

# The KPI Review

7 July 2011

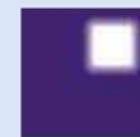
Jon de Souza

Our purpose is to

**Improve industry performance**

The outcome will be

**A demonstrably better built environment**



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# What we mean by Collaborative Working

## Six key aspects of integration

- Client focussed KPIs
- Early involvement
- Selection by value
- Modern commercial arrangements
- Long-term relationships
- Common processes and tools

# Background

- Constructing Excellence responsible for publication of KPIs since their inception
- Department for Business brought publication and data collection together in 2009 – CE and Glenigan appointed to take forward
- Appointed to June 2012 with funding diminishing to zero
- Full review of data collection methodology and the data collected and published carried out

# Data collection methodology

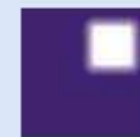
## Key changes

- Surveys now issued to all projects in Glenigan database
- Survey issued within a month of a project completing on site
- Surveys now issued electronically rather than on paper
- Separation of project and organisational surveys

# Data collection methodology

## What this has meant

- Surveys issued to more projects has brought in more responses
- Ability to provide more granular reporting of data
  - By project size
  - By region
  - By sector
  - By procurement route
- Smoother experience for the industry



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# Review of the KPIs

## Why?

- Aware that there had been parts of industry were not using the indicators as they were not fit for purpose
- Lack of alignment with other measurement regimes
- Danger of industry measuring lots of different things in lots of different ways – no ability to map trends or properly benchmark

# Review of the KPIs

## What we did

- Brought together a steering group from industry:
  - Richard Saxon CBE                      Consultancy for the Built Environment
  - Michael Bennett                         Highways Agency
  - David Bentley                             Glenigan
  - Rob Davis                                 Glenigan
  - Nick Edwards                             Construction News
  - Keith Folwell                             BIS
  - Scott Mclew                               NSCC
  - Andrew Quirke                            City West Housing Trust
  - Andrew Thomas                         Centre for Construction Innovation
  - Jane Thornback                            Construction Products Association
  - Charles Tincknell                        Willmott Dixon
  - Allan Wilén                                Glenigan
  - Jon de Souza                              Constructing Excellence



# Review of the KPIs

## Results

- Reintroduced product manufacturer KPIs and widened M&E measures to all sub-contractors
- Changed methods of measurement to convert as many as possible from being subjective to objective
- Introduced a small number of new measures
- Removed indicators not valued by the sector

# Review of the KPIs

## New KPIs – Waste to Landfill

- To go alongside existing waste produced KPI
- % material diverted from landfill
- Both indicators now can be filtered for just:
  - Demolition
  - Construction
  - Both

# Review of the KPIs

## New KPIs – Responsible Sourcing

- Part of Strategy for Sustainable Construction Strategy
- % of material used secured under schemes that are recognised for responsible sourcing

# Review of the KPIs

## New KPIs – Organisational Carbon Performance

- To assist companies in their reporting against the Global Reporting Initiative
- Measures of:
  - Carbon emissions from corporate travel
  - Emissions from corporate offices

# Review of the KPIs

## New KPIs – Project Safety

- Company safety KPI already exists
- Project-based Accident Incidence Rate (reportable accidents per 100,000 man hours)

# Review of the KPIs

## New KPIs – Apprentices

- Many in the sector had already requested a KPI be developed to measure use of apprentices
- Apprentice days x £100,000 project spend

# Review of the KPIs

## New KPIs – Staff Leaving Organisation

- To work alongside existing ‘Staff Turnover’ measure which calculates churn

# Review of the KPIs

New data for comparison – BREEAM, Code for Sustainable Homes, BIM

- Three new positional questions to enable more opportunities for performance comparison
  - What BREEAM level did the project achieve?
  - What Code level did the project achieve?
  - Do you think that the project used Building Information Modelling?

# Review of the KPIs

## Amended KPIs – Energy Use on Site

- Existing KPI was being tweaked by individual contractors and so no benchmarking possible. Developed in partnership with Strategic Forum for Construction
- New measure in line with ENCORD protocol and Global Reporting Initiative. Download new protocol from here: <http://bit.ly/poOZ7Y>

# Review of the KPIs

## Amended KPIs – Equality and Diversity

- Replaces existing subjective measure of project performance as rated by client. Developed in partnership with EHRC.
- Now objective measures of level of employment and level of senior representation within businesses across the following under-represented groups in our sector:
  - Women
  - Black and minority ethnic people
  - Disabled people
  - Those aged 25 and under
  - Those aged 55 and over

# Review of the KPIs

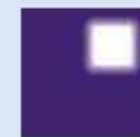
## Removed KPIs

- Range of indicators not valued or used by the sector
  - Actual project cost
  - Actual project time
  - Subjective biodiversity indicator
  - Subjective general environmental indicators
  - Selection of questions that did not contribute to KPIs!

# Review of the KPIs

What comes next?

- Post-project review indicators (surveys sent two years after completion)
  - Actual outturn cost
  - Predictability of energy use
  - Predictability of water use
  - Predictability of operational and maintenance costs
  - Level of post-project capital cost requirement
- Local labour KPI
- International comparison
- Anything else?



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