THE ENGINE OF THE COUNCIL? EVALUATING FRONTLINE PRODUCTIVITY IN LOCAL GOVERNMENT

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PI Public Intelligence

About Public Intelligence

- PI established in 2011 to provide advice, consultancy research and insight to the public sector and its partners.

- Mike Bennett, Director: Former Managing Director of SOLACE; 15 years working with government, local government and other parts of the public sector.

Project aims

- The objective of the research is to investigate the ways in which local authority frontline services have managed to increase productivity over recent years

- To identify drivers of productivity

- To capture learning

- To share lessons with the sector and promote peer to peer challenge and support

Context

- Unprecedented budget reductions

- Tax powers frozen

- Rising demand from communities and citizens

- Predatory competition

- <u>BUT</u> valuable and resilient assets - good governance and management, skilled workforce, strong public sector ethos.

Our approach

- Literature and policy review

- Consultation with wider local government and national policy community

- Case studies - documentary analysis and interviews (face to face & telephone). Explored from within the strategic choices local authorities are making.

- Report being written up, will be informed by today's event, ready for launch in early New Year

What is Productivity?

- Productivity is traditionally defined as the ratio of outputs to inputs.

- Based on a "volumetric" approach taken from engineering

- But this understanding is far too simplistic for modern public services - not like a manufacturing process

- Multiple-factors, not one dimensional

So what do we know?

- APSE's Performance Networks

- 17 years of comparable data

- High quality and longitudinal

- Provides an extremely interesting and rare opportunity to examine how similar services in multiple organisations delivered across the UK have performed over a considerable length of time.

Input costs down

Service cost input change

Service area	Performance indicator	% change since 2009-10 (cash)	% difference since 2009-10 (real terms)
Building cleaning	Cost per square metre for all areas cleaned (excluding CEC)	4	(6)
Education catering	Total cost per lunchtime meal (excluding CEC)	2	(8)
Building maintenance	Total expenditure	1	(9)
Sports and leisure	Net cost per household within catchment area (excluding central/corporate costs)	(10)	(19)
Parks	Total expenditure	(6)	(15)
Refuse collection	Total expenditure	(32)	(39)

Service outputs up

Service output change

Service area	Performance indicator	% improvement since 2009-10
Building cleaning	Square meters cleaned per FTE employee	8
Education catering	Primary meals served per staff hour	8
Building maintenance	Average time to complete a routine repair	24
Sports and leisure	Usage per staff hour	13
Parks	Hectares maintained per FTE employee	12
Refuse collection	Lifts per collection round	10

Case studies

- Wakefield

- Eastleigh

- Swansea

- Fife

Wakefield

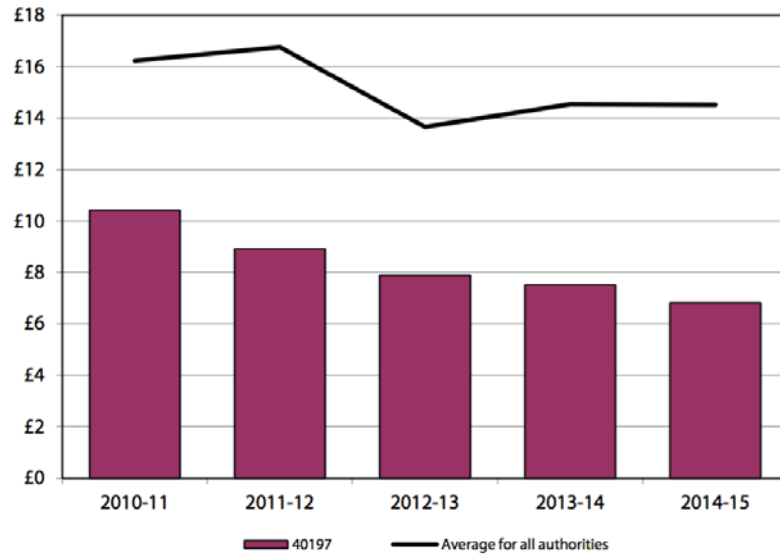**PI 41 Maintenance cost per hectare of maintained land (including CEC)**
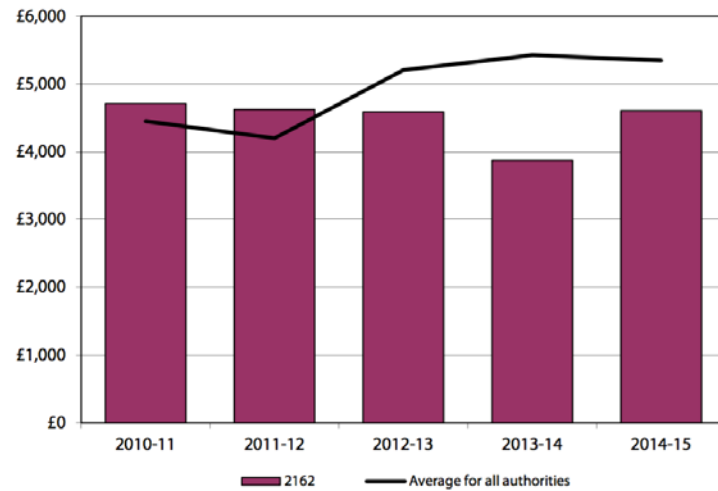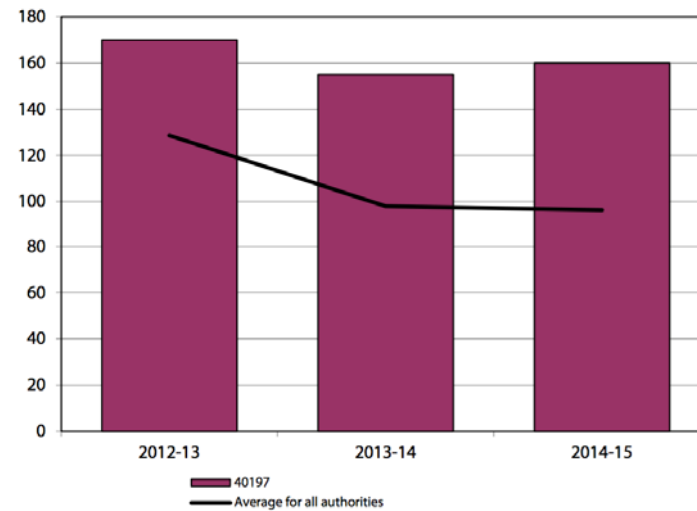

PI 23 Output specification
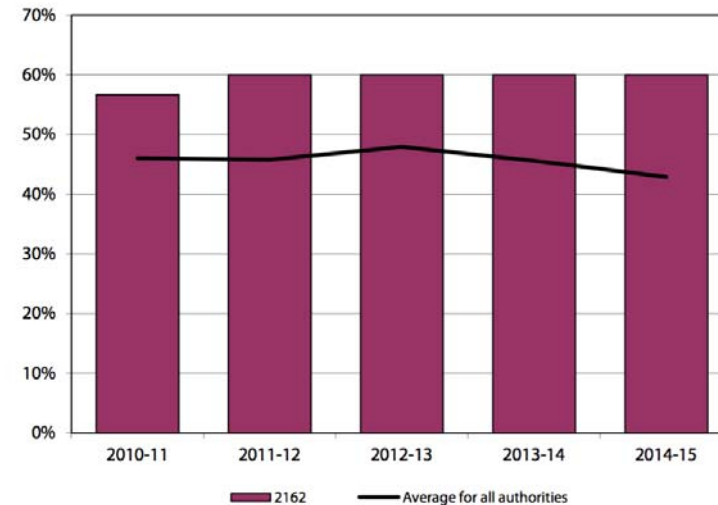
Eastleigh

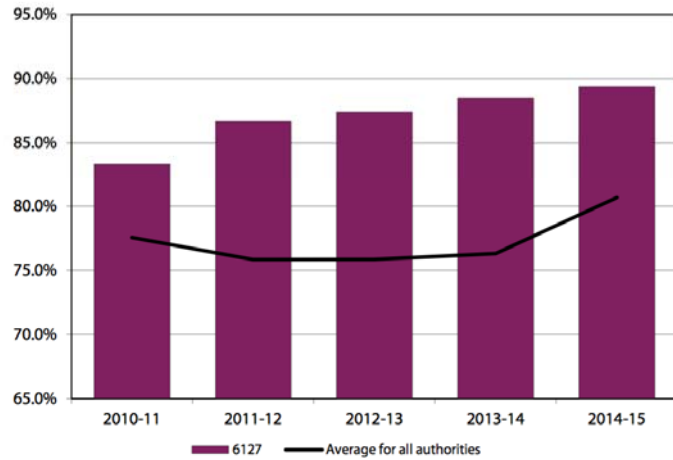**PI 19 Cost of street cleansing service per head of population (including CEC)**

PI 44a - Quality Indicator (England)

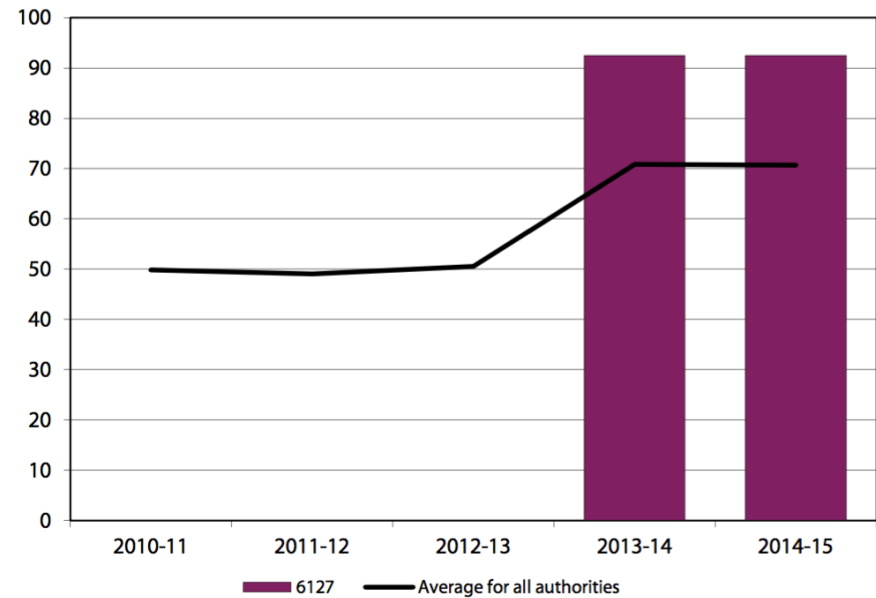# Swansea

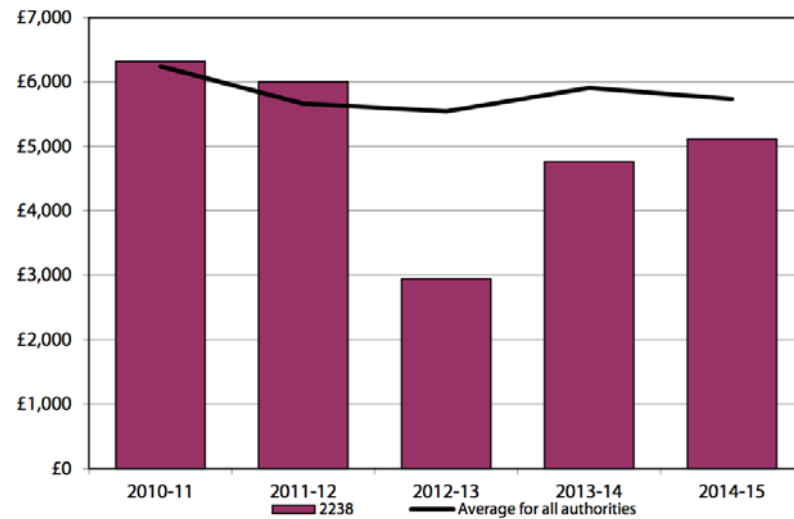**PI 08a Productive labour costs as a percentage of total labour costs**

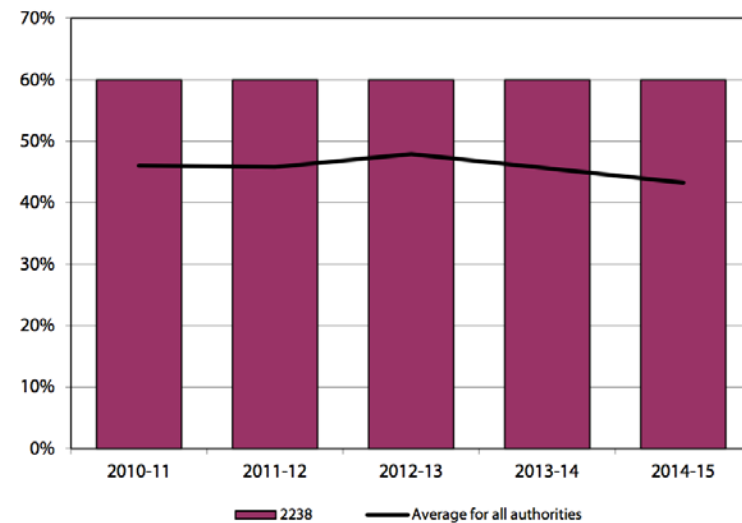**PI 17 Quality assurance and consultation process**

Fife

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

PI 23 Output specification

Lessons from case studies - Systems

- "Two or three years ago we were certainly separate services, we had the former parks department and we had street sweeping which was part of environmental services, I would think it would be fair to say there was a lot of duplication of duties to be perfectly honest"

- "It's all about working a bit smarter and, you know, trying to keep the costs down" (superviser)

Lessons from case studies - People

- "We started bringing in people from outside but also 16-19 year olds who were approaching work with a different perception … it's brought that different dynamic in … and the trade operatives have now become mentors who were able to work with these people and this feeling of satisfaction of passing on their skills to somebody else"

Lessons from case studies - Management

- "We've had some management changes here as well, I think the workforce give a better response and reaction to management that know what they're talking about … that have done the job themselves and understand what they're up against. So I think in a nutshell it's, it's better respect for the people that are running the service."

Lessons from case studies - Team

- "I think it's just better communication, it's involving staff more with decisions that are made throughout the Council, I think they feel as though they're listened to more than they ever were before."

- W1 "No-one wanted it changed did they at first? That's the thing." W2 "No, but now, over the years, I mean everybody can see the benefits of it and everybody feels like yeah, it's a good team."

Productivity in public services

- Multiple factors, not one dimensional:

- people, knowledge and skills

- systems, technology and innovation

- enterprise and competition

- Good management and decision making

- *Team spirit*

Continuous improvement

- Productivity increased significantly over recent years

- In global economy business methods and retail revolutions boosted productivity growth 1980-2005. Stasis since 2005

- Silver lining … mobile digital technology still to impact on frontline services therefore substantial productivity gains still possible

THANK YOU

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