Equipt to Innovate

Becoming a High-Performing City: A Benchmark Study/2017
Contents

04 Executive Summary
Ushering in a new generation of high-performing cities

06 Dynamically Planned
Designing and managing city structures, and helping to shape urban life and culture for the benefit of all

08 Broadly Partnered
Partnering with allied parties — public, private and philanthropic — as demands for services, revitalization and social justice grow

10 Resident-Involved
Listening to diverse voices in the community to meaningfully engage residents in problem-solving conversations

12 Race-Informed
Bringing a racial equity lens to vital community discussions about solving problems and building preferred futures
Prioritizing how resources are raised and allocated to support evidence-based investments in infrastructure, technology and people

Doing the public’s work — from the frontline to the back office — in ways that tap employees’ creativity, expertise and spirit of service

Seeing around corners and evaluating program performance and policy needs through analysis of the numbers

14 Smartly Resourced

16 Employee-Engaged

18 Data-Driven
We expect a lot of cities. Whether economic, demographic, social, technological or political, the range and number of challenges faced demand a robust and nimble response from municipal government. In other words, cities must be equipped to innovate across competencies that range from encouraging social equity in the community to effective management inside public agencies.

The Framework

No single lens can tell us enough by itself about how cities are doing, or how they are likely to perform in the future. Equipt to Innovate®, a framework developed by Living Cities in partnership with Governing, provides a landscape view of the lived experience of city governments themselves across seven key elements:

- Dynamically Planned
- Broadly Partnered
- Resident-Involved
- Race-Informed
- Smartly Resourced
- Employee-Engaged
- Data-Driven

These elements stemmed from Living Cities’ work with hundreds of partnering cities over 25 years with the purpose “to achieve dramatically better results for low income people, faster.” Equipt to Innovate applies those learnings to better understand and benchmark how cities act today, and the practices on which they can build a more equitable future.

The Reason Why

Cities are potent forces for producing positive societal outcomes. As population density grows, urbanism has responded with frameworks for the design and management of physical structures (the built environment) and the study of urban life and culture. Municipal governments work to exploit historic and geographical advantages while redressing historic inequalities. To those ends, governments have deployed a number of management and other disciplines to make best use of the public assets so cities are good places to live, work and raise families for the people who live there.

Some of these disciplines are mature — urban planning, financial management and human resources — and reflect decades of practice. Others, including public engagement, are newer and have been propelled in recent years by the modern transparency movement and widespread availability of open data. None of that is separate from issues of social justice and work toward racial equity, areas that are subject to studies of their own but rarely as part of a larger examination of the interdependent factors that lead to high-performance government.

The Survey

Equipt to Innovate is a first-year effort to benchmark cities across the seven elements with the expectation that this broader view can reveal both synergies and gaps in the current policies and practices of urban governments. We fielded the inaugural Equipt to Innovate survey in 2016 to achieve this goal. Results from this survey also help identify targeted areas for action and assistance, and inform the development of a multidisciplinary model of high-performance government.

The City of Phoenix emerged as the top performer among a total of 61 cities — including 43 of the largest 100 cities in the country — that responded to the invitation to participate in the inaugural survey. The overall response rate (19%) is robust by both industry and academic standards, indicating a strong interest by cities themselves to better understand the interplay among the elements and the dynamics of high-performance government.

The Findings

A summary of the findings for each of the elements follows. The purpose here is to reflect on key learnings from the survey overall:

Diversity Among Top Performers: Results affirmed cities already known to be strong performers and surfaced others that have been doing good work in the shadows.

1See Living Cities’ Annual Report #newurbanpractice at newurbanpractice.livingcities.org.
Role of Professional City CEO: Among participating cities, there was a relatively even split between those led by a city manager (56%) and strong mayor (44%). However, top-performing cities in all but one Equipt element have a Council-Manager form of government. Strong mayor governments notably but unsurprisingly dominated the exception, the resident-involved element.

Solid Foundation: Cities reported having put in place policies and operating structures to support many of the desired outcomes identified in the Equipt framework. Moreover, the elements are mutually reinforcing. Overall top-10 performers tended to perform well in two or more categories.

Strengths, but Room for Growth: No overall top-10 performing city was a top performer in more than half of the 7 elements. Responding cities, including but often not limited to top performers, reflected a number of common strengths:

- **Administrative Competence:** Cities have documented long-term plans and frameworks for collaboration, communication and engagement (internal and external).
- **Ability to Recognize Problems and Opportunities:** Cities have a willingness to test, pilot and prove new ideas and models.
- **Evidence-based Planning and Evaluation:** Cities place a priority on gathering, contextualizing, sharing and using information to make sound decisions.
- **Stewardship:** Cities are working to allocate limited resources of time, money and people to achieve effective and meaningful community impact.
- **Intentionality:** Cities increasingly are beginning with the result or solution in mind when developing policies and practices.
- **Continuous Improvement:** Cities are taking a limited commitment, phased approach to new initiatives, and are informed by clear communication of performance goals and progress milestones.
- **Transparency:** Cities are embracing data to let the sunshine in; analytics are increasingly used to make meaning from program and policy data.

The findings also identify a number of stretch areas for cities:

- **Improving Linkages:** Cities have not yet demonstrated consistent and strong ties between strategic planning and program execution, as well as agency and citywide strategic plans. Cities report that philanthropies and nonprofits are the immediate go-to other than the private sector. Innovative partnerships outside of business and philanthropy — that is, with universities, community action groups, churches, etc. — were not as strong as they could be.
- **Normalizing Engagement:** Cities do not yet provide regular and recurring feedback to residents, employees and partners on progress of program development and decisions.
- **Separating Signal from Noise:** Cities remain vexed by inconsistent data practices in planning and decision-making, a problem that grows exponentially with increasing volumes of data. Data and policy frameworks are useful but often underutilized in program evaluation.
- **Separateness:** Cities report that system, program and agency silos limit integrated planning and service delivery.
- **Lack of Narrative:** Cities are not proficient in telling their story in promoting policy objectives and marshaling public support for working toward positive societal outcomes.

The results of the inaugural Equipt to Innovate survey demonstrate that cities are on the move, working to be relevant and responsive to the communities they serve. While there are common directions in pursuing these performance outcomes, the city-specific strategies and tactics are a function of their unique environments — shaped by their own histories, culture and leadership.

Over subsequent cycles, Equipt to Innovate surveys will track progress in these best and emerging practices and the interplay among them in identifying the characteristics of high-performance government. The results of the initial survey indicate the future is iterative and adaptive — not linear. Moreover, consistent with the Equipt framework, cities’ efforts across the seven elements affirm our conviction that it is about progress, not perfection.
By definition, planning is the heart of urbanism and among the most mature disciplines for designing and managing city structures, and helping to shape urban life and culture. Dynamic planning pairs professional planners with residents and neighborhood groups to address problems and imagine preferred futures. Top-performing cities tend to be learning organizations, reporting they are doing well while recognizing room for improvement. In those cities, progress is tracked and reported with the use of targets and measures; adjustments to programs are made in response to data; and activities are relayed to residents through multiple channels.

**Dynamically Planned**

Creating and updating strategic plans with input from affected residents

- **90%** of responding cities have a published, long-term strategic plan that has been recently updated. Cities, for the most part, also rank themselves as more, rather than less, effective in strategic planning and in soliciting input during this process.

- **85%** of respondents reported that more than 10 city agencies, departments and groups were asked for input into the city’s most recent strategic plan.

A significant majority also believe they are doing well or exceptionally well in soliciting and using resident input to inform their city’s strategic plan.

Proportion of respondents that have a published, long-term strategic plan that has been updated in the past 18 months.

90%

90%

10%

Yes

No
Growth Areas

Aligning departments and actions with the strategic plan

Over half of respondents (57%) reported they could better coordinate programs with other levels of government. More than a third indicated the need to improve the linkages between departmental plans — transportation, human services, economic development, etc. — and the city’s strategic plan.

City Plans With Direct Ties to Strategic Plans

On average, 72% of all city plans have demonstrable, direct ties with the overall strategic plan.

Maturing in use of metrics

The use of data and performance metrics is common but inconsistent. The difficulties in using metrics effectively are many: the chosen metrics may not be effective; access to needed data may be limited due to suboptimal collaboration and cooperation; and/or there is uncertainty about how or whether to talk about sensitive issues identified through the data.

What does this mean?

Even though cities say they are doing well in soliciting input into their strategic planning, “doing well” may be conceptualized differently from one city to the next. The findings indicate cities are working through maturity levels with their planning; for example, one-way resident input is commonly solicited for government planning and initiatives, while more sophisticated efforts with back-end management of stakeholder engagement and buy-in with plans appear to be challenged. Use of performance metrics is another area that could benefit from examination. There were significant discrepancies in how cities used metrics to inform planning, reporting, and decision-making.

High-Performing Cities:

These cities are:

- Developing comprehensive strategic plans tied to individual agencies and departments, and incorporating sustainability and transparency within the plans
- Tracking and reporting progress with the use of targets and measures, adjusting programs in response to data and relaying activities to residents through multiple channels
City governments face challenges too big and complex to solve by themselves. The need to partner with neighboring jurisdictions as well as allied parties in the private and philanthropic sectors will become more intense as demands for services, revitalization and social justice grow. Survey results indicate that where partnerships exist, they are strong and effective, but cities report they do not always have partners where they need them. The gaps are particularly pronounced where other units of government are concerned; most respondents indicate they need to get better at intergovernmental coordination and collaboration.

**Strengths**

Engaging in cross-sector initiatives with private industry and philanthropy

Survey respondents said they are **doing well in working with business and philanthropic organizations**. City employees are encouraged to work with external partners, and respondents believe new ideas are being identified, tested and adopted for use in city governance through these relationships.

9 out of 10 respondents reported they have mechanisms in place to communicate progress on goals to residents and employees, however, this communication appears to be infrequent and fragmented.

Partnerships with other levels of government are more complex. Cities gave themselves an average score of **8 on a 10-point scale** on their effectiveness in engaging on specific initiatives with other units of government, while conceding large gaps in the number and nature of intergovernmental partnerships.
Growth Areas

Partnering with government agencies

When it comes to partnering with other levels of government, difficulties can arise due to policy, politics, technology and compliance. Relationships with state agencies — or lack of them — is the most problematic area for cities. **Roughly half** say city-state partnerships are in most need of improvement. Beyond state agencies, at least a third of respondents reported the need to improve partnerships with other public agencies across levels of government.

Only **1 in 5** cities participating in the survey reported they are doing well in partnering with all levels of government; **79%** identified at least one level of government where partnerships were weak or nonexistent.

<table>
<thead>
<tr>
<th>Percent of Other Units/Levels of Government that Need Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Agencies</td>
</tr>
<tr>
<td>School Districts</td>
</tr>
<tr>
<td>Special Districts</td>
</tr>
<tr>
<td>County Agencies</td>
</tr>
<tr>
<td>Federal Agencies</td>
</tr>
</tbody>
</table>

**What does this mean?**

For all its potential advantages, government partnering is hard. Although cities recognize the benefits of partnership, many units of government remain siloed — a circumstance that risks duplicate work. At the same time, partnerships unlock “collective intelligence”¹ that taps businesses, sister cities, neighboring jurisdictions, area universities, philanthropies, citizen-scientists and start-ups to produce positive societal results.

**High-Performing Cities:**

Las Vegas, Nev.

Phoenix, Ariz.


**These cities are:**

✓ Using purposeful, goal-oriented partnerships to find effective ways to serve residents better and innovate in resource-strained environments

✓ Implementing cross-sector initiatives and partnering with other levels of government and universities to share resources to maximize impact and efficiency

¹ Term coined by Nesta, a UK foundation. (See http://www.nesta.org.uk/project/collective-intelligence)
To involve residents, cities have to be good, consistent listeners. That means listening in ways that take time and effort. Digital tools may be useful but by themselves are not sufficient to be inclusive of diverse voices in the community; meaningful engagement may require purposefully inefficient conversations through town hall meetings and focus groups with specific demographic groups using culturally appropriate materials. The results are measured through a two-part test: (1) incorporating what you learn into policy and strategy; and (2) explicitly telling residents how or whether their input was used and why.

Strengths

Incorporating resident input into policy

Survey responses suggest a common commitment to community-driven development in pursuing the next new thing. Most cities believe they are effective in deploying community engagement strategies that inform residents of government activities, solicit resident feedback and incorporate that input into policy.

90% of cities have communication mechanisms in place to involve residents — including websites, social media and citizen apps, with social media being the most common. Consultations take place online and face-to-face in top-performing cities such as Fayetteville, N.C. Riverside, Calif., regularly surveys its residents, and Cleveland, Ohio, uses community meetings and focus groups.

77% of respondents reported using technology to solicit and support meaningful resident feedback on program progress/outcomes, with 87% saying that once received, resident input is meaningfully incorporated into making policy, improving service delivery and solving complex problems.
Growth Areas

Engaging residents in ongoing dialogue

Although most respondents said they are effective in using community outreach and engagement mechanisms, there is room for improvement, as indicated by questions asked across all Equipt elements covered by the survey.

41% of cities are not using feedback mechanisms to notify residents when their ideas have or have not been used, a dimension that is vital for fostering future resident engagement and trust in government.

By the same proportion (40%), cities report their use of resident input could be improved, along with public transparency regarding the development of city programs. And less than a quarter of respondents ranked themselves as performing “exceptionally well” in soliciting and using resident input to inform the city’s strategic plan.

What does this mean?

As many cities with online town hall meetings can attest, merely implementing a new technology will not guarantee resident engagement. Answering the question of how to make civic engagement interesting, appealing and relevant remains a work in progress. Connecting residents to governance by making them aware of social problems within the city and then connecting them with opportunities to serve may be one way forward.

High-Performing Cities:

Philadelphia, Pa.,
Albuquerque, N.M.
Providence, R.I.

These cities are:

- Viewing civic engagement as a key component of city initiatives
- Using resident engagement to inform a variety of input, involvement and feedback mechanisms across agencies
- Soliciting input through resident surveys, topic-specific consultations with key resident groups and culturally sensitive materials, and then clearly and visibly tying it to new initiatives, project changes and policy formulation for the city
Race-Informed

By design, this element brings a racial equity component to the framework — reflecting a larger movement that is strategically integrating a racial equity lens into city planning. The goal here is to redress disparities and help co-create opportunities for all residents. Fully three-quarters of respondents (77%) stipulate that more needs to be done, even though they report progress in the equitable provision of services and deliberate efforts to close gaps in digital and educational divides. High-performing cities, like all cities, confront systemic issues in pursuing racial equity and many have been moved to action by a catalytic event.

Strengths

Diversifying their workforces

Responses for this element took a cautious tone even as cities reported on the work done in this often challenging area. The explicit recognition that cities have a pressing problem requiring redress provides a level of transparency useful in these efforts.

Almost all cities say they are doing something to recognize and plan to obviate community inequalities. Most begin with their own workforces.

92% of respondents reported their human resources departments have plans and initiatives in place to ensure the local government workforce will reflect the racial and ethnic makeup of the city. Another 74% have training programs in place to help city staff understand not only how race affects their work, but also how race relates to the outcomes they are striving to achieve for the residents of the city, with 65% using data disaggregated by race to inform policy development.

As part of a first-in-nation Race and Social Justice Initiative, Seattle takes a multi-disciplinary approach to targeting institutional racism through: restorative justice programs; an environmental action agenda centered on racial equity; semi-annual employee and community surveys; employee training on how to recognize and act to mitigate racism; and widespread availability of translation and interpretation services for non-English speaking residents.

9/10 cities report taking intentional steps to address racial disparity.
Growth Areas

(Re)building trust and provisioning services equitably

In two-thirds of responding cities (64%), providing access to city services and infrastructure for communities of color consistent with white communities could be improved. Three-quarters (77%) of respondents indicated the need for more equitable provision of services such as transportation, education and community policing across the city.

Only 16% of cities strongly agree the local immigrant and minority communities have trust in local government — impeding the flow of reliable information between these communities and public agencies. 70% reported there is an educational achievement gap between students of color and white students that is not improving.

3/4 need to improve access to city services.

What does this mean?

Being a race-informed city is about more than police-community relations, although that is an important component. Survey findings indicate widespread efforts to ensure a diverse city workforce that reflects the city’s racial makeup, and to remain sensitive to the challenges faced by both minority and immigrant communities. Working to ensure equitable provision of services and parity in education, health and income builds trust in local government and reduces barriers to frank, cross-cultural, problem-solving conversations.

High-Performing Cities:

These cities are:

- Setting specific goals to end racial disparity and foster inclusion for all residents
- Taking steps such as ensuring city staffing is diverse and representative; training employees on racial injustice; providing health and socio-economic initiatives targeted to minority populations; and establishing departments, divisions and positions focused on improving the equitable provision of services
Smartly Resourced

This Equipt element comprises conventional measures of a well-run city — the effective management of revenue and expenditures, and responsible investments in infrastructure, technology and people — plus the shift toward evidence-based budgeting, public-private partnerships and other innovations. The focus includes the strategic and creative deployment of resources, including workarounds of cash constraints that would otherwise limit capacity and the ability to change. Smartly resourced also anchors a through line to other elements and makes them possible through funding prioritization. It also shares a number of good practices with other elements such as establishing and using performance metrics; sharing them transparently; and engaging with residents, public employees and partners.

Strengths

Growing adoption of evidence-based budgets

Evidence-based budgeting is reaching critical mass. According to city respondents, over 60% of city budget allocations are now based on evidence and oriented toward results. Moreover, three-quarters (77%) reported their cities have increased the proportion of evidence-based budget allocations over the last four years.

Most cities in the survey look to private sector and philanthropic partnerships to help fund new programs and initiatives. At the same time, cities including Knoxville, Tenn., and San Antonio, Texas, use the annual budget process to adjust or eliminate existing programs based on their effectiveness. To help it see around corners, El Paso, Texas, has built a scenario manager that dynamically models the immediate fiscal future and 10 years out.
Growth Areas

Expanding use of performance data

Performance data is underused in both evaluation and decision-making activities among responding cities. Just over a third of respondents (41%) report using performance-based contracts. Similarly, only 40% of the respondents reported their city is doing well in evaluating and eliminating programs that are not producing positive outcomes.

Approximately one-third of the respondents stated they are not conducting regular evidence-based evaluations of their own economic development initiatives. San Jose, Calif., and Virginia Beach, Va., are among a minority of cities adopting performance-based procurement.

What does this mean?

Performance measurement is a valuable but underutilized tool to assess resource deployment and initiate change. A question for cities is how they have made the leap from merely collecting performance data to incorporating performance data into decision-making and planning activities, such as making changes to underperforming programs. The data suggests tracking and evaluating performance remain difficult undertakings for many cities, limiting their use of the information to take corrective action, make necessary improvements or completely eliminate failing programs.

How well does your city evaluate and eliminate programs that have not yielded sufficiently positive results?

High-Performing Cities:

- San Antonio, Texas
- Boston, Mass.
- Knoxville, Tenn.

These cities are:

- Regularly scheduling performance evaluations that incorporate effective metrics and a clear pathway to action to help ensure the wise allocation of resources, such as using technology to streamline and improve services
- Setting aside savings, improving credit ratings and working to generate new revenue through fostering new business development

<table>
<thead>
<tr>
<th>Extremely Well</th>
<th>Fairly Well</th>
<th>Neither Well Nor Poorly</th>
<th>Somewhat Poorly</th>
<th>Very Poorly</th>
</tr>
</thead>
<tbody>
<tr>
<td>7%</td>
<td>33%</td>
<td>32%</td>
<td>20%</td>
<td>8%</td>
</tr>
</tbody>
</table>

How well does your city evaluate and eliminate programs that have not yielded sufficiently positive results?
Public employees — from the frontline workers to executives and policymakers — do the work of government. Their work grows increasingly complex as communities grow and the role of government shifts to meet today’s needs and anticipate tomorrow’s expectations. By themselves and in collaboration with partnering organizations, they are responsible for service delivery and problem solving. These employees have responded to the call of public service — sometimes as a career and sometimes only for a season. Cities have widely implemented programs to retain employees but report they have been less successful in creating structures and incentives to attract new employees into public service.

**Strengths**

Engaging and inspiring employees

Cities are appealing to the power of public service to make positive changes in their retention and recruitment of employees — pairing career growth opportunities with the appeal of meaningfully impacting the community. Cities are using a combination of proven methods and newer interventions to engage and inspire employees, including: employee surveys to benchmark and track satisfaction; training partnerships with area colleges and neighboring jurisdictions; mentoring to encourage broad inclusion, diverse and women leadership; and incorporating a focus on employee well being.

88% ensure city employees understand how their departmental activities connect to the larger goals and vision of the city, so employees connect daily tasks to larger strategic objectives.

92% have HR strategies in place to cultivate professional development with more purposeful focus on career growth for their workforce.

9/10 cities are helping employees connect their work to community impacts.
Growth Areas

Recruiting employees

Attracting and retaining highly qualified employees can be difficult for cities due to complicated hiring processes, constrained budgets and competition with the private sector. Cities assess their effectiveness in attracting new talent to their workforce as moderate, scoring themselves as a **7 out of 10**. In addition to characterizing government work as more than a job, there is a growing recognition among cities that talented candidates will not wait on slow bureaucratic processes. Both San Antonio, Texas, and Denver, Colo., have reduced the time to hire to 45 days, down 83 and 47 percent respectively.

Only 38% ranked their city as being “very active” in promoting itself as a prospective employer to potential employees.
The value of data in the life of a city is not measured by volume but in how it is used to identify how a city is working and areas in need of attention. Cities are using data to inform priorities, measure progress, ask better questions, foster deeper understanding and realize better results. They are also using data in evidence-based program evaluation to determine whether and how to adjust or eliminate underperforming programs. Used effectively, data can also hold government agencies accountable for what they do and don’t do, ultimately helping to mitigate residents’ eroded trust.

Strengths

Achieving transparency and accountability through data

Performance metrics that track progress are prominent in city transparency strategies. The data is used to identify underperforming areas needing targeted actions, and — as in El Paso, Texas — examine initiatives exceeding targets to uncover best practices, which are then shared across the enterprise.

77% of city respondents use technology to solicit, track and analyze resident feedback on program progress. For its part, Las Vegas, Nev., uses it to connect citywide goals to the activities of individual agencies and departments.

8/10 cities have open data portals.

78% of the survey respondents report having an open data portal of some kind, although there is wide variation in their completeness, functionality and ease of use. Two-thirds of a city’s data will be on the open data portals within the next five years.
Growth Areas

Improving access to government-held data

Only 33% of the survey respondents strongly agree their government data, including procurement data, is not only available to, but also easily consumable by, the public. On average, 34% of city government departments, within an individual city, use predictive analytics or tasks such as anticipating community needs and approaching problem solving.

Phoenix, Ariz., may provide a replicable model for other cities. It has created a robust open data portal, complete with user controlled visualizations, to make data accessible, understandable and useful.

Departmental Use of Predictive Analytics

On average, 34% of city government departments, within an individual city, use predictive analytics or tasks such as anticipating community needs and approaching problem solving.

What does this mean?

Data can unlock future growth. Witness Kansas City, Mo., which is basing its smart city and IoT strategy on its data practice. Open data policies in cities such as Phoenix, Ariz., and San Diego, Calif., are being used to promote public transparency and trust, inform policy and achieve administrative efficiencies. Data officers, including the one appointed in Louisville, Ky., are guiding inter-agency usage, sharing and the increasing number of data sets and quality of data on the city portal.

High-Performing Cities:

These cities are:

✓ Establishing positions and departments to collect and share data across departments, with leadership and with residents
✓ Creating open data policies to support the sharing of performance metrics and strengthen transparency initiatives
✓ Expanding resident access to data through free Wi-Fi, and offering educational programs through libraries to improve opportunities for residents and small businesses

Phoenix, Ariz.
San Diego, Calif.
Louisville, Ky.
Join the journey to high-performance government at: governing.com/equipt

GOVERNING

Governing covers politics, policy and management for state and local government leaders. Recognized as the most credible and authoritative voice in its field, Governing provides non-partisan news, insight and analysis on budget and finance; transportation and infrastructure; workforce and economic development; health and human services and more.

Governing is a division of e.Republic, the nation’s only media and research company focused exclusively on state and local government and education. www.governing.com

LIVING CITIES

Living Cities harnesses the collective power of 18 of the world’s largest foundations and financial institutions to develop and scale new approaches for creating opportunities for low-income people and improving the cities where they live. Its investments, research, networks, and convenings catalyze fresh thinking and combine support for innovative, local approaches with real-time sharing of learning to accelerate adoption in more places. Additional information can be found at www.livingcities.org.

© 2017 e.Republic. All rights reserved.