegetation control of hard surfaces
- minor tree works
- a burial service at Wallingford and Crowmarsh cemeteries
- maintenance of sports facilities.

DIMENSION 1 – KEY PERFORMANCE TARGETS (KPT)

12. 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

13. 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.

14. During this review period the average percentage rate of randomly selected play areas and open spaces was 85 per cent. This meets the target of 85 per cent and is an improvement on last year's score of 84 per cent. In total 44 joint inspections took place.

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

15. 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 are shown as a percentage
16. During the review period 83 notices were issued and 74 were completed within the timescale set. This is 89 per cent against a target of 90 per cent and is a significant improvement on last year's score of 77 per cent.

KPT 3 – overall customer satisfaction

17. The overall customer satisfaction rating for the cleanliness and maintenance of the council owned parks and open spaces was 71 per cent, the target is 85 per cent. This is based on 129 respondents out of 182 being fairly or very satisfied. The score last year was 88 per cent and therefore this year's result do appear disappointing. However when the customer comments as to why they are dissatisfied are analysed the majority relate to issues which are out of Sodexo's control and are concerns with the site rather than the quality of grounds maintenance. Out of the 30 respondents who were fairly dissatisfied or very dissatisfied 14 said the sites needed more play equipment, three complained about the condition of toilets and three commented on anti-social behaviour. If these responses were excluded from the calculation the overall customer satisfaction would be 80 per cent. More details on 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.

18. There were ten joint health and safety inspections by the contracts supervisor and parks officer, this involved attending sites, observing the crews and examining personal protective clothing and machinery.
19. As a result of the inspections nine action sheets were raised. All actions were rectified within the agreed timescales, exceeding the target of 95 per cent.

KPT 5 – percentage of work orders completed within agreed timescales

20. 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.

21. During the review period 231 work orders have been issued and 197 were completed within the agreed timescale. This is 85 per cent against a target of 80 per cent.
22. Based on Sodexo's performance an overall "average" KPT performance rating score of 4.2 has been achieved. An analysis of performance against the KPT can be found in Annex A.
23. 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	Good	Excellent

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

KPT judgement

Previous KPT judgement for comparison

DIMENSION 2 – CUSTOMER SATISFACTION

25. 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. In total 184 questionnaires were completed.
26. The main areas of questioning relating to satisfaction with the grounds maintenance service were :
- satisfaction with the overall cleanliness and maintenance of the park
 - satisfaction with the different elements of the grounds maintenance service
 - whether there were areas of improvement that customers would like to see.
27. There were no official complaints regarding Sodexo logged as part of the council's complaints procedure during the review period. We received two compliments directly linked to Sodexo's work.
28. Based on Sodexo's performance a combined overall customer satisfaction rating score of 4.12 has been achieved. An analysis of customer satisfaction can be found in Annex B.
29. 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	Excellent

30. 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

31. 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 head of service, parks manager, parks officer, and parks business support team. In total five questionnaires were sent out and returned.

32. Based on Sodexo's performance an overall council satisfaction rating score of 3.98 has been achieved. A reduction in last year's score of 4.23. An analysis of council satisfaction can be found in Annex C.

33. 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	Fair	Good	Excellent

34. 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

35. 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

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

- We retained the Green Flag for Abbey Gardens for another year, this was first awarded to Abbey Gardens in 2009.

STRENGTHS AND AREAS FOR IMPROVEMENT

37. Annex C also records strengths and areas for improvement relating to the performance of the contractor in this review period.

38. Areas for improvement identified in last year's review were:

- *Electronic monitoring system – further development needed*

The client team has direct access to the contractor's electronic monitoring system which has allowed them to monitor the contractor's progress in more detail. Sodexo are updating the system as a company and this will be rolled out on our contract over the next few weeks. This will provide more information as to what work has been completed

- *additional supervision to increase productivity in some areas of work*

There was a change in roles and responsibilities with team leaders becoming more accountable for their team. Combined with the progress on the monitoring system this area is no longer one for improvement.

- *Quality of hand written documents could be improved*

There has been some improvement with more paperwork being electronically submitted. However there is still room for improvement in the quality and accuracy of some of the hand written documents.

- *A satellite depot to improve efficiency*

This has not progressed and will not at this stage of the contract.

39. During last year's review the committee requested the following action be taken.

- *To change the heading of the council satisfaction template from "neither" to "not applicable" so that any response other than "satisfied" or "very satisfied" could be identified as an area for improvement.*

Officers reviewed the template and considered the "neither satisfied nor dissatisfied" column should be retained as indicating a neutral response rather than it being not applicable. However any response within this column has been considered an area for improvement and has been included in the strengths and areas for improvement section.

FINANCIAL IMPLICATIONS

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

CONCLUSION

41. Sodexo have provided a good grounds maintenance service to the council throughout the review period with very few issues of concern. They have achieved an "excellent" rating on three of their five Key Performance Targets, in particular there has been a significant improvement in the response times to notifications that have been issued. The results of the customer satisfaction were disappointing compared to the previous

year but as explained in the report the cause of dissatisfaction was generally with items not relevant to Sodexo performance. The fact that this very public facing service has not received any official complaints is an indication that members of the public are happy with the service provided.

42. The committee is asked to make any comments to the Cabinet Members with responsibility for grounds maintenance to enable them 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 %	85%	excellent	5
KPT 2	percentage of notifications and complaints resolved within timescale	90%	89%	good	4
KPT 3	Overall customer satisfaction	85%	71%	weak	2 (see point 17 of this report)
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%	85%	excellent	5
Overall “average” KPT performance rating score (arithmetic average) refers to point 22 in the report					4.2

Annex B – Customer satisfaction

In total, 184 users completed a questionnaire about the grounds maintenance service although not all respondents answered every question.

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

Rating	Number of responses	Score weighting	Total
Very satisfied	68	X 5	340
Fairly satisfied	61	X 4	244
Neither satisfied or dissatisfied	23	X3	69
Fairly dissatisfied	18	X 2	36
Very dissatisfied	12	X 1	12
Total	182		701

Overall satisfaction with cleanliness and maintenance $701 \div 182 = 3.85$

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	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

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

Rating	Number of responses	Score weighting	Total
Very satisfied	100	X 5	500
Fairly satisfied	51	X 4	204
Neither satisfied or dissatisfied	12	X 3	36
Fairly dissatisfied	7	X 2	14
Very dissatisfied	2	X 1	2
Total	172		756

Satisfaction with standard of grass cutting calculation: $756 \div 172 = 4.39$

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	Excellent

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

Rating	Number of responses	Score weighting	Total
Very satisfied	84	X 5	420
Fairly satisfied	49	X 4	196
Neither satisfied or dissatisfied	19	X 3	57
Fairly dissatisfied	8	X 2	16
Very dissatisfied	2	X 1	2
Total	162		691

Satisfaction with standard of shrub bed maintenance calculation: $691 \div 162 = 4.26$

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	Excellent

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

Rating	Number of responses	Score weighting	Total
Very satisfied	80	X 5	400
Fairly satisfied	52	X 4	208
Neither satisfied or dissatisfied	22	X 3	66
Fairly dissatisfied	11	X 2	22
Very dissatisfied	12	X 1	12
Total	177		708

Satisfaction that the park is kept clear of litter calculation: $708 \div 177 = 4.00$

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	Excellent

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

Users total weighted scores ÷ number of residents
 $(701 + 756 + 691 + 708) \div (182 + 172 + 162 + 177)$

$2856 \div 693 = 4.12$ (refers to point 28 in the report)

Areas of improvement that customers identified:-

- More play equipment
- additional litter bins and seating
- update some of the play equipment
- more enforcement of dog owners who allow their dogs to mess
- picnic benches
- improve the toilet facilities
- lighting

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	1	4			
2 Response time	2	3			
3 Delivers to time	1	5			
4 Delivers to budget			3		
5 Efficiency of invoicing	2	1			
5 Approach to health and safety	1	1			
6 Honesty and openness			1		

COMMUNICATIONS AND RELATIONS

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

IMPROVEMENT AND INNOVATION

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

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

Rating	Votes	Score equivalent	Total
very satisfied	17	X 5	85
satisfied	43	X 4	172
neither satisfied or dissatisfied	16	X 3	48
dissatisfied	1	X 2	2
very dissatisfied	0	X 1	
Total	77		307

The overall council satisfaction is calculated as follows: $307 \div 77 = 3.98$ (refers to point 32 in the report)

STRENGTHS AND AREAS FOR IMPROVEMENT

Strengths

Experienced core team
Approachable. Willingness to react quickly when asked
Knowledgeable regarding burials
Team Leaders are very approachable
Very good working relationship with local staff

Areas for improvement

Accuracy with some of the paperwork and calculations and quality of hand written paperwork
More use of electronic recording
Openness and honesty from management team
Delivers to budget

Compliance with council's corporate identity
Offers suggestions beyond the scope of work
Degree of innovation
Supports the council's sustainability objectives

Annex D - Contractor 360° feedback

CONTRACTOR'S REACTION / FEEDBACK ON COUNCIL'S ASSESSMENT

We feel that the report is a fair assessment of our current performance and would like to add our client relationship / partnership has been excellent. This is mainly due to our continued drive to ensure our standards are kept at a very high level on all aspects of the specification. Our site maintenance teams are very focused on their daily responsibility and understand the importance of the council's policy to ensure they meet their objectives ensuring the parks and open spaces are a very safe and pleasing environment to use as intended by local residence and visitors. We have been totally focused as a business to continually improve on the service we provide and the report clearly demonstrates the great work we are doing for Vale of White Horse and South Oxfordshire.

ANY AREAS WHERE CONTRACTOR DISAGREES WITH ASSESSMENT

We note your comments in item 10 of the report and would like the opportunity to have further discussions regarding the possibility of a contract extension over the few weeks.

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

We strongly feel we could offer more value with joint community projects involving members of public in developing open park land and other public areas – For further discussion

Feedback provided by

Date