



Building Cleaning: Trend analysis 2016/17

This briefing provides details on the performance information available from APSE's performance networks service looking at performance indicators and current policy issues for councils who deliver building cleaning services.

Key issues

- The cost per square metre cleaned continues to climb from a low of £12.36 in 2012-13 to a 5 year high of £15.05 in 2016-17, predominantly due to increased wage costs.
- The marginally lower percentage of new starters in 2016/17 is more than offset in productivity terms by the reported increase of 3.6% in areas cleaned.
- Staff absence (excluding long term sickness) is marginally up on last year by 1.67% but the five-year trend remains low.

Overview

The APSE performance networks programme for building cleaning provides performance indicators for price, service uptake, key cost indicators, productivity and qualitative measures for the service throughout the UK. The following briefing provides an overview of service trends, what this infers, and what further activity and analysis individual authorities and their benchmarking groups could consider.

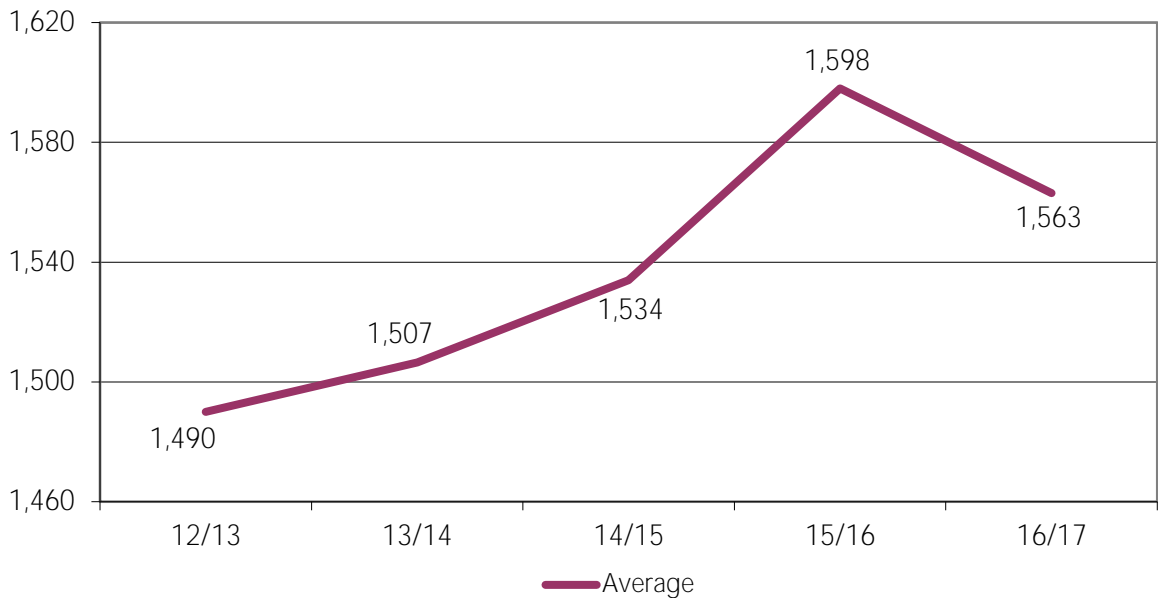
Trend analysis

This trend analysis is based on 'service wide averages' across all family groups for the past 5 years. These averages across all returns to the programme can contain spikes or variations caused by any change in the profile or number of subscribers making returns to the programme. However, separate analysis of those authorities who have consistently made returns over the last 5 years, suggest validity in the observations and particular points of interest which follow below.

Key cost and productivity

The total number of square metres cleaned per FTE employee (PI 16) shows a fall from the **peak reported last year but continues the 'straight line' of year on year improvement** otherwise evident over the last 5 years.

PI 16 - Total square metres (excluding outdoor areas) cleaned per FTE employee

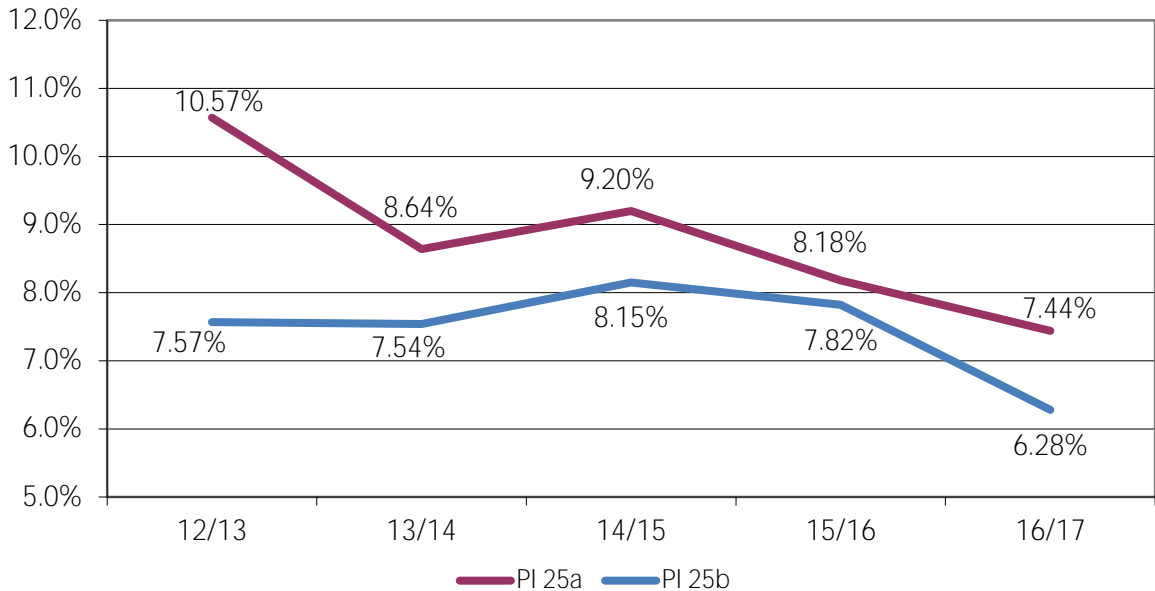


Analysis of other 'productivity' PIs (the 'ratio of square metres to annual scheduled hours' for each building type), continue to show a focus on large (and perhaps, new) office buildings and schools, as a target for improved efficiency through the move toward 'output' specifications' and the use of new (mechanical) equipment reported last year.

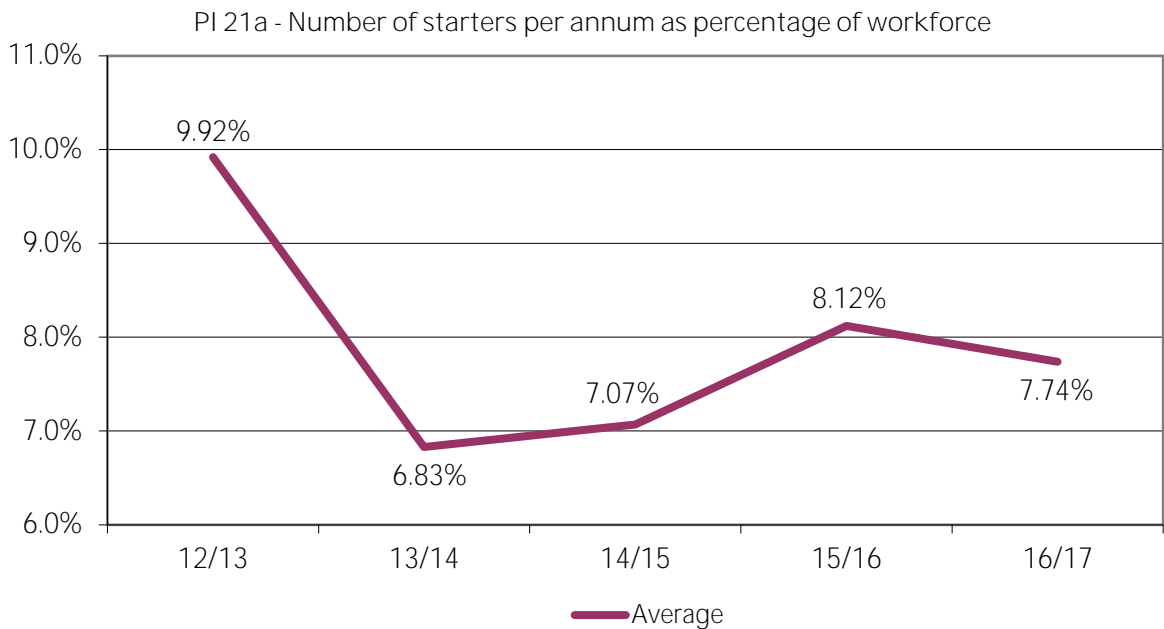
Starters and leavers

PI 25a - the number of leavers per annum as a percentage of the workforce, continues the long term downward trend. This is supported by a significant reduction in leavers who have been employed for at least 12 weeks (PI 25b).

PI 25a - Number of leavers per annum as percentage of workforce

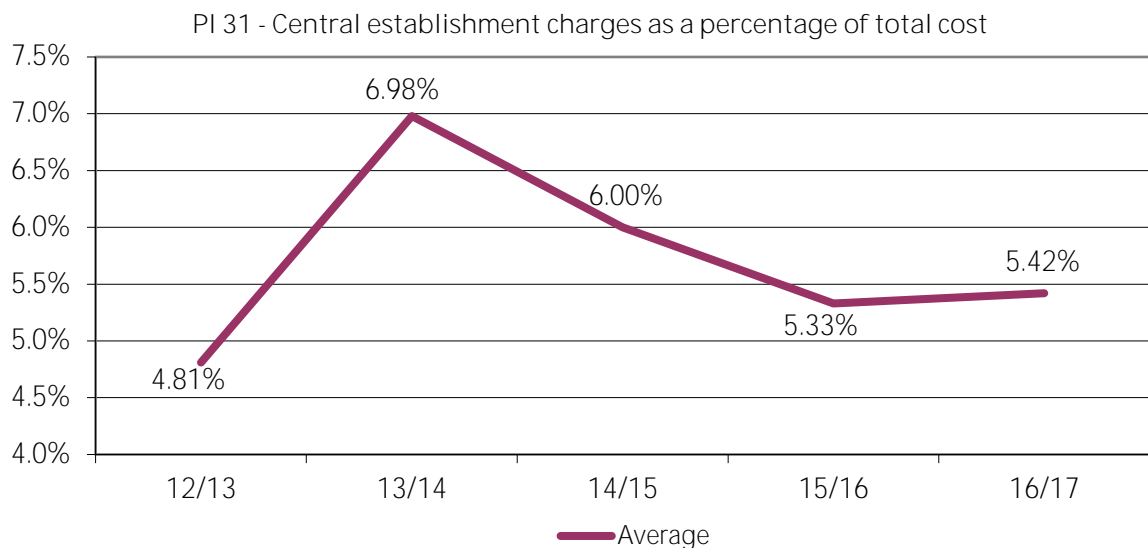


The marginally lower percentage of new starters in 2016/17 is more than offset in productivity terms by the reported increase of 3.6% in areas cleaned.



Other cost and ratio indicators

Last year, we were able to report a two year fall central establishment changes (CECs) from their high of 7% in 2013/14 but at 5.42% for 2016/17, they are marginally up on last year and remain relatively high compared with other FM services.



Given that some local authority **providers report 'departmental/admin costs' as or within** their CEC charges, it should be noted that the combined average has also fallen from 6.45% last year as a percentage of total service expenditure, to 5.95% in 2016/17.

Cleaning materials costs as a percentage of total service expenditure have fallen from 2.95% in 2015/16 to 2.62% in the year.

Cleaning equipment costs have fallen by a similar margin to a new low of 0.87%, the highest percentage spend across all submissions in 2016/17 being 2.8%.

Interpretation of data

APSE's 'State of the market' surveys continue to identify a drive towards re-negotiating **SLAs/contracts and a move towards 'output' specifications (enabling review of cleaning frequencies and methodologies)**. They also highlight plans to explore more efficient use of mechanical and robotic cleaning equipment in their search for continued productivity in this service.

Whilst PI 16 shows a fall in productivity in 2016/17, the underlying trend remains positive and data captured for cleaning equipment costs is unlikely to include the capital spends that may have been made on mechanical, ride-on or robotic equipment that offers the next step change in service costs and efficiency.

Labour costs will however remain a key driver in the delivery of this service and continued focus on staff training, retention and absence management will remain critical to the service and its customers.

As noted last year, the introduction of a national 'living wage' may have helped to close the competitive gap with the private sector, but changes to pension regulations still afford them the opportunity to reduce employment overheads, making 'people', relationships and 'quality' key drivers in competing for and retaining work against external competition.

In this context, it should also be noted that this year's performance networks data returns indicate that there has been a further increase in the areas being cleaned, the average across 2016/17 returns being 3.56% (over 7% in the last three years).

Going forward, APSE's 'State of the Market' survey indicates that maintaining a focus on reducing staff turnover; absenteeism; negotiating more flexible contracts and output based cleaning specifications will remain a key focus for future cost reductions.

Further, whilst the survey suggests that there has been no significant change in the number of authorities operating with a central facility management structure, some see the packaging of this alongside other services (particularly to schools and academies) as offering some level of security and or marginal costing opportunities to support retention and growth in the service going forward.

Alongside Advisory Groups and APSE Briefing Papers, Performance Networks will continue to provide a basis for learning from, sharing best practice and the measurement of outcomes from the service. The issues raised in this briefing will also provide topics for discussion at the forthcoming APSE Soft FM seminar which will be held in Durham on Thursday 25 January 2018. [Click here for detail.](#)

Vickie Hacking

APSE Principal Advisor

John Bedwell

APSE solutions Associate