

December 2013

Briefing 13-54

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 analysis of trends in key performance indicators in parks services including performance on cost, productivity, quality, customer satisfaction and people management.
- The service faces significant cost pressures, with total expenditure showing a 4.6% decrease since 2011-12.
- The data shows that whilst local authority parks departments continue to reduce costs and increase productivity, other qualitative indicators are starting to be impacted.

1. Introduction

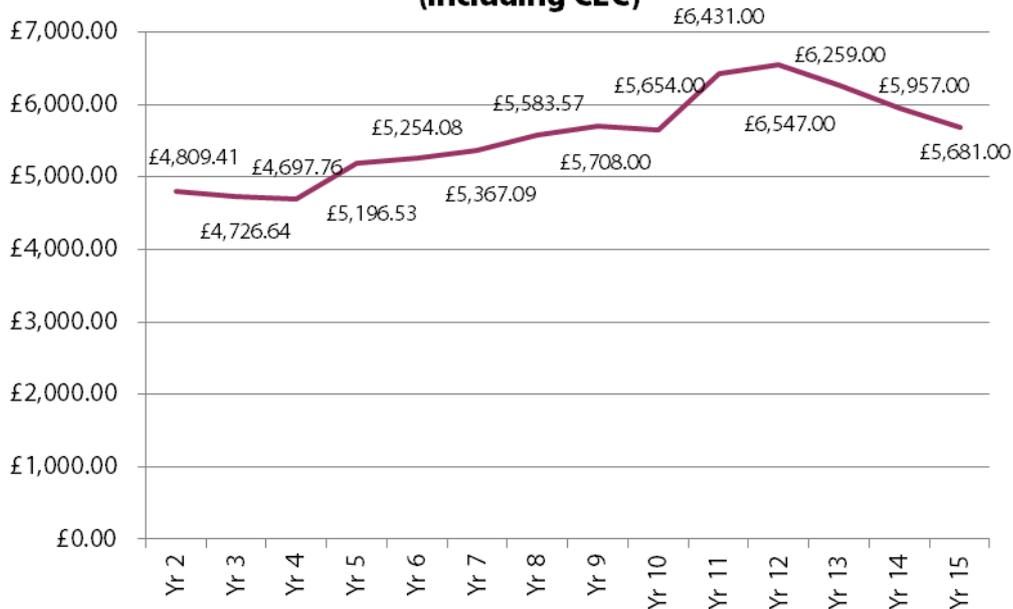
The APSE performance networks programme for parks, open spaces and horticultural services provides performance indicators for various dimensions of performance; such as the cost, productivity and quality. The following briefing paper aims to provide a picture of what the service trends are; what this infers and what further activity and analysis individual authorities and the APSE benchmarking group could consider.

This analysis is based on averages across all family groups and so is service-wide for this year (2012-13), compared to previous years. 56 local authorities across the UK including unitary, district and metropolitan boroughs make up the service-wide averages in this year's analysis; although this sample will increase with the second batch of returns which will be produced in February 2014.

2. Analysis and key findings

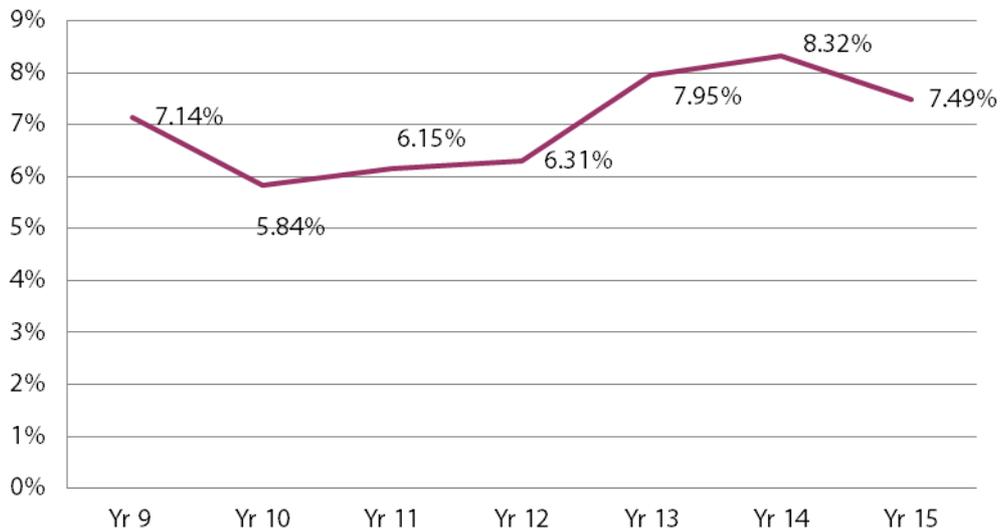
Particular points of interest from the trend data up to year 15 are as follows. The cost of the service per hectare of maintained land has continued to decline in 2012-13 to £5,681 from £5,957 the previous year- a 4.6% decrease.

PI 02 Cost of service per hectare of maintained land (including CEC)



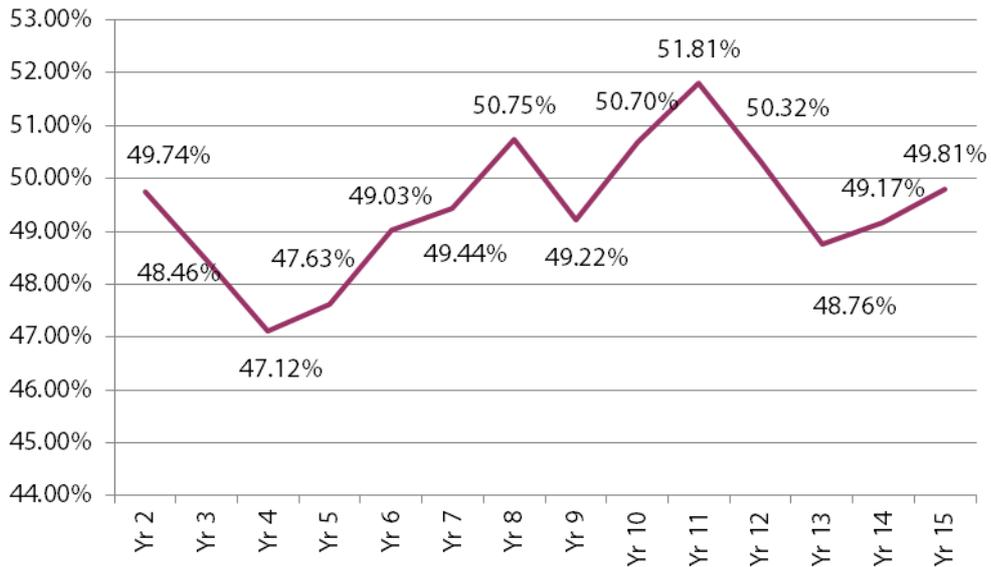
The data indicates that for the first time since 2007/08 central establishment charges, as a proportion to the average cost of service, has decreased in 2012/13, now averaging at 7.49%. This represents a reduction from a service average of £328,602.00 in 2011/12 to £286,565.33 in 2012/13.

PI 31 Central establishment charges as a percentage of total expenditure



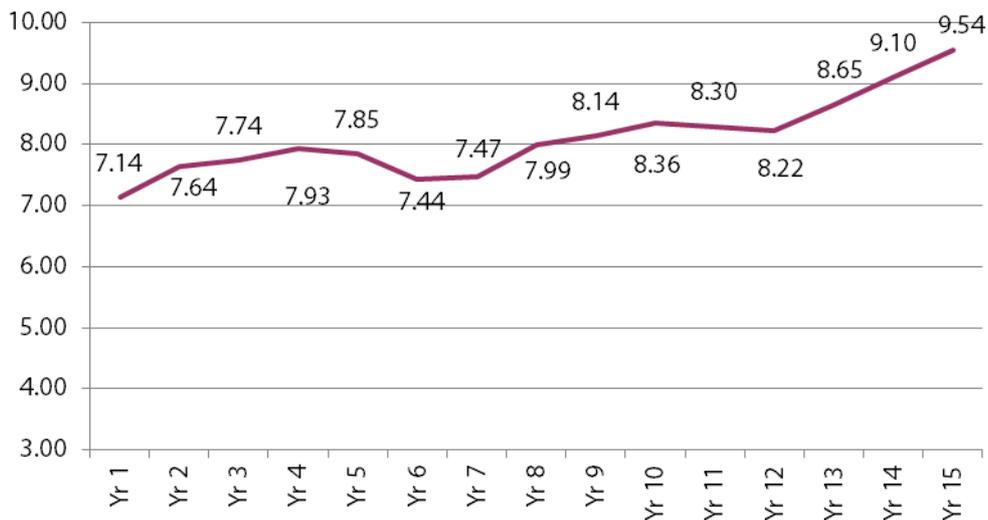
The output specification indicator which measures maintenance frequencies, quality standards and chemical control methods has remained at a similar level to last year at 49.81%. This average has remained relatively constant since 2005/06, despite the reduction in total service cost and varying service challenges over the period.

PI 23 Output specification



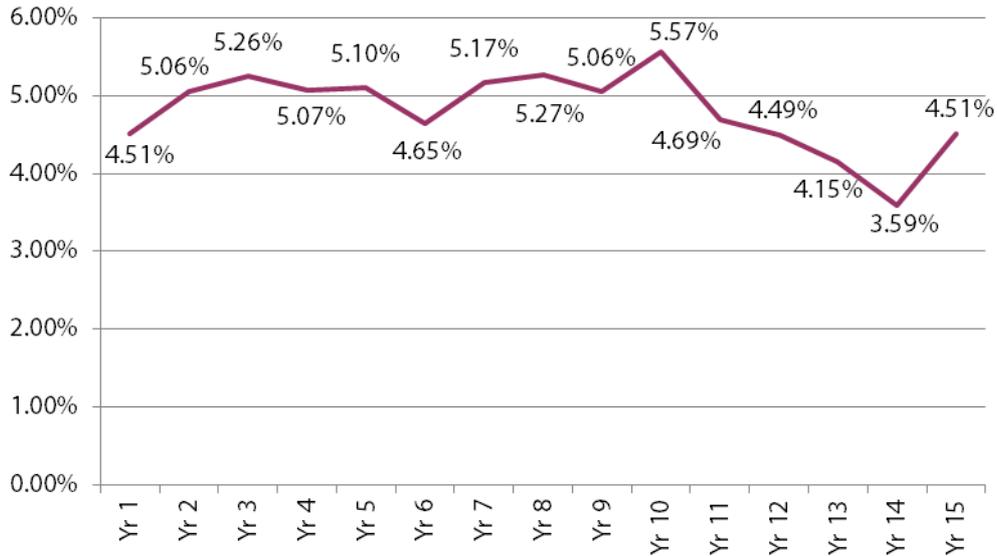
The number of hectares maintained per full-time employee (PI12) has improved again this year, which could be due to the more efficient use of labour. This productivity indicator has increased significantly from 7.14 in year 1 (1998/99) to 9.54 in year 15 (2012/13), which is the highest level ever witnessed by APSE performance networks.

PI 12 Number of hectares maintained per FTE front line employee



The percentage staff absence has shown an increase this year from a period of year on year improvement 2008/09-2011/12. This year's figure stands at 4.51%- an increase from 3.59% last year. This may be an indication of the greater demands on individual staff as services become more streamline. However, many local authorities continue to exemplify good management practice such as more flexible working, occupational health support and better health and safety arrangements. It should be noted that the long term trend is still significant falls in sickness absence with levels remaining below 5%.

PI 13 Percentage staff absence



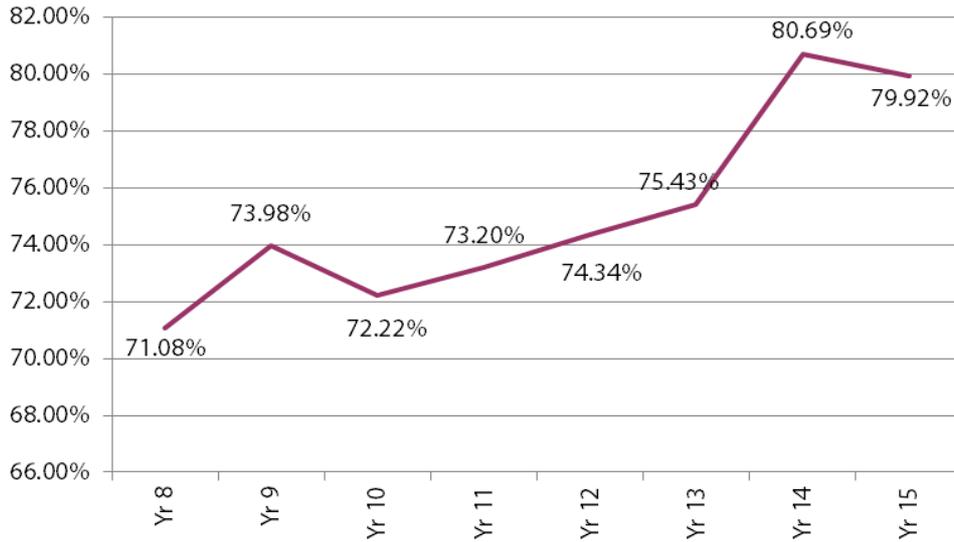
The performance indicator for human resources and people management (PI16), which measures the extent of investment in training, development and health and safety, declined this year for the first time since 2008/09 now standing at 58.93. This represents a 4.9% decrease from 2011/12 but still remains at a higher level than 2010/11 and prior to this.

PI 16 Human resources and people management



Community and customer satisfaction dropped slightly this year to 79.92% but still remains at one of the highest levels performance networks has seen for this service. The slight drop could be an indication of possible impacts of budget reductions starting to feed through into customer dissatisfaction but one year's results are not enough to indicate a trend. Performance Networks will continue to track this indicator closely.

PI 38 Community/customer surveys undertaken

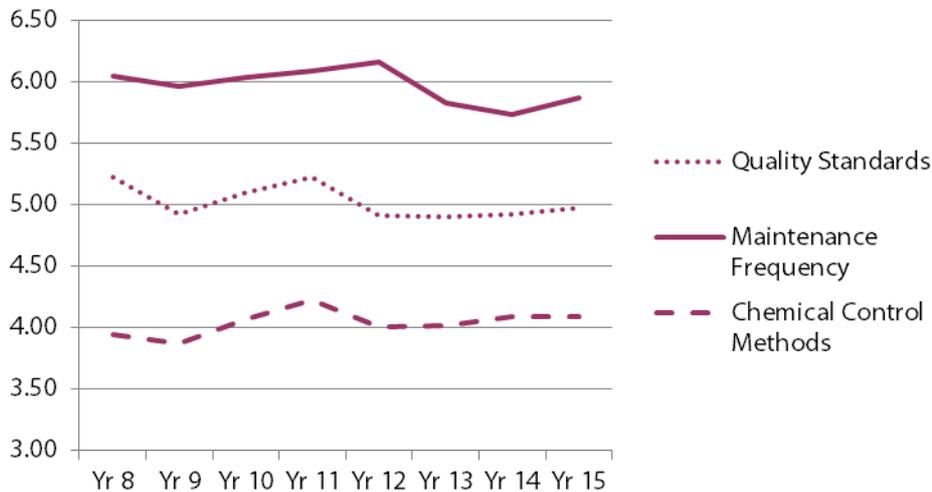


3. Interpretation of data

The performance data for 2012-13 shows that whilst local authority parks departments continue to reduce costs and increase productivity, other qualitative indicators are starting to be impacted. Sickness absence, people management and customer satisfaction have shown a reduction in performance this year compared to 2011-12. However the key performance indicator for quality, the output specification, for the whole service average has shown a slight improvement again for 2012-13 which must be commended.

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. Whilst in previous years the trends have shown authorities have made decisions to reduce frequencies of grass cutting, or shrub bed maintenance to deliver savings, maintenance frequencies have shown a slight increase this year after a 2 year trend of reduction. A further analysis of the output specification score is provided in the graph below. Service cost savings could be attributed in part to reduced central establishment charges which have seen a reduction for the first time this year since 2007/08.

Analysis of output specification score



Reduction in service standards may be beginning to impact on community and customer satisfaction scores with a reduction for the first time this year from an increasing pattern since 2007-08. This could indicate that the time lag between the reductions in service standards and when this becomes evidenced by a consequent reduction in customer satisfaction has now levelled out. Local authorities should continue with their effective communication campaigns with members of the public and friends groups on changes to service standards to manage satisfaction and expectations in service provision for the coming year. Whilst we do not have enough data yet to suggest a trend of reduced performance in customer satisfaction, Performance Networks will continue to track this indicator closely.

The trends above are likely to continue in the near future according to APSE's 2013 research into the state of the market for parks, which received 112 responses from authorities throughout the UK. When asked 'Do you expect the parks budget to change over the next year?' 83% of respondents expect the parks budget to change over the next year and of these, 95% 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 maintenance frequencies (84.1% stated that this has decreased), bedding/flower displays (84.1%), and service standards (72.05%).

4. Future focus

Local authorities continue to face a squeeze on their finances and resources as a result of public spending cuts. Therefore the focus on efficiency and performance in the delivery of front-line local government services remains 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 demonstrating 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.

The abolition of national performance frameworks and the demise of the Audit Commission in England with the transfer of responsibilities for local public audit and value for money to the National Audit Office, has led to a much more decentralised approach to the benchmarking and publishing of performance information. The Rt. Hon Margaret Hodge MP who chairs the influential Parliamentary Public Accounts Committee and who spoke at last year's performance networks seminar has recently said that councils could be subjected to a "deep dive" investigation by MPs as part of broader reviews of local government performance. This in response to the recently published Local Audit and Accountability Bill which sets out the post Audit Commission arrangements.

There is an increased emphasis on value for money and on open data set out in the Government's own "Open Data" White paper published in June 2012 with a focus on data transparency and the use of data to hold public authorities to account. The subsequent Shakespeare Review on public sector information in response to the White paper published in May 2013 explored the growth opportunities of, and how to widen access to, the wealth of information held by the public sector. It is

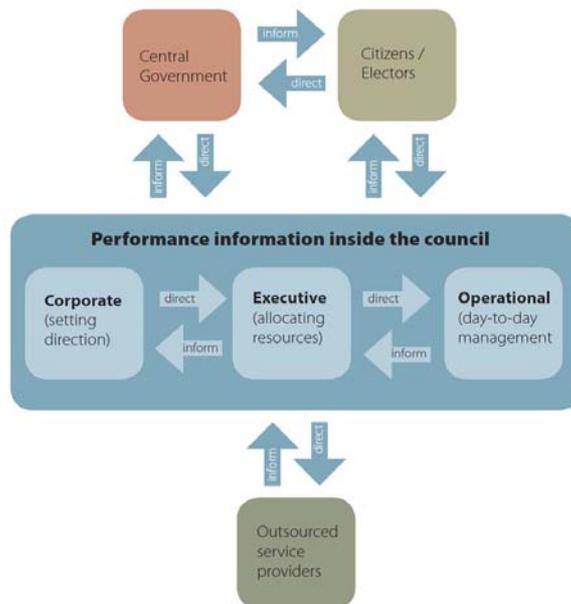
clear that the drive for performance improvement and publishing meaningful data on performance has not gone away, but is being designed around greater data transparency and public accountability at a local level.

In Scotland, 'Scotland Performs' the national performance framework has been in place since 2007 and there has been a clear emphasis on the use of performance information to drive up the standards in all public services. In March 2013, the Society of Local Authority Chief Executives (SOLACE) and the Improvement Service launched a new benchmarking project for Scottish local government based on 55 indicators across major service areas with recognition that benchmarking can help to deliver *"even better local services for local communities"*. The approach was based on a move away from focussing on *"meaningless league tables"* towards *"efficiency, effectiveness and outcomes"*. Robust and systematic data to support change and improvement based on knowledge and best practice is at the core of this approach and is precisely what a benchmarking and improvement model like performance networks is designed to facilitate.

Similarly in Wales, the Welsh Government publishes National Strategic Indicators (NSIs) to measure the performance of local authorities at a national level and focus on key strategic priorities. But Local authorities also use these performance indicators, along with other indicators that they choose to use and a wider range of information, in order to plan and deliver improved services. Self-assessment and review is a key feature to the Welsh approach to improvement.

Also the Northern Ireland Local Government Bill which sets up the new local authorities in Northern Ireland and is currently progressing through its stages in the Northern Ireland Assembly has a section which specifically talks about a general duty of improvement and refers to the use of performance indicators and standards similar to other parts of the UK. The aim is that the new local authorities in Northern Ireland will collect and publish performance information relevant to service users and to ensure greater accountability for performance across councils there.

An independent study for APSE by Michael Hughes the former Director of Studies at the Audit Commission in 2012 *entitled 'How are we doing? Performance measurement, comparison, and review in UK councils'* pointed out that *"Trustworthy performance measures, that are analysed competently and communicated clearly, are important for service managers, for service commissioners and client managers, for councillors, and for citizens"*. The diagram below illustrates the role of performance information in informing people inside and outside the council:



Good performance information supports the decisions that lead to good directions, instructions, and targets. APSE performance networks can assist local authorities by:

- Helping to set a clear baseline on which competitiveness, efficiency and value for money can be measured in a systematic manner.
- Assessing the quality, cost and competitiveness of the services that councils provide on a regular basis
- Helping to report data in meaningful ways to both elected members and the public.
- Identifying direction of travel and pace of change with regard to service delivery.
- Identifying inefficiencies such as poor productivity and high cost.
- Supporting service improvement through process benchmarking and sharing best practice examples.

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