

SUSTAINABLE GROWTH AND ENVIRONMENT CAPITAL SCRUTINY COMMITTEE	Agenda Item No. 7
5 SEPTEMBER 2013	Public Report

Report of Executive Director – Strategic Resources

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ENTERPRISE PETERBOROUGH PARTNERSHIP PERFORMANCE REPORT

1. PURPOSE

- 1.1 This is an opportunity for the Committee to hear from and question officers of the Council and the Partnership Director, on the review of the current set of Key Performance Indicators (KPI's)

2. RECOMMENDATIONS

- 2.1 The Sustainable Growth and Environment Capital Scrutiny Committee are asked to support the approach being taken to develop the new set of KPI's for the Enterprise Peterborough contract. We will once finalised bring the complete set of KPI's back to this committee.

3. LINKS TO THE 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 AND CONTEXT

- 4.1 *Enterprise Peterborough reported to the Committee in June 2013. At that time the committee requested a report back on progress of creating a new set of KPI's*

5. KEY ISSUES OF CONCERN TO THE COMMITTEE

5.1 Update

- 5.1.1 Peterborough City Council (PCC) is undertaking a fundamental review of the KPI's that were agreed to underpin the service standards and performance management arrangements with Enterprise Peterborough.

This paper summarises how Strategic Client Services (SCS) has worked with Enterprise Peterborough to produce a new streamlined set of KPI's.

The report answers the specific queries raised by the committee. Through the proposed new set of KPI's it will allow councillors to clearly see the performance of the Enterprise contract and gauge customer satisfaction levels.

As the new KPI's are still subject to final agreement and input between PCC and Amey, we have not set out the complete new suite of indicators here. We have looked to make improvements that streamline and tidy up the existing KPI's, increase targets, be more demanding and drive through customer satisfaction.

- 5.1.2 The performance indicators agreed at the outset of the contract would have always included a level of assumption. We now have the benefit of both experience with the contract now 28 months in to a 23 year contract and good practice from other contracts that Enterprise have successfully been delivering for longer.

Enterprise Peterborough and Peterborough City Council both recognise the need for a robust set of KPI's not only to demonstrate that the contract is fulfilling its obligation but also to give transparency to the service being offered. This would as a result allow Councillors to be able to demonstrate to their constituents that Enterprise is doing what is contractually obliged of them.

It is common practice with outsourced contracts to revisit the KPI's and monitoring methods once the contract has become established. It was recognised that a new set of KPI's was needed on the Enterprise Peterborough contract this was not derived through fundamental flaws in the current KPI's more from pragmatic concerns. The current set consisted of 106 KPI's and it was felt this was too many to enable meaningful measurement or focus, within this 106 there where also a great deal of overlap and duplication. The vast quantity of KPI resulted in the majority being reported by exception and a reliance on Enterprise reporting on their failings.

- 5.1.3 The existing KPI's have been and remain useful in focussing minds and activity's and to push through the service improvement that we have seen from Enterprise Peterborough since the contracted started in 2011. There has been significant investment and progress in delivering the business-as-usual activities procured by the council and the current KPI's have identified and penalised Enterprise Peterborough for some serious underperformance against expectation.

- 5.1.4 The contract has also evolved over this 28 month period and now with financial restraints we need to both reduce costs wherever possible whilst ensuring we're utilising the diminishing resources to the best effect possible. With the extensive work being done by both Enterprise Peterborough and SCS we are moving the contract to operate as a more intelligence-led, area-based approach. This will enable Enterprise Peterborough to respond effectively to local issues and enable them to adjust spend across and within areas to better reflect the local needs. The approach recognises that the one size fits all approach can not be applied and that varying areas across Peterborough require different approaches to achieve the standard as set out in the contract.

5.2 **Development of new KPI's**

- 5.2.1 The objectives of reviewing the KPI's and the approach proposed to be adopted to improve and rationalise the KPI's is as follows: -

1. Clarify and strengthen the KPI's in place to increase the ability to hold Enterprise Peterborough to account (Appendix 2.0 KPI's 2,3 and 4)
2. Increase if appropriate the service specific minimum standards (Appendix 2.0 all proposed new KPI's)
3. Support the move to a target intelligence based approach (Appendix 2.0 KPI 1)
4. Introduce the measurement of critical success factors for the contract (Appendix 2.0 KPI's 6,7 and 8)
5. Review at financial weighting of the KPI's and penalties incurred by EP (To be agreed)

The KPI's will address the following 11 separate areas of the contract and include a new section on customer satisfaction that had previously not formed part of the current KPI's: -

- Reporting
- Customer Satisfaction
- Waste and Recycling
- Street Cleansing
- Grounds Maintenance
- PD&M
- Catering
- Fleet Management
- Traveller Site management
- Passenger Transport
- Courier Services

5.2.2

So far we have suggested rationalising the current 106 KPI's into 50 covering the core services in the contract, and reviewed these for the behaviours they are likely to encourage. This would enable a more manageable and realist KPI set that would not be so reliant on management by exception.

Members have made us aware that they would like to use the KPI's to update and reassure constituents that Enterprise Peterborough are achieving and meeting the specification set out for them. The new KPI's will sit along side the councillor ward packs, these maps detail the frequency that open spaces should be cleansed and parks maintained which in conjunction with the KPI's demonstrate if Enterprise Peterborough are meeting their contractual obligations

The approach as discussed above can be illustrated by the following examples and the way they are formed is the basis which has been used across the rest of the KPI's: -

- There were three KPI's for fly tipping – To remove within 48 hrs, to update as per the Defra requirement and to investigate. This was condensed down into one KPI which was to remove the fly tip within 48 hours and ensure that systems are updated as per the Defra requirement. We also complimented this KPI by looking at reducing fly tips so we have included a new KPI to target Enterprise Peterborough to reduce the number of fly tip incidents each month. The KPI is dependent on effective and proactive enforcement, this KPI was derived through best practice and its use on the Solihull contract.

- Less ambiguous and more robust KPI's were needed and a good example of this was missed refuse bins, the current KPI has a formula that Enterprise Peterborough need to miss 50 collections per 100,000. We felt that this KPI was both not stretching and did not deliver customer satisfaction. As a result we propose to strengthen this with a KPI that states "a bin must not be missed more than once in a 2 month period". This then ensures that Enterprise Peterborough recognise the original missed bin and ensure that it does not happen again in the future, within the current KPI the same bin could be missed each week and still not have any penalty.
- To strengthen the ability to measure and improve performance we will utilise the quality audit system that Enterprise Peterborough utilise (EMIS). Following successful completion of an area cleanse or grounds maintenance work they will quality audit the area. As a result of these checks we will require 95% to be passed this will ensure high standards and continual improvement on the service. The quality checks will be made available to PCC so that we can audit and ensure targets are being met. We propose that this target be jointly reviewed annually.
- The final area we have looked at is recognising complaints that are received by Enterprise Peterborough As a result we have taken the main areas of concern and implemented targets to ensure improvements are made e.g. Reduction in the number of complaints with regards replacing bins following collection. We will add a target figure each month based on the baseline data once collated if they go over this amount each subsequent bin will result in a £250.00 penalty.

5.3 Customer Satisfaction

5.3.1 Customer satisfaction is a key indicator that will demonstrate how Enterprise Peterborough are performing and is currently not included in the existing set of KPI's. Enterprise Peterborough offers numerous customer facing services and the results of their work, have an impact on residents of Peterborough. The new KPI's will recognise that there is a need to prove and increase customer satisfaction which is currently not reported or penalised. These targets are fundamental to ensure Enterprise Peterborough is delivering on the priorities that are sort of them.

5.3.2 We will look the utilise the bi annual citizens panel survey to input some fixed question for the three main core areas Refuse and Recycling, Street Cleansing and Parks Trees and Open Spaces. Through the results of these surveys we will get a baseline of the current customer satisfaction and then build in 3 KPI's that will set a new annual target % satisfaction, we also propose a £5000.00 penalty for each if they are not met. These targets will help both PCC and Enterprise Peterborough to demonstrate both value for money and a high level of service. Please see appendix 2.0 for the proposed new customer satisfaction KPI's and further KPI's to support and strengthen existing measures.

6.0 IMPLICATIONS

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

7. CONSULTATION

7.1 Observations made by Members and other stakeholders have been taken into account in this report.

8. **NEXT STEPS**

8.1 Now that we have a more robust and streamline set of KPI's we will look to consult with Enterprise Peterborough (Amey) to agree these and implement them as part of the contract by 2014 – 2015. We will use the rest of this financial year to ensure that the baseline data is collected and realistic targets are set to ensure Enterprise Peterborough both grow as a company whilst achieving the high standards of services expected by PCC.

Once we have agreement on the completed set of KPI's we will bring these back to Scrutiny for your comments.

9. **BACKGROUND DOCUMENTS**

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

9.1 *None*

10. **APPENDICES**

10.1 *Appendix 1.0 Current KPI's*
Appendix 2.0 Sample of proposed new KPI's

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