



CQC EFFICIENCY NETWORK RESULTS 2017  
LINCOLNSHIRE COUNTY COUNCIL

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## INTRODUCTION

This report summarises your authority's results in the latest round of analysis undertaken by the CQC Efficiency Network.

The current focus for analysis by the Network is Road Carriageway Maintenance, it uses expenditure data and other data collected by authorities, for an eight year period from 2009/10 to 2016/17.

The CQC statistical methodology is designed to take account of factors outside an authority's control that are affecting their costs so that they can be compared with others. It does this by taking account of each authority's individual characteristics and circumstances including their size, service quality and customer perception and evaluates how these affect the cost of their activities.

Taking these adjustments into account for every authority in the study, the CQC statistical model is able to identify the authority that is operating at minimum cost given its size and quality characteristics. Once this minimum cost is established the model can be used to forecast a 'Predicted Minimum Cost' for every authority in the network. This means each authority has its own 'Predicted Minimum Cost' and this provides a unique benchmark for each authority, which takes into account its individual characteristics.

Included within this report are details of the Actual Costs you provided and the 'Predicted Minimum Costs' computed for your authority when compared with an 'efficient' authority with average characteristics, 'Benchmark Authority'. How close your authority is to its 'Predicted Minimum Cost' is represented in this report in percentage terms as a 'CQC Rating'. In theory authorities can realise efficiency savings by closing the gap to their 'Predicted Minimum Cost' and improving their 'CQC Rating'.

Comparing the gap between your authority's 'Predicted Minimum Costs' and Actual costs provides a measure of your 'scope for improvement'. In reality, not all these potential savings can be realised for a variety of local practical, political and logistical reasons. It is also possible that your authority's 'scope for improvement' does not take full account of the unavoidable costs which are outside of your control locally, because they are not currently allowed for in the model.

## CQC RESULTS

Your authority's results in the latest round of CQC Analysis for Road Carriageway Maintenance are summarised below. This year, the results are expressed in terms of cost (£/km) and as percentage scores (CQC Ratings), and show how close you are to achieving your 'Predicted Minimum Cost, the minimum theoretical cost the analysis has determined for delivering your current service.

### ACTUAL AND PREDICTED MINIMUM COST RESULTS

The figures below show Actual Costs and Predicted Minimum Costs for your authority expressed in terms of £/km of road carriageway maintained for each of the years that you supplied TOTEX data, less investment (if any).

The 'Actual Cost' figures are based on the cost data you supplied and the 'Predicted minimum Cost' figures have been derived from the analysis and are based upon transforming the 'Benchmark Authority' Cost to a 'Predicted Minimum Cost' for your authority to reflect your authority's characteristics and service delivery. This is done by making adjustments to cost for your size, traffic volume, road condition, wages and public satisfaction.

Measure	2010	2011	2012	2013	2014	2015	2016	2017
Predicted Minimum Cost (£/km)	£2,172	£1,941	£1,624	£1,866	£2,416	£997	£3,036	£2,788
Actual Cost (£/km)	£2,788	£2,093	£1,664	£1,976	£2,505	£997	£3,358	£2,962

### CQC RATINGS RESULTS

CQC Ratings are percentage scores used to quantify the difference between Actual Cost and Predicted Minimum Cost, they provide some indication of an authority's the scope for improvement.

Your Ratings results are summarised in two gauges below. Both figures are based on a trend analysis of your Rating scores over time to smooth fluctuations in the scores between individual years. The 'Current CQC Rating' gauge shows your authority's CQC Rating Trend for most recent year available, and the 'Change in CQC Rating' gauge shows the percentage change in your CQC Rating Trend scores over the period of the analysis.

CURRENT CQC RATING

CHANGE IN CQC RATING

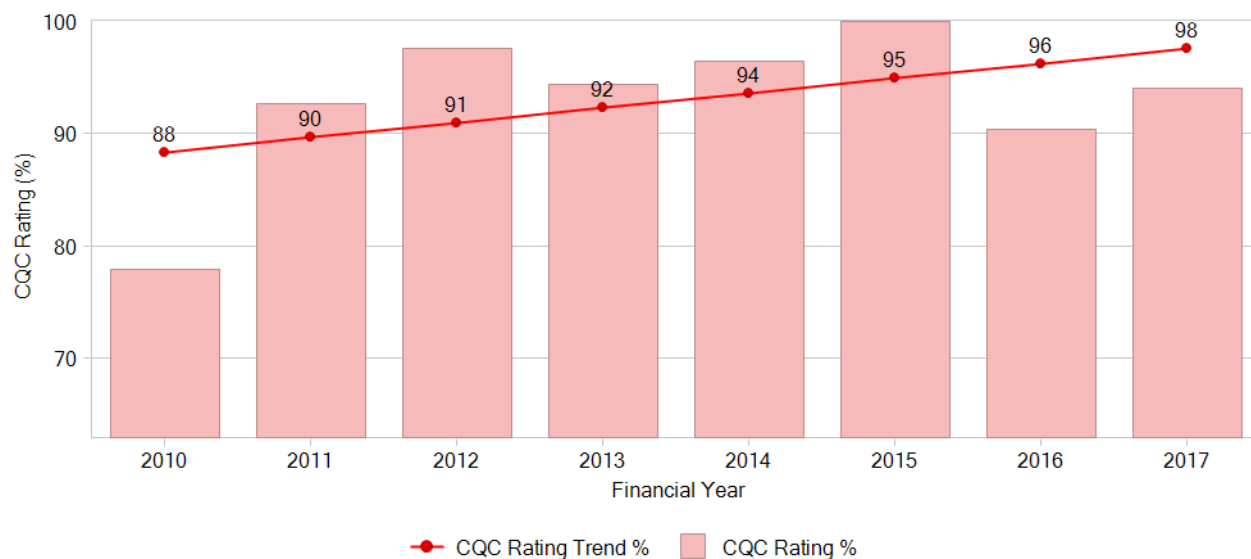
98%

10%

The table below shows your authority's CQC Rating and CQC Rating Trend scores on an annual basis.

Measure	2010	2011	2012	2013	2014	2015	2016	2017
CQC Rating %	78%	93%	98%	94%	96%	100%	90%	94%
CQC Rating Trend %	88%	90%	91%	92%	94%	95%	96%	98%

Your CQC Ratings for each year you provided data are shown on the graph below. These results are also shown using a statistical trend line which smooths out fluctuations in your scores over time.

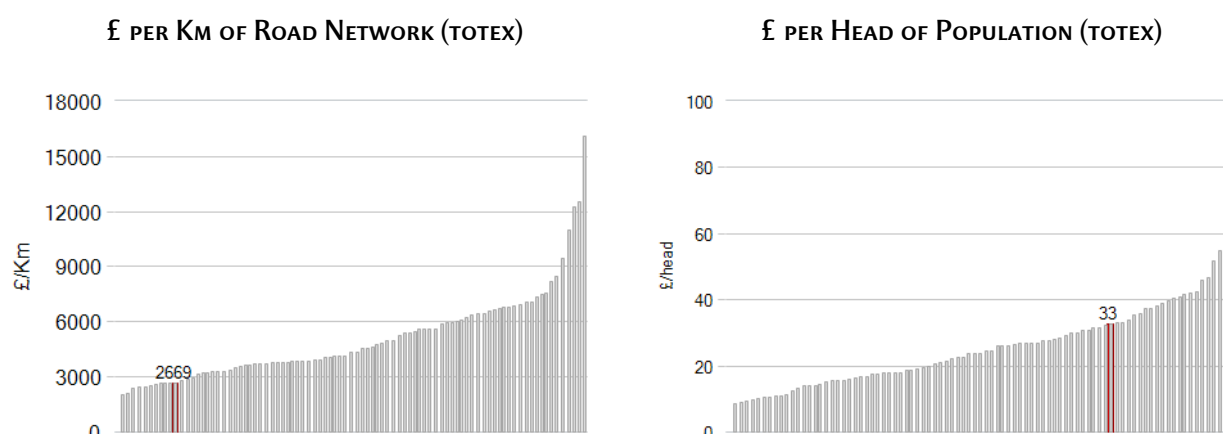


Please note that it is possible that your authority's CQC Rating may not take full account of the factors outside your control that are affecting your costs locally, because they are not currently allowed for in the model.

## LIMITATIONS OF TRADITIONAL BENCHMARKING

The sector has been trying to compare costs of operations for many years using conventional benchmarking methods, with comparisons based on metrics like £ spent per kilometre of road network or £ spent per head of population. The main issue with this sort of comparison is that performance of an individual authority can differ significantly depending on the de-nominator used.

The following charts illustrates this issue using data you have provided; it shows your respective rankings, averaged across all the years for which you have supplied data, against the other authorities in the Network (the smaller the bar the better the ranking).



The results shown in the graphs above are summarised in the table below. This table also shows the highest, average and lowest cost for each metric.

Question	Lincolnshire County Council	Rank of 88	Lowest Cost	Average Cost	Highest Cost
TOTEX - £ per head	£33	67	£9	£26	£97
TOTEX - £ per km	£2,669	11	£2,058	£5,048	£16,126

## CQC METHODOLOGY

The CQC statistical methodology is designed to take account of factors outside an authority's control that are affecting its costs so it can be compared with others. It does this by taking account of each authority's individual characteristics and circumstances including size, service quality and customer perception and evaluates how these affect the cost of its activities. The cost adjustments that have been applied for your Authority are set out in separate report.

Using these adjustments for every member in the Network, the CQC model is able to identify the authority that is operating at minimum cost given its size and quality characteristics. Once this minimum cost is established the model can be used to forecast a theoretical minimum cost for every other authority in the network. As a result, each authority has its own minimum cost and this provides a unique benchmark for each authority, which takes into account its individual characteristics.

## Disclaimer

While every effort is made to ensure that the content of the CQC reports is accurate, CQC is an evolving methodology and the results are very dependent on accurate data being submitted by all participating authorities. measure2improve (m2i) and The University of Leeds (UoL) can only use the data as supplied by participating authorities and the content of these reports is provided in good faith.

Nothing in these reports should be taken to constitute professional advice or a formal recommendation and we exclude all representations and warranties relating to the content and use of these reports.

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