

<b>DECISION-MAKER:</b>	COUNCIL		
<b>SUBJECT:</b>	DELIVERING THE COUNCIL STRATEGY		
<b>DATE OF DECISION:</b>	18 JULY 2018		
<b>REPORT OF:</b>	LEADER OF THE COUNCIL		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>
N/A

**BRIEF SUMMARY**

The council is committed to making a difference to the lives of city residents by improving their outcomes. Since becoming Leader of the Council, following the May elections, Councillor Hammond has set out his vision and the specific areas he would like the council to focus on within each outcome in the Council Strategy 2016-2020. This report provides details on draft Outcome Plans which bring together the following key elements, setting the direction of travel for the council in the medium term and objectives for 2018/19:

- Council Strategy 2016-20 which provides the framework for business as usual activities and service improvements that the Administration want delivered
- The areas of focus
- Major projects to be delivered in 2018/19
- An ambitious capital programme of approximately £351M for period 2018/19 to 2021/22
- Executive's Commitments
- LGA Peer Review recommendations for further improvement.

The Council Strategy (available on the council's website) sets out the four key outcomes, and all the strategies in the framework are aligned to supporting the delivery of the outcomes. This is supported by a fifth internal outcome which is for the council to become a modern, sustainable organisation.

			
Southampton has strong and sustainable economic growth	Children and young people get a good start in life	People in Southampton live safe, healthy, independent lives	Southampton is an attractive modern city, where people are proud to live and work

**WE AIM TO BE A MODERN AND SUSTAINABLE COUNCIL**

The council started to implement Outcomes Based Planning and Budgeting (OBPB) in the autumn of 2016 and since then has been refining the approach. This is to ensure clarity and close alignment between the delivery of the Council Strategy and resource allocation. This is supported by a policy framework and a drive for service improvement which uses evidence from business intelligence, customer insight, strategic analysis, and needs assessment. We now work to a suite of key strategies that drive our plans set within the framework of:

- Council Strategy 2016-20
- Medium Term Financial Strategy
- Customer Strategy and Digital Strategy
- Workforce Strategy.

The Leader’s specific areas of focus and the Executive’s Commitments link closely to the outcomes in the Council Strategy. They range from top priorities to specific work that the council will undertake to explore feasibility, affordability and to develop options for consideration. These have been incorporated into the draft Outcome Plans.

The council also invited the Local Government Association (LGA) to conduct a Peer Challenge in September 2017 so that there is independent feedback on the progress made since 2013. Their report and recommendations for further improvements have also been incorporated into the draft Outcome Plans so that there is a single plan for driving the delivery of our Council Strategy outcomes and service improvements.

**RECOMMENDATIONS:**

(i)	To approve the key areas of focus within each outcome (Appendix 1)
(ii)	To approve the Executive’s Commitments (Appendix 2)
(iii)	To thank the LGA Peer Challenge team for their report (Appendix 3) and accept their recommendations.
(iv)	To note the council’s responses to the LGA Peer Challenge recommendations and that actions relating to them have been incorporated into the draft Outcome Plans (Appendix 4).
(v)	To approve the draft Outcome Plans (Appendix 5) and delegate authority jointly to the Interim Deputy Chief Executive and the Service Director, Finance and Commercialisation to finalise and make any further changes to the agreed Outcome Plans, following discussion with Leader and Cabinet.
(vi)	To note the explicit alignment and linkage between Council Strategy, Medium Term Financial Strategy, Workforce Development Strategy, Customer Strategy and the Digital Strategy as shown in Appendix 6.

**REASONS FOR REPORT RECOMMENDATIONS**

1.	This report brings together a number of elements that form the council’s policy direction and provides staff with the start of the ‘golden thread’. This will assist all staff to be clear about how their work contributes to the delivery of the Council Strategy, the Leader’s areas of focus and the Executive’s Commitments. The council reviews Outcome Plans every year. This year it is also necessary to incorporate the Leader’s vision, recommendations of the Peer Challenge and related actions as well as the revised Executive’s Commitments, in line with the recommendations of the Peer Challenge.
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**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. The alternative option of having 4 different documents (Leader’s Focus, Executive’s Commitments, Outcome Plans and Peer Challenge Action Plan) was considered and rejected because they will not provide a joined up approach and monitoring will be unnecessarily complicated.

**DETAIL (Including consultation carried out)**

3. The Council Strategy 2016-20 was approved in 2016 and provides a strategic way forward in delivering a better quality of life for our residents. The council has to deliver this Strategy in a climate of ongoing financial challenges where funding is reducing year on year and we have to be more self-sufficient by 2020/21. This is against a backdrop of needing to become more commercially minded, increasing demands for some of our high cost services and radical changes in resident expectations of accessing council services. Therefore, it is necessary for the council to become a modern, sustainable organisation and it has been on a journey to implement an agreed operating model, supported by the delivery of key strategies, mainly the Medium Term Financial Strategy, Workforce Strategy, Customer Strategy and Digital Strategy.

**Areas of focus**

4. Alongside delivering a vast range of important services and service improvements the Leader wants the council to focus on the following areas, details of which can be found in Appendix 1:

<i>Council Strategy outcomes</i>	<i>Leader’s focus</i>
Southampton has strong, sustainable economic growth	Homes for all
Children and young people get a good start in life	Aspiration
People in Southampton live safe, healthy, independent lives	Rebuilding communities
Southampton is a modern, attractive city where people are proud live and work	Clean and green
A modern, sustainable council	Southampton Pound

**Executive’s Commitments**

5. Following achievement of most of the current Executive Commitments, the Leader and Cabinet have decided to refresh them and the revised Executive’s Commitments aligned to the Council Strategy outcomes are detailed in Appendix 2. These range from top 20 commitments to areas where officers will be exploring whether the objectives are achievable and affordable and providing options for the Administration to consider.

6. One of the Peer Challenge recommendations was to develop a single set of political, organisational and vision based priorities that are unique to Southampton by including the ‘Executive Commitments’ within the Council Strategy so it is seen to be informed by political priorities as well as data and analysis of need. As there is no immediate plan to refresh the Council Strategy, the actions to deliver the Executive Commitments have been incorporated into the revised draft Outcome Plans.

**LGA Peer Challenge**

7.	<p>The council commissioned a Corporate Peer Challenge in September 2017 led by the Local Government Association (LGA). This was to assess progress since the first Corporate Peer Challenge in July 2013, to provide an independent, external view of performance and inform improvement priorities. Peer Challenges are delivered by experienced elected Member and officer peers. The current LGA sector-led improvement support offer includes an expectation that councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years.</p>
8.	<p>The team who delivered the peer challenge at Southampton City Council were:</p> <ul style="list-style-type: none"> <li>• Keith Ireland – Managing Director, City of Wolverhampton Council</li> <li>• Councillor Jon Collins – Leader, Nottingham City Council</li> <li>• Robin Porter – Deputy Chief Executive, Luton Council</li> <li>• Sarah Reed – Director of Strategy, Partnerships and Transformation, Sunderland City Council</li> <li>• Julia Veall - Transformation Director, Gateshead Council</li> <li>• Paul Clarke – Programme Manager, Local Government Association (LGA).</li> </ul>
9.	<p>The scope and focus of the Peer Review covered the following areas that were considered to be critical to council's performance and improvement:</p> <ul style="list-style-type: none"> <li>• Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?</li> <li>• Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?</li> <li>• Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?</li> <li>• Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?</li> <li>• Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?</li> </ul>
10.	<p>The Peer Challenge team used the 2013 Peer Challenge report as a benchmark as well as drawing on knowledge of current practice and progress in other councils. Peer Challenges are not inspections but improvement-focussed and tailored to meet the needs of individual councils. They are designed to complement and add value to a council's own performance and improvement focus. The Peer Challenge team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read. The Peer Challenge report is attached at Appendix 3.</p>
11.	<p>It is reassuring that the Peer Challenge team have recognised that notable progress has been made since July 2013. Their report also recognises that many of the recommendations made by the Peer Challenge team in 2013 have been followed through, helping to improve performance and change the organisational culture in the council. This improvement has also been recognised by a range of internal and external stakeholders. In stating that the council should be proud of the journey it has been on, and be confident about responding to the current and future challenges it</p>

	<p>faces, the summary identified a number of positives which provide a good basis on which to make further headway with the organisational development and increased effectiveness that is required to deliver the ambitious vision and priorities.</p>
12.	<p>The Peer Challenge team have highlighted that in order to make further headway, it will be important for the council to continue to not to lose sight of and focus on the basics – both in terms of service delivery and the systems, processes and operating procedures that support managers, staff and councillors to get their job done. It recognised that the drive for the transformation journey is about delivering outcomes and becoming an organisation that is commercially aware and “savvy”. Redesigning the organisation with different behaviours and expectations is therefore important and while the ‘One Council’ approach has delivered positive benefits so far, it is important to continue with this. This is one part of the transformation journey, and not the only aspect which sets the culture of the organisation.</p>
13.	<p>The positives highlighted in the Peer Challenge report were:</p> <ul style="list-style-type: none"> <li>• The council has become a credible and respected ‘leader of place’ and played a proactive role in the sub-regional discussions about devolution, a key role in the integration of health and social care in the City, and sought to influence regional and national thinking.</li> <li>• There is a widespread recognition of the leadership provided, particularly by the (previous) Leader of the Council and the (previous) Chief Executive, which has helped to develop positive and constructive relationships, and an enhanced reputation with many external partners. They increasingly see the council as a reliable organisation that they respect and trust, and have confidence in its ability to deliver. Those relationships and a good track record of working with partners are key strengths for the council.</li> <li>• There has, for example, been good progress in getting to grips with the financial challenge and the delivery of significant savings (£79.6M since the last Peer Challenge), the development of a medium term financial strategy and the recent introduction of a four year budget have helped put the council on a more stable financial footing. It is providing the basis on which to plan further ahead, and is giving assurance to senior officers and councillors about the council’s ability to meet the ongoing financial challenge.</li> <li>• Progress has also been made on addressing and responding to other key challenges. There has been tangible delivery against stated priorities such as health and social care integration, place shaping and physical regeneration. The latter in particular is noticeable as significant new developments and impressive public realm improvements across the city are completed. The City Centre Masterplan, developed with businesses and stakeholders, has helped to enable significant investment in the renaissance of the city, and there is an ambitious programme moving forward comprising a range of ‘very important projects’.</li> <li>• The council is clearly committed to engaging communities and stakeholders in informing priority setting, decision making and service improvements. There has been an obvious shift since 2013 in how the council does that. There is a recognition of the importance of seeking views and collating intelligence which is demonstrated by an array of consultation and engagement initiatives and approaches - both formal and informal.</li> <li>• The council has also invested to develop its analysis and needs assessment capability, business intelligence and customer insight as it has sought to</li> </ul>

	<p>become more evidence-led in its decision-making and policy development. It now needs to utilise the data in a more strategic and targeted way.</p> <ul style="list-style-type: none"> <li>• The progress made since 2013 means the council has a number of strengths and assets which will help it respond to the challenges ahead. There is an improved level of confidence and leadership in articulating a vision and priorities for both council and city. There is an increased clarity about what the organisation is striving to achieve, and a stated ambition to be more outcome based and evidence led.</li> <li>• The council benefits from competent and committed councillors, and an evolving ‘one council’ culture and mindset. There is an obvious commitment to strong governance and improved performance management.</li> <li>• There is generally a good awareness of key areas for further development, such as the need to develop and implement digital transformation – albeit a need to get a better grip on some of that.</li> </ul>
14.	<p>The Leader’s recommendation is for the council to accept the Peer Challenge recommendations in full (Appendix 3). As a lot of the work is already underway, Appendix 4 identifies our responses and how these have been or will be incorporated into current work programmes. This is to ensure we have a streamlined way of embedding the recommendations.</p>
<p><b>Outcomes Based Planning and Budgeting</b></p>	
15.	<p>Outcomes Based Planning and Budgeting (OBPB) is a method of business planning and budgeting in which funds are allocated according to a set of predefined outcomes or priorities. This model is often part of a more commissioning-based approach to service delivery and was developed in 2016. It enables Members to reshape and re-channel resources between the top outcomes and within each of the outcomes, taking a ‘one council’ approach.</p>
16.	<p>The focus of OBPB is to determine what outcomes are being achieved from services provided and whether they are beneficial and make a difference to residents, customers and businesses. Planning and budgeting for outcomes means the council focuses on what it is trying to achieve, and the impacts on citizens and stakeholders, rather than products, systems or processes. This means that the council has alignment between strategy development, financial planning and business planning through an integrated, single process that delivers outcomes we want for the city, within a longer time frame. It provides a ‘golden thread’ so that all staff can understand how they contribute to the delivery of the Council’s Strategy.</p>

	<p>Council Strategy outcomes – what we want to achieve and why (BAU, Service Improvement and Capital)</p> <p>Leader’s focus, top 20 commitments and key major projects</p> <p>Baselining to agree priorities for resource allocation across all 5 outcomes</p> <p>Business planning – how we will achieve outcomes, and service redesign within the agreed financial envelopes</p> <p>Annual Performance Reviews and objective setting to ensure personal accountability for achieving outcomes – the golden thread</p>
17.	<p>The draft Outcome Plans attached at Appendix 5 detail the key achievements in 2018/19 and show the performance trends for the measures in the Council Strategy 2016-20. They identify, in addition to the Leader’s areas of focus, key elements of business as usual, service improvements, and capital projects that we want to deliver in 2018/19. They also incorporate all the Executive’s Commitments as well as other key projects identified by Cabinet and the Council Management Team. Further work is underway in reviewing the performance measures and it is recommended that the final changes will be agreed through delegated authority, as reflected in recommendation (v).</p>
18.	<p>When setting the Outcome Plans, the Leader has identified growth in income from business rates and council tax as well as potential commercial opportunities. This has enabled the council to protect front line, universal services that are important to residents, although as the combined budget for outcomes relating to children getting a good start in life and safe, healthy, independent lives is 52% of the council’s total budgeted spend in 2018/19 of £180.9M, the council has had no option but to reduce these budgets. However, in order to minimise the impact, it is continuing to work with partners on prevention, early intervention and improving practice and performance to reduce costs.</p>
19.	<p>In light of the financial challenges, the council intends to start consultation in Autumn 2018 on the savings proposals so that in February 2019 it can set a balanced budget, whilst continuing to improve outcomes for everyone in the city.</p>
20.	<p>In arriving at robust business plans within these reduced financial envelopes, this year the council is using the ‘Business Academy’ approach (delivered in conjunction with Essex County Council) which was successfully piloted for services who are in scope for the LATCo to produce their business plans. This is designed to be part of the overall management development programme, thereby also helping to deliver a key aspects of the Workforce Strategy.</p>

21.	Finally, in response to the Peer Challenge recommendation of making explicit the alignment and linkage between the key strategies, Appendix 6 provides the summary.	
22.	The Outcome Plans also identify specific capital investments the council will be making in 2018/19 to progress specific objectives and targets the Leader wants to achieve. These are in addition to business as usual activities and are summarised below.	
	<b>Outcome</b>	<b>Key Projects</b>
	Economic growth	Generate more income from property investments and efficiencies from Capital Assets
		Invest in citywide infrastructure: <ul style="list-style-type: none"> <li>• Cycling improvements</li> <li>• Public transport</li> <li>• Integrated transport</li> <li>• Bridges maintenance</li> <li>• Electric vehicles infrastructure</li> </ul>
	Children and young people get a good start in life	Invest in expansion of our Early Years services
		Continue the programme of investing in council play parks starting with Mansel Park and then Riverside Park
		Invest in our schools capital programme to improve our schools estate
	Safe, Healthy, independent lives	Continue to deliver energy efficiency measures in council owned properties
		Continue investment in estate regeneration
		Continue to maintain and improve council housing stock
		Continue to make best use of care technology
		Continue to deliver adaptations to help people live independently in their own homes
	Attractive, modern city	Street Cleaning
		Roads and pavements
		Cultural and leisure offer
	Modern, sustainable council	Invest in accommodation improvements including responding to feedback in the Staff Survey
		Invest in digital improvements
	Other programmes	As detailed in General Fund and Housing Revenue Account Capital Programme Outturn 2017/18

## RESOURCE IMPLICATIONS

### Capital/Revenue

23. There are no additional resource requirements arising from the approval of the council's revised Outcome Plans or response to the LGA Corporate Peer Challenge recommendations. Any new work arising from the Executive's Commitments will be taken into account in future outcome planning and budgeting exercise and form part of the Medium Term Financial Strategy budget proposals.

### Property/Other



24.	None
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
25.	The Outcome Plans and Executive's Commitments support the Delivery of the Council Strategy 2016-2020. The statutory powers for producing this strategy can be found in the Local Government & Housing Act 1989, Local Government Acts 1972, 1999 and 2000 and s1 Localism Act 2011.
26.	S.111 Local Government Act 1972 provides the power to do anything calculated to facilitate the delivery of the council's primary functions.
<b><u>Other Legal Implications:</u></b>	
27.	In preparing the Outcome Plans and Executive's Commitments the council has had regard to its duties under the Equalities Act 2010, the Human Rights Act 1998 and s.17 of the Crime and Disorder Act 1998.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
28.	Strategic risks are managed through an existing framework of the Corporate Risk Register, the Contract Procedure Rules and the Financial Procedure Rules and EU public procurement law. There are no specific risks identified with the adoption of the Outcome Plans and Executive's Commitments.
29.	New risks may arise from new projects or investment to deliver the Executive's Commitments. These risks will be identified and controlled as part of the decision making process.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
30.	The Outcome Plans and Executive's Commitments will support the delivery of the Council Strategy 2016-2020 and the Council's Policy Framework.

<b>KEY DECISION?</b>	<b>No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	None
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	Leader's areas of focus for each outcome
2.	Executive's Commitments
3.	LGA Peer Challenge Report
4.	Draft council response to the LGA Peer Challenge Recommendations
5.	Outcome Plans <ul style="list-style-type: none"> <li>a. Strong, sustainable economic growth</li> <li>b. Children in Southampton get a good start in life</li> <li>c. People in Southampton live safe, healthy, independent lives</li> <li>d. Southampton is an attractive, modern city where people are proud to live and work</li> <li>e. A modern, sustainable council</li> </ul>
6	Strategic Framework
7	Equality and Safety Impact Assessment

**Documents In Members' Rooms**

	None	
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out?</b>		<b>Yes</b>
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
	Not applicable	