

# The Improvement Service

ELECTED MEMBER BRIEFING NOTE No. 8

## The outcomes challenge



# What is the purpose of the Briefing Note series?

The IS has developed an Elected Members Briefing Series to help Elected Members keep abreast with key issues affecting local government.

Some Briefing Notes will be directly produced by IS staff but we will also publish material from as wide a range of public bodies, commentators and observers of public services as possible.

We will use the IS website and Elected Member e-Bulletin to publicise and provide access to the Briefing Notes. All Briefing Notes in the series can be accessed at <http://www.improvementservice.org.uk/elected-members-development/>.

# What is the issue?

The outcomes approach represents a shift of focus from having services focused on outputs, e.g. having a specific number of police on the beat or maintaining a set ratio of pupils to teachers in classrooms and onto outcomes, such as reducing levels of crime or increasing educational attainment.

Outcomes are about making changes in the quality of life and life opportunities for citizens and communities - and about making improvements in the supporting social, economic and environmental conditions in which individuals and families live.

*Outcomes are the result of what we do, or what we enable communities to do for themselves, rather than descriptions of the activities or services which are provided by public service organisations.*

Why though should elected members be concerned with outcomes and the challenges that they present for public service delivery? The focus for public services, in Scotland and abroad, is increasingly on the outcomes we want services to deliver for our communities. In addition the Scottish Government has appointed a Commission (The Christie Commission) to explore issues relating to the future of Scottish public services in light of the spending pressures we are facing. This context means that being clear about the outcome approach and why it matters to councils and their communities is important.

To illustrate why this is important consider the following. Despite rising levels of public spending over the last decade, improved outcomes have not been experienced by all the people of Scotland. We have made little progress on mitigating inequalities in wealth and income, health, safety, learning and employment outcomes; in many cases, things have actually got worse:

- The gap in healthy life expectancy between the 20% most deprived areas and the 20% least deprived areas in Scotland (as measured by Scottish Index of Multiple Deprivation) increased from 8 years to 13.5 years across the period.
- Not only do the most deprived members of our community have shorter lives, but the percentage of their life lived with ill health has increased from 12% to 15%.
- The gap between the bottom 20% and the average in learning outcomes has not narrowed at all since devolution. The S4 tariff scores (a standardised measure used to compare the performance of children in exams) in the most deprived areas are now just over half those in the least deprived areas (124 - 230).
- The percentage of children leaving school directly into unemployment has risen to 22% for the bottom 20% of the young population of Scotland.
- Youth unemployment has risen from 13% to 20% in the last 3 years and over 70% of that group are long term unemployed.

- Although overall rates of recorded crime and reported victimisation have declined, the correlation between risk of victimisation and deprivation has strengthened. The same relationship exists for fires and fire deaths.
- Finally, the proportion of total income going to the lowest income households has declined across the decade, and 20% of all children live in poverty.

This presents Scotland with a major challenge: how to deliver the improvement in life outcomes enjoyed by the bulk of the population for the whole Scottish population?

In thinking about such matters we need to draw a distinction between the quality of services and our current ability to achieve positive outcomes. For example, health expenditure per head per year was 12-16% higher in Scotland than England over the last decade or so, yet despite heroic efforts and rising standards of performance, Scotland has not experienced improved health outcomes and continues to suffer from mortality rates 15% higher than England. Similarly, HMIE reports on schools in deprived areas often rate them highly in terms of service quality. However, children in these schools experience far less good learning and destination outcomes than children attending less well rated schools in less deprived areas.

These are not failures in the quality of the health service or the school service: but they do represent a failure to achieve an integrated model of public service support that will enable households experiencing unemployment, low incomes, crime, poor learning and poor health to realise their full potential.

Public service and business planning, budgeting, performance management and measurement, accountabilities, governance and scrutiny arrangements all remain more focused on the management of the services provided, rather than on the achievement of the outcomes we want from them.

Making that shift in a time of unprecedented financial retrenchment will be doubly challenging. Improving efficiency in delivering outcomes is likely to be a key focus for councils and their community planning partners in the next few years. And making and maintaining that shift across consecutive national and local elections now brings a further set of challenges.

This briefing outlines why and how Elected Members should work to protect outcomes in a period of cuts and change.

# Why does it matter?

Many of the outcomes which our communities need are outwith the direct control of the council - such as better health, worthwhile employment, or freedom from crime and danger. The council can contribute to these outcomes, but it needs the co-operation of its Community Planning partners in the health board, enterprise agencies, police and fire services and so on.

In June 2009 all councils and Community Planning Partnerships agreed the outcomes they want for their communities, with the Scottish Government, in Single Outcome Agreements. The SOA has required all the key public bodies in each local authority area - under the democratic leadership of the council - to co-operate in sharing their information on local conditions and then jointly agreeing what needs to be done to improve them.

For councils, the SOA has also brought the removal of most of the ring-fencing of their funding, which had limited councils' freedom to spend their money in the ways they thought best for their areas.

This shift to outcome based working and accountability has therefore created a real opportunity for councils to shape the public services in their area to meet the real needs of their communities. But that shift faces a business challenge, a financial challenge and a political challenge.

# What does this mean for Elected Members?

There are three challenges facing Elected Members as a result of this new approach and they are closely linked.

The **business challenge** for outcomes based working and accountability is to steer the governance and performance of the council so as to focus on achieving the community's outcomes, not just running the council's services.

When COSLA and the Scottish Government provided the SOA Guidance for CPPs they recognised that this shift in the way we think about public services would pose a challenge:

*Our guiding principle in this change process is that, both nationally and locally, we should be clear about the outcomes which our communities need and then review and align our arrangements to ensure that they are fit for purpose to support the delivery of those outcomes.*

The starting point for outcome based service planning and performance management is in the evidence of local conditions. The SOA brings this evidence together in its Area Profile, which provides the basis for identifying the outcomes wanted for the community. The data on local conditions should be used to measure the delivery of the outcomes, through indicators of change and targets for the rate and amount of change. These targets should be both realistic and ambitious for your community. Elected Members should therefore expect the SOA to be kept up to date and clear about what difference it is going to make - and about what success will look like.

Outcome based working and accountability means being focused on the user or customer of public services, focusing on the needs of the individual or the community, rather than what might best suit service-delivery departments or reflect how services have traditionally been delivered. Elected Members should apply their local knowledge of communities' needs to ensure:

- that the outcome approach of their CPP reflects those needs;
- that the CPP is clear about the difference it will make in people's lives
- that appropriate management and delivery arrangements to achieve those outcomes are in place.

The outcomes approach also suggests that we should design public services in a more joined-up or integrated fashion, both within the council and with Community Planning partners. Issues such as reducing

poverty or increasing employability cannot be tackled by one service or organisation working in isolation from others. Public service organisations need to work together to make a real difference in people's lives. This means services being co-ordinated and streamlined around the needs of communities or individuals, in order to achieve shared outcomes.

But the achievement of the community's outcomes will not happen if the outcome approach embodied in the SOA is detached from the business planning and performance management and monitoring of the council's services - or the services of Community Planning partners. Elected Members have a role in ensuring those links, not just in the council's committees, but also when they are on the boards of Community Planning partners or sit within the CPP.

Each year, each CPP is expected to review its SOA and to report its progress to the Scottish Government in September. Elected Members will want to take the opportunity to review progress on the achievement of the SOA targets - and to ensure that the same realistic but ambitious targets are being used in the business plans for individual services.

Elected Members will want to ensure that the council and its partners keep their eye on the intended outcomes. Through your role in the governance and scrutiny of the council and its Community Planning partners you can ask officials to demonstrate convincingly how their proposals or performance will help achieve the outcomes your community needs.

The **financial challenge** for outcome based working and accountability is to ensure that funding decisions support the achievement of the community's outcomes.

Outcomes - changes in people's lives - take time to deliver. Outcome based working and accountability encourages a shift to early intervention and preventative measures, in order to avoid deeper and more complex problems developing in people's lives later. This means recognising the early signs of those problems and tackling their **root causes**, rather than simply reacting to symptoms and crises when they happen. In short, the outcomes approach is about focusing on activities that support improvements in the lives of individuals and communities and not simply on sweeping up after something has gone wrong in an individual's life. The outcomes approach is about creating enhanced life opportunities.

For example, ensuring that children's early years are happy and healthy makes it much more likely that the rest of their lives will be the same, with huge benefits for communities and savings for public spending.

We often know which families and individuals are likely to experience the worst outcomes as they go through life - often from the very earliest age. Working with their Community Planning partners, councils can co-ordinate and target their efforts at preventing or minimising the harm which those people face, and in creating more positive opportunities for them to minimise the subsequent harm that this may do to them and to our communities.

A real financial challenge here is the reallocation of scarce resources away from costly **reactive spending** and toward more cost-effective **preventative spending**. We need to increasingly focus public services and public spending on preventative activity such as family support, health promotion and housing support. However, these are often seen as ‘add-on’ services and can be vulnerable in a time of cuts.

This usually happens because when something goes wrong, people want it dealt with, immediately. They don’t want to be told that the money to deal with it is being spent instead on stopping those things going wrong in the future.

Elected Members will understand that this is also a real political challenge. There will no longer be enough money to fund all the current reactive services provided by councils and their partners - and the problem will only get worse, unless we manage to invest in preventing the need for reactive services. As Elected Members you will be keenly aware that budget setting now requires hard prioritisation, and that some local priorities are simply more important and more immediate than others. The Area Profile in your SOA can help here, as it should provide a rounded picture of social, economic and environmental conditions which can be the evidence base for deciding which issues most need action, and which can wait.

Faced with hard budget decisions, councils across Scotland are basing their financial planning on the likely impacts of decisions on the achievement of their priority outcomes in the SOA. This is good practice which we commend to all Elected Members. The Improvement Service is currently working with the Fife and Aberdeen CPPs to help them find ways to improve the links between budgetary processes and the delivery of SOA outcomes. The learning from this project will be available to all councils in June 2011.

The **political challenge** for outcome based working and accountability is to maintain a focus on the outcomes, some of which will be long term in achieving, and the best ways of achieving them. The focus should be on what public services are for and what they achieve, and less on who it is they are accountable to.

High level outcome based commitments - promising an end goal (such as improved educational attainment) without specifying the amount of improvement or the means for its achievement - may seem unconvincing both to politicians and their electorates. However, keeping public organisations focused on the outcomes that they are there to help achieve, being open to new ways of working to achieve those outcomes and not simply focused on short term activities is vitally important.

Commitments which do promise specific outcomes, such as pupil numbers achieving certain exam pass rates, may be more attractive to voters. But they can make politicians hostages to fortune, if circumstances change, and they may not be deliverable within the electoral cycle.

However, a focus on inputs can damage outcomes, by distracting officials’ attention away from what citizens and communities are actually experiencing. Commitments to deliver inputs, such as teacher

numbers or class sizes (or even just an amount of money to be spent), are both specific and ‘controllable’. They often allow politicians to be seen to be doing something within the electoral cycle. But the contributions of these inputs to the intended outcome may be unproven and their implementation can unravel or fail to have the desired effect. Instead, ensuring that public services which are delivering long term outcomes break their delivery targets against those outcomes down into shorter stages or milestones - which can then be tracked by elected members over a shorter time scale - is an important political strategy.

It is worth noting that the recent Independent Budget Review Panel counselled:

*against the over use by all political parties of input targets and guarantees in pre-election statements and manifestos. Such statements can create an unhelpful focus on inputs rather than outputs and outcomes.*

Whilst there are political challenges for outcome based working and accountability, it is also true that it now has a political momentum. The previous Scottish Executive made it a focus of joined-up local public service delivery, through the Regeneration Outcome Agreements, before going on to introduce the pathfinder Single Outcome Agreements. The current Scottish Government has extended the approach to cover all public services, both nationally and locally. So, while the names and arrangements may change, the direction of travel toward outcome based working and accountability is unlikely to be reversed in Scotland.

# Key messages for Elected Members

All three of these challenges are best approached by focusing on the intended outcomes for communities and testing everything against its contribution to those outcomes. This approach is embodied within the SOA process that each council, their Community Planning partners and the Scottish Government have entered into. Here are some ways that you can retain this focus:

1. The area profile within your SOA provides the basis for identifying the outcomes wanted for your communities - make sure that it's kept up to date and reflects your understanding of local needs, and that the community is engaged in the process of establishing local needs.
2. The SOA sets out the outcomes which the community needs - make sure that your council and Community Planning partners are clear about what difference the CPP is going to make in people's lives and what success will look like.
3. The SOA provides the basis for the service plans of the council and its partners - make sure that the data on local needs is used to set realistic but ambitious targets for services to help improve delivery against those needs.
4. The SOA will be delivered through the service plans of the council and its partners - make sure that those links are robustly made, not just in the council's committees, but also in the boards of Community Planning partners and within the CPP.
5. The community's outcomes should be the first priority when hard financial decisions have to be made - make sure that local financial planning is based on the likely impacts on priority outcomes.
6. The pre-election periods will focus political debates on the best way forward - make sure these debates are about the outcomes people need, and not simply inputs and outputs.

The key message for Elected Members is to keep your eye on the outcomes. In every setting and every discussion - with colleagues, officials and partners - be prepared to ask "how will this help us achieve the outcomes our community needs?"

# Further support

The Improvement Service has based its Business Plan on supporting councils and CPPs to deliver better outcomes for their communities.

You will find all the key documents on the development and delivery of SOAs on our website at [www.improvementservice.org.uk/single-outcome-agreements/](http://www.improvementservice.org.uk/single-outcome-agreements/).

Westerton House, Westerton Road  
East Mains industrial Estate  
Broxburn  
EH52 5AU  
Tel: 01506 775558  
Fax: 01506 775566  
Email: [info@improvementservice.org.uk](mailto:info@improvementservice.org.uk)  
[www.improvementservice.org.uk](http://www.improvementservice.org.uk)

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