LUBLIN SOLUTION STORY: MEASURING PERFORMANCE USING A RESULTS FRAMEWORK

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Subject	The story of how Lublin is working to overcome the challenge of setting up efficient indicators and monitoring systems to measure performance
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This is a story about how the Polish city of Lublin solved the challenge of measuring its performance during its participation in Creative Spirits, an URBACT Implementation Network. You won't read about it in the Paris Review of Books and it won't top any bestseller lists. Even in the often-dry realm of quality of governance it isn't a particularly revolutionary tale. The city doesn't go from governing like Kabul to governing like Copenhagen (not that it ever did govern like Kabul). However, a story about how one city learnt to improve one aspect of its work in a small way is still good to read about, right? But first, let's look at just one reason why measuring performance is important.

Take yourself to 1968 New York. The Governor of New York State, Nelson Rockefeller, receives a proposal he's commissioned on New York City's mass-transit needs. The centrepiece of this proposal is a new metro line called the Second Avenue Subway. Rockefeller approves the project and four years later construction work begins. So far so average. But how long do you think it might take to complete the first phase? It's a big inner-city project, so perhaps five years? Maybe ten at a push? Nope, try 44. That's right, it wasn't until the last day of 2016 that the first phase was completed. It took 44 years and $4.5 billion to build a two-mile, three-station stretch of metro. Obviously, this was not part of the original plan.

This is perhaps an extreme example, but Europe is full of projects that come in late and over-budget. Why is this? And what are city practitioners supposed to do about it?

The answer is relatively simple. Projects come in late because of something called the planning fallacy. This is a tendency to underestimate the time it will take to complete a project while knowing that similar projects have taken longer in the past. In other words, it's a combination of an optimistic prediction about a particular case in the face of more general knowledge that would suggest otherwise.

How do you fight the planning fallacy? You use reference-class forecasting to price in the optimism bias. You look back at all the projects you've done, all the projects that are similar to your new project, and you examine how well those projects performed in terms of their plan versus the reality of implementation. You calculate how accurate you were in your previous estimations and then you use the result of that calculation to adjust your original estimates for your new project.

For example, imagine an alternative universe where the 1968 New York City Government is aware of reference-class forecasting. Reference-class forecasting is where the city would do all of the usual stuff — the cost estimates, the schedule estimates, etc. But then, because the city has already been measuring the performance of its own projects for some time, it has a database that documents how inaccurate its previous estimates were. With this database, it can use the numbers from previous projects to adjust the estimates for the new metro line. So, let's say the database shows that on average projects of this type go 30 percent over budget. The city simply adds 30 percent to the budget estimate, thus giving them a much more accurate budget, one where the optimism bias has been priced in.[1] This is just one reason why measuring performance is important, it is the first step in defeating the planning fallacy.

Ok, let's get back to Lublin in the present day. Diana Ciszewska works for the city's Strategy and Investment Assistance Department. Right now, however, she's in Paris, attending a workshop on monitoring and performance management. She's learning about how she can use these skills to help her city implement its strategy for boosting its cultural and creative industries.

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[1] *What causes the planning fallacy and the optimism bias? Interested readers can find out more here:* http://freakonomics.com/podcast/project-management/

Here's what Diana learnt. The challenge can be broken down into two bite-sized chunks. Chunk number one is the challenge of developing a results framework. Chunk number two is the challenge of monitoring and performance management.

What is a results framework? It's a tool for designing a strong intervention logic for an urban strategy, action plan, or implementation plan. It is also a tool for supporting monitoring and performance management during implementation.

That's what a results framework does, but what does it consist of? There are four elements: specific objectives, results indicators, outputs, and output indicators. Let's quickly define these four elements.

First, specific objectives. A specific objective is the change a city wants to achieve. Each objective should be SMART (Specific, Measurable, Achievable, Realistic, and Timebound) and they are usually best expressed as the infinitive of a verb that reflects the desired change. For example, to improve, to reduce, to grow. It should not be a description of activities, e.g. to support, to develop, etc. A bad example would be "to promote CCI". A good example would be "to increase the number of people employed in the CCI sectors of television, gaming, and movies by 2020".

Second, result indicators. These are what a city uses to determine whether it has achieved its specific objectives. So, for example, if one of its specific objectives is to increase the number of people employed in the CCI sectors of television, gaming, and movies by 2020, its result indicator could simply be "Number of people employed in the CCI sectors of television, gaming, and movies".

Result indicators should be things where the dial can realistically be moved over the course of the project. They should also be at the population level, i.e. they should measure the wider population and not just the participants in the project.[1] Finally, they should be something for which the city has the appropriate data. This data should be available at the start of the project (for the baseline) and it should be something that can be regularly updated to keep track of progress.

Result indicators also need targets. These should be based upon strategic, technical, and budgetary considerations. Strategically, cities need to think about the importance of the intervention, the desired degree of change, and the corresponding amount of resources allocated to bring this about. Technically, cities need to think about what is realistically feasibly with the available time and means.

The third and fourth key elements of a results framework are the set of outputs and output indicators. Outputs are the physical products of actions. They shift the result indicators and they are therefore what enables cities to reach their specific objectives. These outputs are measured with output indicators. For example, a city might have "entrepreneurial training sessions for creatives working in television, gaming, and movies" as an output designed to shift its result indicator "Number of people employed in the CCI sectors". The indicator for this output might then be "Number of people attending entrepreneurial training sessions".

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[1] *For example, if you are measuring 'increased employment in the CCI sector' you cannot just measure the impact on the individuals who actively took part in (for example) a workshop you delivered, you need to look at the change in overall CCI employment in the target area. This is to avoid missing negative externalities.*

So that's chunk one. Develop a results framework that consists of specific objectives, result indicators, and outputs and output indicators and use this to help design the intervention logic. For an example, see the table below.

Specific objective	Result indicator	Baseline (2018)	Target (2023)	Outputs	Output indicators	Baseline (2018)	Target (2020)
To increase the number of people employed in the CCI sector	Number of people employed in the CCI sectors	100	150	CCI start-up incubator	Number of start-up incubators	0	1
				Entrepreneurial training sessions for CCI actors	Number of people attending entrepreneurial training sessions	0	50

But what about chunk two, using this results framework to help with monitoring and performance management? It's perhaps helpful to talk about four sub-chunks. First, cities need to somehow get their hands on the relevant data and figure out how to store it. Second, cities need to figure out how they are going to analyse it. Third, cities need to decide how they are going to report and present the data. Fourth, cities need to plan how they will ensure the information gathered and analysed will be used to support decision making.

Lublin had already established the first draft of results framework as part of the Lublin Development Strategy 2013-2020. This framework included qualitative, quantitative, and descriptive indicators. However, it soon became clear there were at least two key flaws with this results framework. First, the data for the output indicators is only published every two or three years, which is too long a lag if they are to be used as performance management indicators. Secondly, the key indicators (those relating to supporting creative industries) are reliant on data provided by the entrepreneurs themselves, and this is often inaccurate.

Upon returning from Paris, Diana sat down with her colleague Marcin Kęćko to discuss what she'd learnt. Based on this discussion, and also on a later Creative Spirits masterclass Marcin attended in Sofia, they decided the solution was to simplify the results framework. Simple but up-to-date and accurate information is better than detailed but outdated and misleading information. For this to happen, Lublin had to develop a new results framework. This work started with a new set of specific objectives:

- Supporting the development of a creative industries sector

- Establishing creative partnerships, clusters of creative enterprises and the system of incubating companies representing creative industries

- Supporting the commercialisation of creative undertakings

- Conducting education activities related to the development of creativity, entrepreneurship, and corporate responsibility

- Increasing social awareness of respecting intellectual property rights

Two of the indicators from the development strategy were re-used as result indicators:

- Number of businesses included in the sector of creative industries compared to the total number of businesses

- Employment in the creative sector compared to total employment

Finally, new output indicators were developed according to the criteria that they be easy to verify and easy to collect. These are listed below:

- Vacancy rate of an available premises in target area

- Nature/scope of activities of companies presented in target area

- Lifespan of supported companies

- Number of applicants to the number of places for the workshops and other events

- Number of supported companies

The new results framework in place, the other key aspect of Lublin's solution was to put in place a plan for collecting and storing the data, analysing it, and ensuring it would be used to support decision-making. Fortunately, within the city's Strategy and Investment Assistance Department there is a team responsible for strategic and socioeconomic analysis. Their main responsibility is to monitor the implementation of the strategy and to write up their findings in yearly reports. They also publish their findings on the city's website for the general public to see. The data is physically collected by the municipal officers that are directly involved in the city's CCI projects. With regards to how this data is used to support decision-making, the head of the Strategy and Investor Assistance Department is actively involved in the process and reports directly to the Mayor.

What can we learn from Lublin's story? Think about how the city can collect data when you draw up your results framework.

In Lublin it is too early to say what the long-term impact of this solution will be. However, the early signs are positive, and the municipality is already thinking about how it can incorporate the lessons learned into the drafting of the next overarching strategy document to cover the period 2020-2030.

At the time of writing there are no plans for a billion-euro metro line in Lublin; however, following their work on results frameworks and performance monitoring in Creative Spirits we would expect them to manage it better than New York.