



Building Cleaning: Trend analysis 2018/19

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 has increased to £15.22 and is at a five year high from the £13.49 reported in 2014/15. This includes the absorption of living wage increases.
- Productivity has increased since 2014/15 by circa 105 square metres per FTE to a five year high of 1,639 square metres, as wages have increased so has productivity.
- The number of new starters has increased from the low reported in 2017/18 of 5.65% to a five year high of 8.52%.
- Staff absence (excluding long term sickness) is marginally up on last year by 0.05 % but the five-year trend remains low at circa 2%.

Overview

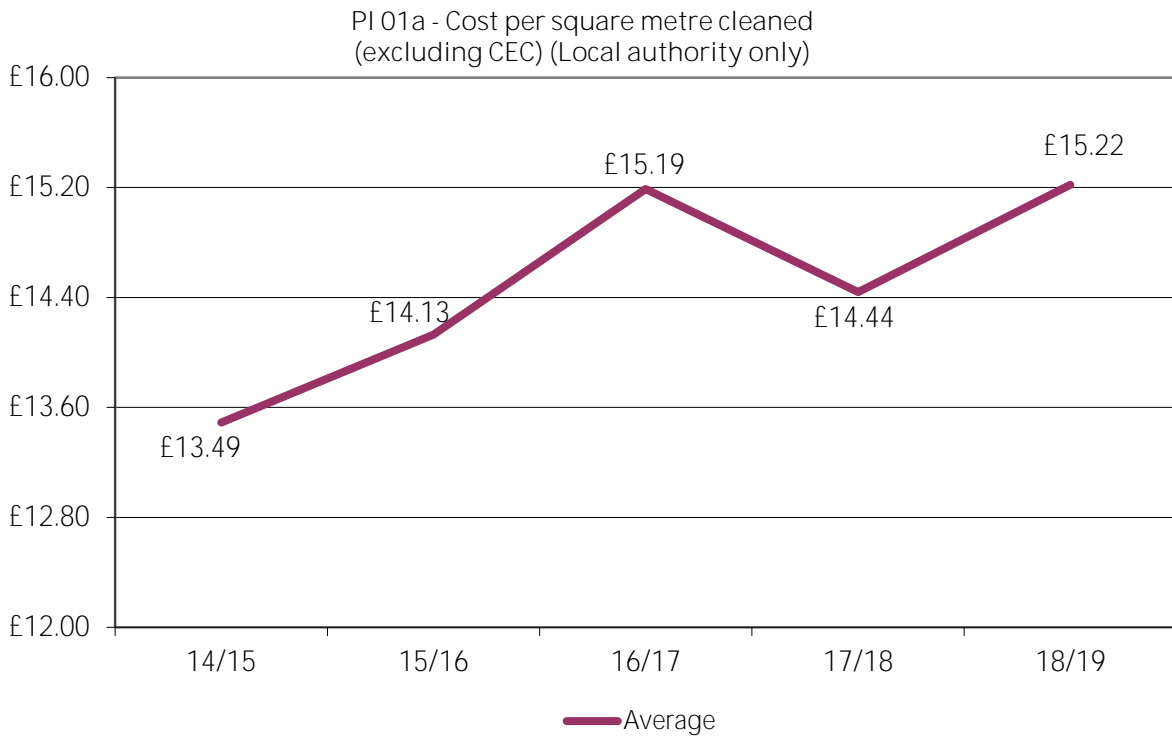
The APSE performance networks programme for building cleaning provides performance indicators for price, service uptake, key cost indicators, productivity and qualitative measures for the service throughout the UK. The following executive summary aims to provide participating authorities with an overview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

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.

Costs

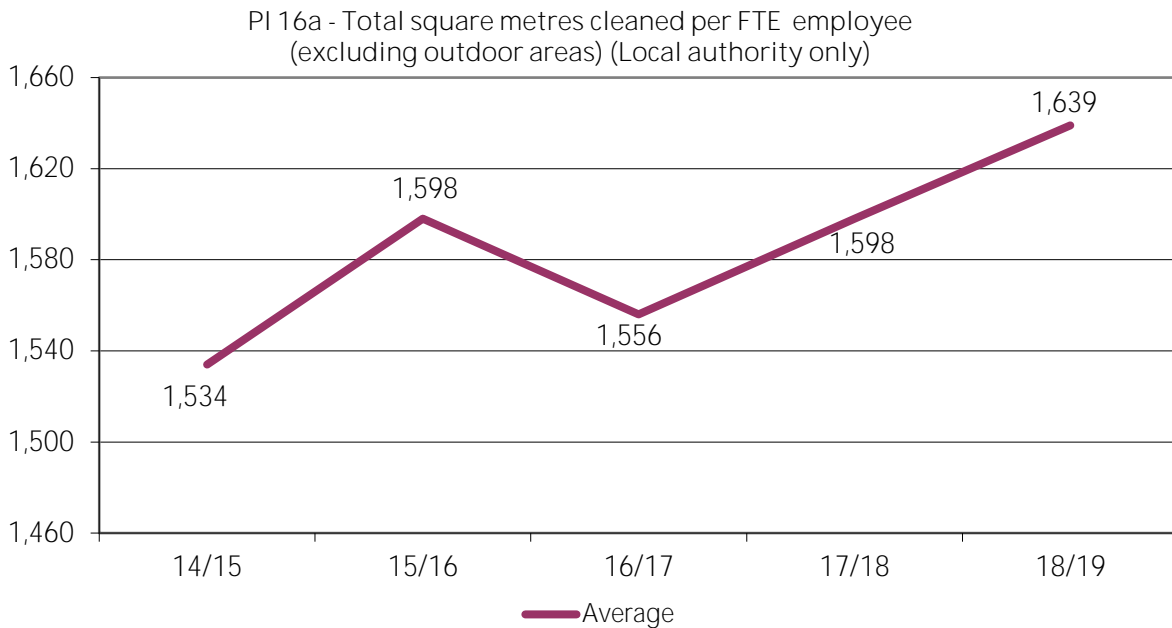
Following the reported fall in 2017/18, last year's cost per square metre cleaned is only marginally above that reported in 2016/17 and reflects:

- a) some stabilisation in labour cost (following the impact from 'living wage' increases between 2014 and 2016)
- b) the significant productivity gains secured over the last two years.



Productivity

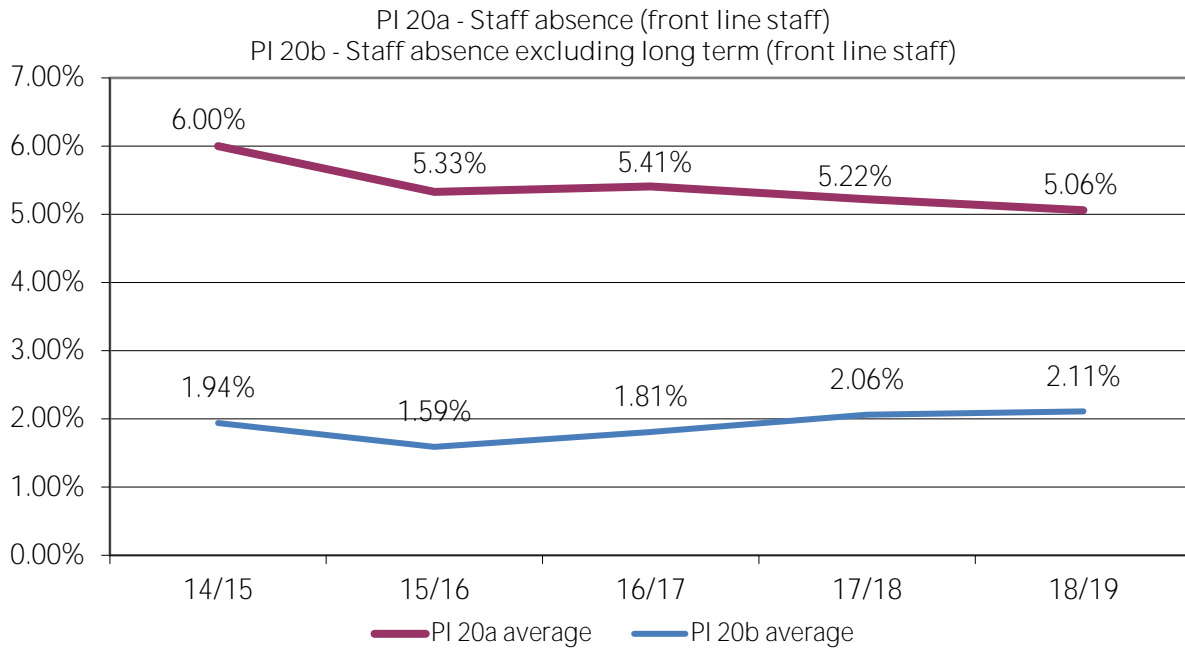
The total number of square metres cleaned per FTE employee (PI 16) continues the long-term trend of improvement which, at 1,639 is now over 100 metres per FTE up on that reported 5 years ago.



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 often new) office buildings and schools, as a target for improved efficiency, achieved in part through a move toward 'output' specifications, viable reduction in cleaning frequencies and the increasing use technology, new mechanical and robotic equipment.

Staff absence

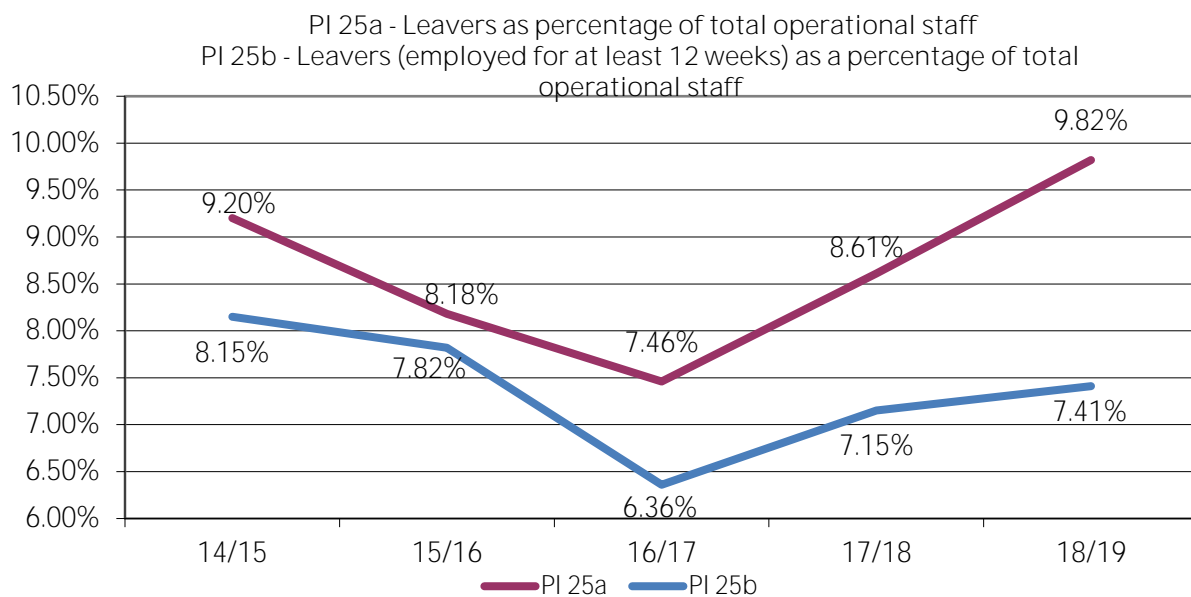
Whilst front line staff absence (PI 20b – excluding long term sickness) shows a marginal rise over the last 5 years, overall sickness levels across front line staff continues the downward trend and is nearly 1% below that reported in 2014/15.

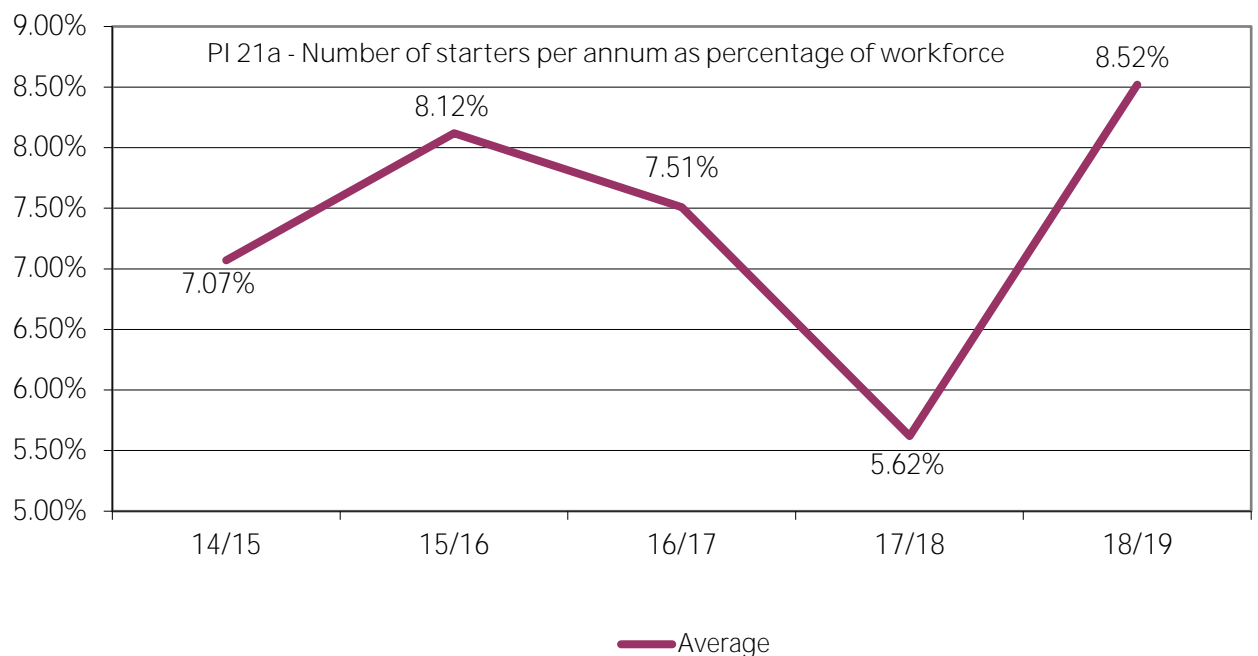


Starters and leavers

Perhaps aligned to the increase in many cleaning staff's pay rates (through the role out of the 'living wage') 'leavers' had reached a low point in 2016/17 and remains lower than 5 years ago amongst those who have worked with the service for at least 12 weeks (PI 25b). All leavers as a percentage of total operational staff (PI 25a) is however at its highest over the last 5 years but remains for the second year notably above the percentage of new starters.

This has undoubtedly contributed to the reported rise in productivity (above) but may also reflect the difficulty of securing part time staff where time lags in the recruitment process have not been reduced by agreement with and revision of corporate/HR advertising and recruitment policies that otherwise apply to higher grades and hours (all staff) across the council.





Other cost and ratio indicators

Last year, we reported the continued downward trend in central establishment charges (CECs), **that under recent CIPFA guidance, local authorities are no longer 'required' to allocate CECs to their trading operations and that only 70% of 2017/18 submissions contained these charges. This fell to 65% last year and with working group agreement, APSE no longer reports this indicator (PI 31) and all other 'key cost' PIs exclude CECs.**

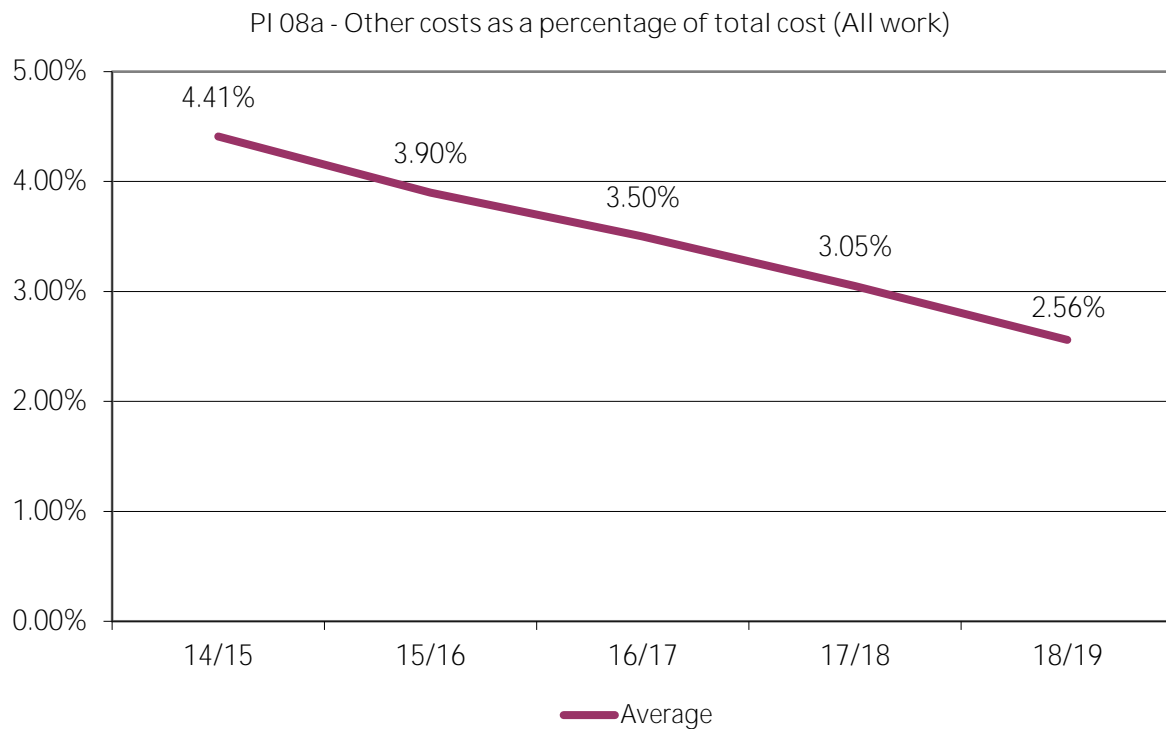
As is clear from the following data, most other service overheads continue to reflect the downward trend reported in previous years:

Cleaning materials costs as a percentage of total service expenditure is marginally up on 2017/18 but still below the 5-year average at 2.5%.

Where reported by those using the full (M File) management data returns, cleaning equipment costs have fallen again to 1.01% of total expenditure but this is unlikely to include investment in **new mechanical or 'capital' equipment.**

With the introduction of the reduced management data template (K file), cleaning material and equipment costs are reported as a single figure, equating to 2.12% of total expenditure in 2018/19 (and forming a base year for subsequent trend analysis).

Consistent **with the above, all 'other costs as a percentage of total costs' (across all work PI 08a below) shows the consistent pressure/control being brought to the management of service overheads.**



Interpretation of data

Following the impact from 'living wage' increases between 2014 and 16 on the cost per Square Metre cleaned (PI 01a) the last two years has seen a levelling of this key PI, supported by the marked improvement in productivity and containment of service overheads.

As reported last year, analysis of individual authority data highlights the positive effect of capital investment in new technologies, coupled with a focus on the pursuit of new business as part of the wider 'commercialisation' agenda in many authorities.

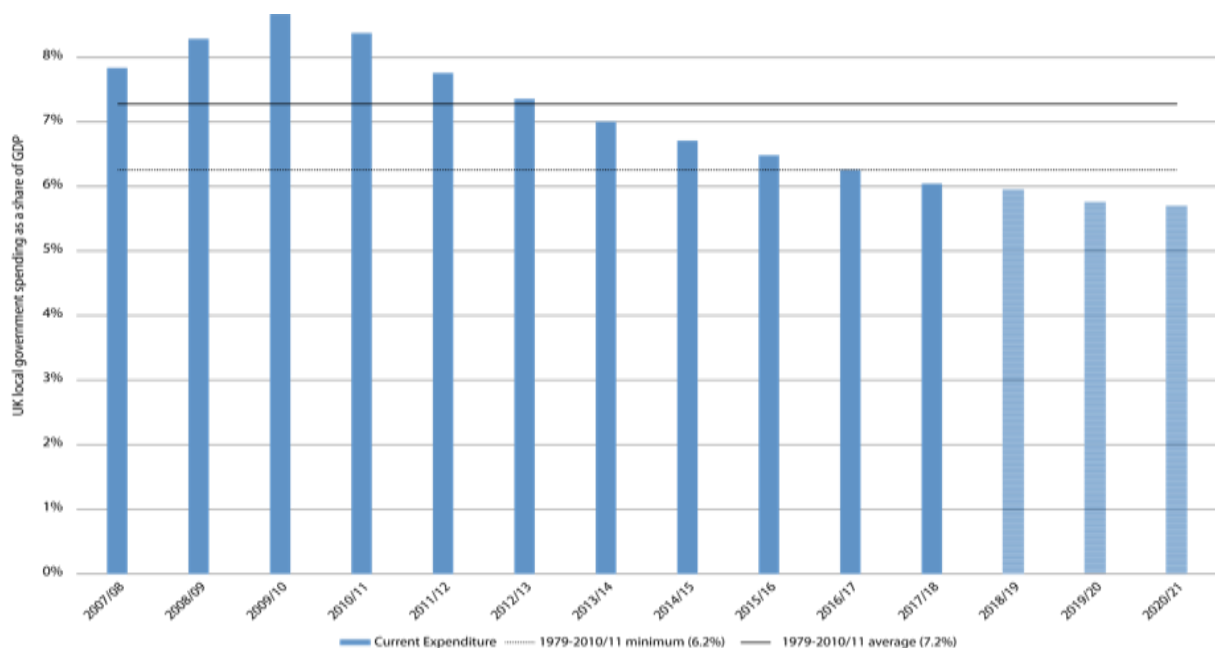
Following the April working group meeting and discussion during the validation meeting in September 2019, we agreed to create some new 'business/commercial' questions to feed into performance indicators. The following are some commercial business only indicators along with the average captured for this first year of data collection.

- Operational recovery ratio excluding CEC (commercial work only): 109.65%
- Income generated per FTE (commercial work only): £28,858
- Commercial work as a percentage of all work (square metres cleaned): 8.85%
- Commercial work as a percentage of all work (turnover): 10.66%

In this respect, APSE will continue to update the PIs and supporting profile data sets, to enable subscribers to 'drill down' into factors that affect evident variances in performance and support effective 'process benchmarking' to drive continuous improvement in this service.

Future focus

In 2009/10, local government spending as a share of all spending in the economy reached 8.6 per cent, a high for the post-1979 period and only just below the all-time high (1975). In 2017/18, it fell below the previous post-1979 low of 6.2 per cent (1997/98). Since then, it has continued to head down. Including capital spending, total spending by local government as a share of GDP is now at a record low for the post 1948 period.



Source: *Neighbourhood services and sustainable local government, APSE 2019*

In addition, over the nine years from 2009/10 to 2017/18, the resources devoted to neighbourhood services across England, Wales and Scotland fell 27 per cent, equal to £8.9bn at 2017/18 prices. (*Grouped under the broad headings of highways and transportation, environment and regulation, culture, and planning, neighbourhood services are roughly speaking what councils do that is neither education, housing nor social care*). This is against the background of a real fall in total UK local government spending over the same period of 19 per cent.

Performance management is increasingly being used by public service providers as a mechanism to withstand austerity and demonstrate value for money to a range of internal and external stakeholders. As W. Edwards Deming stated:

“Without data, you’re just another person with an opinion.”

Despite measuring and improving performance being critical to managing services effectively and for accountability purposes, the need for this has never been greater in order to know your own service and to be able to identify achievable cost savings and innovative approaches to service delivery. Otherwise, how do you know you are delivering what you want to deliver?

Information and data provides intelligence on how effective any service change is, to establish a starting point and to identify future targets. Performance measurement is also a mechanism to learn how other local authorities are meeting the challenges and the impact that their service changes is making in terms of cost, quality, productivity and customer satisfaction levels.

Data is also increasingly in demand at a national level as well and as a result, APSE **performance networks' influence at a national level is growing**. APSE has been working with a range of government bodies and professional associations at a national level. This includes Defra (Waste Dataflow and the National Litter Strategy), Scottish Government and Zero Waste Scotland (Litter Strategy), Department for Transport, DMG, SCOTS, CSS Wales and the Improvement Service (Roads, highways and street lighting), the Society of Chief Officers of Environmental Health in Scotland, SCOTTS (Trading Standards), NABMA (Markets), Ministry of Housing, Communities and Local Government (Parks Action Group), SOLACE (corporate services) and the Department for Communities (Northern Ireland project).

In England, there is a focus on a more decentralised approach to performance improvement following the abolition of the previous national performance framework. This means that local authorities are responsible for their own performance and improvement and are accountable to local communities (rather than government or inspectorates). There is an increased emphasis on value for money, with a focus on data transparency and the use of data to hold public authorities to account. 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, there is a requirement to report the Local Government Benchmarking Framework indicators, which are a set of high-level indicators covering major service areas. APSE and SCOTS have been working with the Improvement Service in relation to collecting and providing data required for the national Local Government Benchmarking Framework, in particular on roads financial data. The purpose of this is to reduce the burden on councils of providing data to multiple national bodies and using existing reliable, established benchmarking models where possible. APSE have also been working with Zero Waste Scotland and Keep Scotland Beautiful on the monitoring system for the revised Code of Practice on Litter and Refuse 2018.

In Wales, councils themselves remain responsible for identifying their own improvement priorities, identifying and mitigating improvement challenges and risks and managing service performance. Local authorities openly and transparently report performance publicly on an annual basis. In addition, there is a small set of nationally co-ordinated performance indicators called Public Accountability Measures which are co-ordinated for benchmarking purposes by Data Cymru. External assurance and challenge is provided mainly through the audit, inspection and regulatory regime coordinated by the Auditor General for Wales. This voluntary, decentralised approach is similar to the approach taken in England which has created a greater need for information at a local level to measure value for money and to ensure accountability. In addition, benchmarking through national organisations like APSE provides the national comparisons for continuous improvement purposes and a mechanism to measure your own performance against changing standards.

In Northern Ireland, under the Local Government Act (Northern Ireland) 2014, there is a duty on each council to secure continuous improvement in the exercise of its functions, to collect information relating to performance and to assess performance in previous financial years and as far as practicable, against the performance of other councils. APSE have been working with local councils in Northern Ireland to ensure that performance networks meets the responsibilities councils have under the Act. As such, existing, relevant modules have been refined and new performance modules have been created in conjunction with the Northern Ireland councils for planning, community development, economic development, arts and heritage, building control and corporate services. APSE continue to liaise with the Department for Communities over this development work. Four sets of reports for the Northern Ireland project have now been successfully produced; for 2015-16 to 2018-19.

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.
- Identifying the impact of service changes and interventions for your own local authorities and for others.
- 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.

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 Facilities, Cleaning and Catering Management Seminar which will be held in Nottingham on Thursday 30 and Friday 31 January 2020. [For further details and to book your place - click here](#)

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