



Building Cleaning: Trend analysis 2017/18

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 decreased from £15.19 in 2016/17 to £14.31.
- From the data reported in 2013/14, productivity has increased by circa 100 square metres per FTE to a 5 year high of 1,601 square metres.
- The number of new starters in 2017/18 has declined to a 5 year low of 5.65%. However, this is more than offset by the reported increase in productivity.
- Staff absence (excluding long term sickness) is marginally up on last year by 0.28 % but the five-year trend remains low.

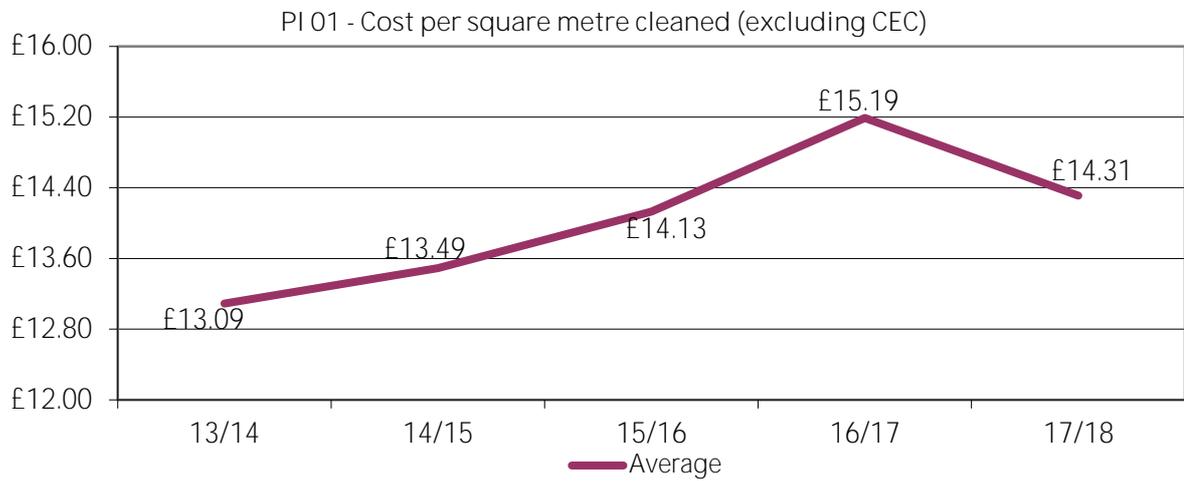
Overview

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 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.

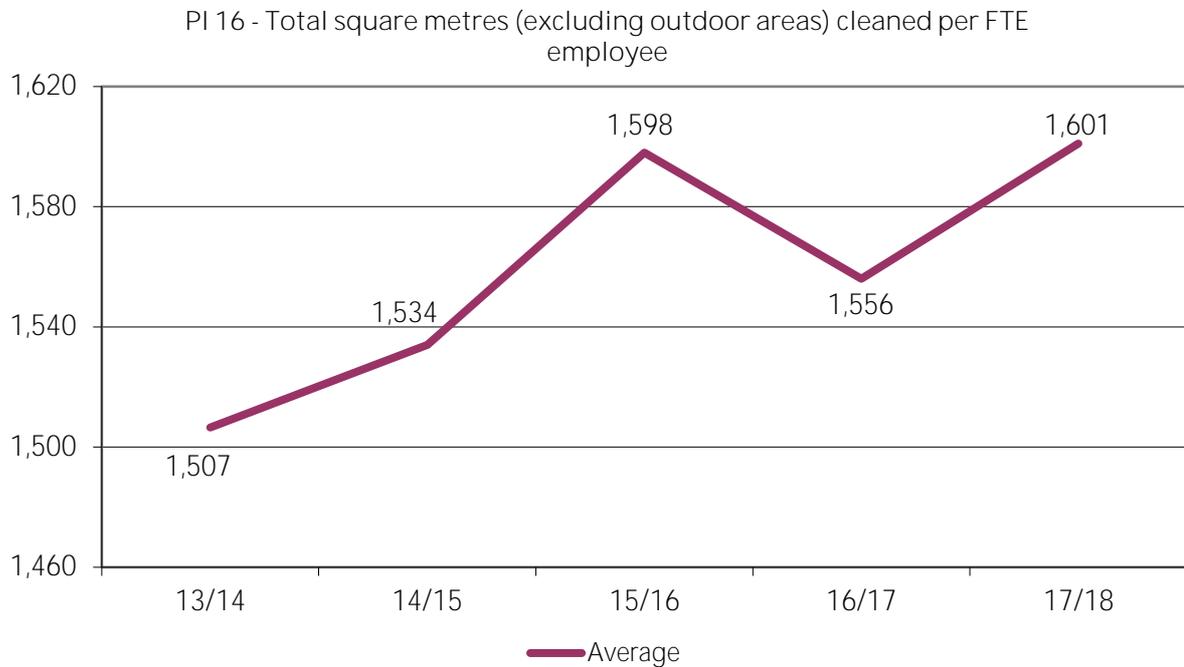
Costs

The service has seen its first fall for 5 years in the cost per square metre cleaned, supported by further improvements in productivity which have off-set the **'minimum and living wage'** increases over the previous four years.



Productivity

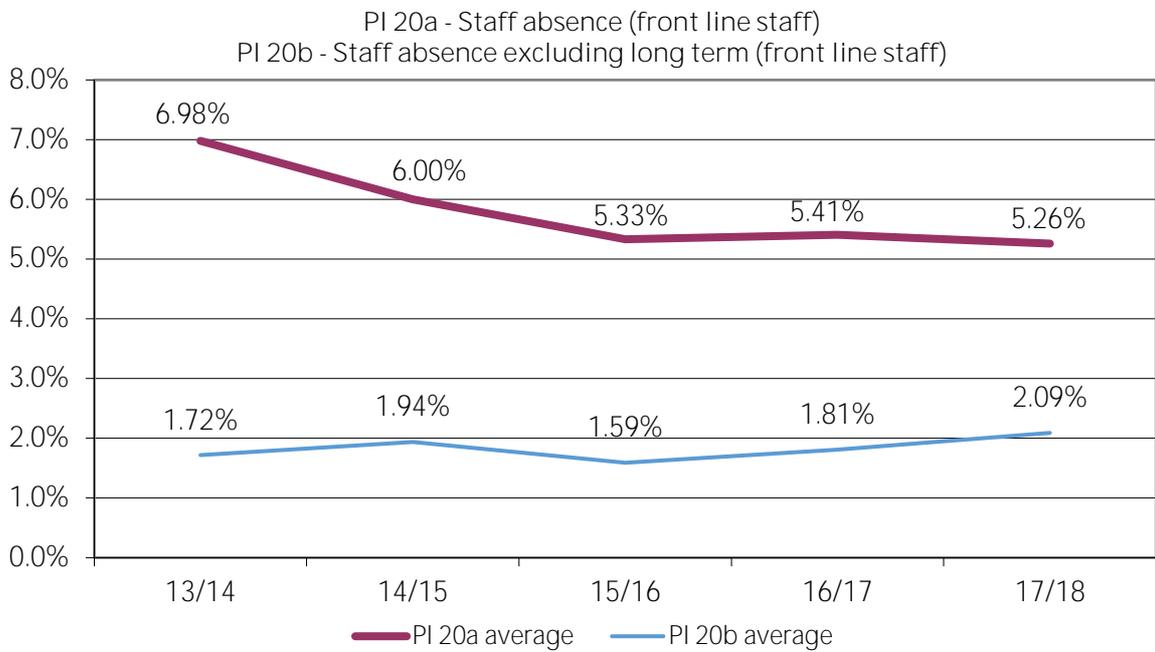
The total number of square metres cleaned per FTE employee (PI 16) shows a return to the long-term trend of improvement which, at 1601 is nearly 100 metres per FTE up on that reported 5 years ago.



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 perhaps, new) office buildings and schools, as a target for improved efficiency, in part, through a move toward team cleaning, 'output' specifications' and the increasing use of new mechanical and robotic equipment.

Staff absence

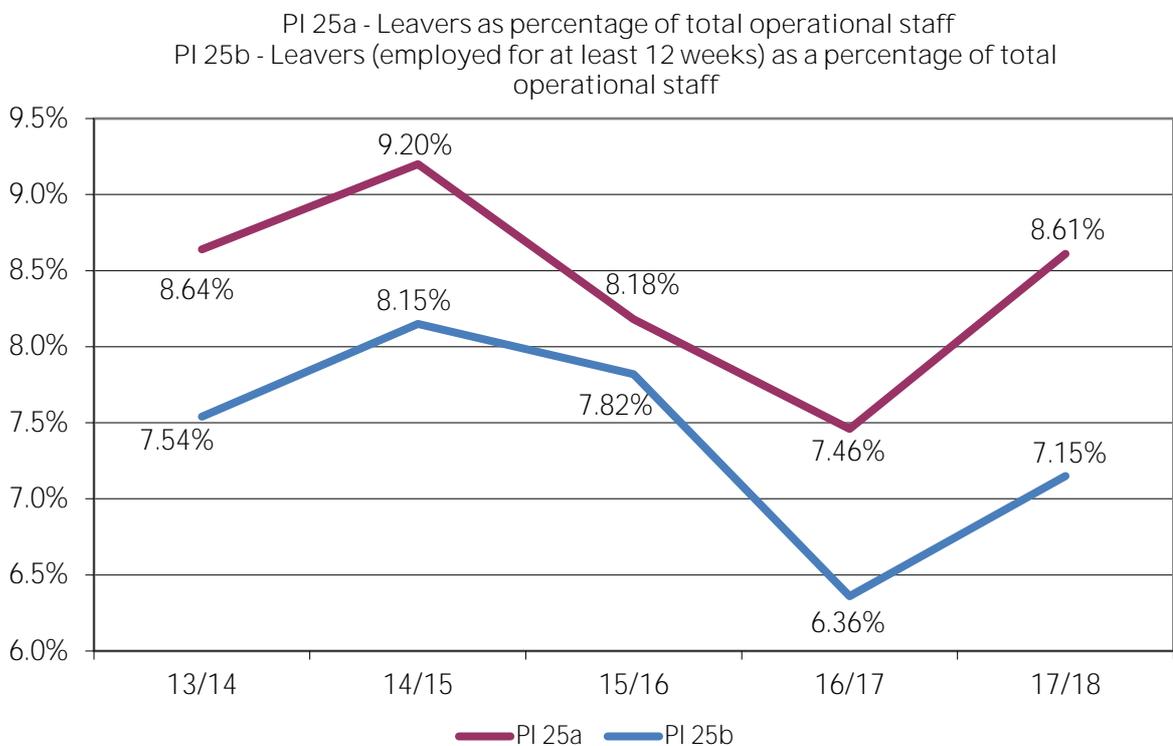
Whilst frontline staff absence (PI 20b – excluding long term sickness) suggest a notable rise against the previous 4 years, the percentage rise (at circa 0.3%) is marginal in the context of all front-line staff (PI 20a) which now, at 5.26%, is at the lowest level reported in the last 5 years.

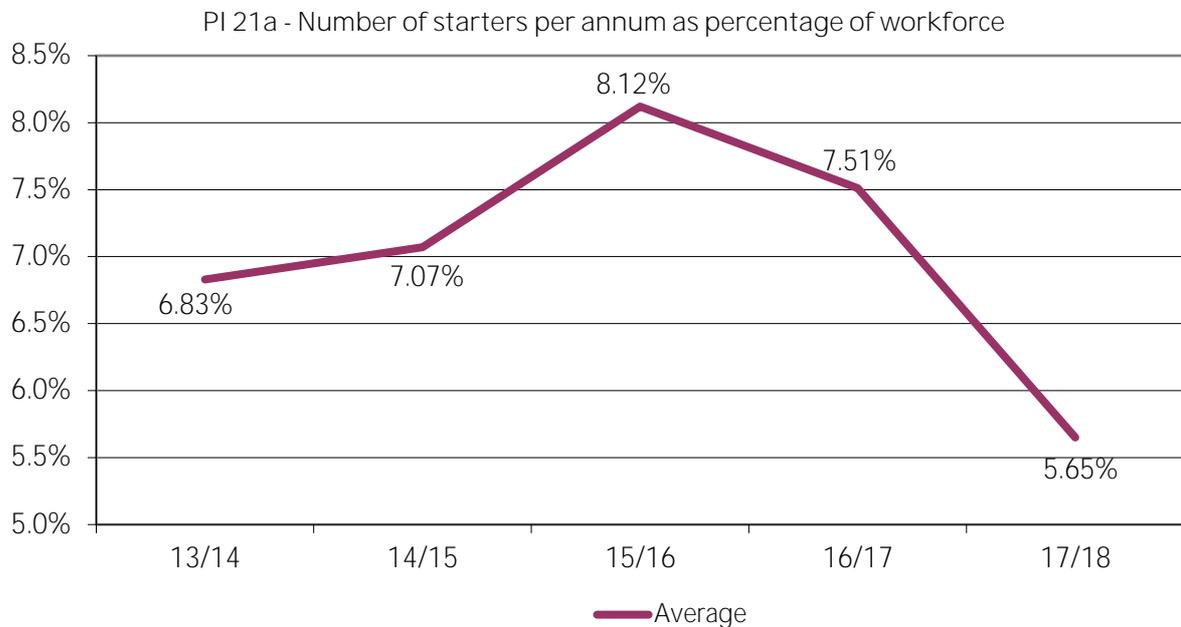


Starters and leavers

Whilst 'leavers' in 17/18 are broadly in line with the 5-year average, there has been a sharp decline in new starters over the last two years, which at 5.65% is well below this 5 year average and the level of leavers in 17/18.

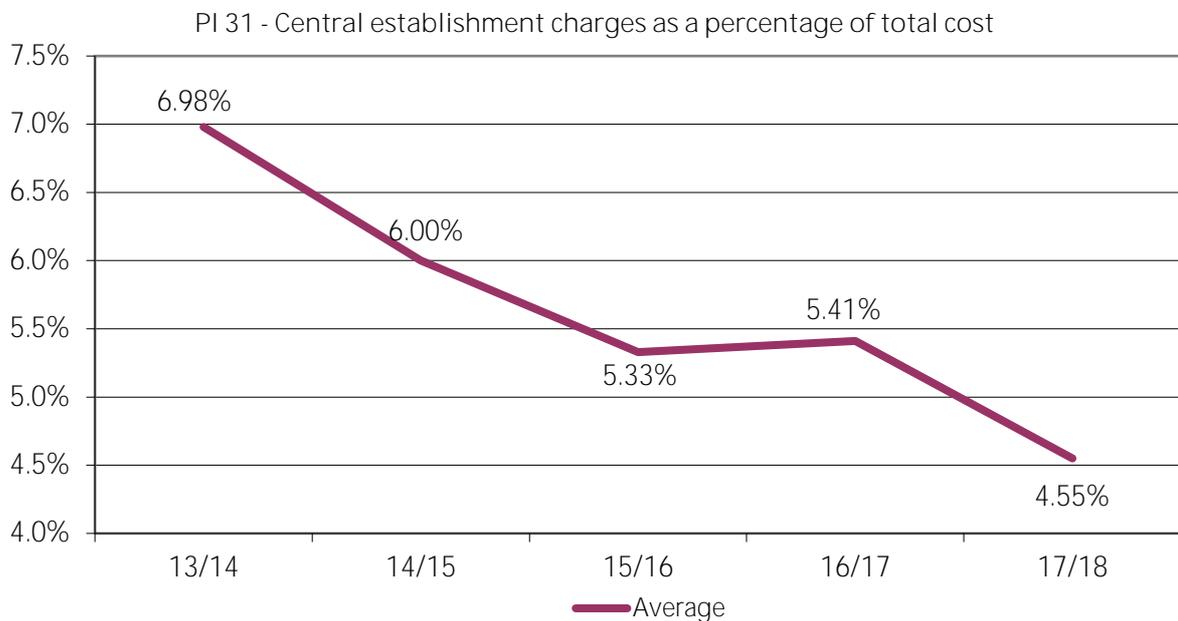
Supported by improvements in recruitment, induction and training processes for new and existing staff, and increasingly by the introduction of new material and equipment technologies, 'natural wastage' through 'leavers' has clearly been used to introduce and secure productivity gains in this service.





Other cost and ratio indicators

Last year, we reported a marginal increase in central establishment charges (CECs) which remained relatively high compared with other FM services. Data for 17/18 has been calculated only across those authorities who submitted CEC data in recent years and therefore properly reflects the continued downward trend on this PI. We would however note that under recent CIPFA guidance, local authorities are no longer 'required' to allocate CECs to their trading operations and only 70% of 17/18 submissions contained these charges. APSE will however, continue to produce high level 'cost PIs' including and excluding CECs, allowing those Authorities who continue to apply them, to track this PI over time.



Given that some local authority providers report 'departmental/admin costs' as or within their CEC charges, it should be noted that the combined average for 2017/18 at 5.79% has hardly moved from the 5.78% reported in 2016/17 which never the less, remains as the lowest level in the last 5 years.

Cleaning materials costs as a percentage of total service expenditure continues to fall, with data for the last 3 years being 2.95% in 2015/16, 2.59% in 16/17 and 2.48% in 17/18. These outcomes include the still small number of Authorities who apply 'chemical less' cleaning principles in their service.

Cleaning equipment costs have risen marginally to 1.19% from last year's low of 0.84%, the highest percentage spend across all submissions in 2017/18 being 2.94%. Capital charges reported in the year do however support wider evidence of investment in robotic and other mechanical equipment in the continued drive on productivity in this service.

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 have also highlighted plans to explore more efficient use of mechanical and robotic cleaning equipment which are now known to be in effective use by some authorities.

Analysis of individual authority data highlights the positive effect of capital investment in new technologies which coupled with a focus on general and associated staff training, has no doubt supported the continued trend in productivity reported in PI 16.

Labour costs continue to remain a key driver in the delivery of this service but some stabilisation following the introduction of national and living wage increases over recent years, together with the effective planning for efficiency linked to staff turnover, appears to have stemmed the rise in service costs – reflected in PI 01 above.

We reported last year that pension regulations still afford external providers a competitive advantage in **labour cost terms, making 'people', relationships and 'quality' key drivers in growing and retaining work** in this service. The private sector will not be slow in researching and investing in new technologies which is in, and must continue to be part of, effective planning and investment by local authority providers.

Process benchmarking

Individual authorities will no doubt have identified a wide range of reasons for any change in their own performance outcomes but understanding how comparative data can be used to inform improvement is at the heart of the Performance Networks programme.

In addition to the key and other performance indicators reported by the programme, the collection of a significant **range of 'profile data' is designed to support the rationalisation of cost and other outcomes and enable effective 'process benchmarking' between local authority providers across the UK.**

In the building cleaning reports, profile data includes (but is not limited to):

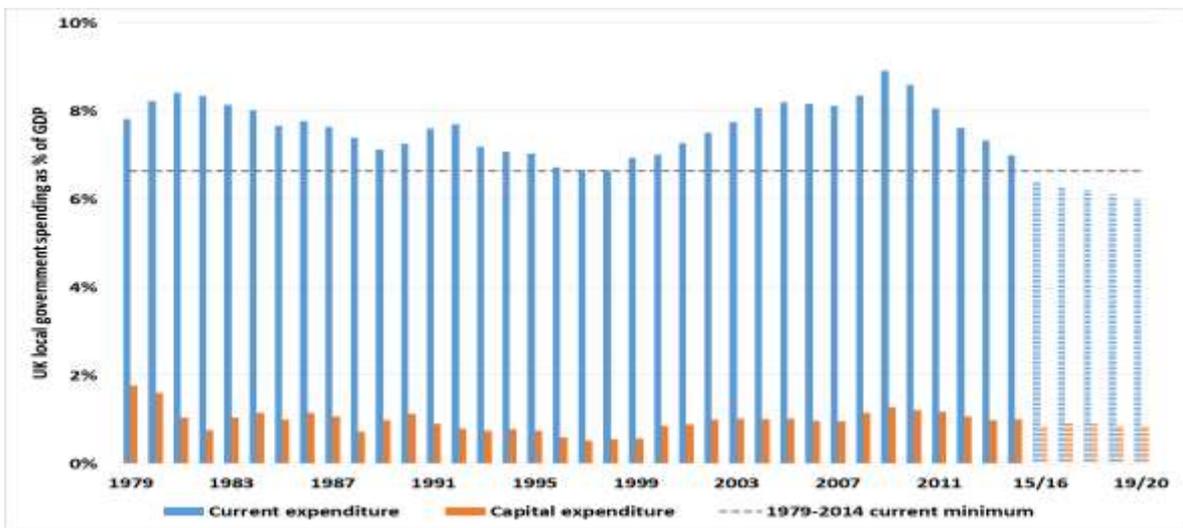
- Productivity and standard hourly charge out rates (across a range of cleaning functions)
- **Information on 'stand-alone' or 'FM' structures and delivery**
- The number and type of buildings operating under input and output specifications
- Average training days per FTE.

In this respect, APSE will continue to develop and reflect regional and national targets and 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

Local government is facing uncharted waters in terms of Local Government Finance. By 2020 overall UK spend on Local Government will be 30% less than in 2010 and will be smaller than at any point in over 70 years, since 1948.

UK local government spending as a share of GDP: current spending, already below the 1979-2014 minimum, is projected to go on falling to 2020.



Sources: Office for National Statistics to 2014. ; Office for Budget Responsibility *Economy and Fiscal Supplementary Tables* (tables 1.2 and 2.35)

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, SCOTSS (Trading Standards), NABMA (Markets), LACA and the Department for Education (Catering), Ministry of Housing, Communities and Local Government (Parks Action Group) and 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.

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 can meet 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. Three sets of reports for the Northern Ireland project have now been successfully produced; for 2015-16 to 2017-18.

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 24 and 25 January 2019. [For further details and to book your place - click here](#)

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