



Slash and burn politics is no substitute for continuous improvement

Mark Bramah, assistant chief executive, the Association for Public Service Excellence, says those who want to slash public spending should look at evidence rather than anecdote

The current political debate about public spending cuts is very reminiscent of the hair shirt days of the early 1980's when cutting public spending was the article of faith of every zealot across the land. It ushered in an age of private affluence and public squalor from which we have spent the last decade recovering.

Tony Travers has argued in *Public Finance* (14th January 2010) that you cannot continue to provide the current level of public services with USA-style tax levels. There is of course a huge irony in that those who argue for deep cuts in both public spending and in the numbers of staff employed in delivering front-line services don't seem to comprehend that public spending and public debt inevitably rise during a recession and always have.

Further cuts to local government services and sacking many thousands of public servants will not reduce the costs to the public purse but actually increase them as lost tax revenues and increased benefit payments, as APSE's recent research for the TUC, *Speaking up for Public Services*, shows. This research also demonstrates that public spending in local economies can have a direct impact on hard-pressed public finances and £1 of public spending can generate £1.64 in local economies. So cutting spending on public services actually has exactly the opposite effect of what it aims to achieve.

The current mood music of all the public service Cassandras seems to drown out any ensemble of reason and the mantra of public sector waste and inefficiency is repeated over and over again with little or no proper analysis or evidence provided.

Has the culture of continuous improvement and best value, which has been such an important driving force in public services reform and modernisation, really become obsolete? What does the hard evidence – as opposed to anecdote and scaremongering – suggest?

For a start, Treasury officials confirmed last year that the public sector had made £26.5bn genuine efficiency savings since the Gershon programme began in 2004.

APSE's performance networks benchmarking service has been collecting performance data on a range of "front-line" public services for 11 years. While it is always difficult to define absolute or linear trends, there is sufficient evidence of improvement across a whole series of performance indicators covering cost, productivity, quality and customer satisfaction to be able to draw some definitive conclusions about the improvement agenda in public services.

Before knee-jerk responses to a crisis caused by the banking sector mean the public sector gets slashed, let's look at some examples of the real data of what the culture of continuous improvement, backed by effective management systems that has been promoted by both central and local government, has delivered in some actual service.

Education catering – In 2008/09 the average total service cost per school meal has remained at 2007/08 figure of £2.51 with a fall in costs in Scotland from £2.79 to £2.62. Whilst costs have been falling, productivity has been rising with the number of meals served per staff hour in primary and special schools increasing by 0.4 to 8.7 in England and by 0.9 to 9.5 in Wales. This is despite the rise in direct labour costs as a result of a number of factors including historic equal pay liabilities.

Winter maintenance – The annual cost of salting a km of road increased dramatically in 2008/09 by over 28% from £1,575 to £2,204 which can be attributed directly to bad winter weather and heavy snowfalls. Yet the actual cost of salting planned routes per km of road went down from £25.54 in 2007/08 to £23.49 in 2008/09 a fall of 9%. This is despite an increase in the number of planned pre-salting runs per annum of 32.4% from an average of 74 runs to 109.4 runs in 2008/09. What this illustrates is that despite massive pressures and unavoidable costs arising from incidences of bad weather, local authority service providers have continued to deliver an efficient and highly productive service.

Parks and open spaces – Local authority horticultural services have been particularly frugal in managing costs over the years with the cost per hectare of maintained land rising by around 5% over a four year period from 2004/05 to 2007/08 but still below the rate of inflation. However, over the past year (2008/09) costs have increased by around 13% to £6,470 per hectare which is partly explained by higher levels of investment by local authorities in public realm services and improvement in standards measured in terms of output specification scores which have risen from 49% in 2007/08 to 52% in 2008/09. At the same time labour productivity measured by the number of hectares maintained per full-time employee has increased from 7:14 in 1998/99 to 8:38 in 2008/09, a 15% increase. There is also declining staff absence in the industry with the % staff absence falling over the past year 2008/09 from 5.57% to 4.71%.

Sports and Leisure Management – Performance Networks data shows that over the past 2 years opening hours of facilities have increased on average by 2% and this is matched by an increase in facility usage. In difficult economic times the average customer spend per head has improved slightly from £2.41 to £2.45 and the operational recovery ratio has gone up from 61.93% to 62.50%. The data shows increasing opening hours and usage,

evidence of reducing subsidies in real terms and increased efficiency in the recovery of expenditure through customer receipts.

When you look at real life performance data on front-line local government services, the evidence presents a different picture than the usual commentary on the inefficiency of public services. Many of the efficiency and productivity gains achieved by managers and the workforce have been at a time of significant cost pressures through the rising demand for services such as winter gritting and new statutory and regulatory requirements - such as the need to improve the dietary standards of school meals and improve health outcomes for the wider population.

It is all too easy to parrot the language of cuts and inefficient public services, but the reality is rather more complicated – local public services striving to meet the challenges of delivering more for less in uncertain times with increasingly uncertain prospects.

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