

Cabinet (Performance Management) Panel

27 February 2017

Report title	City Scorecard, Corporate Plan and Outcomes Based Planning Update	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Milkinder Jaspal Governance	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Keith Ireland	
Originating service	Insight and Performance, Communications	
Accountable employee(s)	Ian Fegan	Head of Service - Communications 01902 554286 Email Ian.Fegan@wolverhampton.gov.uk
	Helena Kucharczyk	Insight and Performance Manager 01902 555440 Tel Email Helena.Kucharczyk@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	17 January 2017

Recommendation(s) for noting:

The Cabinet (Performance Management) Panel is recommended to:

1. Note progress to date and endorse the development of QlikView corporate performance applications.
2. Note progress to date and endorse the council's approach to implementing a new outcome-based planning corporate performance framework.

1.0 Purpose

- 1.1 The purpose of this report is to update Cabinet (Performance Management) Panel on the progress that has been made to develop an oversight and monitoring system for corporate plan priorities and other key performance indicators in QlikView and the work that has been carried out to define and implement the council's approach to outcome-based accountability.

2.0 Background

- 2.1 In September 2016, a report was presented to Cabinet (Performance Management) Panel which outlined the:
- progress that had been made in delivering a three-year outcome-based corporate plan
 - development and implementation of an outcome-based accountability approach which would support the delivery of corporate plan objectives
 - plans to develop a visual model which would ensure that the outputs of this work was usable and accessible.
- 2.2 Plans to develop a 'City Scorecard' and to finalise key performance indicators which would be used to monitor Corporate Plan delivery were also outlined.

3. Overview

- 3.1 As outlined in the previous report, the council is currently in the process of rolling out and embedding an Outcome-Based Accountability (OBA) and Outcome-Based Budgeting (OBB) approach to business planning and performance monitoring. OBA and OBB will help underpin the organisation's approach to strategic planning, ensuring decisions are evidence-based, are explicitly linked to corporate priorities and that their delivery and success is measurable. See Appendix one for more information on the theory and principle of OBA and OBB.
- 3.2 Since September, this approach has been significantly refined following advice and guidance from a specialist consultant in this area. Whilst directorates submitted all of their performance measures by the end of September 2016 deadline, work is now progressing to embed a deeper understanding of out-come-based planning with heads of service and to build an understanding of the performance framework that needs to sit underneath it.
- 3.3 The City of Wolverhampton Council's approach to OBA and OBB will involve the delivery of several products, tools and processes. These include:
- An outcome-based corporate plan with clear links to the City's Vision 2030
 - Business plans with clear outputs and links back to the corporate plan
 - A clear understanding of the inputs in terms of costs and resources that go into delivering individual outcomes

- A City Scorecard which details key measures that are published nationally and allow The City of Wolverhampton Council's performance to be understood in the context of regional and statistical comparators
 - A suite of meaningful measures that demonstrate clear outcome delivery, and enable the monitoring of progress and inform decision making
 - A Qlikview application which ensures that OBA products are accessible to managers.
 - A robust, end-to-end business case process which encompasses the elements listed above
 - A programme of training which will enhance the analytical capability of employees.
- 3.4 This is a major culture change for the organisation and will take 2-3 years to fully embed. This work is being carried out in stages to ensure that the principles are fully embedded within the day-to-day work and decision making of officers, managers and leaders.
- 3.5 Dr. Tony Munton, a consultant with experience of implementing this approach in other council's (including Leeds City Council) and central government is working with the Insight and Performance team to develop and implement the approach with phase two due to be implemented over the coming weeks.

4. Progress so far (including demonstration)

- 4.1 The OBA work was started in February 2016 with the development of an outcome-based corporate plan. This was followed by a detailed piece of work which identified outputs by service areas and linked them to the outcomes identified in the corporate plan.
- 4.2 In order to demonstrate the links in a practical and accessible way a model has been built in QlikView which managers will be given access to. This model enables business plans which contribute to individual outcomes in the corporate plan to be easily identified and interrogated. Similarly, it allows individual business plans to be interrogated in order to easily identify which outcomes a particular service is contributing to.
- 4.3 This model will ensure that when projects and transformational programmes are being planned and set up, all appropriate stakeholders are involved and their contributions understood.
- 4.4 A City Scorecard is also in development and is included in the QlikView model. The City Scorecard uses nationally published indicators relating to a number of overarching themes to provide an overview of Wolverhampton's performance in relation to regional and statistical neighbours. This will form the basis, alongside local indicators and KPIs, of a quantitative evidence base which managers can access to inform evidenced based decision making.

- 4.5 There is also a 'Councillor area' in the City Scorecard which will provide a portal for councillors to access information about their ward or portfolio.
- 4.6 Following feedback received by David Smith who reviewed the Council's progress against the recommendations from the previous LGA Peer Review in December 2014 that there were not clear links between the council's corporate plan and the objectives outlined in city's Vision 2030 document, a further piece of work has been undertaken to ensure that the links between the two documents are more explicit in the corporate plan.

5. Next Steps

- 5.1 The next phase of OBA work will see the outputs refined, relevant performance measures identified and current budgets and resources mapped to outputs, using the methodology outlined above. When complete this will enable senior managers and councillors to understand the cost of delivering the council's strategic objectives compared with the value that is produced and support evidenced based decision making.
- 5.2 Three areas have been identified to test the methodology:
- Enterprise (Isobel Woods)
 - Children in Need and Child Protection (Julian Cunningham)
 - Corporate communications (Ian Fegan).
- 5.3 These areas, one from each directorate, have been selected as they represent a significant part of council services, have very different remits and have business plans that are in different stages of development.
- 5.4 A briefing has been planned with the relevant service directors and their management teams in the next few weeks where the approach will be outlined. Following that, individual workshops will be set up with the three heads of service and their managers to apply the methodology to their individual business plans. The results of this work will be loaded into the QlikView model where they will be used as examples of best practice.
- 5.5 Following completion of the work with the three test areas, the programme of workshops will be rolled out with other heads of service in the organisation – a more detailed timeline will need to be developed but it is anticipated that this work will be completed by the end of June.
- 5.6 In addition to the workshops to be held with Heads of Service, a workshop will also be held for key services such as Insight and Performance, Finance, Projects and Programmes, Workforce Development and Business Managers so that they understand

and make best use of the approach. This will ensure that the council's approach to transformation is fully joined up and adheres to OBA and OBB principals.

- 5.7 To support the principle of evidenced-based decision making, a suite of training - designed to enhance the analytical capability of the organisation - will also be developed and implemented. This will ensure that employees at all levels of the organisation understand how they contribute to the delivery of the council's strategic objectives and that they have the required skills to use data, information and evidence in an appropriate and informative way when making decisions.
- 5.8 Ultimately, this work will lead to more robust, evidence-based decision making, ensure that business cases for savings or 'invest to save' requests fully outline the cost vs benefits of any proposals and ensure that the implementation and outcome of business cases are fully measured and monitored. It will also ensure that all business cases are explicitly linked to the council's strategic objectives.

6. Impact on Wolverhampton council and / or city

- 6.1 Improved effectiveness and efficiency by improving business planning, evidence-based decision making, organisational consistency, standards and performance in this area and reducing duplication.
- 6.2 Improved transparency of business planning, creating opportunities for more effective scrutiny and greater accountability.

7. Financial implications

- 7.1 As was previously reported to Cabinet Performance Management Panel on 19 September 2016 the cost of the QlikView application development has been funded from an Insight and Performance employee budget underspend. The cost of the consultant supporting the embedding of an outcomes based planning approach within the Council will be met from the Transformation Reserve. There is an existing approval to transfer £100,000 from the Transformation Reserve for outcome based planning work.
- 7.2 Review of the performance measures through the 'Wolverhampton Scorecard' will form an integral part of budget monitoring. Where there are areas of underperformance there is often a direct impact on the budget and medium term financial strategy. The impact is assessed and monitored on a case by case basis and fed in to the budget process.

[GE/18022017/K]

8. Legal implications

- 8.1 There are no direct legal implications
[TS/17022017/B]

9. Equalities implications

- 9.1 Underpinning some of the principles of OBA and OBB is ensuring good practice in customer engagement. Additionally, the need to complete a detailed equalities analysis in putting forward any business case will be embedded into the new processes.

10. Environmental implications

- 10.1 There are no direct environmental implications

11. Human resources implications

- 11.1 There are no direct human resources implications. However, the implementation of OBA and OBB principals will enable and be underpinned by robust workforce development.

12. Corporate landlord implications

- 12.1 There are no direct corporate landlord implications

13. Schedule of background papers

13 September 2016 - City Scorecard, Corporate Plan and Outcomes Based Planning Update (Scrutiny Board)

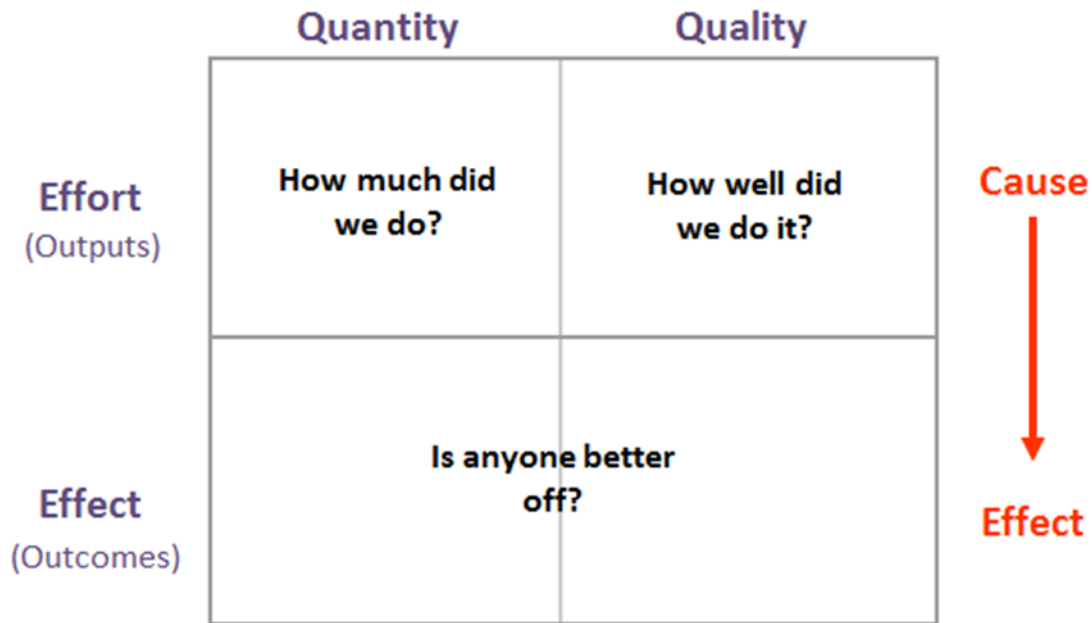
19 September 2016 - City Scorecard, Corporate Plan and Outcomes Based Planning Update (Cabinet Performance Management Panel)

17 January 2017 - Outcomes Based Accountability – progress so far and next steps

Appendix A

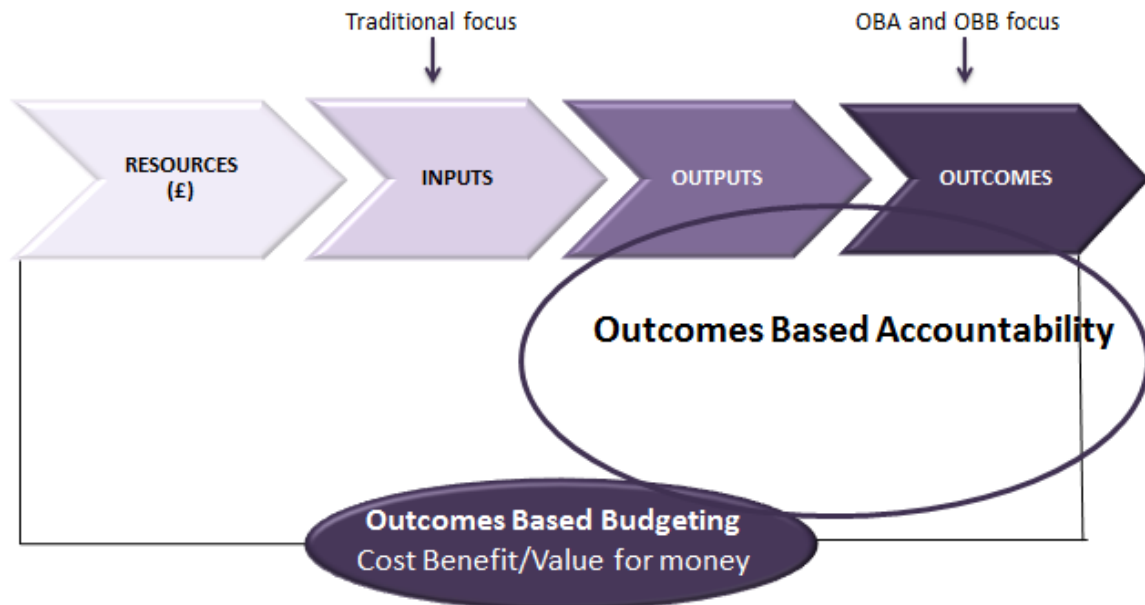
Theory and Principles of Outcomes Based Accountability and Outcomes Based Budgeting

- a1. OBA and OBB are essentially methods of using performance data to do two things: (1) to monitor systematically the delivery of services; and (2) to develop budget plans that show how spending makes a difference to people's lives.
- a2. Both OBA and OBB are based on widely accepted principles of good practice in public sector service delivery.
- a3. OBA is an approach to planning services and managing their performance that focuses attention on the results – or outcomes – that services aim to achieve. It is entirely consistent with the approach put together by the National Audit Office, Audit Commission, Cabinet Office, Office for National Statistics and HM Treasury.
- a4. It is a way of securing strategic and cultural change: moving organisations away from a focus on 'efficiency' and 'process' as measures of value in their services, and towards achieving better outcomes for the adults, children and families in their communities as the primary purpose of their organisation and its employees.
- a5. Further distinguishing features of the approach are:
 - The use of simple and clear language
 - The collection and use of relevant data
 - The involvement of stakeholders, including service users and the wider community, in achieving better outcomes
 - The distinction between accountability for performance of services or programmes on the one hand, and accountability for outcomes among a particular population on the other.
- a6. The OBA model has been used in the US and several countries worldwide as a way of structuring planning to improve outcomes and services for whole populations.
- a7. In England, the Local Government Improvement and Development (LG Improvement and Development, formerly the Improvement and Development Agency (IDeA)) has invested significant resources over several years to support local authorities (LAs) in implementing the OBA approach.
- a8. Although reliable survey data is hard to come by, somewhere in the region of between 25-30% of local authorities in England have used or are using OBA approaches in at least part of their organisation.
- a9. The diagram below shows how OBA derives performance measures by thinking about service delivery from the point of view of the quality and quantity of effort and effect.



- a10. The distinction between quantity and quality is an OBA staple: how much did we do versus how well we did it. The effort and effect distinction is the difference between how hard we tried and whether we made a difference to the lives of our community.
- a11. Putting the quantity vs quality and effort vs effect together creates the three OBA universal performance measurement categories:
- How much did we do?
 - How well did we do it?
 - Is anyone better off?
- a12. While OBA focuses on using the demonstration of outcomes to monitor effective service delivery, Outcomes Based Budgeting (OBB) focuses on developing budgets and financial decisions based on the relationship between resources (funding and staff time) and the difference spending is expected to make to the quality of life for the children, adults and families who live in our community (outcomes) – e.g Cost vs Value
- a13. OBB is quite a radical new approach to budgeting. Traditionally budget planning focusses on how money will be spent – it links resources with inputs, however OBB, like OBA, focusses explicitly on outcomes – it asks the question ‘How will the money we propose to spend make a difference to the lives of the children, adults and families in our community?’
- a14. As a management and budgeting tool, it lays emphasis on the importance of evaluating the impact of council services and provides a clear way of estimating the extent to which programmes and services provide value for money making performance management an integral part of budgeting and financial decision making

a15. The diagram below shows how OBA and OBB intersect to provide a holistic, outcomes based way of making decisions.



a16. Budgets, and by implication, business plans, are a tangible expression of a Council's priorities, performance, decisions and intentions. The OBA and OBB approach to business planning and decision making enables officers and elected members to see how programmes and services are aligned with the Council's priorities as set out in the corporate plan.

a17. The approach improves **transparency** (i.e. scrutiny) by enabling stakeholder participation in the budgeting process and ensuring decisions are based on evidence, and improves **accountability** by enabling officers and elected members to establish the extent to which budget objectives have been achieved.