KEY PERFORMANCE INDICATORS

2018 REPORT

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INTRODUCTION

Briggs Amasco Ltd is committed to continuous improvement in all aspects of its business. It is an integral part of our Integrated Management System (IMS) which comprises our ISO accreditations for Quality (9001), Environment (14001), and Safety (18001).

In order to demonstrate this commitment, we identified the following areas where we felt we could apply measurable key performance indicators.

- Customer Satisfaction
- Employee Satisfaction
- Profitability & Productivity
- Supply Chain Appraisal and Feedback
- Environmental: Energy Usage (vehicle emissions, energy consumption – offices), Waste
- Process Evaluation

In view of ensuring relevance and meaningful measurements, we have removed our KPI on propane gas usage but have included a new KPI on Waste Management.

The KPI results in this report are a result of collecting and measuring data, analysing it and comparing it to data from previous years, where available.

Response Numbers to Surveys

From a recommendation received at audit, we now monitor the number of responses received for Customer Satisfaction, Employee Satisfaction and Supply Chain, which all involve obtaining feedback. Whilst this is an interesting component of the KPI, not everyone wants to complete a survey and often will only do so when they have something negative to say. Therefore, a low number or reduction in responses could indicate positive feedback, but this is not quantitative and cannot be measured.

Because of the ever-decreasing numbers of responses to surveys we are investigating alternative methods of collecting information for Customer Satisfaction, Employee Satisfaction and Supplier Feedback. This was started for Supplier Feedback for 2018, but is not yet fully in place. We have also identified an alternative method for collecting feedback on Employee Satisfaction. Customer Satisfaction is a much bigger challenge and whilst we have identified an alternative method of selecting customers this may still require some amendments as we progress.

The following report summarises each KPI and includes Objective, Procedure and Overall Results.

More information on the results, analysis and data can be obtained by contacting Janice Tyler as below.

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CUSTOMER SATISFACTION

Objective
Our objective is to show an improvement in customer satisfaction compared to the cumulative average in the following areas:

| Safety	Quality of Work	Programme Compliance	Technical & Product Knowledge	Communication & Attitude of Management and Operatives	Sustainability	Whether the customer would employ us again

Procedure
Every month we ask our customers of completed contracts to rate the above categories from 1 (worst) to 5 (best). These marks are based on the specific completed contract. There is also the ability to make additional comments in each category.

Completed feedback forms are circulated to Branch Managers, Operations Directors and the Managing Director so that good feedback is recognised by senior management and any negative comments or low marks can be addressed.

The result for each category is calculated by counting the number of responses for each mark and then presenting the total as a percentage of the aggregate score. All scores are then combined to give an overall result and compared with the three year average.

Results
The results for 2018 are given below, but due to only receiving 3 responses (average 20 per month sent) this is not the best method of analysing customer satisfaction. Therefore, we are developing a new KPI for 2019.

	1 Low	2	3	4	5 High
2018	0.00%	4.35%	17.39%	34.78%	43.48%
3 year average	1.33%	5.78%	11.80%	30.93%	49.49%
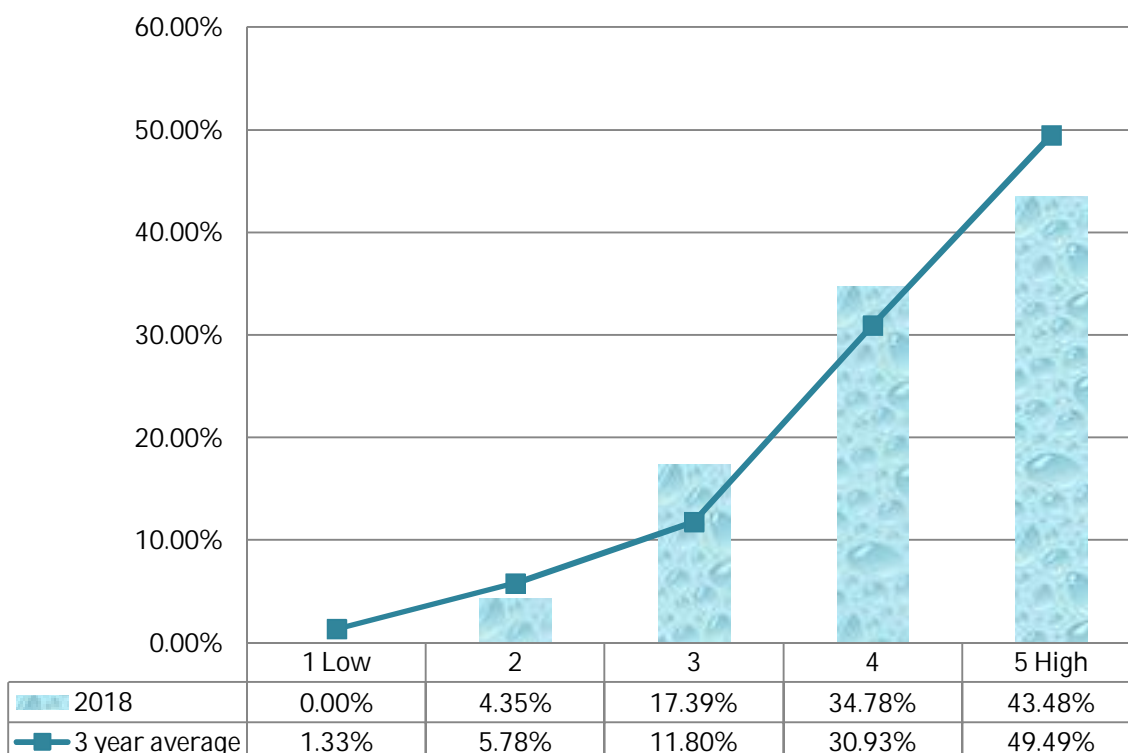
EMPLOYEE SATISFACTION

Objective
Our objective is to show an annual improvement against the cumulative average in employee satisfaction for both staff and operatives in the following areas:

| Amount of input over job	Terms & Conditions of employment	Sense of achievement	Respect and feedback received	Effectiveness & clarity of communication	Level of management support	Safety of work environment and provision of PPE (operatives only)

Procedure
Prior to Investors in People review meetings, all staff and operatives are asked to complete an Employee Satisfaction Survey and forward it to the HR department. Any low scores are addressed by either HR or the employee's line manager. All discussions are kept confidential.

Each question is ranked from 1 (low) to 4 (high). The KPI is calculated by counting the number of responses for each mark and presenting the total as a percentage of the aggregate score. The results are compared to the combined three year average, which includes the year being analysed.

Results
The response levels have fallen with only 43% of staff and 17% of operatives completing the questionnaire Therefore, we shall be making changes to the collection format to encourage more responses.

Of those who replied, the high end scores are above average for staff, but below average for operatives, with a particular jump in a score of 2 for operatives. However, a very small proportion of operatives completed the questionnaire, so this may not be a true reflection. Again, this is another reason for changing how we collect this information.

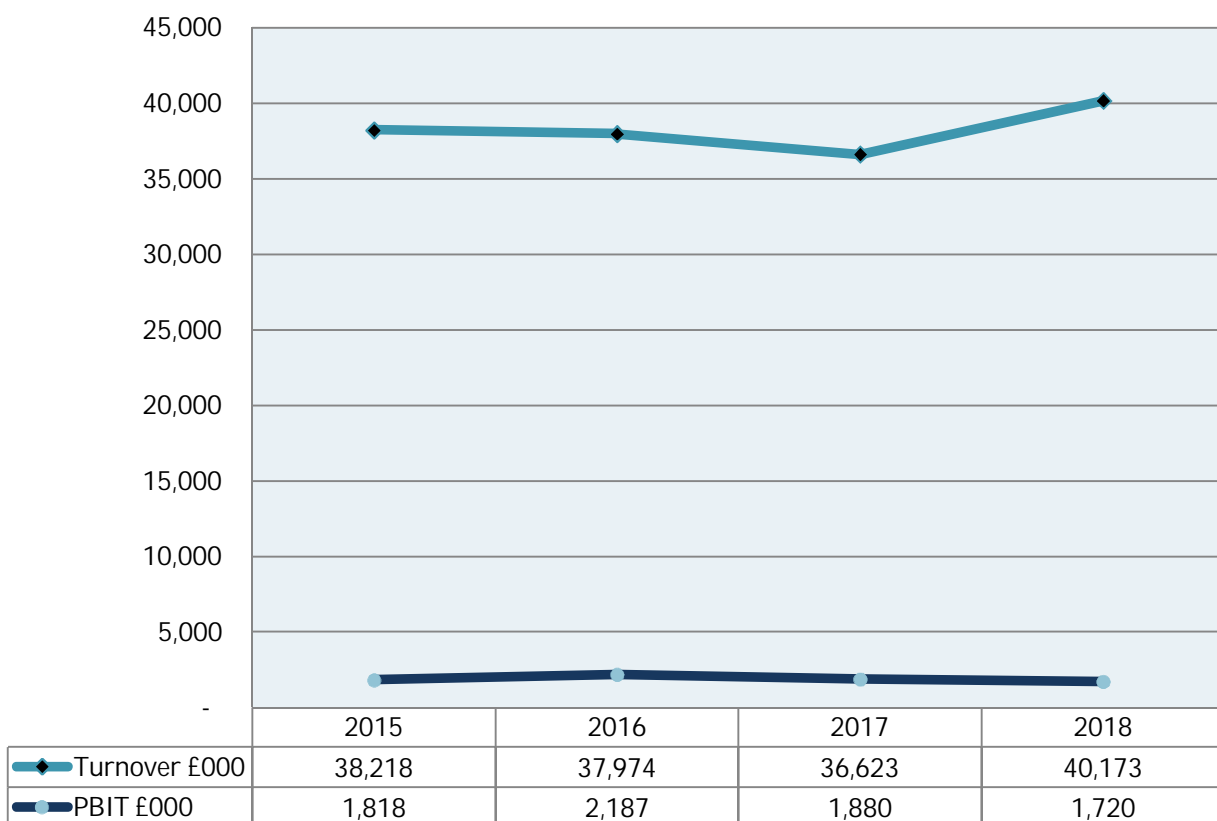|	1	2	3	4
Staff	0%	3%	32%	65%
Operatives	1%	19%	29%	51%
Staff & Operatives	0%	7%	32%	61%
Three Year Average	0%	6%	31%	62%
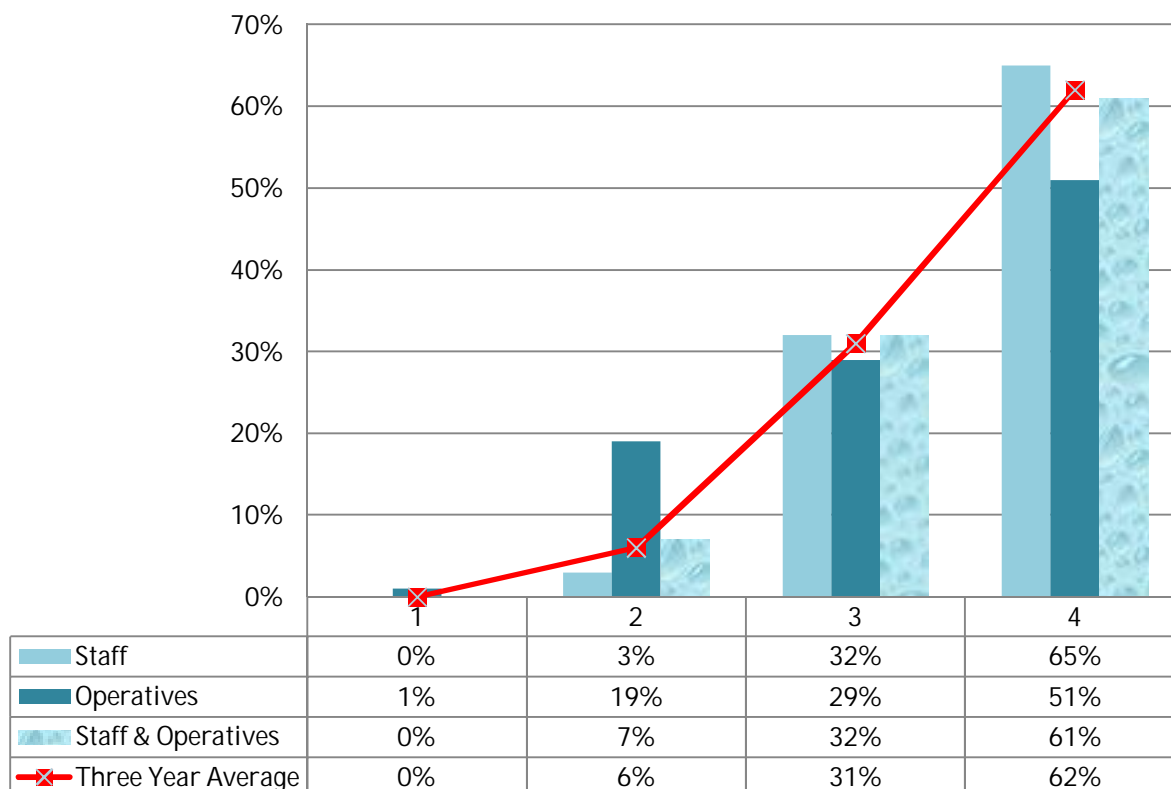
FINANCIAL

Profitability

Objective

The objective is to measure profitability with a view to increasing the turnover to PBIT ratio which indicates more efficient contracting. This is an annual measurement based on audited accounts. We do not expect large changes in this ratio, but a small continuous growth year-on-year.

Results

Comparing 2018 with 2017 results, whilst turnover has increased by 10%, PBIT has fallen by -9%.

	2018	2017	2016	2015
Turnover £000	40,173	36,623	37,974	38,218
PBIT £000	1,720	1,880	2,187	1,818
%	4.28%	5.13%	5.76%	4.76%

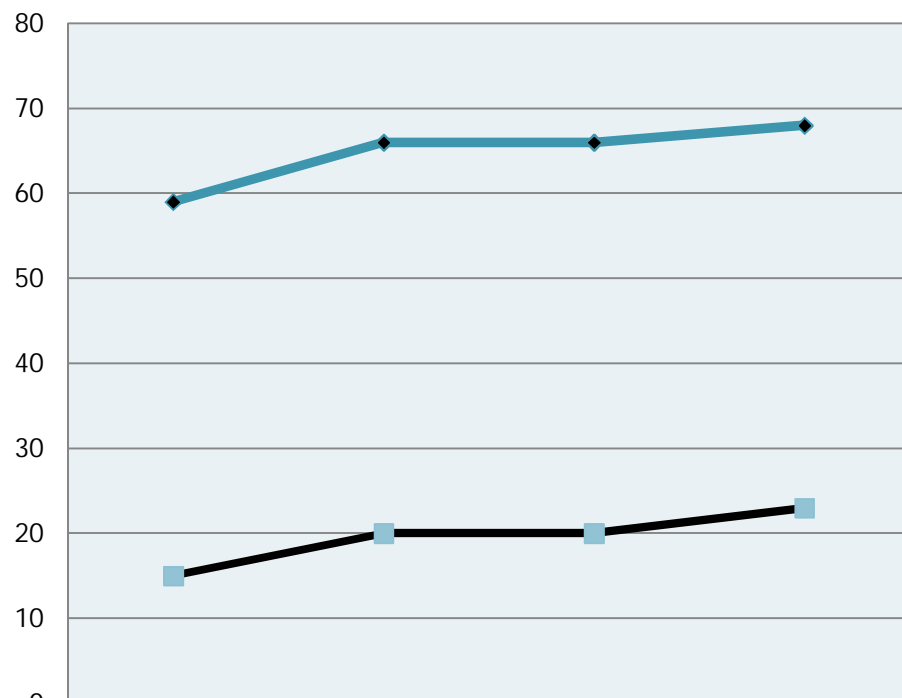|	2015	2016	2017	2018
Turnover £000	38,218	37,974	36,623	40,173
PBIT £000	1,818	2,187	1,880	1,720

Productivity

Objective
The objective is to show added value per employee related to turnover and also the profit per employee.
As with profitability we expect a small improvement year-on-year.

Results
Added value and profit per staff member have both risen in line with an increase in turnover.

	2018		2017		2016		2015	
Turnover		40,173		36,263		37,974		38,281
Total cost of sales	-30,611		-27,403		-28,474		-28,988	
Total overheads		7,842		7,340		7,314		7,475
Less staff costs	-6,077		-5,863		-5,618		-5,460	
		-1,765		-1,477		-1,696		-2,015
Profit ex staff costs	7797		7743		7804			7,278
No of employees		115		117		119		123
Added value per staff member		68		66		66		59
Total staff costs	6,077		5,863		5,618		5,460	
No of staff	135		127		124		123	
Cost per staff member		45		46		45		44
Profit per staff member	23		20		20			15

	2015	2016	2017	2018
Added value per employee	59	66	66	68
Profit per staff member	15	20	20	23

SUPPLY CHAIN

Objective
To annually measure the performance of our suppliers and their perception of BriggsAmasco, with the objective of showing an improvement on an aggregated three year score.

Preferred Supplier Performance Appraisal

Procedure
The appraisal is conducted using an internet survey platform and prospective responders (directors, managers, estimators, contract managers, and contract controllers/ administrators) in all branches are sent an invitation to complete the questionnaire.

The results for each question are calculated by counting the number of responses for each mark and presenting the total as a percentage of the aggregate score. The current year is compared to the aggregate score of the last three years, including the current year.
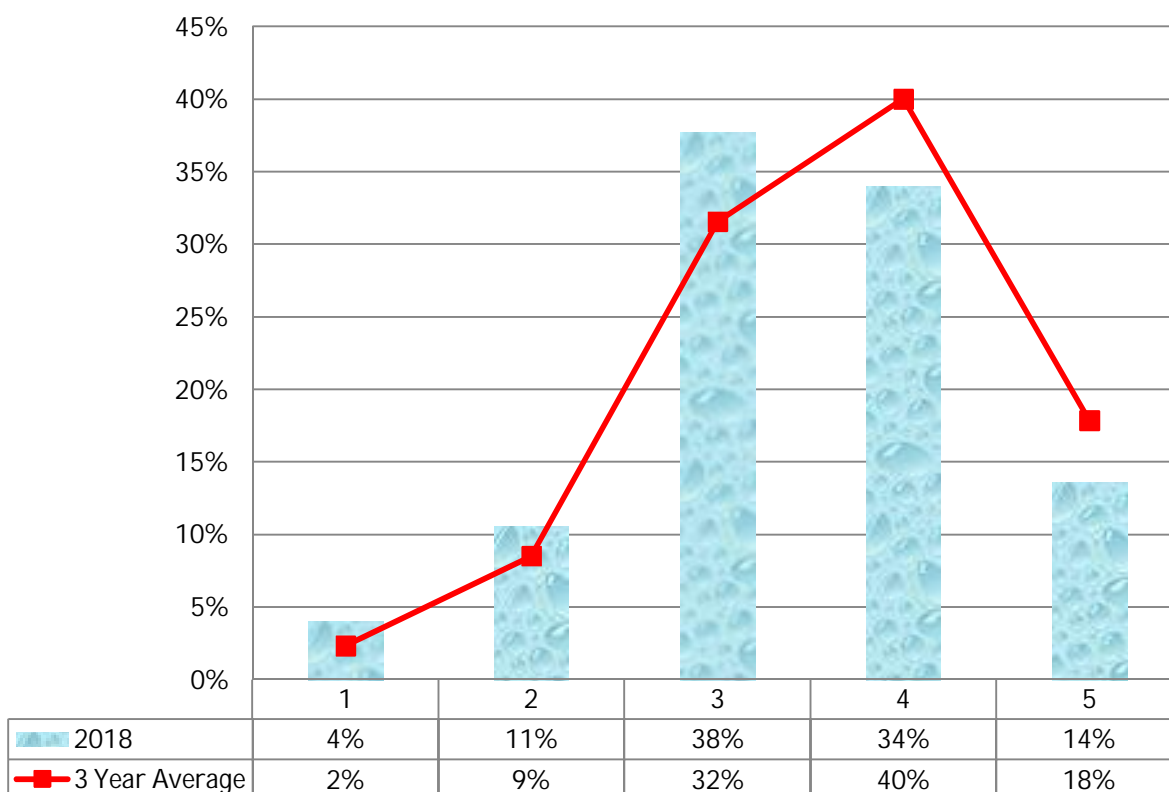
Categories covered are:

Competitive-ness	Product/ Service Quality	Delivery & Availability	Technical Competence	Communication & Attitude	Problem Handling	Ethics & Sustainability Credentials	True Partner?

Results
There is a downward trend in the top scores, but the mid-score has increased.
The number of respondents has increased from 22 to 26, ensuring a greater coverage of opinion which may be a contributing factor.

	1	2	3	4	5
2018	4%	11%	38%	34%	14%
3 Year Average	2%	9%	32%	40%	18%

Preferred Suppler Feedback

Procedure

The survey was sent out to a number of key suppliers via a personal email and results are collated to obtain a percentage score.

The categories covered are:

Market profile and ability to win work	Support to your operation	Workman-ship	Problem handling	Management & Competence	Payment and disputed invoice settlement	Communica-tion & attitude	Ethics, environment & sustainability	Partnership Ethos

Results

The majority of the scores are in the higher bracket of 4 and 5, although there has been a shift with more scoring 4 and less 5 when compared to the three year average.

We have received 33% (one third) of questionnaires back. The non-responses have been asked to complete a mid-year questionnaire and those who have responded were included in the 2018 statistics.

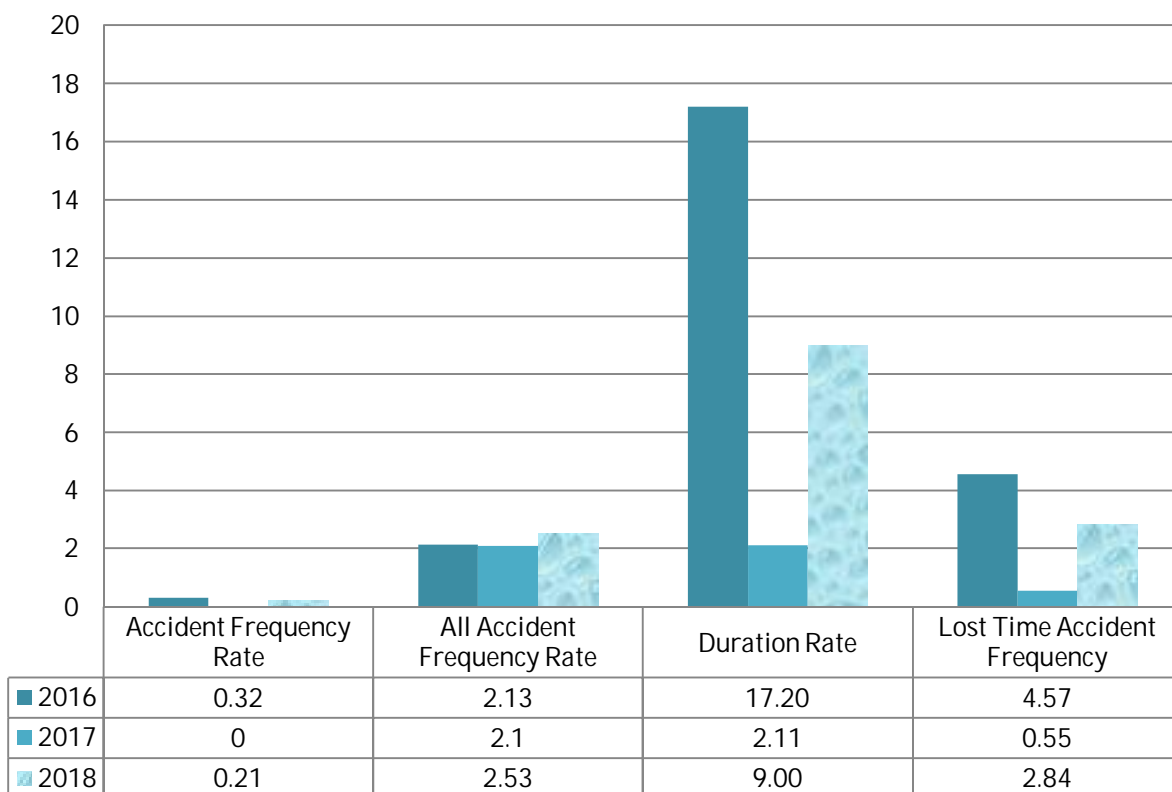|	1	2	3	4	5
2018	0%	0%	10%	44%	46%
three year average	1%	2%	12%	42%	42%
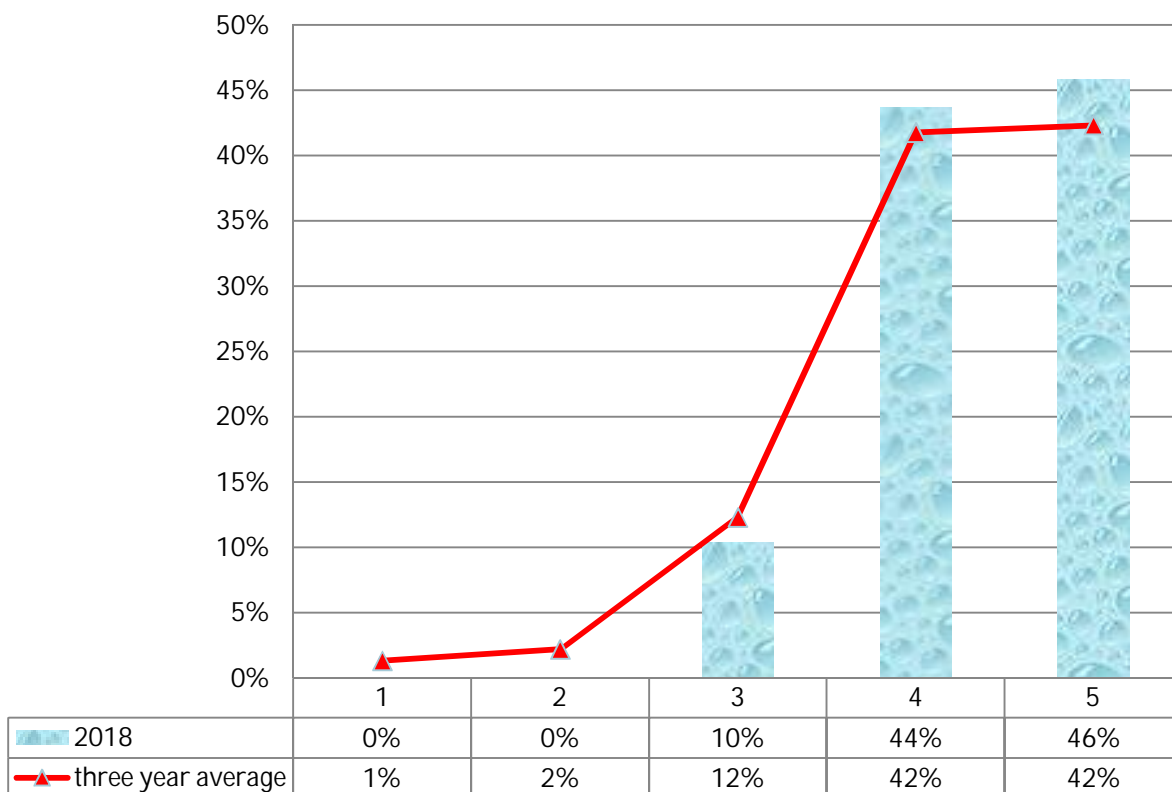
SAFETY

Objective
Our objective is to reduce frequency and severity of incidents year-on-year. Our target is <u>always</u> zero.

Procedure
Reports and statistics are provided quarterly by Safety Advisers and accident statistics are published annually on the company intranet. Incidents are divided into four categories – fatal, major, reportable, minor. The Accident Frequency Rate (AFR), All Accident Frequency Rate (AAFR), Duration Rate and Lost Time Accident Frequency (LTAF) are calculated using the number of incidents compared to hours worked.

Results

Data	2018	2017	2016	Calculation	2018	2017	2016
Fatal	0	0	0	Annual hours - total	950,040	905,580	940,680
Major	0	0	0	Days lost	27	5	43
Reportable	2	0	3	Hours lost	216	40	344
Minor	22	19	17	Accident Frequency Rate	0.21	0	0.32
Total	24	19	20	All Accident Frequency Rate	2.53	2.1	2.13
Turnover £m	40	37	39	Duration Rate	9.00	2.11	17.20
No direct employees	251	245	243	Lost Time Accident Frequency	2.84	0.55	4.57
L/O employees	155	142	159				
Total Employees	406	387	402				

	Accident Frequency Rate	All Accident Frequency Rate	Duration Rate	Lost Time Accident Frequency
■ 2016	0.32	2.13	17.20	4.57
■ 2017	0	2.1	2.11	0.55
▨ 2018	0.21	2.53	9.00	2.84

ENVIRONMENTAL KPIs

Vehicle Emissions

Cars

Objective
Having achieved our target of reducing emissions over three years from 2014 to 2017, we have set a new baseline with 2017 results and a target of reducing emissions over the next three years by an average of 5%.

Procedure
Company mileage is reported by both Company Car and PCP drivers on monthly expenses forms. The mileage is totalled and then using the carbon calculator (see link below) and using a standard "medium diesel" type, we calculate the CO_2e emissions. This is a simplified method as it does not take into account each individual car type.

The on line calculator we use is: http://www.carbon-calculator.org.uk/

Note: To take account of the emission of other greenhouse gases in addition to carbon dioxide, scientists have devised an equivalent measure, CO_2e which is based on their relative global warming potential. Vehicle emissions are carbon dioxide, methane and nitrous oxide.
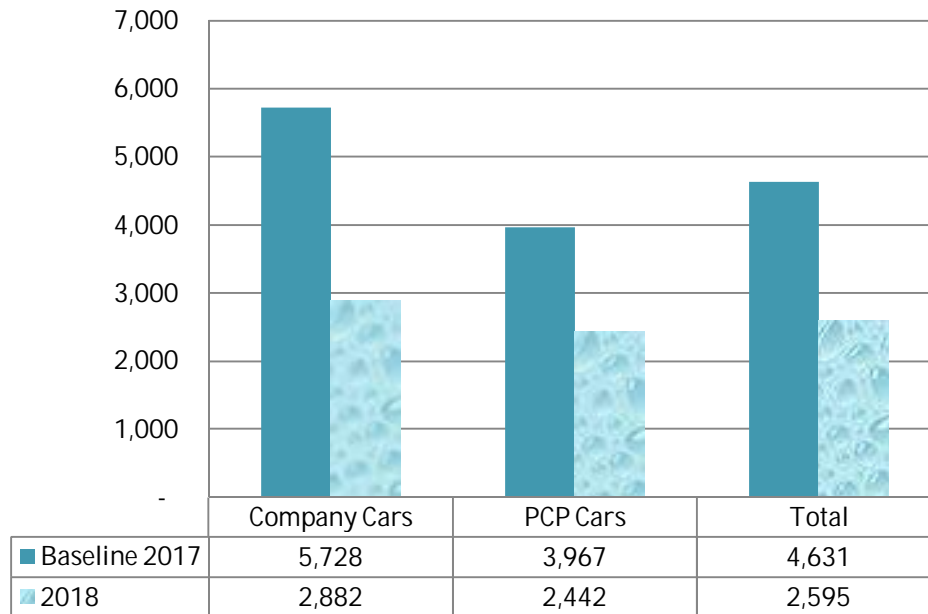
Result
Emissions have fallen from the base year overall by -28%; the majority of this being in the company car sector (-40%) and less so in the PCP sector (-17%). If we then look at the emissions at an average per vehicle, they have reduced by a total of -44% (Company cars -50%, PCP cars -38%). See graphs below.

Mileage is based on business miles and there will always be a fluctuation depending on where the work is. For example, the regional coverage of the Birmingham branch extends from the East Midlands into Wales and the South West. Therefore, if a Birmingham employee who lives locally to the branch but has to travel to a site in Bristol three days a week, then the mileage will increase. Conversely, jobs may be located within a 20 mile radius of the branch and mileage will then decrease. This means that although we are seeing a substantial decrease in mileage in 2018 from the baseline, this may increase in 2019, hence the need for a three year average rather than a year on year comparison.

CO2e emissions - totals

	Company Cars	PCP Cars	Total
Baseline 2017	163,469	189,412	352,881
2018	98,000	156,296	254,296
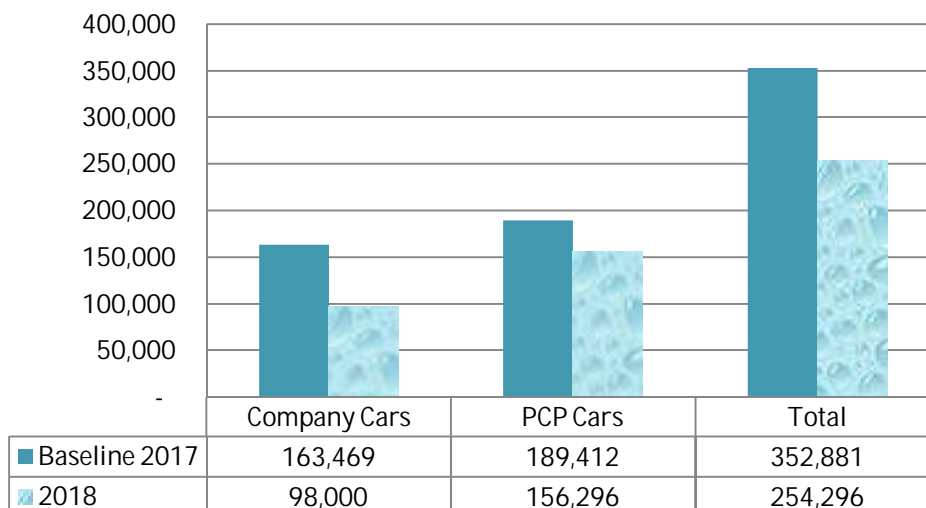
Average CO2e emissions per vehicle

	Company Cars	PCP Cars	Total
Baseline 2017	5,728	3,967	4,631
2018	2,882	2,442	2,595

Light Commercial Vehicles (LCVs)

Objective

This is a new KPI. 2018 sets the baseline and we are looking to reduce emissions by 5% over the next three years. As with cars this will be averaged over the three years as there is likely to be fluctuation on a year by year basis.

Procedure

Mileage is collected on fuel cards and the data taken from the Fleet Management Company. Working on an average of 40mpg the usage is converted to litres and then a base emission calculation of 2.68 per litre of diesel applied.

Result

In 2018 we had 40 LCVs.
The total mileage was 1,428,173 averaging at 29,754 miles per vehicle.

	2018	
Total mileage	805,041	
Estimated mpg	40	
Estimated gallons	20,126	
Estimated litres	91,493	x 4.546
Estimated CO2	245,201	x 2.68

Electricity and Gas Consumption in Company Premises

Objective
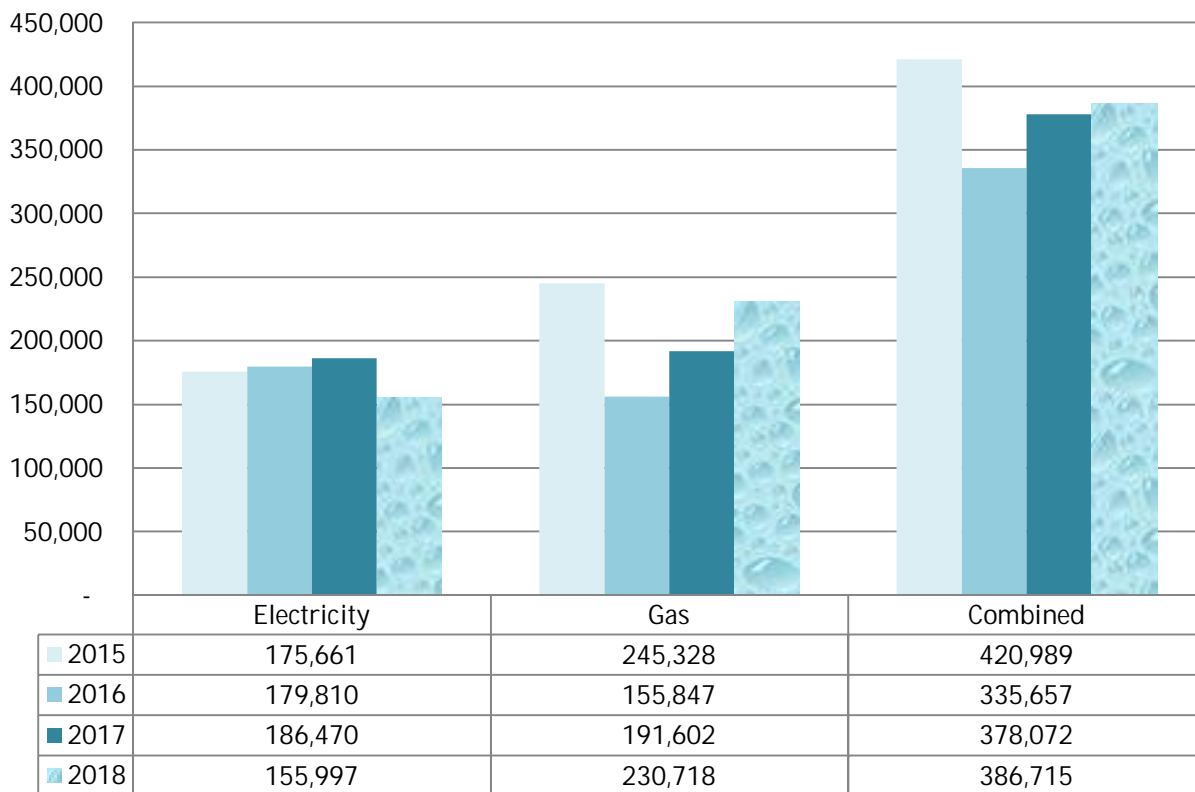To reduce our energy consumption by 5% in three years.

Procedure
The branches report data to both the Environment Manager and external CRC management company. The data is analysed to see how many kilowatt hours are being used. The reporting period for CRC is April-Mar (tax year) so this KPI is calculated on that basis. It should be noted that not every branch is able to report data as some are resident in managed buildings. Therefore, this data is only for those branches where the facilities are owned by BriggsAmasco.

Results
The baseline was set in 2015 and in 2018 our combined usage had fallen by -8%, which means we have exceeded our target of a 5% reduction.

	Electricity	Gas	Combined
2016	2%	-36%	-20%
2017	6%	-22%	-10%
2018	-11%	-6%	-8%

	Electricity	Gas	Combined
2015	175,661	245,328	420,989
2016	179,810	155,847	335,657
2017	186,470	191,602	378,072
2018	155,997	230,718	386,715

Waste Management

Objective

- To reduce our waste to landfill by implementing a re-use or recycle policy where manufacturers' products and/or specification of materials allow for this. Although the ideal target is zero, this will depend upon products being used and their recycling credentials.
- The second objective is to reduce our waste arisings and waste to landfill generated per £100k of construction output (turnover).

The 2018 results set our baseline for both KPIs.

Procedure

- Waste to Landfill - Tonnage data is collected from our waste management companies and then combined to get an overall figure.
- The total tonnes of waste generated are divided by £100k of construction output (2018 - £40m turnover divided by £100k = 400. 400 divided by 589.21 = 1.47 tonnes generated per £100k of turnover).

Results

Waste - Recycled/Landfill

	Recycled/Recovered	Landfill
2018	92%	8%
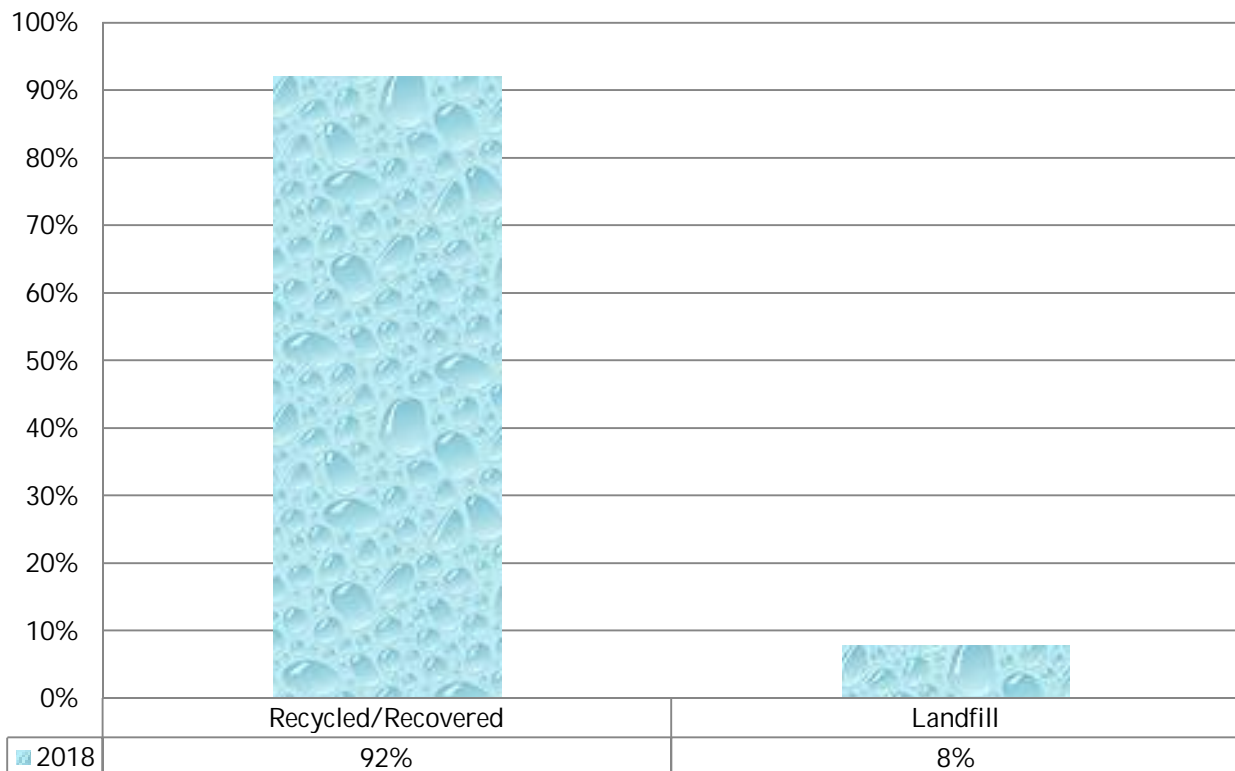
Tonnes - Arisings and Landfill - per £100k of construction output

	Waste Arisings (Tonnes)	Waste to Landfill (Tonnes)
2018	1.47	0.12
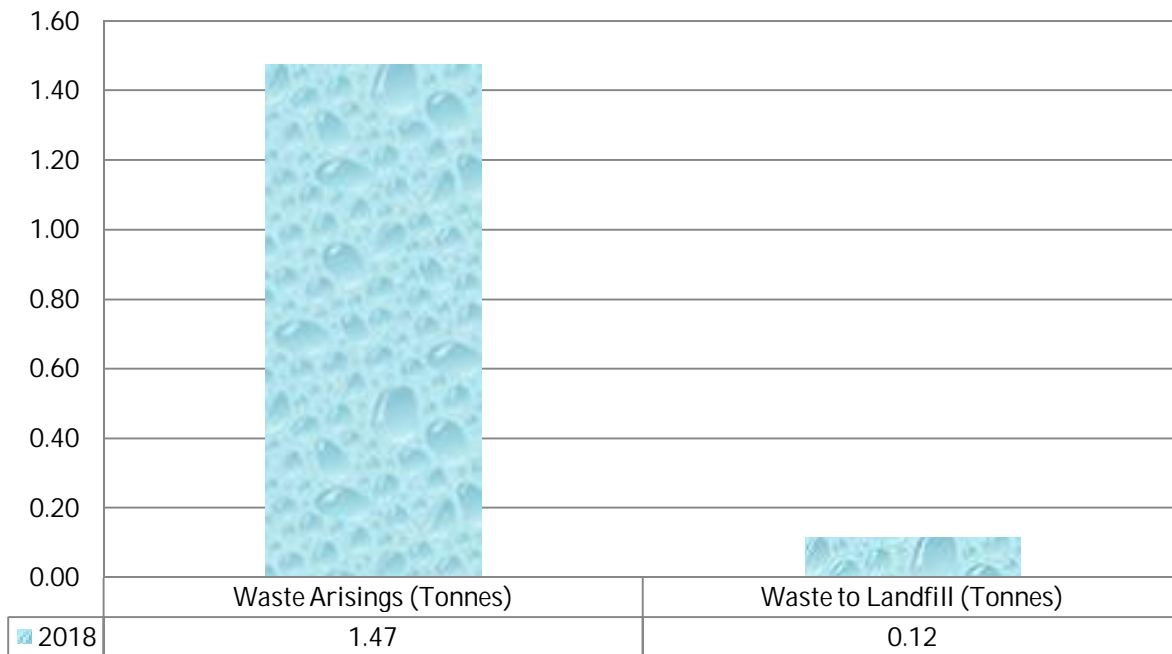
PROCESS EVALUATION

This is incorporated within our formal Quality Procedures.