

Joint Scrutiny Committee Report



Report of Chief Executive

Author: Ian Matten

Tel: 01235 422113

E-mail: ian.matten@southandvale.gov.uk

Vale Cabinet Member responsible: Charlotte Dickson South Cabinet Member responsible: Tony Harbour

Tel: 01235 767848

Tel: 01235 810255

E-mail: charlotte.dickson@whitehorsedc.gov.uk

E-mail: tony.harbour@southoxon.gov.uk

To: JOINT SCRUTINY COMMITTEE

DATE: 22 May 2017

Performance review of Sodexo Ltd (Horticultural Services) - 2016

RECOMMENDATION

That scrutiny committee considers Sodexo Limited's performance in delivering the grounds maintenance services contract for the period 1 January 2016 to 31 December 2016 and makes any comments before a final assessment on performance is made.

PURPOSE OF REPORT

1. To ask scrutiny committee for its views on the performance of Sodexo in providing grounds maintenance services in the Vale of White Horse and South Oxfordshire for the period 1 January 2016 to 31 December 2016.

STRATEGIC OBJECTIVES

2. The service contributes to Vale's strategic objective of running an efficient council and South's strategic objective of delivering services that reflect residents' needs.

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
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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. A summary of officer's assessment for 2016 for each dimension, the overall assessment and a comparison against 2015 can be seen in the following table:

	<i>2015</i>	<i>2016</i>
Key Performance Target	Good	Excellent
Customer satisfaction	Good	Excellent
Council satisfaction	Good	Good
Overall officer assessment	Good	Excellent

9. 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
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commencement date of January 2012. During 2016, in accordance with the original terms, the contract was extended for three years and is now due to end in December 2019.

10. The current value of the contract, as a fixed annual charge is £566,000 per annum of which the Vale proportion is £442,000 per annum and the South Oxfordshire proportion is £124,000 per annum. The reason for the significant difference in values is because of the amount of land ownership at each authority.

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 Kidmore End 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
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- 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 86 per cent. This exceeds the target of 85 per cent and is an improvement on last year's score of 85 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 council's 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 73 notices were issued and 63 were completed within the timescale set. This is 86 per cent against a target of 90 per cent, a reduction in last year's score of 89 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 82 per cent, the target is 85 per cent. This is based on 75 respondents out of 91 being fairly or very satisfied. The score last year was 71 per cent and therefore this year's result is an improvement although the target was not achieved. Out of the six respondents who were fairly dissatisfied or very dissatisfied with the overall cleanliness and maintenance five commented on the amount of litter at the time of their visit. 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 seven joint health and safety inspections by the contract supervisor and parks officer, this involved attending sites, observing the crews and examining personal protective clothing and machinery.
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19. As a result of the inspections four 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 270 work orders have been issued and 238 were completed within the agreed timescale. This is 88 per cent against a target of 80 per cent and an improvement on last year's score of 85 per cent.

22. Based on Sodexo's performance an overall "average" KPT performance rating score of 4.6 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 91 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 formal complaints regarding Sodexo logged as part of the council's complaints procedure during the review period. We received nine compliments directly linked to Sodexo's work. Five regarding the burial services in South Oxfordshire, two regarding the quality of tree pruning work and two relating to the quality of grass cutting.

28. Based on Sodexo's performance a combined overall customer satisfaction rating score of 4.35 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 4.25 has been achieved. An increase in last year's score of 3.98. 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 **excellent**

Previous overall assessment for comparison **good**

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

- We retained the Green Flag for Abbey Gardens, 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:

- *Accuracy of some paperwork and quality of hand written paperwork*

Accuracy with some of the paperwork, calculations and quality of hand written paperwork has improved but there are still occasional problems with Sodexo's invoicing team neglecting to identify the correct Purchase Order number on the invoice. During the review period the client team had direct access to the contractor's electronic monitoring system which 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 couple of months.

- *more use of electronic recording*

There was a change in roles and responsibilities with team leaders becoming more accountable for their team. Combined with the use of their electronic monitoring system mentioned above this is no longer an area for improvement.

- *openness and honesty from management team*

Last year officers had concerns that Sodexo was not informing the parks team in advance of changes to work programmes or staffing issues. This has improved and Sodexo are now more open with the council team.

- *compliance with council's corporate identity*

This is still an issue, however, now that the extension has been approved this is something that the parks team will work with Sodexo to implement.

- *delivers to budget*

This related to a request from Sodexo for the council to consider an increase in the contract sum payment due to increased costs and an acceptance that the contract had been unpriced. This was agreed by council as part of the contract extension and is no longer an area for improvement.

- *offers suggestions beyond the scope of work*

Officers work closely with Sodexo to resolve day to day problems and listen to any suggestions on how issues can be resolved in a mutually beneficial way.

- *supports the council's sustainability objectives*

Sodexo support the council's sustainability objectives particularly by increasing the amount of recycling collected during their litter collection responsibilities and also as part of their other routine activities. Sodexo do need to focus on reducing fuel consumption as there was an increase in fuel used in 2016 compared to 2015. However, fuel usage is very dependent on individual seasons and work activities.

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

- *That the survey for the customer satisfaction key performance target be reviewed to ensure that issues outside of Sodexo's control were excluded*

Officers reviewed the questionnaire to ensure that the respondents were only responding to areas over which Sodexo had direct control.

FINANCIAL IMPLICATIONS

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

CONCLUSION

41. Sodexo have had another good year and provided a good grounds maintenance service to the council throughout the review period. They have achieved an "excellent" rating on three of their five Key Performance Targets. Last year's "weak" customer satisfaction rating has improved to "good". This very public facing service has not received any official complaints, an indication that members of the public are happy with the service provided.

42. The head of service has assessed Sodexo's performance as "excellent" for its delivery of the grounds maintenance services contract for 2016. The committee is asked to make any comments to the Cabinet Member with responsibility for grounds maintenance to enable them to make a final assessment on performance by way of an Individual Cabinet Member Decision.

43. If the committee does not agree with the head of service assessment, then this report will be referred to Cabinet for further discussion and a final assessment of Sodexo's performance.

BACKGROUND PAPERS

44. 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%	86%	good	4
KPT 3	Overall customer satisfaction	85%	82%	good	4
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%	88%	excellent	5
Overall “average” KPT performance rating score (arithmetic average) refers to point 21 in the report					4.6

Annex B – Customer satisfaction

In total, 91 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	38	X 5	190
Fairly satisfied	37	X 4	148
Neither satisfied or dissatisfied	10	X3	30
Fairly dissatisfied	5	X 2	10
Very dissatisfied	1	X 1	1
Total	91		379

Overall satisfaction with cleanliness and maintenance $379 \div 91 = 4.16$

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	64	X 5	320
Fairly satisfied	20	X 4	80
Neither satisfied or dissatisfied	6	X 3	18
Fairly dissatisfied	0	X 2	0
Very dissatisfied	0	X 1	0
Total	90		418

Satisfaction with standard of grass cutting calculation: $418 \div 90 = 4.64$

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	55	X 5	275
Fairly satisfied	24	X 4	96
Neither satisfied or dissatisfied	7	X 3	21
Fairly dissatisfied	1	X 2	2
Very dissatisfied	0	X 1	0
Total	87		394

Satisfaction with standard of shrub bed maintenance calculation: $394 \div 87 = 4.52$

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	34	X 5	170
Fairly satisfied	41	X 4	164
Neither satisfied or dissatisfied	3	X 3	9
Fairly dissatisfied	8	X 2	16
Very dissatisfied	2	X 1	2
Total	88		361

Satisfaction that the park is kept clear of litter calculation: $361 \div 88 = 4.10$

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

$$(379 + 418 + 394 + 361) \div (91 + 90 + 87 + 88)$$

$$1552 \div 356 = 4.35 \text{ (refers to point 27 in the report)}$$

Areas of improvement to the park that customers identified which are outside of Sodexo's control were:

- more play equipment
- update some of the play equipment
- picnic benches
- improve the toilet facilities
- provide cafe selling drinks.

There were a few compliments on the refurbishment of the play area at Manor Road Wantage.

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	2			
3 Delivers to time	1	3			
4 Delivers to budget		2			
5 Efficiency of invoicing		2			
6 Approach to health and safety	1	1			
7 *					
8 *					

COMMUNICATIONS AND RELATIONS

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

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	2	1		
16 Degree of innovation	1	2			
17 Goes the extra mile	3	1			
18 Supports the council's sustainability objectives		1	1		
19 Supports the council's equality objectives		1			
20 Degree of partnership working	1	4			

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

Rating	Votes	Score equivalent	Total
very satisfied	20	X 5	100
satisfied	38	X 4	152
neither satisfied or dissatisfied	4	X 3	12
dissatisfied	0	X 2	0
very dissatisfied	0	X 1	0
Total	62		264

The overall council satisfaction is calculated as follows: $264 \div 62 = 4.25$ (refers to point 31 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
	Quality of written work has improved from last year
Areas for improvement	Accuracy with some of the paperwork – invoicing team often forget to put on correct Purchase Order number paperwork

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

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 well established and a stable workforce mostly employed from the local area and take great pride to achieve the highest possible standards. They 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. We are always looking to improve the service we provide and with the additional 35 thousand pounds investment this year on new equipment including two ride-on mowers, which again will increase performance and productivity. We will ensure there is extra focus on items that have been highlighted in the report for improvement.

ANY AREAS WHERE CONTRACTOR DISAGREES WITH ASSESSMENT

We note the comments from participants of the customer satisfaction survey regarding improvements to park areas which are items out of our control and hope the council will be able to address some of these.

- more play equipment
- update some of the play equipment
- picnic benches
- improve the toilet facilities
- Provide café selling drinks

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

We need to strengthen on public / community engagement. By involving the local community with projects that will help enhance the general area especially in parks and open spaces. This would also give opportunity to meet the general public and engage in further, open discussion around their expectation of the service we currently provide and enable us to help them understand our objectives. We are also looking to trial battery operated equipment. If successful, this will help reduce fuel consumption and reduce our carbon footprint which would give clear benefits to efficiencies and to the environment.

Feedback provided by

Date
