



Cost and service quality trends in the parks, open spaces and horticultural service

To: all APSE contacts in the UK, including Council Leaders and Chief Executives

Key Issues

- This briefing provides details of key performance indicators in parks services including performance on cost, productivity, quality, customer satisfaction and people management.
- Trend analysis is provided over varying time periods.
- The service faces significant cost pressures, with total expenditure showing a 6.4% reduction over the past 3 years.
- The service has shown continuous improvement in a number of areas, including in the number of hectares maintained per full-time employee and in human resources and people management which are both at the highest level ever witnessed by APSE performance networks for this service.
- Performance around the quality indicator 'output specification score' has shown some improvement this year but still remains below quality levels achieved in 2008/09. The output specification score measures frequencies, quality standards and chemical control methods.

1. Introduction

The APSE performance networks service has now completed its fourteenth year of data collection and offers a wealth of data analysis capability. APSE has been comparing data for parks, open spaces and horticultural services from a wide selection of local authorities throughout the UK since 1998/99, reporting results annually across a broad range of performance indicators covering cost, quality and customer satisfaction.

The latest year of performance data is 2011/12 and the performance data for 2011/12 shows a picture of continued improvement by local authorities on cost, productivity, managing absence, people management and customer satisfaction. The figures reflect reductions in the cost of the service, which will reflect wider budget decisions that councils have made about what levels of service they are able to provide with reduced financial resources.

This briefing paper looks at the continuing trends within the service and is based on averages across all participating local authorities. This briefing paper deals with each performance theme in turn using final batch data from 2011/12, Year 14, against final returns from previous years.

2. Trend Analysis

2.1 Cost and Productivity Indicators

2.1.1 *Overall Service Costs*

Given the current economic situation, costs are obviously a high priority for every authority. Data provided for performance networks allows the average unit costs to be broken down and this is shown below for 2011/12.

Cost area	Percentage of total spend
All staff	56.98%
Front line staff	45.15%
Other non-employee e.g. premises	15.33%
Vehicles	13.12%
Central establishment charges	6.97%
Subcontractors	3.05%
Equipment and materials	2.65%
Departmental administration	1.90%

The breakdown of costs indicates that the largest proportion of costs for parks, open spaces and horticultural services is attributed to staff, other non-employee costs such as premises and vehicles. Therefore, these are the elements where small improvements will produce the largest savings. However, the costs of delivering services will vary from council to council.

The average total expenditure and net cost of service have decreased over the last three years which will be a reflection of reduced financial resources across councils. However, despite this, central establishment charges have shown an increase over the past 2 years. Potential reasons for this include an increase in client/commissioning and consultancy review costs being allocated as central establishment charges or an increase in central management/administration costs due to a reduction in service-specific management and administration staff costs. This latter point is supported from further analysis of the proportion of costs attributed to management and administration staff. The last 2 years have witnessed a reduction in the proportion of these costs, from 12.62% in 2009/10 to 9.36% in 2011/12, within the parks service.

<u>COSTS</u>	2009/10 average	2010/11 average	2011/12 average
Total expenditure	£5,281,227	£5,453,468	£4,961,600
Total central establishment charges	£254,615	£298,245	£306,324
Net cost of service (minus discountable income)	£4,792,347	£4,973,788	£4,193,248
Employee costs	£2,855,035	£3,102,761	£3,142,326
Non employee costs	£2,141,577	£2,114,467	£2,140,347
Cost per hectare	£6,521	£6,260	£5,957

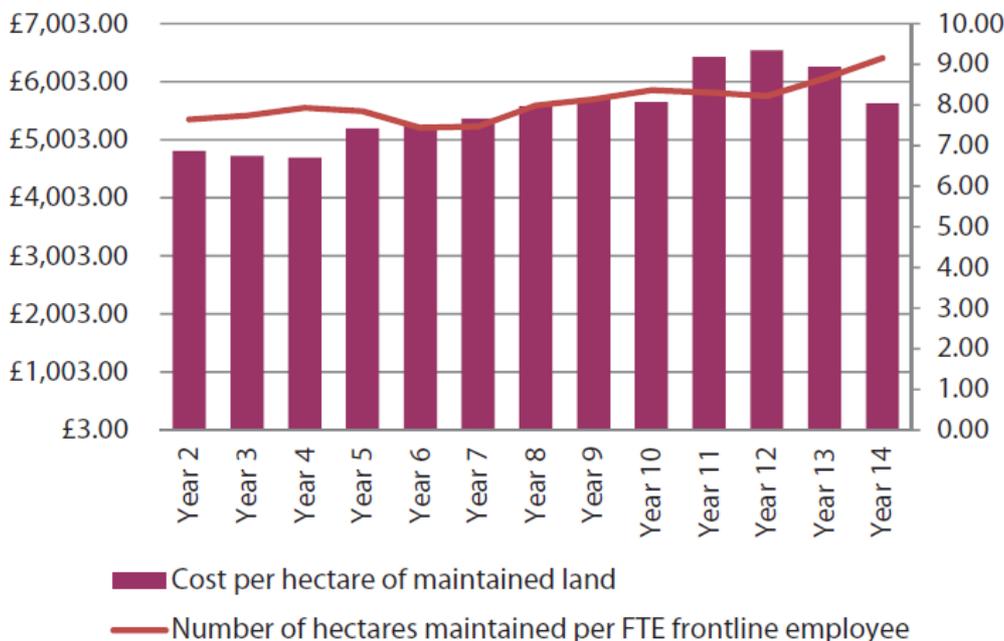
2.1.2 Overall Service Income

Average total discountable income increased between 2009/10 to 2011/12 by 16% which may be a result of local authority parks services increasing charging and income generation work to offset costs. In particular there has been an average increase in income from other local authorities, public bodies, clients and private organisations. The main reduction is in income from own local authorities for 'capital budget' funded projects.

<u>INCOME</u>	2009/10 average	2010/11 average	2011/12 average
Income from own local authority for other non horticultural services	£116,217	£115,853	£116,560
Income from own local authority for 'capital budget' funded projects	£78,038	£80,047	£52,776
Total income for any/all services from other local authorities (excluding adopted land)	£9,654	£14,882	£36,112
Total income for any/all services from other public bodies/clients/private organisations	£157,902	£127,475	£152,592
Miscellaneous income	£127,068	£147,685	£190,525

2.1.3 Average cost per hectare and number of hectares maintained per FTE

The headline cost per hectare of maintained land indicator (PI02), which includes central establishment charges, has continued to decline from £6,259 in 2010/11 to £5,627 in 2011/12, which represents a sizable decrease of 10%. This is the second consecutive year that the cost of service average has declined, which is a further indication of local authorities controlling costs within this vital front line service, despite inflationary increases.

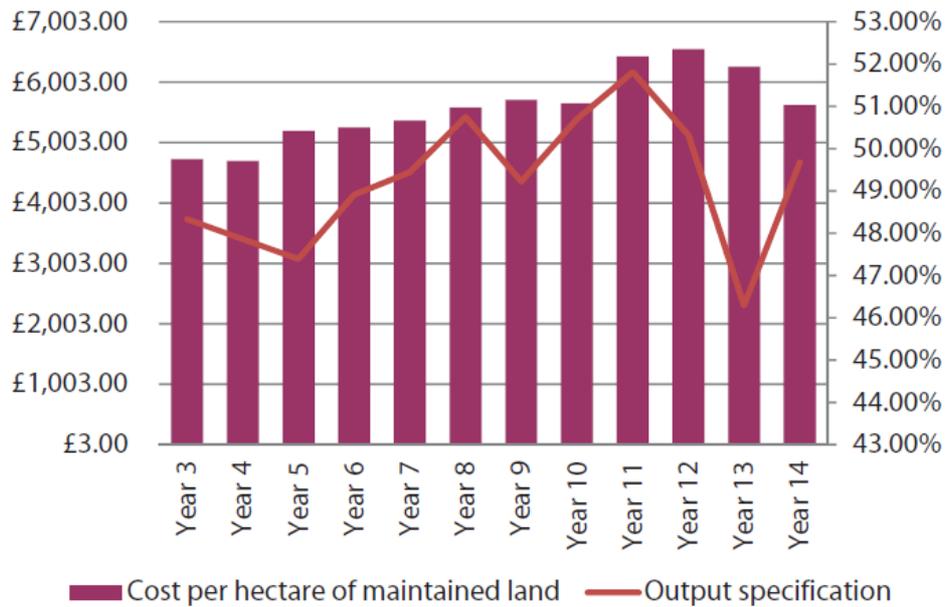


The number of hectares maintained per full-time employee (PI12) has improved again this year. This productivity indicator has increased significantly from 7.14 in year 1 (1998/99) to 9.10 in year 14 (2011/12), which is the highest level ever witnessed by APSE performance networks. This could be due to the more efficient use of labour.

2.2 Quality indicators

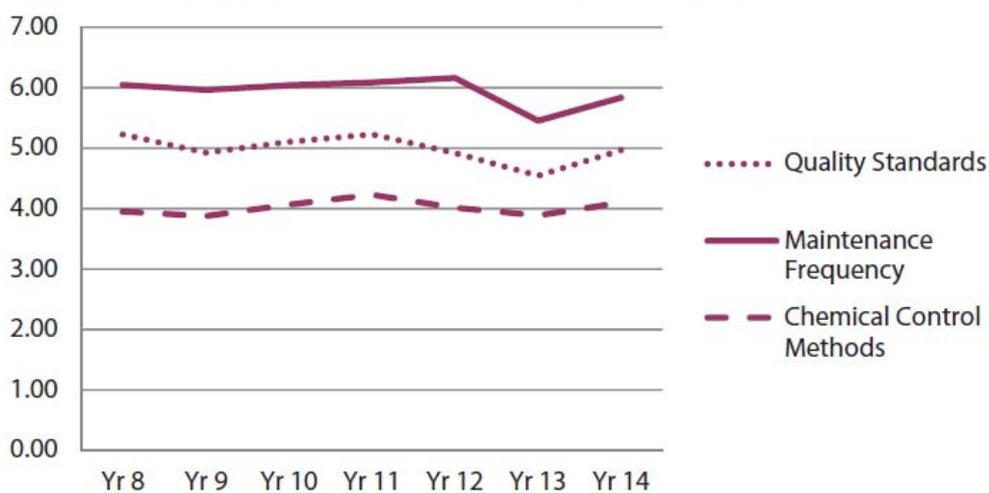
2.2.1 Output specification

The graph overleaf shows the output specification score (PI23) achieved against the cost per hectare. The output specification indicator measures frequencies, quality standards and chemical control methods. This score has increased to 49.67% this year compared to 46.29% in 2010/11 even in the context of reductions in the cost of service. This reverses the declining trend witnessed in the previous two years.



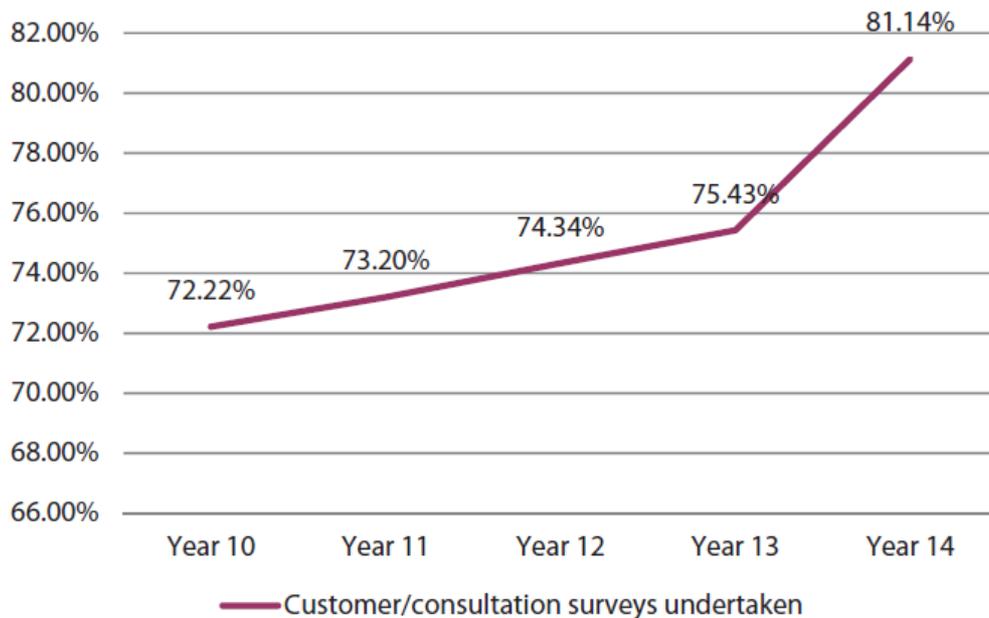
Further analysis as to which element of the output specification score has increased, resulting in the increase in the score, suggests that the rise is mainly a result from increased maintenance frequency. Maintenance frequency refers to the number of general/amenity grass cuts and shrub bed maintenance visits and this year increased to 5.84 from a 7 year low of 5.46 in 2010/11. The improving picture shows parks services are managing increased frequencies even in the context of cuts to service costs, suggesting higher levels of productivity and efficiency. Quality standards, which measures land maintained which constitutes ornamental/fine turf, shrub beds and flower/beds displays, has increased this year from a declining trend but still remains lower than that in year 911 (2008/09). The increase in the chemical control methods average performance score may be as a result of changes to legislation and guidance on the amenity use of pesticides.

Analysis of output specification scores



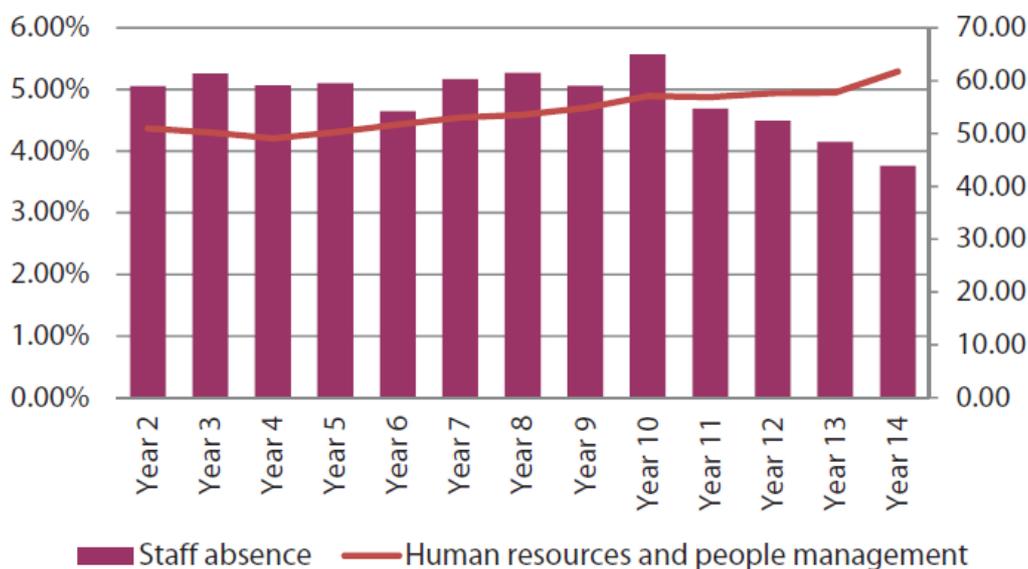
2.2.2 Customer satisfaction

The graph below shows the average customer satisfaction survey scores (PI 38) achieved over the past 5 years. Community and customer satisfaction in the parks services continues to increase and now stands at an average of 81.14%. Effective communication with members of the public and friends groups on changes to service standards will be important in managing satisfaction and expectations in service provision.



2.3 People Management Indicators

The chart below shows how parks departments have shown a large improvement again this year in percentage staff absence (PI 13) and is now the lowest figure ever recorded in APSE performance networks for this service, standing at 3.76%. Good practice examples such as more flexible working, occupational health support and better health and safety arrangements have led to reductions in absence levels.



In conjunction with this, local authorities have continued to improve their performance in human resources and people management (PI 16) which measures the extent of investment in training, development and health and safety. This indicator has increased from 57.72 in 2010/11 to 61.71 in 2011/12; the highest figure ever recorded in performance networks for this service.

3. Conclusions

The performance data for 2011-12 shows a picture of continued improvement by local authorities on productivity, managing absence, people management and customer satisfaction. The figures reflect reductions in the cost of

the service, but this in turn reflects wider budget decisions that councils have made about what levels of service they are able to provide with reduced financial resources.

The trends above are likely to continue in the near future according to APSE's 2012 research into the state of the market for parks, which received 91 responses from authorities throughout the UK. When asked '*Do you expect the parks budget to change over the next year?*' 89.8% of respondents expect the parks budget to change over the next year and of these, 86% expect a decrease in revenue and 72% expect a decrease in capital. In addition, the survey asked, over the past year, which services have increased, decreased and stayed the same. The main areas of decrease were bedding/flower displays (65.5% stated that this has decreased), shrub bed maintenance (48%) and frequency of cuts (36.5%). This perception is different to the reality recorded through APSE performance networks for 2011-12; the analysis of the parks performance networks 'output specification score' shows performance has improved in 2011/12 in frequencies, quality standards and chemical control methods. However, achievement levels amongst these three elements have fluctuated since the initial drop in performance in this indicator in 2009/10. The state of the market survey is soon to be repeated for 2013 and APSE will be monitoring the trends closely in response to these questions around budget and service cuts.

As local authorities continue to face austerity and public spending cuts, the focus on efficiency and performance in the delivery of front-line local government services is essential. Performance measurement is a mechanism for local authorities to evidence competitiveness against other providers, identify achievable cost savings and innovative approaches to service delivery, as well as demonstrate value for money to a range of internal and external stakeholders. It also provides a means to learn how other similar services are meeting the challenge and the impact that this is making in terms of cost, quality, productivity and customer satisfaction levels.

Robust performance measurement tools are increasingly being recognised as a means to demonstrate transparency and accountability. As a result, systems that have been developed and refined over the years by local authorities such as APSE performance networks will continue to be an invaluable tool. For more information on APSE performance networks, please contact Andy Williams at awilliams@apse.org.uk.

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June 2013