

SUSTAINABLE GROWTH AND ENVIRONMENT CAPITAL SCRUTINY COMMITTEE	Agenda Item No. 5
12 July 2012	Public Report

Report of Executive Director – Strategic Resources

Report Author – John Harrison, Executive Director – Strategic Resources
Contact Details - John Harrison, Executive Director – Strategic Resources and Paul Tonks, Head of Business Transformation
Tel: 01733 452520 and 07872 603938
Email: john.harrison@peterborough.gov.uk
paul.tonks@peterborough.gov.uk

ENTERPRISE PETERBOROUGH

1. PURPOSE

- 1.1 This report is submitted to Sustainable Growth and Environment Capital Scrutiny Committee to consider in line with 8.3 of Part 4, Section 9 (Scrutiny Procedure Rules) of the Council's constitution.
- 1.2 Under paragraph 8.1 of Part 4, Section 9 (Scrutiny Procedure Rules) of the constitution any Councillor may require that an item be placed on the agenda of a Scrutiny Committee.
- 1.3 The Chair of Sustainable Growth and Environment Capital Scrutiny Committee has requested this matter be placed before the Committee for consideration.

2. RECOMMENDATION:

- 2.1 Committee notes the progress made over the last year, and the actions planned for the next three months, of the Enterprise Peterborough partnership.

3. LINKS TO SUSTAINABLE COMMUNITY STRATEGY:

- 3.1 The Enterprise Peterborough partnership contributes to all the priorities in the Sustainable Community Strategy:-
 - Creating opportunities – tackling inequalities;
 - Creating strong and supportive communities;
 - Creating the UK's environmental capital; and
 - Delivering substantial and truly sustainable growth.

4. BACKGROUND

- 4.1. On 1 March 2011, Enterprise Managed Services Limited was appointed as the Council's partner and the services provided by, and the staff engaged in, Peterborough City Services transferred to Enterprise following a rigorous procurement process. Enterprise Peterborough are responsible for:
 - refuse and recycling collection
 - street cleansing and grounds maintenance ("Street Care")

- facilities management
- property design
- building maintenance
- hospitality and school catering
- building cleaning
- public and home to school transport
- travellers' site management
- courier services
- Council's fleet maintenance;
- Hackney carriage and private hire licence testing;
- Interface management; and
- Parks, trees and open spaces.

5. OVERVIEW OF SERVICES OVER 12 MONTHS TO END MAY 2012

- 5.1 At the time of the last scrutiny report in July 2011 the service was going through its initial transformation stage, with new systems, processes and reporting regimes being rolled out across the contract.
- 5.2 After the first 6 months of operations the contract management team structure was change with the management team reporting directly to the Regional Managing Director, supported by a transformational director. The role of the transformation director was to re-start the transformation process, supporting the staff in the utilisation of planned processes and systems. The transformation was supported with the commencement of a full Business Process Review to map the "as is" status of each business stream and to map out the planned processes working with the management of each business stream. The objective is to embed the processes that will deliver the planned efficiencies. This process is on going with a plan completion in July 2012.
- 5.3 The review identified the opportunity to deliver a number of operational efficiencies which resulted in a restructure of a number of business streams and the creation of a central administration team under the leadership of the Customer and Performance Manager.
- 5.4 The review also identified a number of scope, quantum and due diligence issues resulting in the development of a series of Notice Of Changes being issued to the client team in November 2011. The negotiation on the NOCs will be concluded by the end of July.
- 5.5 In the last 2 months there have been a number of incidents where the waste and recycling collection has failed to complete rounds on the set day. This has been rectified within the allowed period for missed bins, with less than 100 exceptions. The service failures were caused by vehicle breakdowns and staff shortages. These have both been addressed, through the following
- The drivers are rigorously adhering to the required reporting of vehicle defects
 - The service from the workshop has been enhanced
 - The spare vehicles in the fleet has been increased from 2 to 6
 - Additional drivers and loaders have been secured by our recruitment agency ERS, to be available on standby each day
- 5.6 The exceptional weather conditions of April, May and June have resulted in higher than average rainfall, 240% in April, coupled with periods of warm weather. This has created exceptional growing conditions for grass and weeds at the same time as producing several days when operations were halted because of the rainfall and soaked ground conditions. These challenges have been addressed through the following:
- Increase in StreetCare staff by 20%, deployed on grass cutting and shrub bed weeding

- Weekend and evening working shifts for grass cutting
 - The delivery of rotary grass cutting machinery in late June, the delay is the result of demands from across the UK for this type of equipment to address the same challenges nationally
 - Prioritisation of grass cutting crews to the city centre and the main routes
- 5.7 The grass cutting regime is under review in order to implement the £100,000 cost reduction in the service. The specification for defined areas is to be changed from an output based specification to a defined number of 8 cuts per season. The areas to be changed have been measured and presented to the authority team for review. Implementation is expected in August. Parts of the Ravensthorpe area have been subject to a change of regime, to support the authority's biodiversity strategy. The verges and shelterbelts bordering Gresley Way and Hartwell Way are left to naturalise with the exception of a 1.5m strip along the road edge.
- 5.8 Fly tipping incidents in the period have averaged 540 per month. This is in line with previous years. Enterprise continues to work closely with the Council's enforcement team to gather evidence to assist in enforcement action against unlawful fly tipping.
- 5.9 There were 20 specific complaints about litter during the reporting period. The "Love Where You Live" campaign was launched in May to focus attention on unacceptable littering behaviour and support for community litter picking groups.
- 5.10 A trial of the benefit of communal skips, organised by the Fire Brigade, was rolled out at the PSL Club and the Gladstone Community Centre over the course of one weekend. The take up was minimal. A review of the approach to a second trial is under review.

6. HIGHLIGHTS FOR LAST 3 MONTHS

- 6.1 A new street cleansing waste recycling initiative commenced which sees all street cleansing waste now sent to Mid UK for recycling. This initiative achieved levels of 90% recycling for street sweepings and litter picking material with 50% of bulky and fly-tipped loads being recycled where it would previously have been landfilled. All non-recyclable material is made into refuse derived fuel and none of this is being landfilled
- 6.2 An average of 35.44 tonnes of fly-tipped waste was collected per month over the reporting period, compared with 64.59 tonnes average per month as recorded in the previous Scrutiny report.
- 6.3 Action has had to be taken to remove 18 unauthorised traveller encampments within the Council's boundaries over this reporting period.
- 6.4 A new management plan has been drawn up for Central and Itter Parks and has been submitted for the 2012 Green Flag Award. The results of the assessment are due in July 2012.
- 6.5 Enterprise Peterborough have completed 76 talks, events, presentations and tours of the Materials Recycling Facility (MRF), educating on the importance of recycling to the Peterborough community. As an integral part of the community engagement to assist recycling Enterprise Peterborough visited 5,989 households from August to December with a total of 47% engagement
- 6.6 Introduction of the StreetCare service model
- 6.7 Introduction of Work Manager across the contract streamlining service operation and measuring improvements in productivity and operational performance
- 6.8 Integration with the Neighbourhoods team ensuring our services are aligned with Neighbourhood priorities

- 6.9 Attendance at Neighbourhood committees providing the opportunity to both present our service objectives and provide residents with the opportunity to feedback their issues
- 6.10 Introduction of Ward Walks for all councillors. All 24 Wards were visited in 2011. The 2012 walks have been set up for the first half of the Council year with 12 complete and 13 scheduled up to August to fit in with Councillor's schedules. 25 Ward walkabouts are planned as Eye and Thorney have been split.
- 6.11 Attendance at All Party Policy Drop in sessions providing Councillors with an opportunity to meet with us and discuss issues that they may have with services in their Wards
- 6.12 Replacement of 4 Local Link Buses with more fuel efficient vehicles supporting our carbon reduction target and providing a more comfortable experience for passengers
- 6.13 Re-launch of the street bus, with funding from the Enterprise Community Engagement budget, supporting the NACRO team in working with young people in deprived communities across the city
- 6.14 Installation of fuel efficiency devices on 36 vehicles delivering a 10% carbon reduction
- 6.15 20 new fuel efficient vehicles added to the fleet delivering an expected 15% carbon reduction
- 6.16 Launch of the Community Engagement Plan and 25 commitments.
- 6.17 Provided 2 apprenticeships and offered 2 college students work
- 6.19 Offered work experience opportunities to 4 young people
- 6.19 Engaged with 9 schools, a fairly low figure as schools were focussing on the Jubilee and Olympics
- 6.20 Invested £10,000 in the Mayor's charities
- 6.21 Supported the Peterborough Green Awards and the Green Festival
- 6.22 Working towards Silver awards status for Investors in the Environment
- 6.23 Establishment of the Divisional Commercial Hub in Peterborough
- 6.24 Councillors have been given a dedicated e-mail address and telephone number to report issues in their Wards, where their concerns are recorded and consistent responses provided.

7. LOWLIGHTS FOR LAST 3 MONTHS

- 7.1 Environmental services have been subject to resourcing challenges during May and additional resourcing have been identified
- 7.2 An increase in grass cutting complaints were received during the latter part of this report due to the exceptionally wet conditions across the city. Additional resources are being allocated to grass cutting and weed clearing to deal with the backlog of maintenance
- 7.3 May was a difficult month on the refuse and recycling service with a high number of vehicle breakdowns necessitating some delayed collections. A new freighter fleet has been ordered for the autumn to replace the ageing vehicles in current use and processes put in place to ensure the vehicles remain as mechanically reliable as is possible.
- 7.4 Recycling levels averaged 45.2% per month against a 46% target for 2011/12;
- 7.5 Catering lost one school during the reporting period where the school had chosen to self deliver their school meals service.

7.6 There has been a significant increase in absence amongst the workforce, both long and short term and an in-depth review is currently being undertaken to identify and address the problems.

8. OVERVIEW OF KPI PERFORMANCE

8.1 The Contract Performance is measured through 100 KPIs. Over 253,000 activities are measured in the year to collect the KPI performance. The performance against these is summarised in the table below, for the 12 month period 1 June 2011 to 31 May 2012.

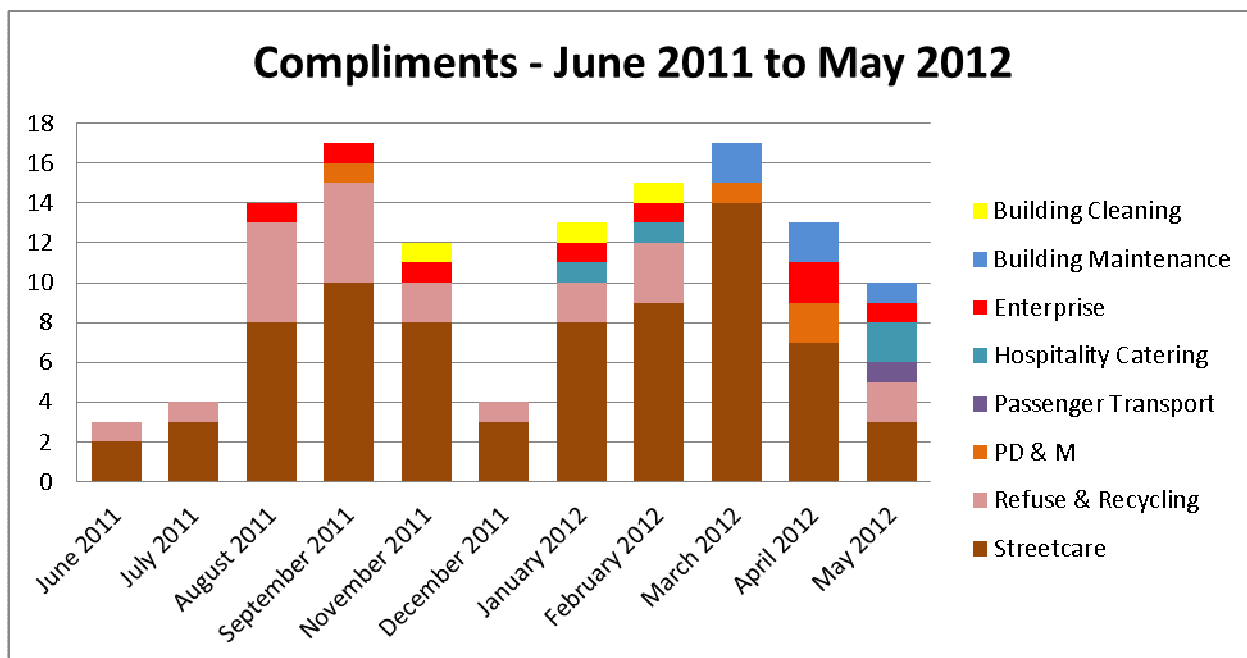
Performance RAG KEY						
	Non- Performance attracting performance deduction					
	Non-Performance in the month, or cumulatively that is not attracting a penalty, but management attention is being applied					
	No Non-Performance in the month or cumulatively					
KPI Performance						
		KPIs per service	Validated failures	Measurable Events	% performance	
A	Contract Plans and Reports	8 KPIs	0	390	100%	No performance deductions identified
B	Health & Safety & Welfare Reporting	9 KPIs	0	6,101	100%	No performance deductions identified
C	Waste & Recycling	8 KPIs	0	6,960	99.97%	KPI Deductions identified & Performance under review
D	Street Care	32 KPIs	35	40,078	99.88%	KPI Deductions identified & Performance under review
E	Property Design & Management	9 KPIs	0	52,845	100%	No performance deductions identified
F	Catering	6 KPIs	0	4,521	100%	No performance deductions identified
G	Authority Fleet Management	5 KPIs	0	575	100%	No performance deductions identified
H	Traveller Site management	1 KPI	0	124	100%	No performance deductions identified
I	Courier Service	3 KPIs	0	14,088	100%	No performance deductions identified
J	Passenger Transport	18 KPIs	46	127,669	99.7%	KPI Deductions identified & Performance under review

8.1.1 In the Waste & Recycling service the percentage of waste recycled in the 12 month period is being evaluated by the authority

- 8.1.2 In StreetCare the service failings occurred in response to requests for: Tree inspections; Graffiti Removal; Fly Tip Collections; Litter Bin Emptying
- 8.1.3 In property design and management the service performance data is being reviewed by the authority. No KPI deductions were applicable in the period
- 8.1.4 In Passenger Transport the service failings were as a result of: bus breakdowns; failure to stop at a designated stop (1); failure to comply with the School timetable (1)
- 8.1.5 The service performance under review by the authority may result in a KPI penalty deduction of £102,000, equivalent to 1.25% of the fixed annual service fee.

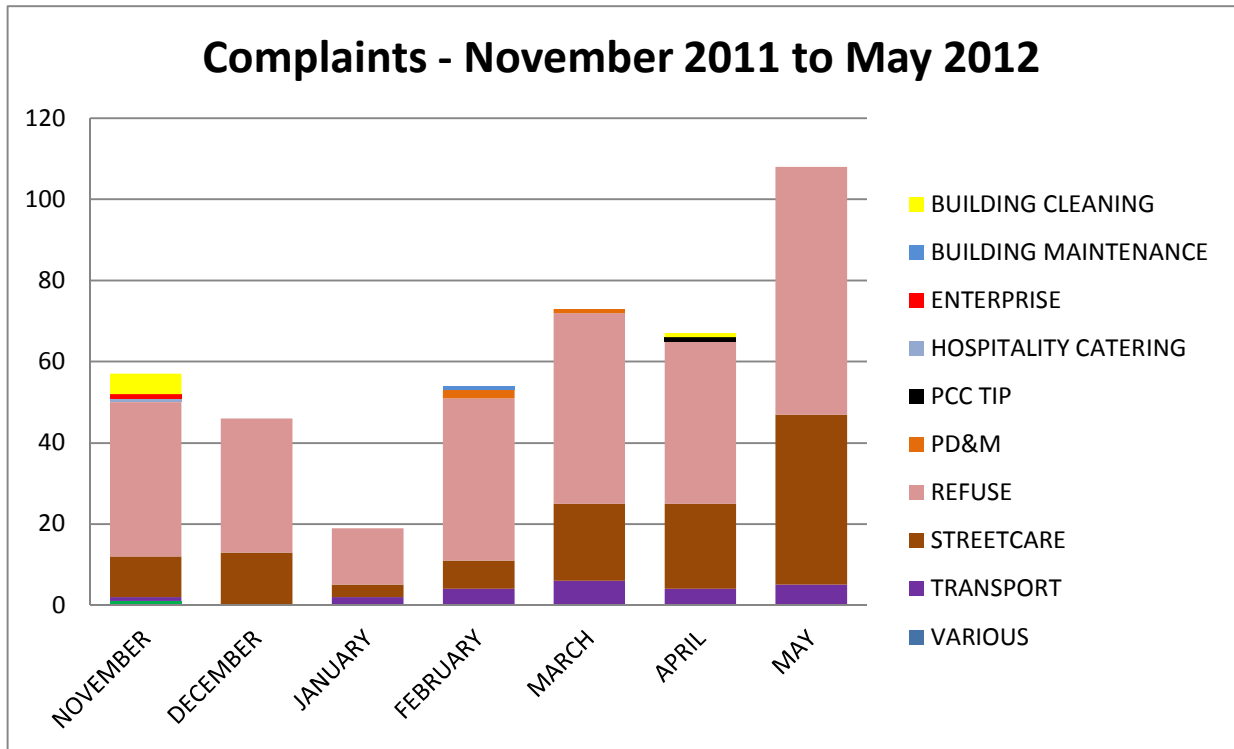
9 COMPLIMENTS AND COMPLAINTS OVER THE REPORTING PERIOD

9.1 A total of 122 compliments were received during the reporting period as well as 123 individual letters received in March 2012 from the children at Hampton Hargate Primary School writing to thank the Property Design and Maintenance team for their new facilities including the large assembly room, the large, airy and light classrooms, corridors, IT rooms, ball areas etc.



9.2 Complaints against Enterprise Peterborough

Monitoring complaints against the partner is part of the day to day management of the partnership and the following table indicates the number of service complaints received by Enterprise Peterborough during the period of this report. It should be remembered that front-line services such as those provided here are more likely to attract complaints because of the visibility of the services. A total of 424 complaints were received during the period November 2011 to May 2012. The data sets were redesigned in November 2011 and Enterprise are therefore unable to provide data in the correct format before that date.



10. WORKFORCE RELATIONSHIPS AND DEVELOPMENT

10.1 The management and workforce are on a journey of cultural change to the performance focused and commercial culture of Enterprise, which is required to deliver the requirements of the contract. This process will take some time, on less complex contracts a period of some 2 years has been required to bed in processes, systems and culture.

10.2 Relationships with the Unions remain good. Monthly Employee Consultative Forum (ECF) meetings are held with service updates provided

10.3 The cultural change process across the contract is on going. This is supported through the following:

10.3.1 Operations director from our Facilities Management services seconded to the contract for 9 months to September 2012, to act as interim head of Property Design and Management.

10.3.2 General Manager from our Environmental services seconded to the contract for 6 months to September 2012, to act as interim head of Environmental services.

10.3.3 Business Process Review team of between 4 and 12 staff, depending on activities. The team are operating across all seven principle business streams implementing the Business Process Review (BPR) programme of:

- Service Review
- Process mapping
- Revised service design
- New processes

10.3.4 Systems development and introduction, including:

- Developing 3 versions of the Enterprise Work Manager System
- Introduction of the Performance Management System (PMS) to monitor service quality performance in Environmental Services

- Introduction of the Cypad system to monitor service quality in Catering and Cleaning
- Introduction of the Audit Management System (AMS) to manage and monitor Health and Safety performance and Audits
- Introduction of the Key 2 system (fleet vehicle management system) to manage the Fleet Management and Maintenance programme
- Introduction of the Easy Treev system (tree asset register) to manage tree surveys and works
- Development of WorkManager to manage the play equipment asset database, inspections and works
- Training of staff in the new process and systems
- On going support for staff following system upgrades and role outs

10.3.5 Health and Safety training and development:

- Updating of 3,500 training activities and records
- Monthly Tool Box talks (staff health and safety briefings) for each of the seven service streams
- 20 management and supervisory staff taking the 5 day IOSH (Institute of Operational Safety and Health) course

11 LOOK FORWARD IN THE NEXT 3 MONTHS.

11.1 Service delivery and improvements

11.1.1 The Business Process Review has been concluded for Street Care, Waste and Recycling and Property Management. The reviews of Transport, Building Cleaning and Catering are in progress.

11.1.2 Work Manager upgrades have been delivered for:

- Planned Maintenance
- Design and Project Management

11.1.3 The PMS system has been introduced into the Street Care and Waste and Recycling services to schedule supervisor and manager Daily Service Quality checks

11.1.4 The EasyTreeve system has been purchased to support the management of the Peterborough City Council Tree Strategy

11.1.5 A Work Manager module for Play Equipment Inspections and Management is in development

11.1.6 Contracts with 9 local suppliers have been agreed and 6 more are pending. These companies will carry out work on Repair and Maintenance and minor projects

11.1.7 Five contractors are about to be appointed to undertake the Inspection Testing and Servicing works, replacing the previous framework

11.1.8 Enterprise Peterborough has appointed an external adviser to provide support and guidance to its contract team on the availability of grants and third party funding, to support delivery of Neighbourhood objectives and achieving biodiversity targets. The initial workshops within Enterprise Peterborough itself are to be followed with workshops with the Neighbourhood Teams to identify the local groups which would be eligible to make applications for funds for Neighbourhood projects and to provide support for preparing and submitting these kinds of applications.

11.1.9 Through the Community Engagement Plan Enterprise Peterborough will establish the following:

- 4 Apprenticeships
- 20 NEET (Not in Education, Employment or Training) opportunities
- 20 work experience opportunities
- 300 hours of the 600 hour commitment of voluntary work

11.2 **Service Investment**

11.2.1 The new fleet has been ordered for the Waste and Recycling Service to commence operations in October

11.2.2 The planned replacement programme of 30 vehicles is due for completion at the end of June. This will provide a significant improvement in fuel efficiency and carbon reduction.

11.3 **Marketing Plan Summary**

11.3.1 The Sales and Marketing Plan for third party income services has now been developed. Initially the plan will focus on cleaning, catering, building maintenance services and then professional services over a longer timeline once transformation plans are finalised.

11.3.2 The plans identify and develop potential customers, potential market size, and strategies to market services to potential customers. It also includes details of competitor activity in surrounding local authorities.

11.3.3 The Enterprise Peterborough Board has secured additional resources to support the Sales and Marketing activity from the central business development team

11.3.4 A Total Facilities Management brochure has been created and is awaiting sign off from the Board.

11.3.5 Promotional service leaflets have been signed off. 300 copies of each service leaflet have been ordered and received distribution to potential customer has begun. Leaflets have been created for the following:

- Property Design and Project Management
- Building Maintenance
- Street Care
- School Catering
- Passenger Transport
- Waste and Recycling
- Hospitality and Catering
- Building Cleaning

11.3.6 All enquiries directly as a result of the service leaflets are received and logged by the helpdesk in order to track what additional work the leaflets are responsible for. Going forward this will be collated on a monthly basis.

11.3.7 The service to clean the buildings operated by Vivacity was lost through a competitive tendering process.

12 **IMPLICATIONS**

12.1 The partnership enables the Council to continue to provide value for money services through its partner.

13 CONSULTATION

- 13.1 Observations made by Councillors and other stakeholders have been taken into account in this report.

14 EXPECTED OUTCOMES

- 14.1 The expected outcomes are set out in the report.

15 BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

There are no background documents to this report

16 APPENDICES

There are no Appendices to this report.