TITLE: Future Issues for PSLG to Consider – Contribution to the debate from the ODSI Work Programme

PURPOSE OF THE PAPER
To provide an update of discussions held with ODSI members as to potential future issues for focus.

DECISION REQUIRED
The Public Service Leadership Group is asked to:
- Note the discussions held by ODSI as to future issues that public service leaders should consider in future months.
- Consider which, if any, of the issues highlighted is a priority.
- Consider how any work will be taken forward.

BACKGROUND
The ODSI Group has finished its focus on Compact delivery. Members of ODSI have discussed the opportunities where a continued leadership contribution would be of benefit.

The Commission on Public Service Governance and Delivery will inform longer term changes for the public service. However, there remain a number of issues that it would appropriate to address in the short to medium term. These challenges remain regardless of organisational structures and will impact on all areas of the public service. By seeking to address these challenges now, any longer term structural changes recommended by the Commission have the potential to be more effective.

FUTURE AREAS OF FOCUS
Key areas or imperatives to focus on as suggested by the ODSI Group are:

Demand Management and Preventative Approaches
The financial climate within which public services are now operating means that public services need to think differently around what services are delivered and how. Process and organisational efficiency alone will not allow public services to meet budget demands.

A sustainable reduction in demand for public services is a key way of achieving significant and long-term savings. In this context, demand management must mean that the public service should focus more on co-production, prevention, and changing market models.

Work in this area may focus on tactics to manage and/or stabilise the demand for public services through changing citizen expectations of what the (traditional) public service should and can provide. Actions might include:
- Exploring alternative market models, for example provision through the third sector, social enterprise and mutuals.
Considerations could be given to issues such as charging, ensuring that due consideration is given to progressive and regressive charging. Consideration of more preventative models in order to reduce longer term demand, often on other parts of the public service.

In the context of shrinking budgets, a conversation about user and provider expectations with regards to public services in the future could support a societal shift in the relationship between the state and the individual. If entering into such a discussion a whole public service approach would be required. Such a discussion may incorporate all the issues above.

As part of such a discussion it is important to identify priorities for future delivery. It is widely recognised that there are many things that are important, but within the context of shrinking budgets there needs to be acknowledgement that not all priorities can or should be delivered. In considering issues of demand management it is important to have clarity of purpose. For many public service partners this means identifying priorities from any number of stakeholders; Welsh Government, UK Government, citizens, etc. An understanding of system wide priorities will ensure appropriate focus and read across amongst delivery partners and also to the public.

Performance and Accountability
Performance and accountability frameworks are essential mechanisms to support performance of organisations to improve. However, if not optimally designed they can also distort performance, creating unintended consequences and perverse incentives.

Whilst we would want such frameworks to focus on outcomes and improvements to citizens’ lives as a result of interventions, outcomes are often difficult to measure and are longer term in nature. Therefore performance tends to be measured in terms of outputs. This often then results in a focus on improving existing processes to do more of the same, rather than seeking alternative interventions.

With the drive towards more preventative policies and approaches we equally need to consider how a performance framework would change to reflect different ways of working. This is especially important when early intervention in one area, such as local government, could have longer term benefits in other areas. A performance system would need to ‘reward’ all those involved especially where beneficial outcomes may in the longer term manifest in non-use of a service in the future rather than increase use; for example public health having beneficial impact on longer term health outcomes or early education interventions resulting in better life outcomes.

There is potential for citizen involvement in identifying appropriate outcomes that demonstrate success. Peer support and comparison across public service organisations offers further opportunities to drive improvement. In considering performance and accountability it is important to link this to the regulatory landscape to ensure appropriate read across.

Continuous Improvement
Process and organisational efficiency alone will not allow public services to meet budget demands. However, there continues to be a need to focus on models of delivery and make them as effective and efficient as possible. It is important not to forget the tools
and techniques of continuous improvement when establishing new service models. Whilst there is already much work underway in Wales at a practitioner level there remains a need to provide appropriate leadership direction to support a continuous improvement culture in the public service in Wales.

Other area that may be being delivered elsewhere
It is important to highlight other critical areas where work may already be underway. This is an opportunity to perhaps offer a broader input or focus, acting as a wider policy sounding board if input into these policy areas is focused on professional areas. These could include:

- Workforce planning across the public service
- Well-being
- Financial management
- Health and Social Care Integration
- Education

Taking forward the Work
No proposals have been made regarding whether these are issues for PSLG to take forward or a subgroup, such as ODSI. It may be appropriate to establish a number of smaller task and finish groups to take forward multiple activities on behalf of PSLG.