

Cabinet (Performance Management) Panel

12 June 2017

Report title	Outcome Based Accountability and Outcome Based Budgeting 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, Managing Director	
Originating service	Insight and Performance, Communications	
Accountable employee(s)	Ian Fegan Tel Email	Head of Service - Communications 01902 554286 Ian.Fegan@wolverhampton.gov.uk
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Report to be/has been considered by		

Recommendation for noting:

The Cabinet (Performance Management) Panel asked to:

1. Note the progress to date on the continuing implementation of the outcome-based 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 in implementing the council's approach to outcome-based accountability and outcome-based budgeting.

2.0 Background

- 2.1 In September 2016 and February 2017, reports were 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.
- 2.1 Plans to develop a 'City Scorecard' and to finalise key performance indicators which would be used to monitor Corporate Plan delivery were also outlined.

3.0 Overview

- 3.1 As outlined in the previous reports, 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.
- 3.2 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.

3.3 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.

3.4 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 and since February 2017 significant progress has been made on the mobilisation and implementation of phase 2.

4.0 Progress since February 2017

4.1 Following the endorsement of the approach by Cabinet (Performance Management) Panel in February 2017, the project has been mobilised and is in progress.

4.2 A presentation was given to over 60 heads of service and service directors at the leadership briefing on 10th May 2017, following which managers have been proactively requesting dates for their workshops. A copy of the presentation is at appendix A.

4.3 Several presentations to service management teams and workshops with heads of service have taken place, with many others booked for the coming weeks. Heads of Service and their managers have been very engaged with the work and have provided positive feedback about the methodology.

4.4 So far 77% of the presentations and 28% of the identified workshops have been completed or are scheduled:

	People	Place	Corporate	Education	Total
Completed	2 presentations, 6 workshops	1 presentations, 3 workshops	1 presentations, 1 workshop	0 presentations, 0 workshops	4 presentations, 10 workshops
Scheduled	1 presentation, 4 workshops	2 presentations, 0 workshops	0 presentations, 0 workshops	0 presentations, 0 workshops	3 presentations, 4 workshops
Arrangements in progress	0 presentations, 10 workshops	0 presentations, 13 workshops	1 presentation, 11 workshops	1 presentation, 1 workshop	2 presentations, 35 workshops
Total	3 presentations, 20 workshops	3 presentations, 16 workshops	2 presentations, 12 workshops	1 presentation, 1 workshop	9 presentations, 49 workshops

4.5 The three areas identified to test the methodology and be used as examples, have all received their workshops and work is progressing to produce tools and products from the outputs. The three areas were:

- Enterprise (Isobel Woods)
- Children in Need and Child Protection (Julian Cunningham)
- Corporate communications (Ian Fegan).

4.6 Initial analysis following the corporate communications workshop demonstrates the value of the approach with the 60 outputs identified in phase 1 being reduced to five, and appropriate and relevant performance indicators for each output identified:

60+ outputs identified in stage 1 down to 5:

Output	Customer	Performance Indicator 1	Performance Indicator 2
Strategic Communications Planning	SEB, Cabinet	% WLT satisfaction with service provided by Communications	% cabinet member satisfaction with service provided by Communications
Reputation Management	Media, Schools, partners	% overall satisfied with Council services	% residents kept informed
Stakeholder Management	Media, Schools, Partners	% agree listens and acts on concerns	% agree make decisions in best interests of City and people
Corporate Marketing Campaigns	SEB, Partners	% campaigns hit critical success measure	% WLT satisfaction with service provided by Communications
Internal Communications & Engagement	SEB, Cabinet	% employees kept informed	% understand corporate priorities and understand how contribute

4.7 An in-depth look at just one of the outputs, corporate marketing campaigns, which includes high profile campaigns such as Fostering; Cleaner, Greener, Better; Regeneration and the City Conference Programme (Business Week, Residents Week and Visitor Week), demonstrates its importance to the delivery of the corporate plan and value for money.

4.8 This output costs 34% of the Corporate Communication budget and contributes to:

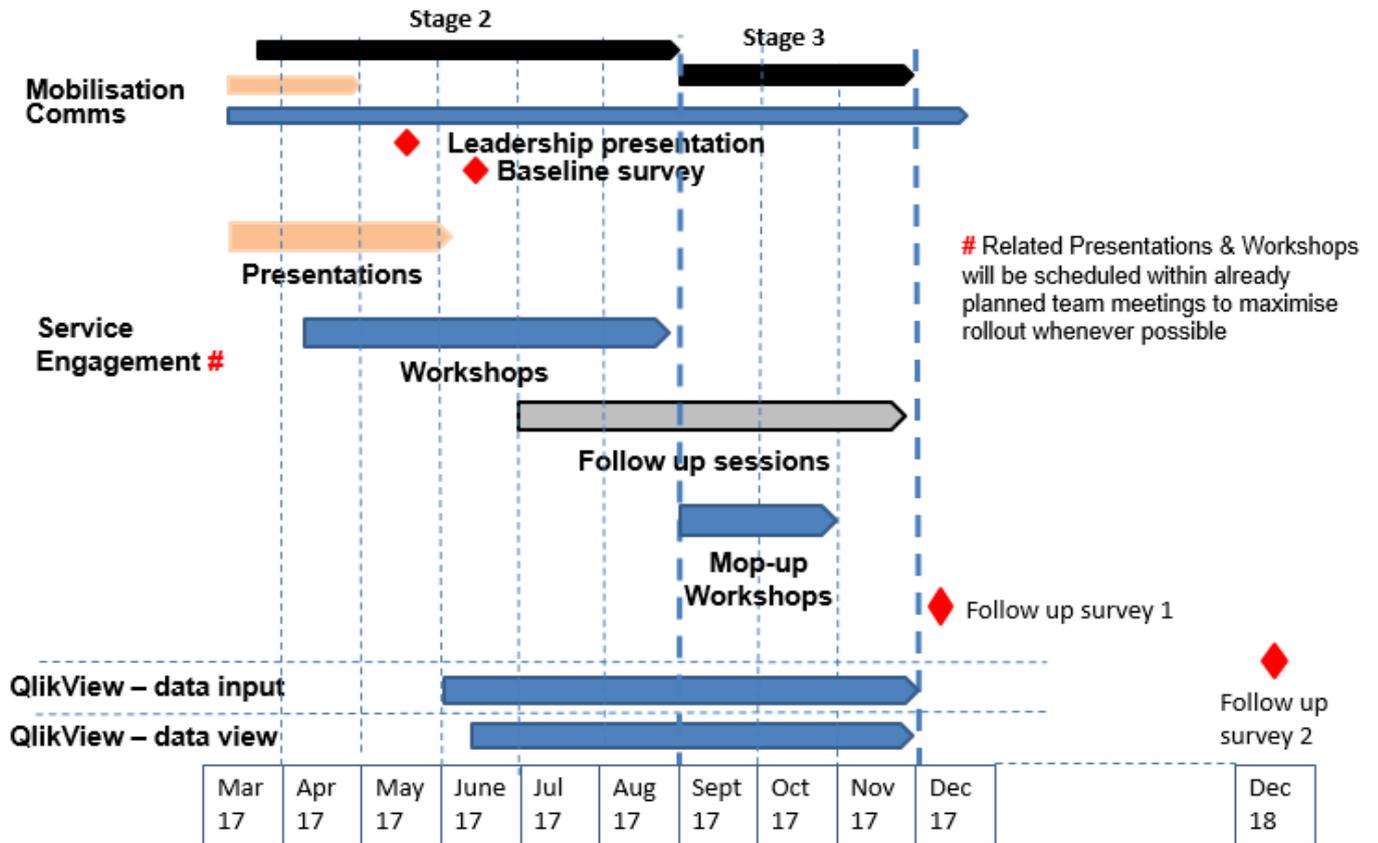
- 8 out of 13 (62%) corporate plan aims
- 11 out of 14 (79%) corporate plan objectives
- 33 out of 87 (38%) corporate plan outcomes

4.9 When this work is completed for all service areas and outputs identified it will:

- Support managers in the production of robust business plans, budget setting and identification of savings;
- Enable councillors to see how programmes and services are aligned with the Council's priorities as set out in its strategic plan;
- Improve transparency (i.e. scrutiny) by enabling stakeholder participation in the budgeting process;
- Improves accountability by enabling councillors and officers to establish the extent to which budget objectives, plans and priorities have been achieved.

5.0 Next Steps

5.1 The timeline for the project is shown below:



- 5.2 The programme of presentations and workshops with the scheduling on target to be completed by the end of June. Outputs will continue to be refined, relevant performance measures identified and current budgets and resources mapped to outputs, using the OBA/OBB methodology. 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.
- 5.3 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.
- 5.4 Data from the workshops is being analysed and pulled into tools (including QlikView) and products that can be used by managers for business planning purposes and evidencing delivery of objectives.

- 5.5 The performance indicators identified via the workshops will be baselined and tested and will form the corporate performance framework. The target date for the first iteration of this to be presented to Cabinet (Performance Management) Panel is September 2017.
- 5.6 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.
- 5.7 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.

6.0 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.

7.0 Financial implications

- 7.1 The cost of the consultancy, project management and Qlikview development 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/01062017/B]

8.0 Legal implications

- 8.1 There are no direct legal implications
[TS/01062017/T]

9.0 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.

10.0 Environmental implications

10.1 There are no direct environmental implications

11.0 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.

12.0 Corporate landlord implications

12.1 There are no direct corporate landlord implications

13.0 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 (SEB)

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