Improving quality and performance with the Public Sector Scorecard

Performance Networks Seminar: More for less
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Max Moullin, Sheffield Business School

Sheffield Business School is recognised as a Centre for Excellence by the Chartered Quality Institute
Improving quality and performance with the Public Sector Scorecard

Topics covered

• More for less? Improving productivity
• Performance measures and targets
• The Public Sector Scorecard
Performance management is ... ‘proactively managing the relationship between resources consumed, activity and outcomes’

John Thornton
Insurance Claims Example

- Insurance company gets 150 calls per hour on average to its claims department
- Average waiting time 5 minutes - up to 12 minutes at busy times. Many complaints.
- Calls take 4.5 minutes on average
- 15 staff available
- The manager is considering two options: employ 2 extra staff or reduce average call time to 3 minutes

What would you recommend?
## Lean Thinking: Insurance Claims Example

### Two stages: analyse data. Take action!

<table>
<thead>
<tr>
<th>Reason for phone call</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chasing up due to non-response</td>
<td>18</td>
</tr>
<tr>
<td>Don't understand claim form</td>
<td>22</td>
</tr>
<tr>
<td>Disagree with decision</td>
<td>18</td>
</tr>
<tr>
<td>Mistake in processing claim</td>
<td>12</td>
</tr>
<tr>
<td>Informing company about details of claim</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
</tr>
</tbody>
</table>
In addition you are told that 28% of calls have to be re-directed as they come through to the wrong person, while 5% of calls are re-directed twice.
Why Measure Performance - three reasons

IMPROVEMENT

"Implement measurement systems for improvement that reveal the true performance of the system and the impact of any changes made in real time"

NHS Modernisation Agency
Why Measure Performance - three reasons

IMPROVEMENT

"Implement measurement systems for improvement that reveal the true performance of the system and the impact of any changes made in real time"

NHS Modernisation Agency

ACCOUNTABILITY

"Objective, measurable indicators of success allow governments to be accountable"

Rudy Giuliani
Why Measure Performance - three reasons

IMPROVEMENT
"Implement measurement systems for improvement that reveal the true performance of the system and the impact of any changes made in real time"
NHS Modernisation Agency

ACCOUNTABILITY
"Objective, measurable indicators of success allow governments to be accountable"
Rudy Giuliani

AND CHANGE
“Measuring performance is one of the strongest drivers for change”
Alan Underwood,
Royal Berkshire Ambulance Service
Hospital waiting times in England—thousands of people waiting a number of months

Source: Dept of Health
No of English schools where less than 25% of pupils gain 5 A* - C GCSEs

- 1997: 616
- 2006: 47

No of English schools where more than 70% of pupils gain 5 A* - C GCSEs

- 1997: 83
- 2006: 768
"All performance targets are flawed, some are useful"

Max Moullin, "What's the Score", Public Finance, 22 May 2009

with due acknowledgment to the quality management guru Deming who said:

"all models are flawed, some are useful"
Emphasis on 5 A-C GCSEs. Schools focus on those on C-D margin.

13 week target for planning applications 'led to more rejections'.

3.5 hour wait for A&E is OK.

Follow-up appts for ophthalmology delayed to meet targets for new ones.

Auditors found 12 NHS Trusts had adjusted waiting lists ‘inappropriately’.

Concentrating on short-term (Based on Brooks (2007), Ch 3.)
Emphasis on 5 A-C GCSEs. Schools focus on those on C-D margin

13 week target for planning applications 'led to more rejections'

% of offences brought to justice target led to more efforts on easy to solve crimes

Auditors found 12 NHS Trusts had adjusted waiting lists ‘inappropriately’

3.5 hour wait for A&E is OK

Follow-up appts for ophthalmology delayed to meet targets for new ones

Concentrating on short-term

Based on Brooks (2007), Ch 3.
Measuring performance – some pointers

1. Develop a performance management culture focussed on improvement, accountability and change - and not a top-down blame culture

2. Focus on outcomes
Examples of Outcomes

- Young people are successful learners
- Better educated and skilled workforce
- More and better employment opportunities
- Improved life chances
- Strong, resilient and supportive communities
- People safe from crime, disorder and danger
- Reduced inequalities

* Scottish Government’s National Performance Framework
Focussing on outcomes, not just activity

"Focusing on your outcomes and being able to measure them is not a substitute for knowing and being able to measure your outputs, but it allows you to measure what your activities are actually achieving."

Charities Evaluation Services
What happens if you focus on activity rather than outcomes ....

Recent paper* in the BMJ entitled: "Are there too many female medical graduates? Yes"
reported that female GPs took on average two minutes longer with their patients than male GPs.

What's wrong with measuring the number of patients seen per hour?

Tick, tick, tick, cross – Performance measures in the NHS

Suppose a GP (of either gender!) took two minutes less and referred a patient to ENT* rather than infectious diseases.

- Surgery target: no of patients / hour \(\checkmark\)
- ENT target: patients per hour \(\checkmark\)
- Infectious diseases as above \(\checkmark\)

- Effect on the patient CROSS!

* ear, nose and throat
3. Use a balanced set of measures: NHS Performance Assessment Framework (PAF) *

- Health improvement
- Fair access
- Effective delivery of appropriate healthcare
- Efficiency
- Patient / carer experience
- Health outcomes of NHS care

* from the NHS Plan (2000)
<table>
<thead>
<tr>
<th>NHS PAF*</th>
<th>Key Targets for Acute Hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health improvement</td>
<td>???</td>
</tr>
<tr>
<td>Fair access</td>
<td>18 month inpatient waits&lt;br&gt;15 month inpatient waits&lt;br&gt;26 week outpatient waits&lt;br&gt;Cancelled operations&lt;br&gt;Two week cancer waits</td>
</tr>
<tr>
<td>Effective delivery of appropriate healthcare</td>
<td>Hospital cleanliness&lt;br&gt;Improving working lives&lt;br&gt;Clinical governance reports</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Financial m’m’ment</td>
</tr>
<tr>
<td>Patient / carer experience</td>
<td>12 hour trolley waits</td>
</tr>
<tr>
<td>Health outcomes of NHS care</td>
<td>???</td>
</tr>
</tbody>
</table>
71% of young women NEET for >6mths between 16 & 18 are parents by 21

Persistent truants nearly 10 times more likely to be NEET at 16

NEETs are disproportionately likely to misuse drugs & alcohol

60% of excluded young people report having offended

Strong link between substance misuse and youth crime

Source: Youth Matters (Jan 2006) DCSF
5. Integrate risk management

'identifying and addressing key risks are essential for any high-performing organisation and therefore any evaluation of performance without considering risk is incomplete'

Moullin, 2006
The Public Sector Scorecard

OUTCOMES

The Public Sector Scorecard is a performance management framework which adapts and extends the balanced scorecard to the public and third sectors

PROCESSES

Three aspects

1. Developing strategy
2. Improving quality
3. Measuring performance

CAPABILITY
The Public Sector Scorecard

OUTCOMES
What are the outcomes we really want to achieve for our service users and stakeholders?

PROCESSES
How effective are our processes in achieving these outcomes? How can we improve them?

CAPABILITY
How can we best support our people and processes to achieve the outcomes required?
The Public Sector Scorecard

OUTCOMES
- SERVICE USER/STAKEHOLDER
- STRATEGIC key performance outcomes
- FINANCIAL

PROCESSES
- OPERATIONAL EXCELLENCE
- INNOVATION & LEARNING
- LEADERSHIP
- PEOPLE, PARTNERSHIPS & RESOURCES

CAPABILITY

©Max Moulin 26
How the Public Sector Scorecard works

1. Clarifying outcomes
2. Re-designing processes
3. Addressing capability
4. Strategy mapping
Strategy maps

• Strategy maps depict the relationships between capability, processes and outcome elements
• They are the vital link between strategy and performance measurement
Example Strategy Map for a school

OUTCOMES

Students master curriculum
Students are motivated and competitive

School climate is safe and enriching
Parents are involved and satisfied
Community is involved and views the school positively

Teaching is effective
Journeys to/from school are safe and efficient
Facilities are safe and well-maintained
Resources are in place on time
School provides a healthy and safe environment

Staff are skilled and competent
Staff are satisfied and well-motivated

Sound leadership and financial management

© TEAL Consulting Limited
1. Clarifying outcomes
2. Re-designing processes
3. Addressing capability
4. Strategy mapping
5. Integrating risk management
6. Developing performance measures
7. Learning from performance measures

How the Public Sector Scorecard works
Using the Public Sector Scorecard for Sheffield NHS Stop Smoking Service

• Aim to improve the service and to develop performance measures which relate closely both to strategy and user views

• Started with three service user workshops – over 100 attended

• Formed a reference group including senior managers, staff, 8 service users, doctors, midwives, and other stakeholders

• Six workshops altogether, some staff only

• Outputs: The Strategy Map
Main Benefits of the Project *

1. Enabled a broad and balanced portfolio of measures that impact directly on the effectiveness and experience of service delivery

2. Method is consistent with NHS focus on service user and stakeholder input

3. The strategy map captures a useful strategic overview of the key interrelationships. It is also a useful driver for further developments.

* John Soady, NHS Sheffield
Using the PSS across organisational boundaries -
Case Study: Ethnic Minority Employment Task Force

Improving ethnic minority employment

Building employability

Connecting people to work

Equal opportunities
Case Study: Ethnic Minority Employment Task Force

Improving ethnic minority (EM) employment

Employment rate, ILO unemployment rate, inactivity rate (all depts)

- **Building employability**
  - Attainment gaps at different stages, low attaining groups (DfES)

- **Connecting people to work**
  - Self-employment (DTI)
  - EM outreach outcomes (DWP)
  - EM employment in public sector (HO)

- **Equal opportunities**
  - Racial discrimination at work (DTI)
  - Perceptions of racial prejudice (HO)

Employment rates in areas with high EM populations (ODPM)
How the PSS reduces impact of perverse incentives

• Measures user satisfaction
• Focuses on outcomes, not activity
• Works across organisational boundaries
• Involves staff, users and other stakeholders in developing measures
• Much more selective approach to targets, not top down
• No blame culture – appraisal model
Improving Quality & Performance - A Final Word

• Make sure you focus on the outcomes that matter to users and other key stakeholders
• What about your processes? Can they be more effective in delivering these outcomes
• How can your organisation improve its capability to support its people and processes in meeting the outcomes required
• Develop your performance measures around desired outcomes, processes and capability
• Develop a culture of continuous improvement and not a blame culture
• Use the Public Sector Scorecard to help you!
**Recommendations**

1. National performance measures and targets should be developed jointly with the public bodies that are being held to account.

2. If measures are not directly related to outcomes or evidence-based drivers of those outcomes, then they should be scrapped.

3. If performance is below a target, then organisations or departments should be able to offer an explanation of any exceptional circumstances that have affected performance.

4. Public and third sector organisations need to develop their own integrated service improvement and performance measurement frameworks.
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For copies of articles and details of one day workshops in Birmingham and London, see

Web site: http://www.shu.ac.uk/ciod/pss
Once we recognise that targets are necessarily flawed, it becomes clear that the main priority is to develop a performance management culture focussed on improvement, accountability and change - and not a top-down blame culture.
Principles of Lean Thinking

1. Specify what creates *value* from the users' perspective
2. Identify all steps across the whole *value stream*
3. Make those actions that create value *flow*
4. Strive for *perfection* by continually removing successive layers of waste

**Aim** to optimise the value to service users, not on optimising the activities of individual organisations, departments or assets
Most (all?) of you will work in areas that are being monitored by central government and will have many concerns about how they monitor your performance.

Similarly you will all be responsible either for subcontracting services or ensuring that in-house services deliver what you require.

Can you identify a way of managing performance that will work in both situations?
Keep measurement simple

People often use the quote:

"if you don't measure something, you can't manage it"

However just because you measure something, it doesn't mean that you're managing it.

I recommend that you measure the outcomes that matter and the drivers of those outcomes - and that's it!
Outcomes, Processes & Capability for School Sports & PE

Target: 75% of 5-16 year olds to have 2 hours per week high quality PE & school sport by 2006 [25% in 2002]

All schools linked to sports college Hub. 450 sports colleges each linked to around 8 secondary schools and each secondary school linked to around 5 primary schools

Simple funding model direct to schools

Designated people at all levels

Effective partnership working between govt & third sector, between schools & between schools & the community

Consistent national message but local delivery & accountability
evaluating the way organisations are managed and the value they deliver for service users and other stakeholders

Moullin, 2002
Illustrative Dashboard for Stop Smoking Service*

- % of pregnant women smoking at delivery
- % very satisfied with information provided
- Budget surplus/deficit (% of budget)
- Direct costs per successful quit
- No. of four week quitters - actual
- No. of four week quitters - % of target
- No. setting a quit date
- Number of users still stopped at 6 months
- Overall conversion rate

* produced by Syscore consultants © Max Moullin
Strategy maps

- Strategy maps depict the relationships between capability, processes and outcome elements.
- They are the vital link between strategy and performance measurement.

For each element of the strategy map we decide …
1. What are our objectives and, if desired, targets.
2. How can we measure these objectives.
3. How can we improve performance on this element.
Does your organisation look like this ...

Decide what you want to achieve (set policy and objectives) → Choose many measures. Every one has a target

Policy setters

Manage through targets

Policy implementers

Blame them for failure

Let them try and work out which are important

Give people multiple measures and targets. Continue to add to them.
Culture of continuous improvement

Decide what you want to achieve (with users & implementers)

Measure progress on outcomes, processes & capability

Policy setters

Learn from measures

Listen to any reasons for failure to meet targets

Take action

Policy implementers

Determine the most important measures

Determine how best to achieve the desired outcomes

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"Managing service delivery involves more than simply gauging whether services are being delivered to agreed levels or volumes, or within agreed timescales. The quality of the service being delivered must also be assessed"