

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

Abstract

There has been a significant shift across the whole of the UK public sector towards outcomes-based accountability or 'results-based management'. Outcome Agreements between central and local government were introduced in England from 2004 (Local Area Agreements) and in Scotland from April 2008 (Single Outcome Agreements) following the Concordat between local and central government and the publication of the National Performance Framework in November 2007. Accountability for results is seen as attractive in the context of a greater devolution of power and decision-making to local government and local strategic partnerships in that it can assist whole-system alignment of public services and resources around achieving better outcomes for individuals and communities. However, experience from other countries suggests there are major implementation challenges for public management in terms of capabilities, organisational culture and re-thinking governance and performance management. Progress in other countries in implementing an outcomes approach and realising the potential benefits is disappointing. For example, a recent report on progress with implementing Results Based Management in the UN (2008) regards it as "an administrative chore of little value to accountability and decision-making". This paper looks at the experiences of implementing an outcomes approach in Scotland and England and applies international lessons on best practice to assess progress and help guide future developments in the UK. Are we doing enough in the UK to address the challenges? Do we have the appropriate systems and procedures in place that collectively constitute a

Paper for the Annual Conference of the Public Administration Committee, 7-9 Sept 2009,
University of Glamorgan Business School

Outline of paper

1. Introduction
2. Outcomes Approach in the UK context of Public Service Reforms
3. International lessons for the UK
4. Conclusions

Erica Wimbush is currently at Edinburgh University Business School on a one year ESRC Placement Fellowship. She will be publishing papers on past policy evaluation work undertaken while at NHS Health Scotland and developing case studies of Contribution Analysis. This paper is presented for discussion at the PAC Conference and serves as a background to her methodological work. The paper has benefitted from comments from Prof Sandra Nutley, Edinburgh University Business School, John Mayne, Adviser on Public Sector Performance (Canada) and Neil Craig, a colleague at NHS Health Scotland.

1. Introduction

Internationally, successive governments and public bodies in both developed and developing countries have been moving away from the internally focused, input-processes-output based systems of performance management and adopting regimes based on demonstrating the outcomes, or results, of public services on the community. It is a characteristic of the move to New Public Management (Pollitt & Bouckaert 2000; Pollitt 2003: 27) and the new forms of governance associated with partnership-based forms of public service delivery (Osborne 2002). It was a key element of both the *Modernising Government* agenda of the New Labour Government under Blair and of the SNP minority government's single-minded focus on improving economic performance in Scotland: *"When we came to power in May 2007, we were clear we wanted to introduce a fresh, more strategic approach to government with a focus on outcomes and a single overarching purpose."* (Swinney, 2009). From a political perspective, a focus on outcomes implies a potentially radical agenda of change in terms of a devolution of power and autonomy to public services and a more strategic 'joined-up' approach to government -

"It allows us to give freedoms back to public service workers – if a service can be accountable for what it achieves, we need not worry about how it achieves it". (Blair 2002: 15 cited in Pollitt 2003).

"Through the vehicle of the Single Outcome Agreements (SOAs), we are achieving alignment of purpose across the entire Scottish public sector. This has created a real strategic focus. It has also provided a platform for joint policy-making with local government in important crosscutting policies—on health inequalities, early years and anti-poverty—reinforcing the shift to prevention rather than management of Scotland's problems" (Swinney, 2009).

From a public management perspective, it requires the capacity not only to measure the external impacts of programmes and services, but also to use the results data in decision-making and accountability processes:

'Results-based management involves deliberately gathering empirical evidence in order to know the extent to which intended results are being achieved so that modifications to the design and delivery of activities can be made to improve and account for performance in achieving intended outcomes' (Mayne 2007: 1-2).

The implications of this approach are potentially far-reaching - for public organisations, for staff capabilities and the whole system of partnership-based delivery and governance – but international progress to date with implementation is disappointing (Mayne, 2007; Boyne et al, 2002). The most common challenges faced are summarised by Mayne (2007) as both organisational and technical. For example, changing leadership and management behaviour towards a results focus, over-selling what can be achieved and unrealistic expectations about the timescale for change; failure to link performance information on outcomes with financial data; performance indicator overload and misuse; outcome measurement and data quality problems; poor understanding about how joint accountability works in practice; the difficulty of attributing observed changes to the performance of a particular organisation or programme and poor standards of performance reporting.

Two very recent reports on progress with implementation of outcomes management in the United Nations (OIOS 2008) and in New Zealand (Gill 2009) highlight the importance of addressing demand side issues. In New Zealand, the political reality is that Ministers and senior bureaucrats are reluctant to engage with performance management and be answerable for measurable outcomes in the face of uncertainty and their limited ability to control changes in outcomes (Gill 2009). In the

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

context of the United Nations, the continuation of established performance regimes meant that accountability for outcomes was seen as ‘an additional chore’ that had failed to live up to the promise of contributing to higher order policy prioritization or laying the ground for strategic debate. Most importantly, outcomes reporting had no discernible impact on the allocation of public expenditure and decision-making (OIOS 2008).

Are these challenges being adequately addressed in the UK? This paper applies international lessons on best practice to the different experiences of implementing an outcomes approach in Scotland and England with a view to analysing the extent to which the key challenges are being addressed and to help guide future developments in the UK. Do we have the range of appropriate systems and procedures in place that collectively constitute a successful regime for outcomes management? What else is needed?

2. An Outcomes Approach in the UK context of Public Service Reforms

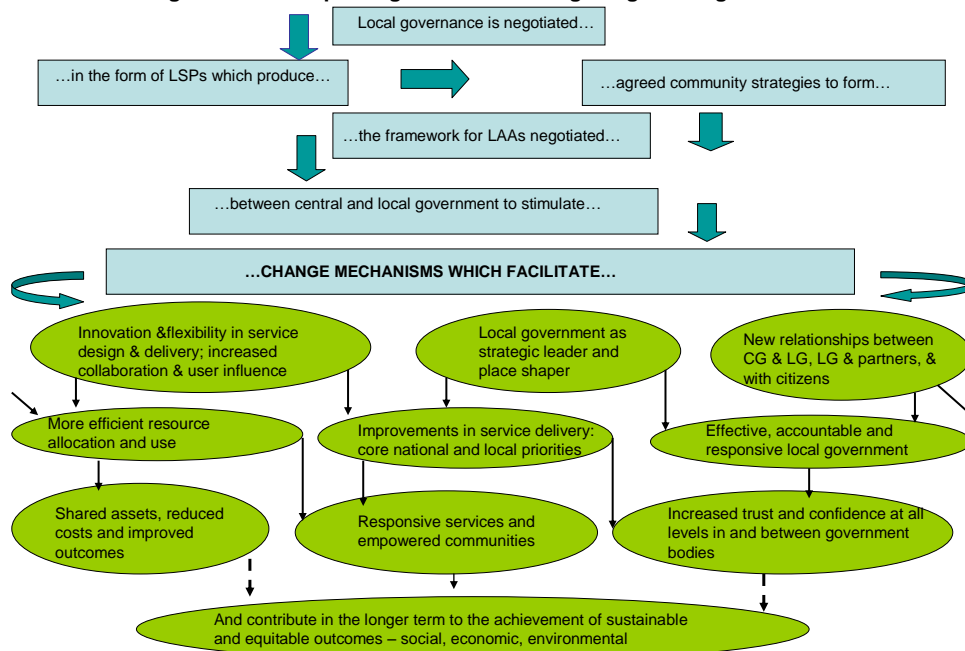
Across the UK outcomes management and accountability is closely intertwined with public service reforms, and has been given added impetus in recent years because of its centrality to the recent moves to re-shape relationships between central and local government north and south of the Border (ODPM 2004; COSLA-Scottish Government 2007). In both England and Scotland, agreements between local and central government are now based on the outcomes of service delivery and, in the longer term, addressing improvements in social, economic and environmental outcomes that the public are likely to recognise and support. These outcome agreements represent a commitment by non-statutory local partnerships led by local authorities – in England Local Strategic Partnerships (LSPs) and in Scotland Community Planning Partnerships (CPPs). Local Area Agreements (LAAs) in England and Single Outcome Agreements (SOAs) in Scotland form the basis of a new performance framework for localities which focuses more on the collective delivery of shared outcomes for an area than on the performance of individual institutions. The key assumptions behind this new partnership-based performance framework is that the outcomes of public services will improve via a complex and inter-related set of change mechanisms. These are summarised in the Theory of Change (depicted in Figure 1) devised for the national evaluation of LAAs/LSPs in England (Sullivan 2008:8).

In summary, in England the change mechanisms are seen as:

- a) *Greater trust and relationships.* New central-local government relationship based on outcomes agreements (LAAs and SOAs) + new relationship between local government, local delivery partners and communities (LSPs and CPPs) are expected to lead to greater trust and confidence at all levels and thus more effective and responsive local government
 - b) *More scope for innovation:* Greater innovation, flexibility and creativity in service delivery due to central government standing back from micro-managing service delivery and how resources are deployed and due to the greater involvement of local delivery partners and user influence
 - c) *More efficient:* Greater efficiency due to a better alignment of priorities around a set of shared outcomes bringing reduced bureaucracy, reduced transactional costs, shared assets, and by streamlining government funding and programmes
- (Sullivan, 2008; Russell, 2008)

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbury

Figure 1. ToC: Improving outcomes through negotiated governance



Noticeably absent is any mention of change mechanisms related to new forms of outcome-based accountability. If the performance of public services are to improve, the local strategic partnerships in England and Scotland need to be held accountable for the achievement of an agreed set of shared outcomes (as specified in LAAs and SOAs) and public managers need to move to monitoring and managing performance so that the results of service delivery contribute to these higher level outcomes. If the accountability feedback loop is weak, the impetus to improve performance is also likely to be weak.

Before examining whether the UK is adequately addressing main challenges faced and whether international lessons have been taken on board, we will consider first what are the key similarities and differences in how this approach has been implemented in Scotland and England and the extent to which devolution has influenced this.

First, the relationship between central and local government differs in important ways. As noted above, a focus on shared outcomes is said to achieve greater efficiency through **better alignment** across public services. Better alignment can occur at three levels: a) at a local level across local delivery partners, b) at a national level across the government and c) between central and local government priorities. In England, and to a lesser extent Scotland, better alignment appears to be focussed primarily around local partnership priorities. For example, LAAs and SOAs place a strong emphasis on agreeing local priorities for improvement. In England, the inclusion of central government outcome targets is no longer required. Non-alignment between central-local priorities and performance frameworks could generate considerable dissonance and tensions between central and local government.

In Scotland there has also been an eye to better alignment at the latter two levels (central-local and within government). Indeed the National Performance Framework was introduced as a mechanism

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

to address alignment in resource allocation and performance management across ‘the whole of the public sector’. It was published as part of the Scottish Government’s Spending Review (Nov 2007) and alongside the Concordat between central and local government. SOAs are expected to have ‘a line of sight’ to the national outcomes and indicators identified in the National Performance Framework, while the set of 5 strategic objectives formed the basis of an earlier government re-organisation to achieve ‘a smaller more tightly-focused’ Cabinet and a smaller number of Directorates. In the word of its chief architect, John Swinney - *“A more flexible leadership, management and organisational structure allows it better to support our strengthened strategic focus and shift to outcomes-focused working, while increasing the depth and breadth of partnership working (Swinney 2009)*

A second important difference between Scotland and England has been the **pace of change** (more rapid in Scotland) and the impact this has on the evolution of the approach and opportunities for learning. In England, the move to Public Service Agreements (PSAs) for central departments and for local authorities (Local PSAs) was established in 2005/06 following an initial pilot from 2001-04 (ODPM 2004). The Local Government White Paper (2006) *Strong and Prosperous Communities*, established LAAs from 2008 as the only mechanism by which local priority outcomes are agreed between central government and local areas. Over this period, evaluation processes have been built into the implementation process. For example, the challenges and early impacts of implementing an outcomes approach were examined in an IdeA commissioned study of four local authorities and one public agency at different stages of implementation (McAuley & Cleaver 2006). Currently underway is a three year national evaluation assessing whether and how LAAs and LSPs have helped local areas deliver better outputs and outcomes to their citizens (Russell 2008).

In Scotland, implementation of an outcomes approach started later when the new SNP minority government came to power in May 2007 and was part of establishing ‘a new way of doing business’. SOAs were introduced in Nov 2007 and the first documents were expected from the 32 local authorities four months later (April 2008). In the following year, SOAs were extended to CPPs with each partner organisation being held accountable for the delivery of the outcomes. Guidance on SOAs and implementing an outcomes approach was issued to Community Planning Partnerships and to other Public Bodies in autumn 2008 (Scottish Government, COSLA, Audit Scotland, SOLACE, Improvement Service, 2008; Scottish Government, 2008). The rapid pace of change is described as both ‘energising’ and ‘rushed’ with high levels of anxiety about the challenging scale of change required of public organisations and individuals (National School of Government, 2009). Published commentaries and critical analyses of the development and implementation of an outcomes approach in Scotland have only recently begun to appear (Mackie, 2008; Midwinter 2009; National School of Government 2009; Stewart 2009). To date there are no systematic evaluations commissioned to assess implementation progress or the early impacts of SOAs on performance improvement and a learning-oriented ‘community of practice’ for local councils has been established by the Improvement Service.

Thirdly, the use of **performance incentives** in the change management process is a key difference between England and Scotland. In England, financial incentives are being used: local authorities receive a financial reward (2.5% of annual budget) to be shared with partners if the agreed level of performance improvement is achieved. The potential of such incentives to distort behaviour is well known (e.g. Boyne & Law 2005) and early signs of ‘skewing’ behaviour have been noted by Russell

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

(2008: 6). The use of non-financial incentives is not apparent in either country, apart from the general expectation that the local partnership and its constituent organisations are publicly accountable for improved outcomes (for example, see advice note from Scottish Government, Feb 2009). If central government is no longer expected to intervene in *how* the resources are deployed by local authorities (as long as the agreed outcomes are demonstrated) and a more hands-off, steering role is cultivated '*leaving the means to achieve them in the hands of local delivery partners*' (ODPM 2004:7), a wider repertoire of change mechanisms to incentivise the improvement process are likely to be needed.

As noted above, **health care remains a directly managed service** in both Scotland and England with internally-focused targets (eg waiting times) and reporting direct to government. However, since the NHS is an important and powerful local partner in LSPs and CPPs, its contributions to local outcome agreements is seen as ambiguous. For example, should NHS targets be included in local outcome agreements? Changes have been made in Scotland to NHS targets for public health to more clearly focus on the most effective NHS contribution to improvements national outcomes (Scottish Government, 2007). In the case of jointly delivered services like community care, joint outcomes based accountability frameworks have been introduced (DoH 2007; Scottish Government & COSLA 2008).

A similarity between Scotland and England is that little progress is being made in defining real **joint accountability** for the non-statutory local partnerships in relation to the set of shared outcomes. Thus, each partner organisation retains its own internal performance management and reporting arrangements so that the new outcome-based accountability arrangements are seen as an **additional burden** on public bodies rather than a streamlining of scrutiny as recommended by, for example the Crerar Review (Crerar 2007). The next generation of Best Value (BV2) and the introduction of Comprehensive Area Assessments are intended to provide a stronger emphasis on joint accountability for outcomes, but at present it is unclear how this will work in practice.

Finally, the **terminology, conceptual models and methods** used to implement an outcomes approach differ between England and Scotland. England is following an Outcomes/Results Based Accountability (OBA/RBA) approach originally developed in the US and energetically promoted around the world by Mark Friedman of the Fiscal Policy Studies Institute (www.resultsaccountability.com). OBA/RBA advocates assessing performance on the basis of three questions - How much do we do? How well did we do it? Is anyone better off? - and uses of the tool known as 'Turning the Curve'(Friedman, 2005; Pugh 2008; Utting et al 2008). The Scottish Government and other public bodies have been more influenced by the Canadian practitioners, John Mayne and Steve Montague, who use the term Results Based Management (RBM) and have developed the use of 'results chains', performance stories and Contribution Analysis (Mayne 2001, 2006, 2009; Montague 2008, 2009; Scottish Government Social Research Group 2009). Despite the different language and tools, these approaches are not incompatible.

3. International lessons for the UK

Governments and public organizations around the world have been working towards an outcomes approach to management for many years, in some cases decades, and built up considerable experience on the challenges and lessons in implementing this approach (Binnendijk 2000; Mayne,

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

2007; Perrin 2006; MfDR 2006; World Bank Roundtable 2006; Flint 2002). In the following section, we assess progress to date with the implementation of an outcomes approach to public management in Scotland and England, using the six principles for best practice identified by Mayne (2007) to analyse the extent to which key challenges are being addressed. The analytical framework (set out in Table 1) also takes into account whether implementation is adequately addressing the demand for performance information as well as supply-side issues.

1. Foster senior level leadership

A common weakness in outcomes-based performance regimes is inadequate senior leadership. Senior management in public organization often adopt the new language of outcomes, but they are not necessarily seen as credible champions for the approach unless ‘walking the talk’. Indeed, in many countries, little effort has been made to build up the understanding, knowledge and capacity of senior level management. Best practices centre around getting senior managers to visibly, regularly and consistently lead and support RBM through their words and actions, such as expecting results information, supporting RBM with resources, fostering peer RBM champions and managing the expectations for RBM.

The evaluation of the early impacts of implementing Outcomes Based Accountability (McAuley & Cleaver 2006) confirmed the importance of senior level leadership and support in the early stages of implementation. The initial stage was found to be most successful when a small number of key Directors and Senior Managers acted as champions within the local authorities and persuaded high level multi-agency partnerships to adopt an outcomes approach. Once high level groups signed up, knowledge and experience was cascaded to staff via seminars with Mark Friedman and local events for senior staff, local managers and practitioners.

To date in Scotland, political leadership has provided the main drive and momentum; in the future, senior civil service and public sector leaders are seen as playing a critical role in continuing the momentum - *"focused, agile leaders within the civil service and across the wider public service in Scotland will be crucial to delivering the Government's long-term vision for Scotland"* (Swinney 2009). Incipient new alliances are being formed at local level among Chief Executives of Scotland's local authorities and health boards (National Community Planning Group) to address the new issues emerging with the advent of SOAs, such as inter-organisational governance and capacity-building, but less attention given to the potential role of Scotland's many public agencies (mainly sector-specific) in fostering leadership and a strong demand-side culture. Sector-specific work on outcomes and support programmes has emerged (eg in the areas of health improvement and community care), but there is not yet a cross-cutting programme of support equivalent to that in England for senior public managers and leaders that spans across local councils, health boards, not-for-profit organisations and other community planning partners and public bodies. There are clear signs of the problem of ‘everyone's business, nobody's business’ with a lack of a clear authorising environment appropriate for cross-sectoral outcomes management and policy-making.

2. Promote and support a results culture

Fostering an appropriate organizational culture of results is critical. A ‘results culture’ is seen as an organisation where managers and staff regard information about outcomes as a valuable commodity and essential to good management and delivery. It involves re-orientating organisational values

RBM BEST PRACTICE

1. Foster senior level leadership

- Demonstrate visible **senior level leadership, support and commitment**
- Build a **capacity** for senior-level results-based management

RBM BEST PRACTICE

2. Promote and support a results culture

- **Informed demand** for information on results
- **Supportive organizational systems**, incentives, procedures and practices
- **An outcomes -oriented accountability** regime
- A capacity to **learn** and adapt
- **Capacity** for outcomes measurement and management
- Clear **role** of and **responsibilities** for outcomes management

towards a shared vision of the value of results information in management and having clarity about the roles and responsibilities of the various parties involved in RBM. This requires profound changes of organizational culture, in particular the performance culture. Many governments and public organizations seeking to establish outcome-oriented performance regimes have failed to address adequately the importance and challenges around fostering the necessary culture shift. The need is often recognised, but not matched by measures to directly address this challenge. Mayne (2007) argues that the lack of an outcomes culture in an organization “allows well-intentioned RBM regimes over time to turn into inflexible bureaucratic systems”.

Evidence to date of any such culture shifts in England or Scotland, or actions directed to bring these about, are limited and probably premature, especially given that LSPs and CPPs are still at an early stage of maturity. In England, McAuley & Cleaver (2006) observed ‘culture shift’ within the case study organisations, but the early impacts on organisational culture were attributed more to the process of engaging partners and users than to a focus on outcomes per se (eg shared ownership of the problem with partners, better sense of shared responsibilities). In Scotland support via the ScotStat Network

is focused on developing local authorities’ analytical capacity in relation to performance measurement and indicators rather than on management and learning capabilities.

However, in England considerable resources and effort has been invested on the supply-side: training courses in Outcomes Based Accountability (OBA) have been attended by staff from around 120 local authorities and featured strongly in fieldwork with 100 local authorities for the *Narrowing the Gap* project (Pugh, 2008). Support for the development of an outcomes approach across local authorities is organised centrally by the Improvement & Development Agency and includes:

- Conferences to introduce participants to taking an outcomes approach
- Refresher events for those familiar with an outcomes approach to share work in progress and identify challenges and how to overcome these
- Seminars to support the development of plans for introducing an outcomes approach in local councils.
- Online access to resources on Outcomes including case studies
- A ‘Supporting Better Outcomes’ community of practice to encourage sharing experience and learning

<http://www.idea.gov.uk/idk/core/page.do?pagelid=8934336>

Additional investment in specialist capacity to support the development of an outcomes approach has been directed towards the area of Children and Young People’s Services. A specialist unit, the Centre for Excellence and Outcomes (C4EO), has been established in the National Children’s Bureau.

3. Build outcomes frameworks with ownership at all levels

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

In establishing an outcomes approach, an organization or partnership first needs to develop and agree on a strategic framework for outcomes, outlining the organizational or partnership objectives being sought and how the partnership will organise itself (its resources, people, activities, outputs) to achieve these. As discussed earlier, LAAs in England and SOAs in Scotland are now the agreed mechanisms for this at local level. In Scotland, the National Performance Framework provides an overarching strategic level outcomes framework for the whole public sector in Scotland. However, the speed with which it was produced by the new Scottish Government meant there was little sense of ownership built in, outside of a small section of senior government officials. In England, strategic outcomes frameworks have been developed for *Every Child Matters* (DfES 2008) and for Children's Services and via local area outcome agreements but expectations of performance are not built into these.

Building ownership for the outcomes frameworks within an organization or partnership is an early consideration. Without ownership, there is likely to be little commitment to achieving the outcomes and little use made of the results information gathered. Community and user engagement and influence is a central tenet of both LSPs and CPPs and is an expected part of the outcome agreement process. In England, McAuley & Cleaver (2006) found that a strong appeal of the OBA outcomes approach being implemented was the emphasis on engaging communities/service users in defining priority outcomes and a greater sense of commitment and ownership from partner agencies to working together around a common purpose. The engagement process was maintained through to performance monitoring and reviewing progress towards outcomes over time.

Sitting beneath the strategic outcomes framework, there are likely to be other outcomes frameworks for the component policies or programmes. These map out how their activities and outputs are expected to lead to the achievement of the intended outcomes and how these outcomes are time sequenced. To support CPPs, NHS Health Scotland has developed a series of outcomes frameworks for priority areas feeding into the higher level health and wellbeing outcomes identified in the National Performance Framework and SOAs, using evidence reviews to assess the strength of linkage in the results chains and tools like outcomes triangles, logic models and multiple results chains to communicate the process visually (www.healthscotland.com/topics/settings/local-government/SOA-tools). There is considerable guidance available on developing outcome/results frameworks (eg USAID, MfDR, AusAID).

Developing outcomes frameworks with complementary monitoring and evaluation strategy for tracking performance has some common pitfalls. One is the temptation to 'retro-fit' existing programme activities to the desired outcomes (rather than the RBA/OBA principle of 'starting with ends and working backwards to means') thereby using the process to justify existing investments rather than to scrutinise them. At both the organization and programme levels, good practice is to address the risks faced in achieving outcomes. In New Zealand, 'intervention logic' has been

RBM BEST PRACTICE

2. Build outcome frameworks with ownership at all levels

Strategic outcomes framework, outlining strategic objectives, strategies and major risks, and aligned with contributing programmes.

Outcomes frameworks for each contributing programme that are widely owned and seen as relevant and useful.

Develop reasonably clear and concrete **performance expectations**

A monitoring and evaluation strategy for key outcomes, including a manageable set of performance indicators and complementary evaluations.

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

developed as a tool to test the plausibility of policies and help make explicit the assumptions and risks associated with them (Baehler 2002)

A second common pitfall is an unmanageable number of performance indicators and difficulties with interpreting the data. There are many examples of an over-reliance on indicators and the tendency to fall back on what data is available and what is easily measured, thereby missing the most important and relevant outcome measures. This was the situation in the first round of SOAs in Scotland and the first round of LPSAs in England (Boyne & Law 2005). In addition, there is the potential of performance indicators to cause perverse behavioural consequences in the new results-oriented environment of Local Area Agreements. This was examined by Boyne & Law (2005) who consider the 'wicked' issues of outcome measurement to be: Whether to measure only the consequences of policies or also their implementation? When to use a single outcome measure and when a basket? When to apply national or local outcome indicators? Whether to emphasise 'objective' outcome indicators or user perceptions of outcomes?

4. Measure sensibly and develop user friendly RBM information systems

An RBM regime will only be successful if the time and resources spent on developing the outcomes frameworks are accompanied by measuring and analyzing the results being achieved. An important success criterion is that the performance information systems (outcome measurement, data collection and analysis) are 'fit for purpose' (i.e. meet the needs of users) and produce good quality data. The costs of outcome measurement should be monitored in relation to this criterion.

Integrating any new outcome data collection within the existing IT systems of an organization or partnership will help avoid the outcomes regime being seen as 'an additional chore'. Evidence from the case studies of implementation in England (McAuley & Cleaver 2006) indicate that IT systems are being adjusted and data-driven decision-making is occurring. Example given include tools being developed to assist with monitoring progress, improvements in the IT aspects of planning systems to gather and analyse outcomes data and some cases of investment in new IT infrastructure to accommodate the new PIs being used. The use of 'Turning the Curve' to assess results seems popular in England. A further area of best practice demonstrated by some councils (eg West Lothian) is to customize the outcomes information within existing IT systems in order to make the data system user-friendly and viewable to delivery partners with shared outcomes.

Evaluation studies are an important stream of performance information and complement ongoing performance monitoring and measurement by assessing issues like continued relevance, attribution and unintended impacts (Mayne 2006; Perrin 2006; Bohni Nielsen & Ejler 2008). In Scotland, integrated monitoring and evaluation strategies are now being developed for health improvement policy areas (e.g. alcohol, tobacco control) where outcome frameworks have been developed and evaluations are used to focus on unintended impacts and areas of greatest uncertainty/weak evidence of causality (www.healthscotland.com/understanding/evaluation).

RBM BEST PRACTICE

4. Measure sensibly and develop user-friendly RBM information systems

Measure the actual results and costs using both ongoing performance monitoring and evaluation studies; **compare against performance expectations**

Assess the **contribution** and influence made by the programmes to the observed results.

Build **cost-effective, user-friendly** and **relevant** information systems.

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

Evaluations become a key strand of performance information due to the need to assess the contributions being made by different programmes and organisations to the desired outcomes. The use of Contribution Analysis to address attribution issues is an essential methodological development in this area (Mayne 2001, 2006, 2008). Case studies are now being applied in Canada and France as well as Scotland (Scottish Government Social Research Group, 2009).

5. Use results information for learning and managing as well as for reporting and accountability

Using performance information on outcomes to help manage the organization and its programmes is the aim of RBM. The purpose is not merely instrumental use (informing and influencing specific decisions), but also conceptual use - over time the accumulation of results information can help shape accepted understandings of how different services and programmes are working and how they contribute to shared outcomes. Use also involves identifying and communicating learning about what is working/not working in programme management and delivery. There is some evidence from England of the use of results information by councils in an instrumental sense (McAuley & Cleaver 2006).

Most organizations use results information for reporting on how well they are doing for external accountability purposes and there is a growing body of best practice here (Funnell 1993, CCAF 2000). Mayne (2007) argues for the need to re-focus accountability for an outcomes-focused public sector with partnership accountability arrangements. In this context, reporting means being accountable for: 1) Providing information on the extent to which the expected and other outcomes were attained, and at what cost; 2) Demonstrating the contribution made by the activities and outputs of the program to the outcomes; 3) Demonstrating the learning and change that have resulted; and 4) Providing assurance that the means used were sound and proper (2007:5). The current performance reporting arrangements in the UK do not demand an account of learning and how this has been applied to managing and *improving* performance. In reality, senior executives and public leaders currently have no incentives to report on their under-achievements as well as their accomplishments.

Understanding the different uses and users of performance information is an essential demand-side issue. In the UK context, there is also some confusion related to the multiple accountabilities required of public managers and organisations. For outcomes management, performance information is available for different levels of outcome and for different reporting purposes. Friedman (2005) differentiates between 'population accountability' requiring public reporting on improved outcomes for the community and 'performance accountability' requiring corporate reporting on improved service results for customers. Within the latter category of performance accountability, it is perhaps helpful to differentiate the primary user of performance information, the service/programme manager, for internal reporting on performance.

- *Population accountability*. This includes reporting by the Scottish Government via the Scotland Performs website using the National Performance Framework (no equivalent in England) or by a LSP or CPP on the long-term population outcomes identified in local outcome agreements. One local council in Scotland (Ayrshire) has also adopted the web-

RBM BEST PRACTICE

5. Use results information for learning and managing as well as for reporting and accountability

Use results information to inform **learning and improvement processes**.

Identify and use best practices to **improve performance**.

Use credible performance reporting internally and externally; tell a coherent **performance story**.

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

based model of real-time population accountability to report results across the whole system of public services. The SOA reporting cycle for CPPs is currently annual which is considered too short to observe changes in long-term outcomes and not aligned with the three-year cycle of decision-making about public expenditure.

- *Performance accountability (external)*. Corporate performance reporting for public bodies is on an annual cycle and reports typically focus on highlighting the success stories. In Scotland, new guidance has been issued on moving towards a model of reviewing and updating the specific contributions of an organisation to shared outcomes (see Working Guidance for Public Bodies, Scottish Government 2008)
- *Performance accountability (internal)*. Service managers typically provide performance reports on a quarterly basis and require more frequent performance data to help review progress towards their service-related targets so that the results can be improved .

6. Build an adaptive RBM regime with regular review and update

International experience strongly suggests the need for an adaptive and flexible RBM regime, geared to meet current issues and concerns. Best practices here include learning from initial piloting, annual reviews of progress and a willingness to adapt the system, keeping track of problems during the year, getting feedback from users of the system and evaluating the impact of the new regime on improvement in the key outcomes. The experience in England has shown significant efforts to build learning loops into the implementation process through piloting, evaluations and various learning fora for local councils. The extent to which this has informed subsequent updates and adaptations to the new OBA regime is less clear. International experience suggests such efforts are rare. Indeed, there are some strong incentives not to change things once in place, such as:

- fixed planning and budgeting cycles
- the difficulty and cost of changing large and established IT and data collection systems
- fatigue with focussing on results
- the (mistaken) belief that once in place, the RBM regime is good for some time, and
- the (mistaken) belief that time series data are essential to good measurement.

4. Conclusions

In this paper we have looked at progress with implementing an outcomes approach to public management in the UK, applying the key lessons from international experience to an analysis of progress north and south of the Border. International experience suggests that the implementation process required will be similar for both countries - developing better guidance, creating political will and momentum, senior level commitment and leadership, building professional capabilities through training, shifting organisational performance cultures, tailoring existing IT systems and building in regular review and evaluative processes. And clearly the direction taken by both countries is very similar and closely bound up with wider public service reforms, in particular reforms to central-local government relationships. However, the pathways chosen have different timetables and routes, presenting useful opportunities for cross-border learning. England has been slowly building new strategic local government partnership arrangements based on local area outcome agreements. Short learning loops have been built into the process through initial piloting and evaluation studies

RBM BEST PRACTICE

6. Build an adaptive regime

Regularly review and update all aspects of the RBM regime—
as to continued relevance,

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

and a programme of support for local councils and their partners has been organised, with clear leadership and making good use of external consultants and international expertise. In Scotland there has been a stronger emphasis on central government reforms, political leadership for outcomes management and improving performance through alignment around a common Purpose and shared set of outcomes. The devolved political context of Scotland has energised the scale and pace of change and shaped the commitment to finding ‘new ways of doing business’ which has had positive repercussions for the demand for outcomes-oriented performance management.

The journey to a more outcomes-focused approach to performance management is a long one and the path is littered with accounts of limited success. With Scotland and England at a relatively early stage in this journey, there is an opportunity to apply lessons from elsewhere to avoid ‘a degeneration into compliance’ (Gill 2009) and outcomes management being regarded as ‘an administrative chore of no real utility’ (OIOS 2008:3). Are we doing enough in the UK to address the challenges?

The most recent reviews of progress with outcomes management emphasise the significance of demand-side issues – attending to the *uses* of performance information in decision-making, especially in relation to resource allocation. Many factors affect the use of performance information including public service motivation, valuing effectiveness, leadership role, information availability, organizational culture, citizen participation, and population heterogeneity (Moynihan 2009). Building in demand for outcome-based performance information across a whole public sector system is therefore a huge endeavour. It requires leadership from senior managers and civil servants across the public sector and incentives tied into performance at all levels, not only the current financial incentives for LSPs that demonstrate improvements, but also organisational incentives for demonstrated learning and performance rewards for senior managers who demonstrate positive behaviour change (asking results questions, producing and using results information).

In the UK implementation context where central government is expected to hold back from interfering in local decision-making, there is also a risk of their non-engagement with performance management, as in New Zealand (Gill 2009) and a failure to drive important demand-side issues like reporting. As users of performance info, senior executive and public sector leaders need to set expectations and standards for performance reporting and demonstrate how performance information has been deployed. The lack of an authorising environment for outcomes management within central and local government also poses an important leadership gap on the demand side.

Two major challenges of moving to outcome-based accountability are that a) having multiple accountabilities creates additional scrutiny burdens and b) the risk of being accountable for achieving broad social, economic and environmental outcomes over which public organisations have little direct control. The point of the Crerar Review in Scotland (2007) was to reduce and rationalize the growing burden of scrutiny on public bodies. This has been achieved partly through rationalizing the separate government funding streams and accountability requirements through SOAs and LAAs, but the existing corporate accountability requirements remain in place and are unlikely to change. Outcomes management and reporting for ‘population accountability’ by local partnerships will be seen as an additional burden unless the performance regimes are more obviously consistent and integrated with ‘performance accountability’ (corporate and internal). The public management

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

issues of multiple agencies being accountable for multiple joint outcomes is an important and complex issue and is one that needs further work.

The second issue raises questions about how the partner organisations' inputs and outputs map against a set of shared outcomes. Explicating the 'line of sight' between actions and outcomes, which actions contribute to which outcomes, is a necessary but not simple task, but one where tools are available. A risk is that this seen as a purely technical problem. If local authorities and partners are unable to articulate how they contribute to, and influence, strategic level outcomes, they are unlikely to be motivated to actively manage them (Boyne & Law 2005). Equally, where Local Strategic Partnerships have evidence of improvements in socioeconomic outcomes, but attribution to specific LAA activities is unclear and rather loosely associated with the partnership process (Russell 2008), there is little chance of accumulating knowledge about 'what worked'.

Finally, on the supply-side, one of the commonest risks appears to be over-doing it - avoiding the trap of trying to create the mother of all systems which tries to link everything to everything. Far better to adopt an approach that builds on the principles of sensible subsidiarity and being fit for purpose. For example, applying these principles to the rationalisation and selection of performance indicators would mean reporting upward only those indicators that the higher level will actually use.

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

| Table 1: Analytical Framework | | |
|--|---|---|
| RBM Best Practice Principles | Demand | Supply |
| 7. Foster senior level leadership | <ul style="list-style-type: none"> • Visible political and senior level leadership • Leaders demonstrate support and commitment to results • Expectations and standards are set for good results-oriented performance reporting | <ul style="list-style-type: none"> • Build understanding and capacity for outcomes management among public sector leaders and senior-level management |
| 8. Promote and support a results culture | <ul style="list-style-type: none"> • Informed demand for outcomes information and learning (asking the right questions) by managers at all levels • Organizational planning, financial and reporting systems are re-oriented to outcomes • Formal and informal performance incentives at all levels that support RBM practices and acknowledge challenges. • Learning approaches are built into organizational practices, e.g. regular learning forums, sharing of results information, and fostering learning when things go wrong | <ul style="list-style-type: none"> • Roles and responsibilities for outcomes management are clear • Adequate professional capabilities through e.g. ongoing training in RBM thinking and practices, developing tools and outcome measurement packages, external consultancy support in early stages • Investment in specialist capacity, skills and expertise • Build a solid base for RBM using champions and pilots • Build capacity for outcomes data into existing IT infrastructure |
| 9. Build outcomes frameworks with ownership at all levels | <ul style="list-style-type: none"> • Strategic priorities across organisation/public services are set in terms of an outcomes-based performance framework • Outcomes frameworks are linked to business plans • Reasonably clear and concrete performance expectations are set | <ul style="list-style-type: none"> • Outcomes frameworks are developed for each contributing policy/programme so that are widely owned and seen as relevant and useful and clear expectations set • Monitoring and evaluation strategies are developed for key outcomes based on these frameworks |
| 10. Measure sensibly and develop user friendly information systems | | <ul style="list-style-type: none"> • Measure the actual results and costs using both ongoing performance monitoring and evaluation studies; compare against performance expectations • Assess the contribution and influence made by the policy/ programmes to the observed results • Provide cost-effective, user-friendly and relevant information |
| 11. Use results information for learning and managing as well as for reporting and accountability | <ul style="list-style-type: none"> • Show how the performance information has been used to inform decision-making (esp resource allocation) and improvement processes. • Transparent reporting systems (internal and external) of achievements, under-achievements and what was learned. | <ul style="list-style-type: none"> • Identify learning and best practices to improve performance. |
| 12. Build an adaptive RBM regime with regular review and update | <ul style="list-style-type: none"> • The usefulness, relevance and importance of results information on strategic decision-making and budgeting is regularly reviewed and challenged | <ul style="list-style-type: none"> • All aspects of the RBM regime are updated to improve their usefulness and relevance to users |

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

References

- AUSAID. Using the Results Framework Approach (Section 2.2). 2005. Australian Government AUSAID.
- Baehler, K. 2002. Intervention Logic: A Users Guide. *Public Sector*, 25, (3) 14-20 available from: http://www.ipanz.org.nz/Site/News/Public_Sector.aspx
- Binnendijk, A. 2000, *Results-Based Management in the Development Cooperation Agencies: A Review of Experience. Background Report*, DAC OECD Working Party on Aid Evaluation, Paris.
- Blair, Tony, 2002. I have learned the limits of government, *Independent*, 20 May, 15.
- Bohni Nielsen, S.a.E.N. 2009. Improving Performance?: Exploring the Complementarities between Evaluation and Performance Management. *Evaluation: The International Journal of Theory, Research and Practice*, 14, (2) 171-192 available from: <http://evi.sagepub.com/cgi/content/abstract/14/2/171>
- Boyne, G. & Law, J. 2005. Setting Public Service Outcome Targets: Lessons from Local Public Service Agreements. *Public Money & Management*, 25, (4) 253-260 available from: <http://ssrn.com/paper=771716>
- Canadian Comprehensive Auditing Foundation (CCAF) 2002, *Reporting Principles: Taking Public Performance Reporting to a New Level.*, CCAF, Ottawa, Canada.
- COSLA & Scottish Government. Concordat. 2007.
- Crerar, L. D. 2007, *Crerar Review: Report of the Independent Review of Regulation, Audit, Inspection and Complaints Handling of Public Services in Scotland*. Scottish Government, Edinburgh
- Department for Education & Schools 2003, *Every Child Matters Green Paper*, DfES, London.
- Department of Health. The Health and Social Care Outcomes Accountability Framework. 2007. London, Department of Health.
- Dept for Children Schools & Families (DCSF) 2008, *Every Child Matters Outcomes Framework*, DCSF Publications.
- Flint, M. 2002, *Easier Said Than Done: A Review of Results-Based Management in Multilateral Development Institutions*. UK Department for International Development (DFID), London.
- Friedman, M. 2005. *Trying Hard Is Not Good Enough: how to produce measurable improvements for customers and communities* USA, Trafford Publishing.
- Funnell, S. 1993, *Effective Reporting in Program Performance Statements*. Department of Finance, Canberra, Australia.
- Gill, D. 2009, "Managing for Performance in New Zealand - the search for the Holy Grail?," *Final Chapter for new KPMG Book* (forthcoming)
- Hatry, H. 1996. *Measuring program outcomes: A practical approach* United Way of America.
- Local Government White Paper: Strong & Prosperous Communities. 2006.
- Managing for Development Results (MfDR) 2006, *Managing for Development Results, Principles in Action: Sourcebook on Emerging Good Practices*, OECD-DAC, Paris.

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

Mayne, J. 2001. Addressing attribution through contribution analysis: using performance measures sensibly. *Canadian Journal of Programme Evaluation*, 16, 1-24

Mayne, J. 2004. Reporting on Outcomes: Setting Performance Expectations and Telling Performance Stories. *Canadian Journal of Program Evaluation*, 19, (1) 31-60

Mayne, J. ILAC Brief No 16: Contribution analysis: An approach to exploring cause and effect. 2006. Institutional Learning & Change Initiative.

Mayne, J. 2007a, *Best Practices in Results-Based Management: A Review of Experience. A Report for the United Nations Secretariat*, United Nations Secretariat.

Mayne, J. 2007b. Challenges and Lessons in Implementing Results-Based Management. *Evaluation*, 13, (1) 87-109

Mayne, J. 2009, "Addressing Cause and Effect in Simple and Complex Settings through Contribution Analysis," *In Evaluating the Complex (forthcoming)*, R. Schwartz, et al eds. New Brunswick: Transaction Publishers.

McAuley, C. & Cleaver, D. 2006, *Improving Service Delivery - Introducing Outcome-Based Accountability*, IDeA, London.

Midwinter, A. 2009. New Development: Scotland's Concordat: An assessment of the new financial framework in central-local relations. *Public Money & Management*, 29, (1) 65-70 available from: <http://www.informaworld.com/10.1080/09540960802617392>

Montague, S. 2008, *Going Beyond Reports, Linking Evaluative Evidence with Management Systems. Presentation to Evaluation Summer School, May 2008*, NHS Health Scotland, Edinburgh.

Montague, S. 2009, *Structured Contribution Analysis: A Brief Dialogue and Practical Demonstration. Presentation to Evaluation Summer School, May 2009*, NHS Health Scotland, Edinburgh.

Moynihan, D. 2009. The Big Question for Performance Management: A Model of Performance Information Use (forthcoming). *Journal of Public Administration Research & Theory*

National School of Government. The Scottish Government: The Line of Sight. 2009.

Norman, R. 2002. Managing through Measurement or Meaning? Lessons from Experience with New Zealand's Public Sector Performance Management Systems. *International Review of Administrative Sciences*, 68, 619-628

Office of Internal Oversight Services (OIOS) 2008, *Review of results-based management at the United Nations*, United Nations General Assembly.

Office of the Deputy Prime Minister (ODPM) 2003, *LPSA 2G: Building on Success*, ODPM, London.

Office of the Deputy Prime Minister (ODPM) 2004, *Local Area Agreements: A Prospectus*, ODPM, Wetherby, West Yorkshire.

Osborne, S. 2002. *Public Management: Policy making, ethics and accountability in public management*. Taylor & Francis, 2002.

Perrin, B. 2006, *Moving from Outputs to Outcomes: Practical Advice from Governments Around the World.*, Report prepared for the IBM Centre for the Business of Government and the World Bank. Washington, DC. Washington DC, USA.

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

- Pollitt, C. & Bouckaert, G. 2000. *Public Management Reform: A Comparative Analysis (Chapter 4)* Oxford University Press.
- Pollitt, C. 2003. *The Essential Public Manager* Maidenhead; Philadelphia, Open University Press.
- Pugh, G. 2008, *Outcomes Based Accountability: A Brief Summary*, Improvement & Development Agency, London.
- Russell, H. 2008, *Long Term Evaluation of Local Area Agreements and Local Strategic Partnerships. Research Findings 1: Case studies issues first report*, Department for Communities and Local Government, London.
- Schwartz, R.a.M.J. & (eds) 2005. *Quality Matters: Seeking Confidence in Evaluation, Auditing and Performance Reporting*. New Brunswick, Transaction Publishers.
- Scottish Government. 2007. Better Health Better Care: Action Plan (Annex A: Revised HEAT targets for 2008/09).
- Scottish Government & COSLA, 2008. Letter from Scottish Government & COSLA on Performance Reporting for Community Care 2007/08 . 21-Jan-2008.
- Scottish Government. 2008. Outcomes Based Approach: Working Guidance for Scottish Public Bodies. October 2008.
- Scottish Government, COSLA, Audit Scotland, SOLACE, & Improvement Service. 2008. SOAs: Guidance for Community Planning Partnerships. October 2008.
- Scottish Government. 2009. Letter to Chief Executives on Single Outcome Agreements (SOAs) 2009: Governance and Accountability for SOAs.. 5-Feb-2009.
- Scottish Government Social Research Group. 2009. Social Science Methods Series Guide 5: Contribution Analysis. Edinburgh, Scottish Government Office of the Chief Researcher.
- Smith, P. 1993. Outcome-related performance indicators and organisational control in the public sector. *British Journal of Management*, 4, 135-151
- Smith, P. 1996. *Measuring Outcomes in the Public Sector* London, Taylor & Francis.
- Stewart, A. 2009. *The Implementation of Single Outcome Agreements in Scottish Local Government: Does Performance Measure Up?* MBA Dissertation. University of Edinburgh Business School.
- Sullivan, H. 2008, *Evaluation of LAAs and LSPs: Developing a 'theory of change'*, ODPM, Wetherby, West Yorkshire.
- Swinney, J. Unchartered Territory. Public Service Magazine [June 2009]. 2009.
- USAID. Managing for Results Sourcebook. 2009.
- Utting, D. P. A. a. R. J. 2008, *Turning the Curve Stories*, Department for Children, Schools & Families.
- World Bank Roundtable 2006, *Moving from Outputs to Outcomes: Practical Advice from Governments Around the World. Report prepared by B. Perrin.*, The World Bank, Washington DC.

References

Implementing an outcomes approach to public management in Scotland and England – are we learning the lessons? Erica Wimbush

Crerar, L. D. 2007, *Crerar Review: Report of the Independent Review of Regulation, Audit, Inspection and Complaints Handling of Public Services in Scotland*. Scottish Government, Edinburgh.

Scottish Government. Outcomes Based Approach: Working Guidance for Scottish Public Bodies. 2008.
Ref Type: Generic

Scottish Government, COSLA, Audit Scotland, SOLACE, & Improvement Service. SOAs: Guidance for Community Planning Partnerships. 2008.
Ref Type: Generic