

National Audit Office

Fourth Validation Compendium Report: Volume 1

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Fourth Validation Compendium Report: Volume 1

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12 December 2007

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SUMMARY

1 Public Service Agreements (PSAs) were first introduced in 1998. They were introduced to improve the accountability of Government spending by defining the key outcomes expected for a given level of investment.

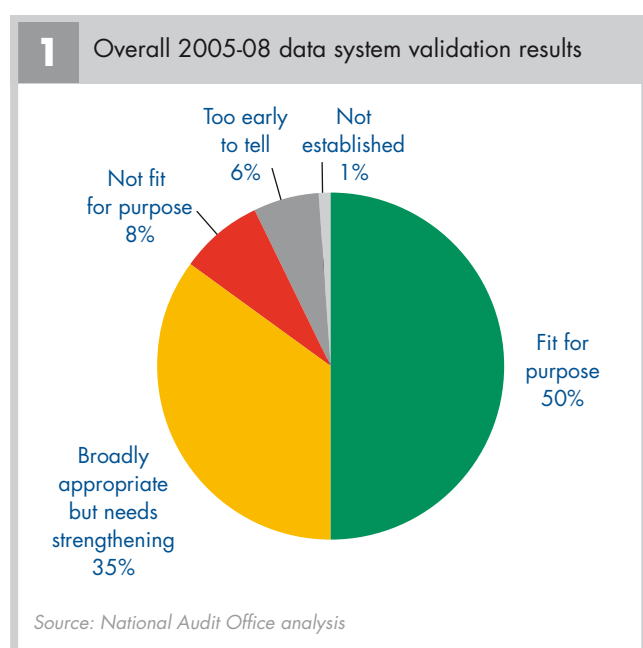
2 In the Spending Review in 2004 the Government set over 100 PSAs for central Government Departments. These established the key aims and goals for Government performance in 2005-08. This report examines the quality of the data systems used to measure progress against these targets.

3 Good quality data are critical if performance measures and targets are to be used effectively to improve public sector delivery and accountability. Good quality data help Departments to: improve programme management and performance; assess whether they need to revise policies and programmes; allocate resources and make other policy decisions; and report reliably to the public and Parliament on their achievements.

4 The National Audit Office (NAO) was asked by Her Majesty's Government to report on the quality of the data systems underlying PSAs. This report examines the data systems used by eleven Departments to monitor and report progress against their 2005-08 PSA targets. Combining these findings with the results of the other six Departments, published in December 2006 in the Third Validation Compendium Report¹, we present an overall picture of the quality of the data systems supporting all 2005-08 PSAs. We conducted a follow-up exercise of the six Departments previously validated, to ensure the analysis was updated where necessary.

5 We reviewed a total of 237 data systems operated by 17 Departments to support progress against PSAs set for the 2005-08 period. The overall results are summarised in **Figure 1**.

6 Overall our examination shows that Departments have successfully taken steps to improve the quality of their data systems. Departments have been less successful at transferring the learning to the development of new data systems and there are still improvements that can be made to increase the relevance and reliability of data used in reporting progress.



Recommendations

- 7 Specification of data systems
- Departments should explicitly consider measurement issues when setting new PSAs. Specifically, Departments should ensure that all the elements of performance they are targeting are properly defined and measurable.
 - Departments should evaluate existing data sources to assess their suitability for PSA monitoring purposes before incorporating them into PSA data systems.
 - Where PSA targets represent longer-term outcomes to be achieved beyond the Spending Review period, Departments should agree appropriate milestones which allow interim progress against the target to be judged, and remedial action to be taken if necessary.
 - Departments should ensure that performance data are available frequently enough to inform managers and front-line personnel of their progress against target, and help them make decisions about how best to pursue the target.
- 8 Operation of data systems
- Reports to management boards should disclose limitations to data quality, and present all the information necessary to place performance information in context.
 - Departments should introduce a management function to challenge and approve data quality.
 - Accountability for data system quality should be clearly established, and should be separated from performance accountability to avoid perverse incentives.
 - Departments should ensure that systems are in place to detect errors in outturn data.
 - Where the data system contains subjective elements, guidelines, training and/or a challenge function should be put in place to ensure that judgements by different people are consistent.
 - When collecting data from external sources, Departments should ensure that they are aware of significant risks to data quality, and take steps to manage them.

1 Third Validation Compendium Report: Volumes 1 and 2 2006-07 (HC 127).

9 Reporting of data

- Technical Notes should properly define the PSA and disclose limitations to data quality, ensuring the reader has all the information necessary to place performance information in context.
- Performance reports should contain the information needed for readers to correctly understand performance.
- Departments should report latest outturn data for all elements of the target specified in the Technical Note.
- Criteria for achieving success against the target should be clearly specified. In cases when there is more than one performance indicator counting towards a target, Departments should disclose the decision matrix for judging whether the target has been achieved (e.g. four out of seven indicators need to be positive; all must show improvement).

10 Part four of this report discusses developments to the PSA framework introduced through the Comprehensive Spending Review 2007 (CSR2007). It describes how recommendations arising from our validation work have been addressed by the Treasury in CSR2007 and discusses the ongoing risks to data quality.

PART ONE

Introduction

The Public Service Agreement system

1.1 “Public Service Agreements are fundamental to the Government’s approach to delivering world-class public services, combining clear national goals with unprecedented levels of transparency.” *Foreword to the Public Service Agreement White Paper 2004.*

1.2 Public Service Agreements seek to improve public sector delivery and accountability by helping Departments: manage delivery against priorities, assess whether they need to revise policies and programmes and report reliably on their achievements (**Figure 2**). If these benefits are to be maximised PSAs must be underpinned by good quality data.

1.3 As part of the Spending Review in 2004 each of the main Departments agreed their PSAs for the period 2005-08 with the Treasury; responsible for oversight of the PSA framework. At the start of the Spending Review process Departments discussed with the Treasury the broad coverage of their PSAs. Once identified and defined, the process is for the Treasury and the Department to agree the targeted level of improvement for each PSA.

1.4 Departments set out in Technical Notes how they measure performance and assess progress against their PSAs. These notes were publicly available documents, written for the lay reader and agreed with the Treasury (**Figure 3**).

2 What are Public Service Agreements?

PSAs are three year agreements, negotiated between each of the main Departments and the Treasury during the Spending Review process. The first PSAs covered the period 1999-02, the second set the period 2001-04 and the third the period 2003- 06. The PSAs covered in this report were set for the period 2005-08.

Each PSA sets out a Department’s high-level aim, priority objectives, and key performance targets under most of these objectives.

The Agreements set for 2005-08 are available from the Treasury’s website (http://www.hm-treasury.gov.uk/spending_review/spend_sr04/psa/spend_sr04_psaindex.cfm).

Examples of these Agreements include:

Improve punctuality and reliability of rail services to at least 85 percent by 2006, with further improvement by 2008.

Department for Transport.

Reduce health inequalities by 10% by 2010 as measured by infant mortality, and life expectancy at birth.

Department of Health.

Appendix 3 provides a full list of the PSAs included in this report.

3 What should be covered in a Technical Note?

Technical Notes set out how performance against PSA targets will be measured. For each target they should:

- set down baselines, provide definitions of key terms, explain territorial coverage and set out clearly how success will be assessed; and
- describe the data sources that will be used, including who produces the data and any quality assurance arrangements.

Examples of Technical Notes are provided in Appendix 2. All Departments’ Technical Notes can be accessed via the Treasury website: http://www.hm-treasury.gov.uk/documents/public_spending_reporting/public_service_performance/psr_performance_efficiency_supporting_documents.cfm.

1.5 To support accountability Departments report progress against all their PSAs twice a year, in their annual Department Report and Autumn Performance Report. The Treasury guidance states that Departments' reports should provide a full and accurate picture of progress against the PSAs by reporting latest available data for all measures set out in their Technical Notes, in a clear and informative fashion. This includes explaining the factors affecting the performance achieved and whether there are any significant limitations in the data system used for a specific PSA.

Data system validation

1.6 Following his 2001 report on Audit and Accountability in Central Government², Lord Sharman recommended that there should be external examination of Departmental information systems. In response, in March 2002 the Government invited the Comptroller and Auditor General to review the data systems underlying PSAs at least once during the lifetime of each priority or target.

1.7 In 2004, we validated the data systems underpinning all of Departments' SR2002 (2003-06) PSAs. We reported the summary results in the Compendium Report 2004-05 and the Second Validation Compendium Report 2005-06.³ In 2005-06 we examined 65 data systems used to report on 46 PSAs, set by six Departments in the 2004 Spending Review, for the 2005-08 period. The results were reported in the Third Validation Compendium Report.⁴

1.8 This report completes our validation of Departments' data systems supporting SR2004 PSAs (2005-08) by presenting our findings on the remaining 11 Departments (Figure 4). We present the results of our work in two parts: this volume summarises the results and highlights factors affecting the quality of PSA data systems; Volume 2 presents our conclusions for each data system in detail. These are also available on our website www.nao.org.uk/reference/reference.

1.9 Our validation work examines the quality of the data systems underpinning the PSAs. We do not validate the quality of the PSAs themselves, nor do we provide a conclusion about the accuracy of the outturn figures included in the Departments' public performance statements. This is because the existence of sound data system controls reduces but does not eliminate the possibility of error in reported data.

² *Holding to Account – The Review of Audit and Accountability for Central Government Report*, by Lord Sharman of Redlynch (February 2001).

³ *Public Service Agreements: Managing Data Quality – Compendium Report, 2004-05* (HC 476); *Second Validation Compendium Report: 2003-06 PSA data systems, 2005-06* (HC 985).

⁴ *Third Validation Compendium Report: Volumes 1 and 2, 2006-07* (HC 127).

4 Validations covered in this Report

	Number of SR 2004 (2005-08) PSAs (standards)	Number of validation ratings
Department of Health	8(4)	18
Former Department of Trade and Industry	11(1)	31
HM Revenue and Customs	10	20
Department of Communities and Local Government	10	10
Department for Work and Pensions	10	25
Foreign and Commonwealth Office	9	12
Department for Transport	7	7
Home Office	5(2)	13
Department for International Development	6	20
Ministry of Justice (former DCA)	5	8
Northern Ireland Office	4	6

Source: National Audit Office analysis

NOTES

1 Appendix 3 lists all these Departments' SR 2004 (2005-08) PSA targets.

2 The number of ratings vary against the number of PSAs depending on the number of underpinning data systems and whether ratings were made at PSA or data system level.

3 Totals include 7 Standards, or floor targets. Where a Department has a standard, this number is presented in brackets alongside the total number of PSAs. For more information, see **Appendix 6 – Glossary**.

4 DTI's PSAs have transferred to BERR and DIUS. More information of Department changes can be found at the end of Part 1.

5 Cabinet Office PSA target 4 has also been validated as part of this year's examination, as it was transferred to the Department from the Home Office after we had completed our validation of the Cabinet Office's PSA targets (published in the Third Validation Compendium Report).

1.10 Our validation approach is based around good practice principles for data systems agreed by the Treasury and other central bodies (see Appendix 1). For each PSA we assess whether the Department has put in place and operated adequate systems of control to mitigate the risk of significant error in reported data. Some PSAs rely on multiple data systems – where, for example, they include a number of sub-targets. In these cases, we provide a conclusion for each data system.

1.11 In conducting our work we examine the risks and controls across three main elements of Departments' PSA data systems, described below. We take into account the work on data quality of other organisations, for example the Office for National Statistics (ONS).

- **Specification of data system:** whether the data used are relevant to the PSA, adequately covering all significant aspects of performance expressed;
- **Operation of the system to collect, process and analyse data:** whether the system is well-defined and documented and capable of producing data that are reliable and comparable over time; and
- **Reporting of results:** whether reporting is clear, transparent and comprehensive, providing latest outturn data for all significant elements of the target and explaining any data quality issues.

1.12 On the basis of our examination, we aim to provide a conclusion for each data system, indicating whether the system is:

- fit for purpose;
- broadly appropriate but needs strengthening; or
- not fit for purpose or not fully established.

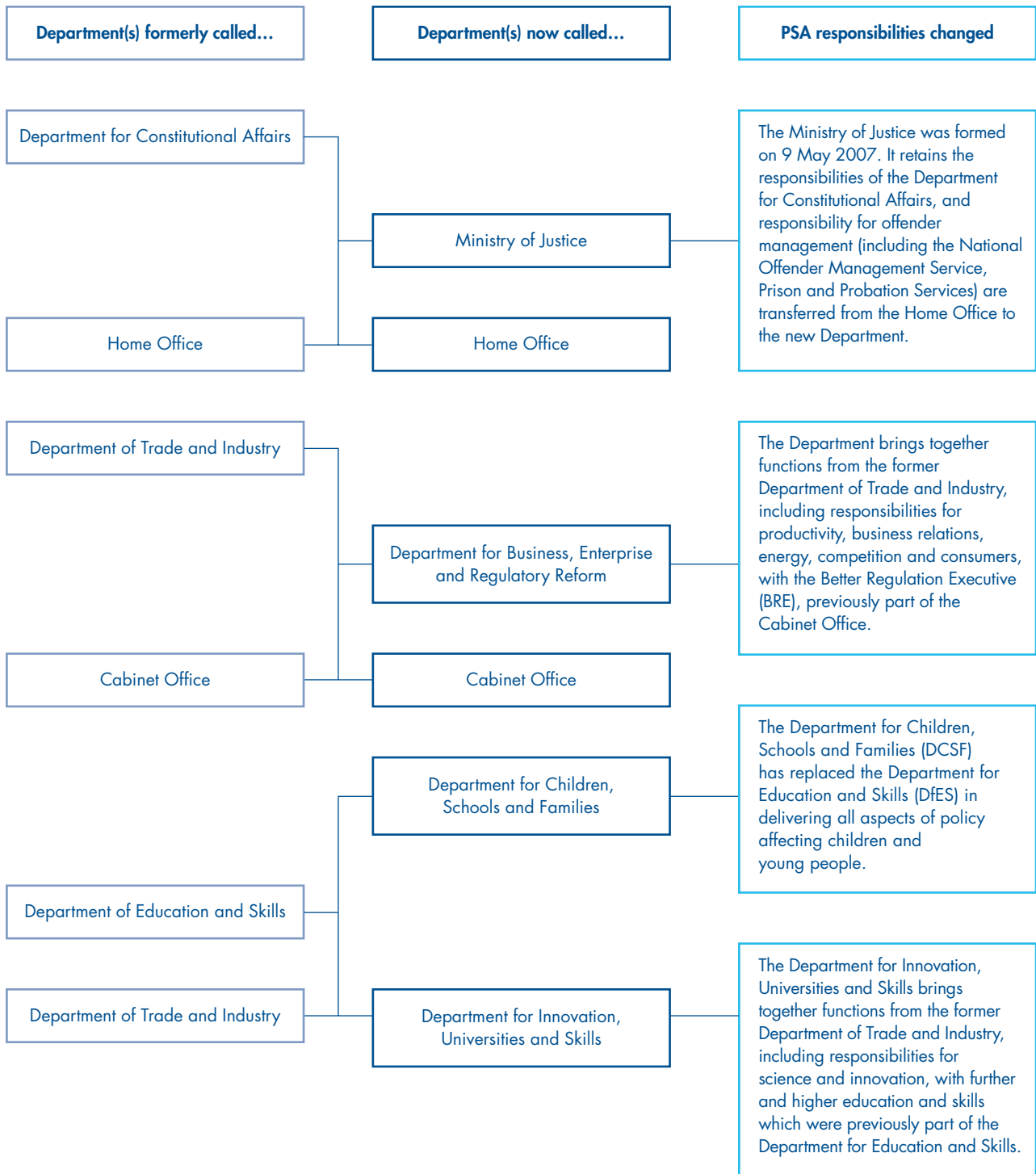
1.13 For some PSAs, the system may be broadly appropriate but Departments may find that it is not possible to address all significant risks to data quality cost-effectively. In such cases we assess whether the Department has explained fully the implications of limitations that cannot be cost-effectively controlled in their performance reports. Where this is not the case, we conclude that the Department should explain the implications of these limitations more clearly to the reader.

1.14 Where the data systems that are needed to report progress against a PSA are not in place at the time of our review, we conclude that there is not a system in place, or that the data system is not sufficiently established for us to form a view on its fitness for purpose (a 'white' rating). However, if we expect that the data system will not be established before the end of the monitoring period, we conclude that the data system is not fit for purpose as the Department will not be able to report progress over the life of the target (a 'red' rating).

1.15 Since commencing the work presented in this report several 'Machinery of Government' changes have been announced. As a result some of the names of Departments have changed along with some of their responsibilities.

Figure 5 overleaf summarises the changes relevant to this report.

5 Machinery of Government changes



Source: National Audit Office

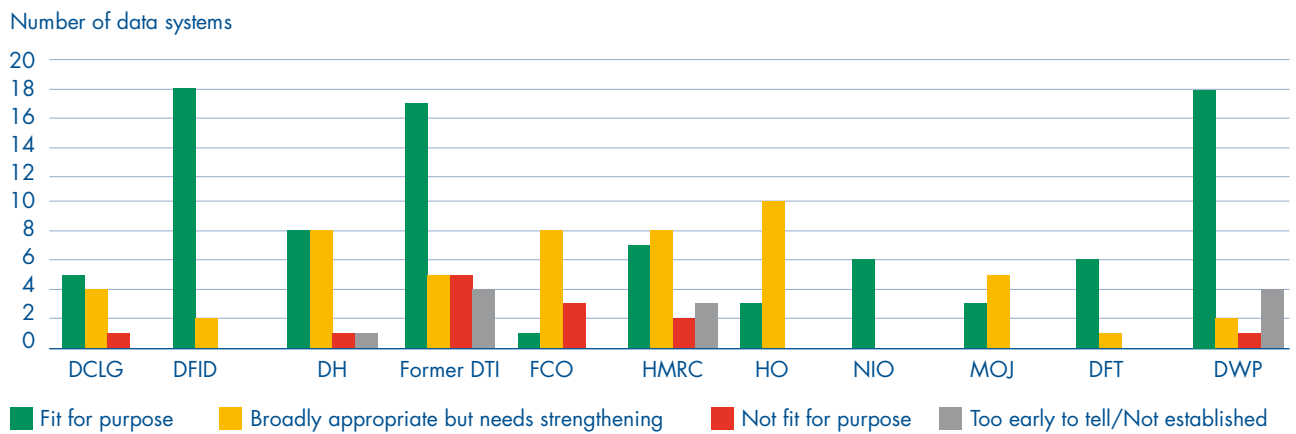
PART TWO

Validation results

2.1 Figure 6 shows the overall results for 11 Departments validated this year. Figure 7 overleaf shows the results for the six Departments we validated last year. There is wide variation in results between Departments. Variability reflects the different measurement challenges facing each Department, in terms of the number of data systems managed and the complexity of different PSAs, targets and data systems, as well as the strength of the governance arrangements for data quality in each Department.

2.2 Figure 8 overleaf shows how the overall quality of all 17 Departments data systems has changed between Spending Reviews. Overall our examination shows that Departments have successfully taken steps to improve the quality of their data systems. The analysis below shows overall progress has been slowed by the introduction of new data systems as Departments are less successful at transferring learning to the development of new data systems. There are still improvements that can be made to increase the relevance and reliability of data used in reporting progress.

6 SR2004 (2005-08) PSA data systems validation results by Department

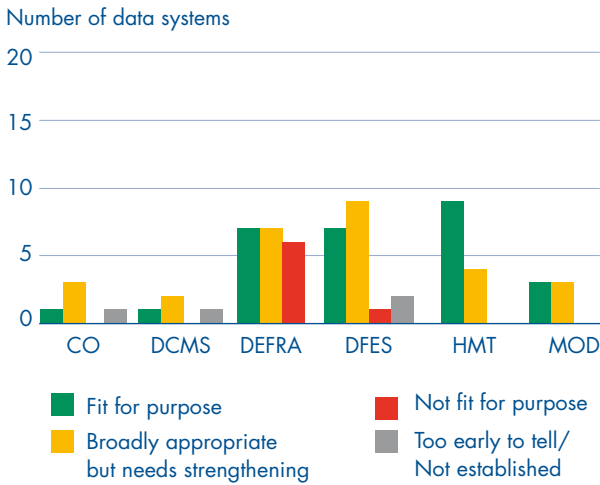


Source: National Audit Office analysis

NOTES

- 1 MOJ was formerly DCA.
- 2 DTI's PSAs have transferred to BERR and DIUS.
- 3 Appendix 3 contains results for individual data systems.

7 SR2004 (2005-08) PSA data systems validation results for the six Departments examined in 2006 in Validation Compendium Report 3



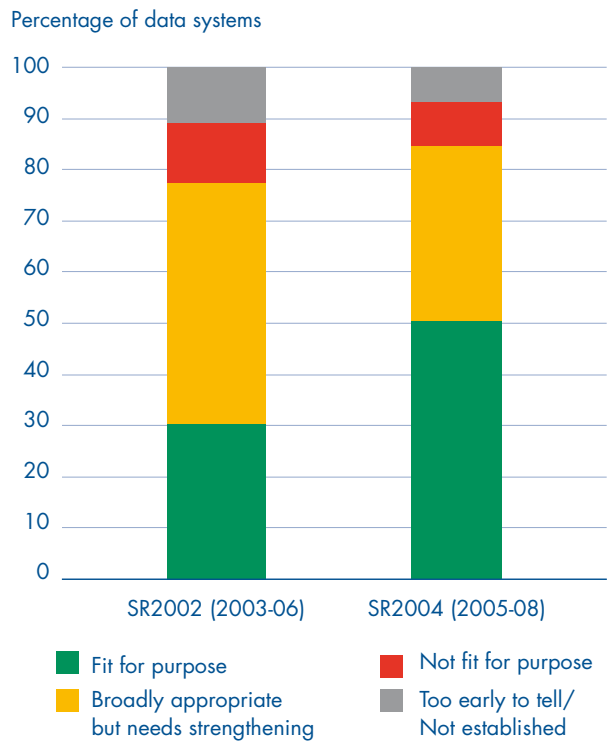
Source: National Audit Office analysis

NOTES

- 1 DFES is now DCSF and DIUS.
- 2 Results for individual data systems are contained in VCR3.
- 3 2 data systems for the Cabinet Office were validated as part of this year's validation round, as Cabinet Office PSA target 4 was transferred to the Department from the Home Office after we had completed our validation of the Cabinet Office's PSA targets (published in the Third Validation Compendium Report).

2.3 The overall results mask considerable variation in the degree of improvement in Departments' data systems. **Appendix 4** shows how each Department's data systems have altered in quality by presenting overall results by Department of our validation of SR2004 (2005-08) PSA data systems next to the results of our previous validation of data systems supporting PSA targets set for the SR2002 (2003-06) period.

8 Overall SR2002 (2003-06) and SR2004 (2005-08) results compared (for all Departments)



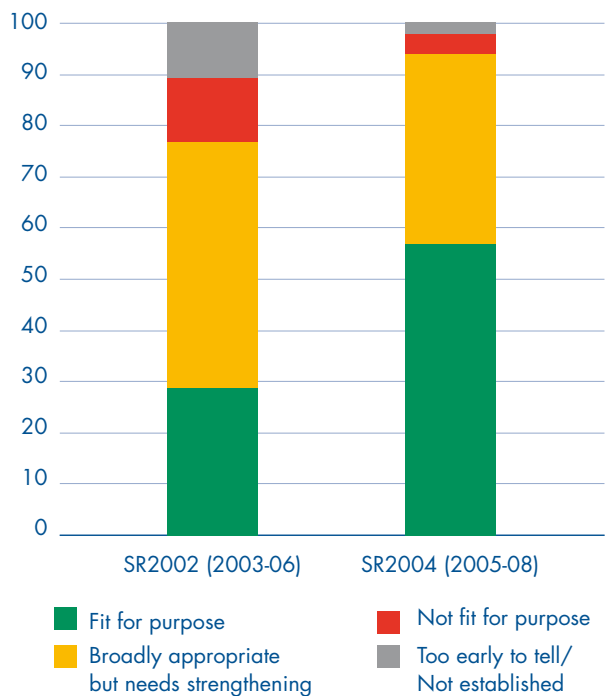
Source: National Audit Office analysis

2.4 In practice, many SR2004 (2005-08) data systems were new or significantly altered from SR2002 (2003-06). In order to examine the degree of improvement in more detail, we identified the systems that were common between the PSA periods and compared our SR2002 (2003-06) validation conclusions for these systems with current results (**Figure 9**). This allowed us to assess how Departments have responded to the NAO's recommendations for individual data systems.

2.5 Of 177 data systems common to both Spending Review periods, improvements were made in 46 per cent of data systems, which demonstrates that Departments can make improvements to their data systems over time. However, **Figure 10** shows that Departments have found it less easy to transfer this experience, and implement good practice when establishing data systems for the first time.

9 Overall SR2002 (2003-06) and SR2004 (2005-08) results for common data systems compared

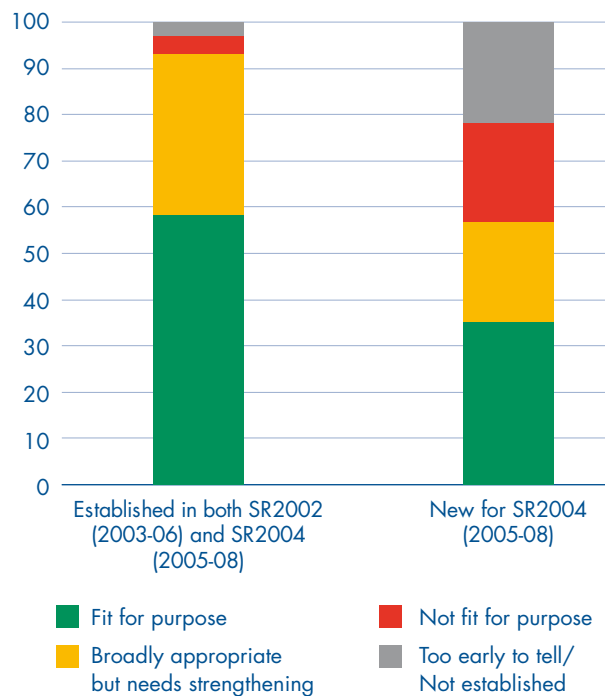
Percentage of data systems



Source: National Audit Office analysis

10 Ratings for new and established data system SR2004 (2005-08) compared

Percentage of data systems



Source: National Audit Office analysis

PART THREE

Issues arising

3.1 In this section, we detail some common issues that have consistently arisen during the two rounds of PSA data systems validation.

Specification issues

3.2 The design, or specification, of a data system refers to the process of establishing a data system, including identifying suitable measures and evaluating whether they are appropriate for measuring the PSA target.

Taking a planned approach to measurement issues when setting targets and designing data systems

3.3 PSAs express the priority outcomes that Departments are seeking to achieve nationally and internationally, and focus on elements across the range of Government social, economic and environmental policy. Consequently, PSAs often represent complex aspects of performance, and it can be difficult to establish data systems that measure the performance appropriately.

3.4 When developing PSAs, Departments can face a trade-off between targeting what is important and what is measurable. Simple measures do not always capture intended policy outcomes, yet increasing the complexity of targets increases the difficulty of setting up robust data systems.

3.5 Our analysis of the 20 data systems that are not fit for purpose showed that in nearly half of cases (45 per cent), Departments have not established data systems allowing progress to be judged before the SR2004 monitoring period ends in 2008. Of the 11 remaining data systems, which were established but not fit for purpose, specification issues were present in 82 per cent of cases. Sometimes targets were written in very broad terms or addressed aspects of performance that required further interpretation, or Departments found new data systems more difficult to develop than expected, or assumed that existing data streams would be suitable without reviewing them. Only two data systems were rated not fit for purpose based exclusively on operational and reporting issues. This highlights that paying attention to measurement issues when developing PSA targets is fundamental to establishing robust data systems.

3.6 Out of 24 data systems rated 'white' or 'red not established', six existed in some form in both SR2002 and SR2000, which highlights the difficulty Departments can face in establishing data systems for targets that are conceptually difficult to define, such as the former DTI's PSA to increase the "responsiveness of the research base to the needs of the economy and public services".

3.7 PSAs often include multiple elements or sub-targets. We have found a number of mismatches between what is targeted and what the data systems measure and report. This can often result in only a partial view of performance against the PSA. Over a third of data systems had problems measuring all aspects of their PSA:

Departments can find it difficult to develop data systems for PSAs for conceptually difficult or complex measures of performance

The former Department of Trade and Industry has had to research new methods of collecting data for its PSA target to increase consumer empowerment, as there is currently little consensus about what makes an effective consumer regime and no established methodology to compare the performance of the UK consumer regime accurately to that of other countries. Pending the outcome of the research programme, the Department drew on the Office of Fair Trading (OFT) business and consumer survey, the Consumer Direct Satisfaction Survey and the OFT annual survey of consumer awareness, to allow it to assess progress against its target, but these surveys do not cover all elements of the target.

The Department for Communities and Local Government have a target to reduce race inequalities and increase community cohesion as measured by perceptions of the black and ethnic minority communities of discrimination and community cohesion. Whilst this presents measurement challenges, the Department use data from the Citizenship Survey (CS), which was specifically designed by the Home Office, with the help of internal and external experts, to measure perceptions. In particular, the number of ethnic minority individuals surveyed was boosted by 5,000, on top of the core survey sample of 10,000, to ensure that analysis looking solely at the responses of minority ethnic groups was statistically significant.

Departments struggle to design data systems that capture all elements of complex PSAs

The Department of Health has a standard to ensure that every hospital appointment is “booked for the convenience of the patient, making it easier for patients and their GPs to choose the hospital and consultant that best meets their needs.” The data system measures the percentage of patients given the opportunity to choose the most convenient date from a range of dates. However, there is no system in place to measure the provision of comparative information “making it easier for patients and their GPs to choose the hospital and consultant that best meets their needs” and it is not possible to measure the extent to which these appointments were actually made for the “convenience of the patient”, since this depends on patients’ personal interpretation of “convenience”, which is not measured.

Existing data systems are not always appropriate for PSA monitoring purposes

For its target to increase the employment of ethnic minority groups, the Department for Work and Pensions uses employment and unemployment statistics generated by the Office of National Statistics’ long-running Labour Force Survey – a weekly survey of 10,000 people aged 16 and over. Our previous report highlighted that the sample surveyed did not give adequate coverage to ethnic minority groups, which detracted from the value and reliability of the survey results. The Department have now satisfied themselves that an appropriate sample has been achieved for ethnic minorities to accurately report the movement against the employment rate. However, where the number in a group is below 10,000, the Department will not report, due to the statistical uncertainty associated with their small samples from such groups.

Recommendations

- Departments should explicitly consider measurement issues when setting new targets. Specifically, Departments should ensure that all the elements of performance they are targeting are properly defined and measurable.
- Departments should evaluate existing data sources to assess their suitability for PSA monitoring purposes before incorporating them into PSA data systems.

Targets expiring after the Spending Review period has ended

3.8 Longer-term targets will be beneficial when improvements in outcomes will take time to emerge, or when a longer-term focus helps to manage change effectively. When seeking improved national outcomes in complex areas Government may need to set targets beyond the end of a three year Spending Review period. However, targets with a long-term focus risk providing weaker motivation for service delivery in the short-term and a weaker basis for performance management and accountability for current spending. This risk can be mitigated by setting a trajectory for performance or by setting milestones.

3.9 Nearly 20 per cent of PSA targets set for the 11 Departments covered in this report expire after the SR2004 period ends in 2008. Examples include:

- obesity targets operated by DCMS, DCSF and DH are set to expire in 2010;
- the MOJ targets a 10 per cent increase in the proportion of care cases being completed in the courts within 40 weeks by 2009-10; and
- the DWP targets a reduction by half in the number of children in relative low-income households between 1998-99 and 2010-11, as a milestone on the way to their target of eradicating child poverty by 2020.

Recommendations

- Where PSA targets represent longer-term outcomes to be achieved beyond the Spending Review period, Departments should agree appropriate milestones which allow interim progress against the target to be judged, and remedial action to be taken if necessary.

Data are often not available frequently enough to be used by management to inform decisions

3.10 When data for PSAs are collected with a time lag (e.g. two or three years) or are collected infrequently, the usefulness of such data to inform management decisions and drive performance improvement is reduced. In the latest round of validations delayed or infrequent data were present in nearly a fifth of data systems.

Departments often receive performance data with a time lag

Data supporting the target to improve economic performance in all English regions – held jointly between the Department for Communities and Local Government, the former Department of Trade and Industry and the Treasury – is published with a one year lag and may also be subject to revision as updated data are received. So, as the gap in the growth rates is measured by comparing the average growth rate of the three best performing regions with that of the bottom six regions based on the period 2003-12, the Departments will not be able to judge progress against the target until 2014 once ONS have published data for 2012.

The use by the Department of Health, the Department of Children, Schools and Families and the Department for Culture, Media and Sports of three-year averages for its obesity target is intended to minimise the effect of year-on-year variations, and to compensate for the small sample sizes. This is clearly stated in the technical note published by the Department. However, because the data are not available until about a year after the period end, the target will not be measurable until after the end of the 2011 calendar year.

Recommendations

- Departments should ensure that performance data are available frequently enough to inform managers and front-line personnel of their progress and help them make decisions about how best to pursue the target.

Operational issues

3.11 The operation of a data system refers to the day-to-day running of a data system, including managing the data collection process, identifying errors and managing risks to data quality.

Governance and managerial oversight arrangements do not routinely consider data quality issues

3.12 We found little evidence of management boards being provided with information on the limitations in reporting due to data quality. This was identified in our previous report as a factor impacting on the lack of substantial improvement in PSA data systems. In addition it was not always possible to identify officials who were responsible for ensuring the reliability of data and the operation of key controls. It was often difficult to verify whether controls had operated because supporting records had not always been retained.

There are opportunities for Department management boards to improve co-ordination between business and analytical areas to enhance data quality

Her Majesty's Revenue and Customs has established a governance structure over the PSA targets, with a director responsible at objective, target and key indicator level. There are a significant number of people across the Department who have responsibility for the PSA data systems and there are opportunities for the Department to co-ordinate the efforts of the different areas at a business and research level to improve governance, consistency of approach, and documentation.

Recommendations

- Reports to management boards should disclose limitations to data quality, and present all the information necessary to place performance information in context.
- Departments should introduce a management function to challenge and approve data quality.
- Accountability for data system quality should be clearly established, and should be separated from performance accountability to avoid perverse incentives.

Data systems often lack proper quality controls

3.13 To track progress against their targets, Departments often use data provided or collected by external organisations including other Central Government organisations, local service providers and private organisations. Regardless of the data source, Departments are responsible for assuring that the data they select are fit for the purpose of monitoring progress against their PSA targets, and reporting achievements to Parliament and the public. We have found too little evidence of Departments undertaking formal exercises to identify risks surrounding the particular data sources being used. In over 20 per cent of cases, Departments do not check the controls in place on such data systems.

Data quality risks should be managed during data collection

The Department for Transport is heavily dependent upon local authorities for its congestion targets, as they individually set constituent elements of the targets, operate data systems and provide data to the Department. The Department intends to conduct targeted visits to local authorities to review their local procedures in practise, in part to assess risks to data quality and ensure reliability. However the extent, detail and timing of these inspection visits have yet to be defined.

The target to increase the number of offenders brought to justice shared by the Home Office and the Ministry of Justice is measured by reported crime data recorded by the 43 police forces and Crown and magistrates' courts. To help improve consistency of data collection, the Home Office developed and implemented the National Crime Recording Standard (NCRS) supported by Home Office counting rules for the collection and validation of data by police forces. The accuracy of data are assessed through inspections by Her Majesty's Inspector of Constabulary and the Audit Commission. As the Audit Commission noted in June 2006 in their report Crime Recording 2005, the NCRS has resulted overall in a much more consistent approach to the collection and recording of crime by police forces.

Data systems relying on subjective judgements require explicit controls to ensure that judgements are consistent over time

When the Department for International Development and the Foreign and Commonwealth Office report against their joint target of conflict prevention (which they share with MOD), progress reports are compiled by experts in their fields. However, the report compilation process is not prescribed or documented. Nor are the processes for setting the traffic light indicators on the individual sub-targets or for deriving the overall assessment of progress against the PSA target, documented. This creates a risk to the consistency of the assessment process.

Departments need to explicitly consider data quality when using data from external sources

The Home Office uses the ONS British Crime Survey to report progress against its target to reduce crime. The Survey is based on a sample, and so estimates are subject to a margin of error and possible bias from people's failure to respond. These risks are mitigated by the BCS having a large sample size (approximately 48,000), a continued high response rate of more than 75 per cent and adjustments to take account of non-response. However, the BCS does not capture crimes against youths under 16, those not living in "normal" households such as those in group residencies and the homeless, and businesses. There has been no consideration of whether the exclusion of these groups has a significant impact on overall results.

Quarterly Housing Benefit reports produced by each local authority are used to measure performance against the Department for Work and Pensions Housing Benefit target. The performance reports are reviewed against prior periods in order to identify spikes in the data or unusual trends. Any unusual trends are investigated and, where necessary, the local authorities contacted for explanation of the anomalies.

Recommendations

- Departments should ensure that systems are in place to detect errors in outturn data.
- Where the data system contains subjective elements, guidelines, training and/or a challenge function should be put in place to ensure that judgements by different people are consistent.
- When collecting data from external sources, Departments should ensure that they are aware of significant risks to data quality, and take steps to manage them.

Reporting issues

3.14 To support accountability Departments report progress against all their PSAs twice a year, in their annual Department Report and Autumn Performance Report. Outturn data should be presented for all elements of the PSA, and any factors affecting the quality of data systems should be disclosed alongside reported data, to enhance the reader's understanding.

Technical Notes need to be strengthened to include all relevant information

3.15 Technical Notes are provided by Departments to clarify definitions, define the scope of each PSA and to inform the reader how performance data are collected, ensuring that they are aware of any limitations with the data (Figure 3). We found, in over a quarter of data systems, Technical Notes that did not present all the information needed for readers to judge properly the quality of data systems, or place in context the data that was presented.

Technical Notes should contain all relevant disclosures to enable readers to understand performance data in context

The Department of Health, for its target to reduce health inequalities as measured by infant mortality and life expectancy at birth, has not disclosed in its Technical Note that information on social class is obtained from the father's occupation on the birth certificate. Data for infant mortality where the mother registers a birth without the father's details are not included in the calculation due to poor data recording. Given that a proportion of single parent mothers will be from disadvantaged groups it is important for the Technical Notes to explain this exclusion and for reporting to consider its impact. The Department has disclosed this in other reports, and as a result of our validation work is now updating the Technical Note to ensure that all the information necessary to understand the data system is available in one document. They will report this limitation in the Annual and Autumn Performance Reports.

Recommendations

- Technical Notes should properly define the PSA and disclose limitations to data quality, ensuring the reader has all the information necessary to place performance information in context.

Departments should ensure that Department reports present performance data in context

3.16 In over a fifth of data systems, Departments did not disclose all the issues necessary to understand fully the data presented in their annual reports.

Limitations in data systems should be explained to readers

For example, HM Revenue and Customs, when reporting on VAT losses, has in the past published an accuracy range of around +/- four per cent for VAT losses. This has not been disclosed in the Technical Note for the SR2004 target, and the most recent published performance report refers only to a 'degree of uncertainty' associated with the estimate, disclosed in a footnote linked to the baseline. Clear disclosure of limitations surrounding the results is important to aid reader understanding.

Limitations in data systems should be explained to readers *continued*

Raw data for the Foreign and Commonwealth Office's conflict prevention target is collected in the field, often under difficult circumstances, and this may compromise data quality and reliability. It is also difficult to identify and track potential sources of future conflict and determine where such conflicts have been prevented, or to attribute the contribution made by the United Kingdom. These risks to the accuracy of the data system cannot be cost-effectively mitigated and have been clearly disclosed in the Technical Note.

All outturn data should be reported, and the outturn data should match the target

For the former Department of Trade and Industry's target to increase business investment in Research and Development (R&D), the Technical Note indicates that the Patents indicator will be measured against Patents taken out in the US, the EU and in Japan. However, in the Autumn Performance Report 2006, the Department reported against this target using Patents granted at the US Patent Office only. No reason is given in the Performance Report to explain the different measure for reporting against this indicator. In addition, the Technical Note also states that a key performance indicator for this sub-target will be Gross Domestic Expenditure on R&D as a percentage of GDP, but the Department has not included such data in its progress reporting.

The basis for claiming success against the target should be clear and uncontestable

The Technical Note for the Department for Communities and Local Government's planning system (target 6) has not been drawn up clearly. It is difficult to determine the sub-targets that make up the PSA without reference to what has been reported in the Annual and Autumn reports. The Technical Note also outlines targets on culture change and policy levers which are not being reported against because the Department is not currently able to measure progress against these targets. The implications of this for the achievement of the PSA are unclear and no explanations are provided in current reporting.

Recommendations

- Performance reports should contain the information needed for readers to correctly understand performance.
- Departments should report latest outturn data for all elements of the target specified in the Technical Note.
- Criteria for achieving success against the target should be clearly specified. In cases when there is more than one performance indicator counting towards a target, Departments should disclose the decision matrix for judging whether the target has been achieved (e.g. four out of seven indicators need to be positive, all must show improvement etc).

PART FOUR

The future of PSAs

4.1 The NAO has examined all the data systems underlying the PSAs published as part of the Spending Reviews in 2002 (2003-06) and 2004 (2005-08). In total we have validated over 400 data systems. This work has provided a body of knowledge on the issues that arise with the quality of data systems, and their use in the public expenditure control framework.

4.2 Many of the data quality issues we have encountered are not intractable, but rather reflect the fact that Departments pay insufficient attention to data quality issues at the time that PSAs are being designed. At a corporate level, Departments pay less attention to the quality assurance associated with data systems for non-financial performance data, than they expect of a financial data system. In practice, while Departments have made improvements in data systems over time there has not been a step-change in the quality of data systems being introduced.

4.3 This report is being published as we consider the impact of the Comprehensive Spending Review 2007 (CSR2007). CSR2007 (2008-11) will introduce a number of changes to the system of public sector accountability. The PSA framework will continue to form an important pillar of the Government's approach to driving public service performance. However, there are a number of changes being introduced which are aimed at strengthening the framework of accountability.

4.4 The new PSAs are not constrained by Departmental boundaries and again represent the priorities for Government business for the three-year spending period. The new joint PSAs are accompanied by published Delivery Agreements, replacing the previously unpublished Delivery Plans. These set out the lead Department for each PSA and the contributions of other Departments. Departmental Strategic Objectives (DSOs) have been created to cover the range of business in each Department and form the 'top-line' of each Department's

business plan. DSOs from a variety of Departments will often contribute to a given PSA, but will also cover important business not related to PSAs.

4.5 In light of the changes being introduced to the PSA framework this section examines the relevance of some of the key findings which have consistently occurred in our validation work.

The design and specification of data systems

Broadly expressed targets have complicated performance measurement

4.6 The Government has used PSAs to communicate priorities as well as to form the basis for performance management. Clarity is important in both roles, but greater precision in definitions is needed to support effective performance management. As a desk exercise, we reviewed all the SR2004 (2005-08) PSAs and found that one-third did not clearly state what was to be achieved, or required significant reinterpretation in the accompanying Technical Note. Many of the difficulties in performance measurement have been because PSAs were expressed at too broad a level to be easily translated into unambiguous measures.

Changes in CSR2007

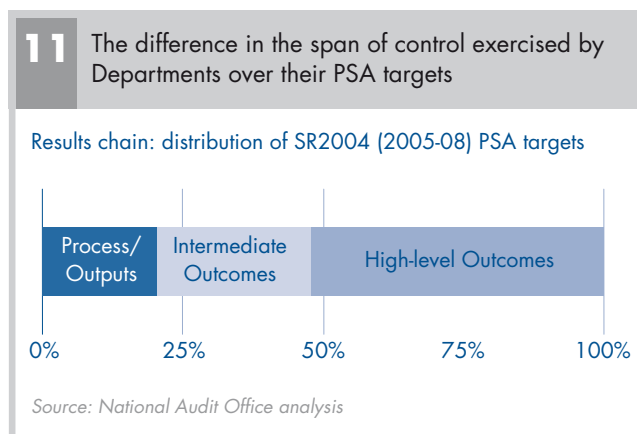
4.7 Under the new framework PSAs articulate the Government's vision of its priority outcomes and the direction of improvement sought. Alongside the statement of vision, Delivery Agreements summarise the way in which performance will be measured at a national level, including key performance indicators and any national targets or performance standards.

Continuing challenges

4.8 The new arrangements give added emphasis to progress measurement. But there is still a need to make sure that for any PSA the selected indicators validly represent the vision. And individual indicators must be precisely specified: in many cases the chosen indicators are being drawn from existing data systems and the data quality issues delineated in our validation work to date will remain relevant.

Departmental influence over PSA outcomes has varied

4.9 PSA targets have been written as if equally achievable but in practice Departments' influence or control over their achievement varies widely. As a desk exercise, we reviewed the distribution of SR2004 (2005-08) PSA targets along the results chain. We categorised the targets as either: process/output targets (e.g. shorter waiting times, more accurate service provision), intermediate outcomes (e.g. increasing levels of participation, improving people's physical environment) or high-level outcomes (e.g. better health outcomes, economic and social transformation). The results indicate a difference in the span of control exercised by Departments over their PSA targets. Process or output targets are more likely to have clear delivery chains and be easier to influence than high-level outcome based targets. But they are less directly linked to outcomes, may reduce managers' discretion to respond to events or new information, and more likely to create perverse incentives.



Changes in CSR2007

4.10 In developing CSR2007 submissions the Treasury required Departments to map delivery strategies and explain how levers, risk management and incentive structures throughout the delivery chain support achievement of the PSA outcome. The Treasury arranged for initial plans and proposals to be challenged by a panel of internal and external stakeholders, increasing the range of expertise brought to bear on the pursuit of outcomes and making it more likely that plans are effective and well thought through.

Continuing challenges

4.11 The mapping of delivery has been a requirement in previous Spending Reviews, but the understanding of causality has often remained very poor. In part, this reflects a limited research base on "what works", and the difficulties of establishing the degree of interaction between Government policy instruments, or between them and external influences on outcomes. In terms of monitoring, being able to gain some insight into what change in outcome can be attributed to Government action is an important step in understanding Government performance.

The level of ambition for change has not always been clear

4.12 In previous Spending Reviews the basis for determining the level of stretch attached to specific targets has been unclear. Some targets simply stated a 'reduction' or an 'increase' without including a numerical level of stretch - representing a view that PSAs can simply be used to highlight the importance of the issue. Our review of 2005-08 PSA targets found that 52 per cent did not specify the intended level of improvement.

4.13 The decision to exclude a numerical level of stretch within a target significantly reduces its potential use in effectively allocating resources and undertaking cost-benefit analysis. Despite PSAs representing the high level accountability of performance against Government spending, there is often little integration between expenditure and performance information, and Departments find it difficult to identify and cost all the activities directed at a PSA outcome.

Changes in CSR2007

4.14 The new framework provides for a set of national indicators underpinning the PSAs, only some of which will have national targets or standards attached. This change acknowledges that national targets represent only one lever to incentivise change, and will not always be the best choice.

4.15 Alongside PSAs Departments have also published DSOs which should represent the totality of Departmental business and use of resources. The aim is for Departmental board reports to link outputs to each of their objectives and full costs to the outputs. Each DSO should be associated with robust performance indicators and a risk management strategy. The extra focus on outputs and associated costs has the potential to increase operational accountability.

Continuing challenges

4.16 Consideration of whether a national target is an appropriate lever over the delivery chain can help avoid setting imprecise targets. But even where no targets have been specified, monitoring progress towards PSAs still requires rigour in the choice of indicators to be used, and clarity over the sensitivity and reliability of measurement needed to demonstrate improvements. Better links between outputs and costs will depend on improvement in many Departmental information systems. And interpreting that information to assess or improve cost-effectiveness means greater attention to comparisons over time, between units and with alternative delivery models.

Complexity in measuring the performance of local delivery, to provide national accountability

4.17 The relationship between national and local performance regimes is often complex and the cascade of national priorities is not a simple process. Without careful design and assessment the force of PSAs can be dissipated by poor alignment with other performance regimes that influence delivery agents' priorities. In addition, where PSAs are set without reference to local delivery arrangements, the possibilities for introducing perverse incentives are increased.

Changes in CSR2007

4.18 Commitments were made in the Local Government White Paper to "reduce radically the number of nationally-required local targets" and provide more opportunities for accountability direct to the public and service recipients.⁵ The commitment to provide a better balance between national and local priorities has resulted in a pledge to have no more than 200 nationally required indicators and a set of 35 priority outcomes agreed with each local area through the Local Area Agreement (LAA).

4.19 In preparation for CSR2007 the standards of plans and systems in place to support targets were subject to a level of scrutiny by the Treasury and external stakeholders. Departments were required to consult with stakeholders in the delivery chain and consider how they could improve their systems of bottom-up accountability to the public.

Continuing challenges

4.20 Moving towards a system that relies more on local accountability and the participation of citizens in accountability will depend "in large part on providing citizens with accurate, accessible and up to date information on service performance. Only with this information can local people effectively hold public service providers to account for their performance".⁶ Our validation work has found few good examples of national reporting that would meet the demands of public transparency and in particular the provision of 'real-time' data. In fact we have some examples of data systems that have time lags in data reporting of several years.

The operation of data systems

Risks to data quality have not been actively managed

4.21 We have frequently reported the need for Departments to strengthen their assessment of the risks to data reliability that can arise during collection, processing and analysis and to have appropriate controls to prevent and detect error. Risks to system operation are influenced by a wide range of factors, including the complexity of data collection processes, the type of data and the expertise of those operating the system. Consequently, problems encountered during system operation vary considerably. We have made recommendations about the strengthening of definitions and of guidance contained in Technical Notes and the need for clear accountability for data quality.

Changes in CSR2007

4.22 Delivery Agreements will now have a measurement annex to replace Technical Notes detailing definitions, data sources and data parameters. Delivery Agreements should include a sufficient level of detail, for example, a statement of baselines, frequency of data updates and confidence intervals around sample-based estimates. The most significant change is the requirement for a named Data Quality Officer with ultimate responsibility for data systems quality.

⁵ *Strong and Prosperous Communities - The Local Government White Paper*, TSO (The Stationery Office), 2006.

⁶ *Strong and Prosperous Communities - The Local Government White Paper*, TSO (The Stationery Office), 2006.

Continuing challenges

4.23 The most significant risk remains whether measurement annexes are as comprehensive as required and then whether they are kept up to date as measurement issues change. We have previously found examples of Technical Notes becoming out of date and causing confusion. The success of the Data Quality Officer role depends on the individual being skilled, and invested with enough authority to secure any necessary improvements.

Mechanisms for governing joint working have been variable

4.24 Nearly everything Government seeks to achieve involves more than one Department, agency, local authority or local service provider working together. Joint Public Service Agreements are used where accountability for delivery is explicitly assigned to more than one named Department. These have been used in the past as a specific mechanism to generate horizontal collaboration between Departments.

4.25 Since 1999, the public sector has sought to improve the way it works together. The importance of joint working is reflected in the increasing use in Departments' Public Service Agreements of formal joint targets. More than 20 per cent of the targets announced in July 2004, for the 2005-08 PSA period, were shared by Departments; almost doubling the proportion of joint targets since 2001-04 (**Figure 12**). And the number of Departments without joint targets has fallen over the same period – only two out of 18 Departments have no joint targets for the period 2005-08, compared with seven for the period 2001-04.

4.26 In the past the mechanisms for managing joint targets have been varied, including:

- **complementary working**
where partners discuss the pursuit of the joint target, but decisions about activities and resource allocations, and the planning and management of programmes, remain firmly in the domain of individual partners;
- **informal working**
partners have informal machinery for joint planning and monitoring, but formal planning, implementation and monitoring rests with individual partners; and
- **formal joint working**
with joint delivery planning and joint management arrangements.⁷

⁷ *Joint Targets*, Report by the Comptroller and Auditor General, HC 453 session 2005-2006, 14 October 2005.

Changes in CSR2007

4.27 The new framework has fewer PSAs in total and these are now more collective visionary statements, which bring together a number of programmes of work across Departments. Some of the programmes are joint between Departments and some are still owned within a single Department. Each joint PSA will have a lead Department responsible and accountable for the operation of the data system and reporting. Delivery Agreements have been published, setting out the contributions of various Departments and mapping the delivery chain for achievement. Cabinet Committees will play a key role in driving performance on cross-Government PSAs by monitoring progress and holding Departments and programmes to account.

Continuing challenges

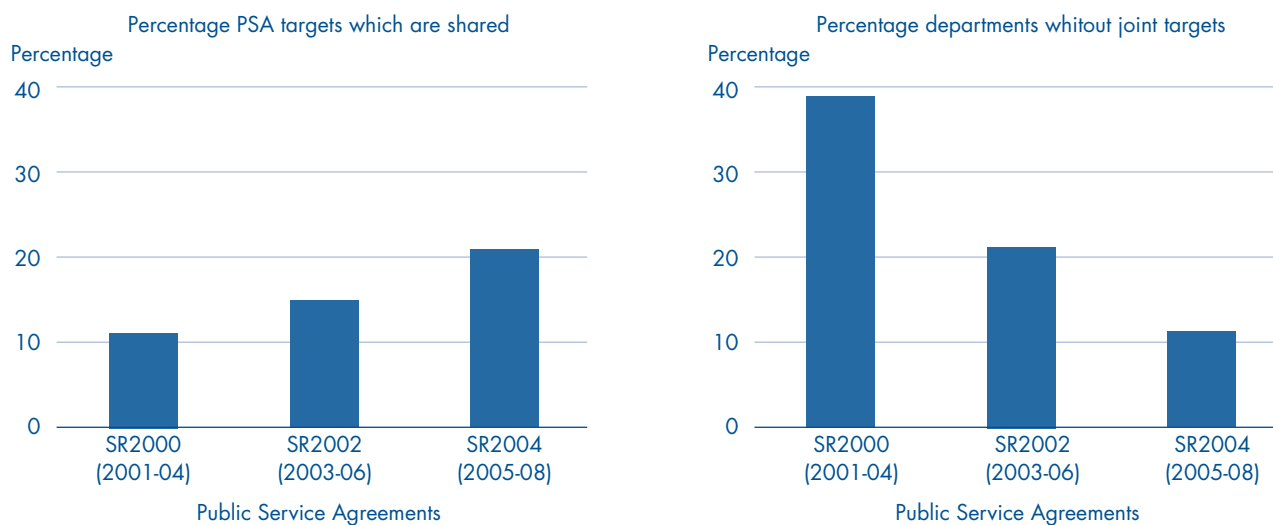
4.28 The nomination of a “lead Department” accountable for the coordination of data systems and progress reporting, responds to previous problems we have observed with uncoordinated assessment and reporting. The success of this move will depend on whether the lead Department is active in its new role, and can persuade partners to make any changes it deems necessary. It will need to make sure that indicators from all sources are appropriate and sufficient to secure satisfactory and valid reporting – and that data systems are operated reliably. Sensible interpretation of data from a variety of sources also puts a premium on the quality of the underlying Delivery Agreement.

Reporting performance

Reporting has not always provided adequate information on data limitations

4.29 The credibility of performance reporting depends on the clear and balanced presentation of results. Judgements need to be supported by evidence and reported with disclosure of any limitations in the data that might affect the reader's interpretation of the data. Board reporting and accountability is only as effective as the data being examined and we have often found little evidence that data quality is considered by Departmental boards. In our validations of the SR2004 (2005-08) PSA data systems, we found that Departments had not provided sufficient disclosure of data quality concerns for over one-fifth of PSAs in annual reports. We have also found a lack of clarity in how overall progress is assessed where PSAs comprise multiple sub-targets. In a limited number of cases, Departments had not reported in line with the system outlined in their Technical Notes and the basis

12 The increasing use of formal joint targets in Departments' Public Service Agreements



Source: National Audit Office analysis

for the judgement of overall progress (“on track”) was not substantiated. Further, in seven per cent of cases Departments have not put a data system in place to report performance during the lifetime of the PSA.

Changes in CSR2007

4.30 A smaller number of PSAs offers the prospect of more streamlined reporting arrangements. In addition DSOs will be monitored by Departmental boards with reporting to the centre of Government on a light-touch, flexible and risk-focussed basis. The introduction of named Data Quality Officers and measurement annexes, have the potential to improve the quality of reporting.

Continuing challenges

4.31 Technical issues, such as data quality, have rarely received the attention needed in the past. Data Quality Officers will need to make sure that the significance of data limitations is well understood by senior Departmental and external readers, as opposed to merely offering

formulaic descriptions of system limitations. They will need sufficient time and influence to make a success of their role.

Conclusions

4.32 CSR2007 has responded directly to many of the issues our validation work had identified in earlier PSA data systems. It offers the prospect of more considered specification and use of targets and performance indicators, better integration in Departmental planning and management arrangements, and a tighter grip on data quality and performance reporting. Whether these changes deliver full value, depends on the quality of the initial design and planning work around measurement systems. The extent to which measurement issues can compete successfully for scarce management time and expertise when faced with ongoing political and operational pressures will also have an impact. Future NAO validation work will examine these issues as the new arrangements become operational.

APPENDIX ONE

The NAO's approach to validation

Our validation approach is based on the good practice principles for data systems established by the Treasury-led working group which was set up in response to Lord Sharman's report and which considered the practical implications of external validation. The group agreed that Departments were responsible for:

- ensuring the existence and operation of internal controls which are effective and proportionate to the risks involved; and
- being clear with Parliament and the public about the quality of their data systems.

We have amplified those principles by reference to more general performance measurement criteria that we and other central bodies signed up to as part of FABRIC⁸, and to specific Treasury requirements for Departmental reporting (**Figure 13**).

Validation is a form of systems audit and our approach focuses on the examination of risks and controls. There are a number of standard steps that we typically undertake in each validation (**Figure 14**).

13 Good practice criteria for the three elements of a data system

Data system element	Key issues	Good practice criteria (we expect an effective data system to be):
Specification of the data for measuring progress towards the PSA target	Is the Department measuring all key aspects of performance expressed in the PSA target?	<p>Relevant: to what the organisation is aiming to achieve. The data stream should cover all significant aspects of performance expressed in the target;</p> <p>Well-defined: with a clear, unambiguous definition so that the data will be collected consistently, and is easy to understand and use;</p>
Operation of the system to collect, process and analyse data;	Are the data system management controls adequate to mitigate all known significant risks?	<p>Robust: all known significant risks should be managed. A robust system has sound procedures for identifying significant risks to data reliability and effective and proportionate controls to address those risks. It is thus capable of producing data which are:</p> <ul style="list-style-type: none"> ■ Reliable – accurate enough for their intended use; ■ Comparable – with past periods. <p>Verifiable: with clear documentation behind it, so that the processes which produce the data can be validated.</p>
Reporting of results	Are outturn data reported for all key aspects of performance and are significant data limitations disclosed to the reader?	<p>A good data system will enable Departments to meet Treasury requirements to produce clear, transparent and comprehensive public performance reports that:</p> <ul style="list-style-type: none"> ■ present latest outturn data for all PSA targets; ■ describe the quality of data systems.

Source: National Audit Office

8 *Choosing the right FABRIC: a framework for performance information.* The Treasury, Cabinet Office, National Audit Office, Audit Commission, Office for National Statistics, 2000.

We examine the processes and controls that operate across data systems. These can include entity-wide policies and procedures covering data quality, risk assessment, documentation and monitoring of performance. The majority of work, however, focuses on the processes and controls that are specific to individual systems. We examine each system from three perspectives:

- Is the Department measuring all the key aspects of performance expressed in the target?
- Are the controls over the collection, processing and analysis of the data adequate to mitigate any significant risks?
- Are outturn data reported for all key aspects of performance and are significant data limitations disclosed to the reader?

On the basis of our examination, we aim to provide a conclusion for each data system, indicating whether the system is:

- fit for purpose;
- broadly appropriate but needs strengthening; or
- not fit for purpose.

For some targets, the system may be broadly appropriate but Departments may find that it is not possible to address all significant risks to data quality cost-effectively. In such cases we assess whether the Department has explained fully the implications of limitations that cannot be cost-effectively controlled in their performance reports. Where this is not the case, we conclude that the Department should explain the implications of these limitations more clearly to the reader.





For targets where the Department has not developed the data systems needed to report progress at the time of our review, we conclude that the Department has not yet put in place a system to measure performance against the target. Where the Department has only recently developed a data system, it may not be sufficiently established for us to form a view on its fitness. In such cases, we will return at a later date to validate the system. **Figure 15** outlines the categories of conclusions that we provide.

An internal panel reviews provisional validation reports for each Department. The findings for each individual data system, presented in Volume 2, are assessed for consistency of analysis and judgements. The internal panel, along with an external assessor, also conducted a quality review of Volume 1.

14 Outline Validation Approach

- | | |
|--|---|
| 1 Understanding the PSA management framework | 4 Assess the adequacy of controls to address known, significant risks |
| 2 Identify risks to data reliability | 5 Evaluate the results and report |
| 3 Assess the significance of known risks | |

15 Summary of validation conclusions

-  The data system is fit for the purpose of measuring and reporting performance against the target
- Or
- The data system is appropriate for the target and the Department has explained fully the implications of limitations that cannot be cost-effectively controlled
-  The data system addresses the majority of risks to data quality but needs strengthening to ensure that remaining risks are adequately controlled
- Or
- The data system addresses the majority of risks to data quality but includes limitations that cannot be cost-effectively controlled; the Department needs to explain the implications of these more clearly to the reader
-  The data system is not fit for the purpose of measuring and reporting performance against the target
-  The Department has not yet put in place a system to measure performance against the target
- Or
- The system is not sufficiently established to form a view on its fitness for purpose

APPENDIX TWO

Examples of SR2004 (2005-08) PSA targets and Technical Notes

Each Department produces a Technical Note which sets out how it will measure performance for each of its PSA targets. Below are two complete examples – from the Department for Transport and the Department for Work and Pensions – of Technical Notes, set in the context of their overall 2005-08 PSA framework.

Department for Transport

Aim

Transport that works for everyone.

Objective

Objective I: Support the economy through the provision of efficient and reliable inter-regional transport systems by making better use of the existing road network; reforming rail services and industry structures to deliver significant performance improvements for users; and investing in additional capacity to meet growing demand.

PSA target

Improve punctuality and reliability of rail services to at least 85 per cent by 2006, with further improvements by 2008.

Technical Note

Coverage

All passenger franchised services in Great Britain (excludes independent, non-franchised passenger operations such as Eurostar, Eurotunnel and Heathrow Express and open access passenger operations such as Hull Trains).

This new target gives an increased focus to the punctuality and reliability of passenger train services, reflecting the immediate priority (of both passengers and the Government) of improving performance. This approach – of focusing on the quality of the passenger service – is consistent with that now being used in the delivery planning process.

Definitions

Public Performance Measure (PPM) is the standard measure adopted by the Strategic Rail Authority (SRA) to quantify the performance of Britain's passenger railways. It combines figures for punctuality and reliability into a single performance measure. It covers scheduled passenger services, seven days a week. PPM is always measured at the final destination. All passenger franchised operators are included.

The PPM measures the performance of every individual franchised passenger train against the daily timetable. Where a train fails to run its entire planned route calling at all timetabled stations it counts as late. Cancelled trains are also counted as late.

Trains that complete their journey as planned are measured for punctuality at their final destination. A train's performance is recorded by the automated monitoring systems, which log performance using the signalling system. Long distance trains count as arriving on time if they arrive within 10 minutes of their scheduled time. All other trains count as arriving on time if they arrive within five minutes of their scheduled time. The scheduled time is from the "plan of the day" timetable, generally the published timetable amended for any planned engineering works or major incidents.

The PPM measure is used throughout the industry on a period (four-weekly) basis to monitor performance.

Statistics, baselines and targets

PPM figures are derived from systems run by The Network Rail Group. These systems provide the data for the various rail performance (including financial) regimes.

Current PPM (moving annual average to end of quarter four 2003-04) is 81.2 per cent.

PPM data are published for the network as a whole in the SRA publication "National Rail Trends". Currently data are published some 10 weeks after the end of the quarter.

The measure will be monitored on a quarterly basis, to be consistent with the timetable for published data, using the moving annual average to take account of seasonality in the data.

The target date of 2006 refers to the moving annual average at the end of quarter four 2005-06.

Work is ongoing to enable quantification of the further improvements by 2008.

Other aspects of rail are closely monitored, reflecting the fact that reliability is not the only policy objective (safety and cost efficiency are other key goals) and taking account of aspects of rail performance that may not be fully captured by the PPM measure (e.g. the passenger experience).

Data quality and assurance

The systems that generate the PPM data were formally audited in 1999 by Pricewaterhouse Coopers on behalf of OPRAF (predecessor to the Strategic Rail Authority). A quality assurance audit of the systems that generate data, including PPM if required, will be undertaken as part of the development of the Office of Rail Regulation's new responsibility as the single repository for rail industry data.

Statistics for PPM have bounds of statistical significance of +/- 0.2 per cent.

Department for Work and Pensions

Aim

Promote opportunity and independence for all.

Objective

Objective IV: Improve rights and opportunities for disabled people in a fair and inclusive society.

PSA target

In the three years to March 2008:

- further improve the rights of disabled people and remove barriers to their participation in society, working with other government departments, including through increasing awareness of the rights of disabled people;
- increase the employment rate of disabled people, taking account of the economic cycle; and
- significantly reduce the difference between their employment rate and the overall rate, taking account of the economic cycle.

Technical Note

Part 1 – disability rights

The measure of disability that applies to this part of the target is current and past disabilities under the scope of the Disability Discrimination Act (1995). This covers those who currently have, or have had in the past, a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities.

The measure used to detect an improvement in the rights of disabled people is the percentage of adults who are aware that the civil rights of disabled people are protected. This is defined by the percentage of all adults (disabled and non-disabled) who report awareness of the 1995 Disability Discrimination Act by name or of legislation that protects the civil rights of disabled people. Greater awareness of the rights of disabled people is expected to contribute towards improving disabled people's opportunities and participation in society.

Information will be collected continuously from the Office for National Statistics (ONS) Omnibus Survey (see www.statistics.gov.uk/services/SurveyOmnibus.asp) from October 2004 onwards. The ONS conduct the survey eight times a year, sampling 24,000 households in Great Britain and generating around 14,400 interviews with adults aged 16 years or over. The results are made available four weeks after the completion of the survey fieldwork.

Part 1 of the PSA target will be considered to be met if there is a significant increase in the percentage of adults who are aware that the civil rights of disabled people are protected, measured as set out above, between October 2004-March 2005 and April 2007-March 2008. On the basis of the latest information on the target statistic it is expected that a two percentage point increase in the measure between those dates would be statistically significant with 95 per cent confidence.

Latest data on this measure, and information on what DWP is doing for disabled people, will be published in the DWP Departmental Report. The Departmental Report can be found on the Department for Work and Pensions website at www.dwp.gov.uk.

Parts 2 and 3 – employment rate targets

This target applies to Great Britain. Employment policy is devolved for Northern Ireland.

The measure of disability that applies to these parts of the target is current disability under the scope of the Disability Discrimination Act (1995). This covers those who currently have a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities.

This target will be measured using the seasonally unadjusted employment rate (a full definition of which can be found on page S3 of the Labour Market Trends document published monthly by the Office for National Statistics) of disabled people. This is a National Statistic. The baseline for this target will be Q2 (April–June) 2005 data. Data will be monitored quarterly.

Assessments of the economic cycle are published by the Treasury in Pre-Budget Reports and Financial Statement and Budget Reports. Estimates are made using National Statistics data. Further information on how the assessment of the economic cycle is made and the method used to estimate trend growth over the economic cycle is available in Fiscal Policy: Public Finances and the Cycle, March 1999, Trend Growth: Prospects and Implications for Policy, November 1999 and Trend Growth: Recent Developments and Prospects, April 2002.

To meet parts 2 and 3 of this target requires an increase by Q2 (April – June) 2008 in the employment rate of disabled people of at least 1 percentage point and a reduction in the gap between their employment rate and the seasonally unadjusted employment rate of Great Britain of at least one percentage point, taking account of the economic cycle.

To meet the PSA target as a whole, parts 1, 2 and 3 will need to be met individually. If either part 1 or parts 2 and 3 of this target are met then this target will be deemed to be partly met.

APPENDIX THREE

Summary of validation conclusions for each of the 11 Departments' PSA data systems examined

Number	Target	Rating
Foreign and Commonwealth Office		
1	To deter, check and roll back programmes for the development of WMD and related delivery systems in countries of concern, and to reduce the supply of and demand for such weapons world-wide.	● Disclosure
2	To reduce the risk from international terrorism so that UK citizens can go about their business freely and with confidence.	● Systems
3	By 2008, deliver improved effectiveness of UK and international support for conflict prevention by addressing long-term structural causes of conflict, managing regional and national tension and violence, and supporting post-conflict reconstruction, where the UK can make a significant contribution, in particular in Africa, Asia, the Balkans and the Middle East. (Joint target with the Ministry of Defence and the Department for International Development.)	● Systems
4	A reformed and effective (post-enlargement) EU, as measured by progress towards achieving UK policy priorities, including a robust and effective Common Foreign Security Policy (CFSP) which complements NATO.	● Systems
5	Play a leading role in the development of the European Security agenda, and enhance capabilities to undertake timely and effective security operations, by successfully encouraging a more efficient and effective NATO, a more coherent and effective ESDP operating in strategic partnership with NATO, and enhanced European defence capabilities. (This target is shared with Ministry of Defence).	● Systems
6(a)	By 2008 deliver a measurable improvement in the business performance of UK Trade & Investment's international trade customers, with an emphasis on new to export firms.	● Fit for purpose
6(b)	Maintain the UK as the prime location in the EU for foreign direct investment. (Joint with the former Department of Trade and industry.)	● Disclosure
7	To increase understanding of, and engagement with, Islamic countries and communities and to work with them to promote peaceful political, economic and social reform.	● Not fit for purpose
8	To promote sustainable development, underpinned by democracy, good governance and human rights, particularly through effective delivery of programmes in these and related fields	● Systems
9(a)	Effective and efficient entry clearance services, as measured by specific underlying targets.	● Not fit for purpose
9(bi)	Effective and efficient consular services, as measured by specific underlying targets.	● Systems
9(bii)	75 per cent of a cross-section of users satisfied with the delivery of consular services.	● Not fit for purpose
Her Majesty's Revenue and Customs		
1	By 2007-08, reduce the scale of VAT losses to no more than 11 per cent of the theoretical liability.	● Fit for purpose
2 (a)	By 2007-08, reduce the illicit market share for cigarettes to no more than 13 per cent.	● Systems
2 (b)	By 2007-08, reduce the illicit market share for spirits by at least a half.	● Systems
2 (c)	By 2007-08, hold the illicit market share for oils in England, Scotland and Wales at no more than two per cent.	● Systems
3	By 2007-08, reduce underpayment of direct tax and National Insurance contributions due by at least £3.5 billion a year.	● Systems

Number	Target	Rating
<i>Her Majesty's Revenue and Customs continued</i>		
4	By 2007-08, increase the percentage of Self Assessment returns filed on time to at least 93 per cent.	 Fit for purpose
5(a)	Respond accurately and completely to customers' requests for advice: ■ By 2007-08 increase to at least 80 per cent the proportion of customers who said they achieved success at first point of contact.	 Disclosure
5(b)	■ By 2007-08 increase to at least 90 per cent the accuracy and completeness of advice given and actions taken in respect of customer contact.	 Too early to form a view
6(a)	Provide simple processes that enable individuals and businesses to meet their responsibilities and claim their entitlements easily and at minimum cost: ■ By 2007-08 increase to at least 90 per cent the proportion of small businesses that find it easy to complete their tax returns.	 Fit for purpose
6(b)	■ By 2007-08 demonstrate a measurable improvement in new and growing businesses' ability to deal correctly with their tax affairs. This will include increasing the proportion of applications for VAT registration that are complete and accurate to at least 50 per cent.	 Not fit for purpose
6(c)	■ By 2007-08 increase to at least 85 per cent the proportion of individuals who find their SA Statements of Account, PAYE Coding Notices and Tax Credit Award Notices easy to understand.	 Fit for purpose
7(a)	Deal accurately and appropriately with information provided by customers, so that levels of contact are kept to the minimum necessary: ■ By 2007-08 increase to at least 95 per cent the rate of accuracy achieved by HMRC in administering Self Assessment, PAYE, Tax Credits and National Insurance Contributions;	 Fit for purpose
7(b)	■ By 2007-08 to increase the percentage of returns filed online to 35 per cent for Self Assessment;	 Fit for purpose
7(c)	■ By 2007-08 increase the percentage of returns filed online to 50 per cent for VAT.	 Fit for purpose
8(a)	By 2007-08, to improve our capability to intervene at the frontier. ■ Number of seizures of prohibited and restricted goods.	 Systems
8(b)	■ Percentage of positive outcomes against requests received for interventions.	 Too early to form a view
8(c)	■ Service level agreements with lead government Departments for prohibited and restricted goods.	 Systems
8(d)	■ Effectiveness of Cyclamen capability (in line with the Service Level Agreement with the Home Office).	 Systems
9	By 2007-08, to improve our effectiveness by 50 per cent in identifying irregularities in third country freight. Maintain or reduce the levels of interventions (both physical and documentary) made for goods entering or leaving the UK while increasing the proportion of irregularities identified as a result of more effective targeted interventions.	 Not fit for purpose
10	Maintain the extent to which importers, exporters and their agents believe we are striking the right balance between frontier protection and maintaining the UK as a competitive location in which to do business.	 Too early to form a view
<i>Former DTI</i>		
1	Demonstrate further progress by 2008 on the Government's long-term objective of raising the rate of UK productivity growth over the economic cycle, improving competitiveness and narrowing the gap with our major industrial competitors. (Joint with the Treasury)	 Fit for purpose
2	Improve the relative international performance of the UK research base and increase the overall innovation performance of the UK economy, making continued progress to 2008, including through effective knowledge transfer amongst universities, research institutions and business.	
2(a)	World class research at the UK's strongest centres of excellence.	 Systems
2(b)	Sustainable and financially robust universities and public laboratories across the UK.	 Not fit for purpose
2(c)	Greater responsiveness of the research base to the needs of the economy and public services.	 Disclosure

Number	Target	Rating
<i>Former DTI continued</i>		
2(d)	Increasing business investment in R&D, and increased business engagement in drawing on the UK science base for ideas and talent.	● Fit for purpose
2(e)	A more responsive supply of science, technology, engineering and maths skills to the economy.	● Not fit for purpose
3	Promote fair competitive markets by ensuring that the UK framework for competition and for consumer empowerment and support is at the level of the best by 2008, measuring the effectiveness of the regime through international comparisons, supported by a broader evidence base.	
3(a)The UK framework for competition.....is at the level of the best by 2008...	● Fit for purpose
3(b)Consumer empowerment and support is at the level of the best by 2008...	○ Too early to form a view
4	Lead work to deliver the goals of energy policy:	
4(a)	To reduce greenhouse gas emissions by 12.5 per cent from 1990 levels in line with our Kyoto commitment and to move towards a 20 per cent reduction in carbon dioxide emissions below 1990 levels by 2010, through measures including energy efficiency and renewables. (Joint with the Department for the Environment, Food and Rural Affairs, and Department for Transport.)	● Disclosure
4(b)	Maintain the reliability of energy supplies.	● Not fit for purpose
4(c)	Ensure the UK remains in the top three most competitive energy markets in the EU and G7.	● Fit for purpose
4(d)	Eliminate fuel poverty in vulnerable households in England by 2010 in line with the Government's Fuel Poverty Strategy objective. (Joint with the Department for Environment, Food and Rural Affairs).	● Fit for purpose
5	Ensure that the EU secures significant reductions in EU and world trade barriers by 2008 leading to improved opportunities for developing countries and a more competitive Europe. (Joint with the Department for International Development.)	● Disclosure ● Disclosure ● Disclosure ● Disclosure
6	Build an enterprise society in which small firms of all kinds thrive and achieve their potential, with:	
6(a)	An increase in the number of people considering going into business.	● Fit for purpose
6(b)	An improvement in the overall productivity of small firms.	● Fit for purpose
6(c)	More enterprise in disadvantaged communities.	● Fit for purpose
7	Make sustainable improvements in the economic performance of all the English regions by 2008, and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006. (Joint with the Treasury and the Department for Communities and Local Government.)	● Systems
8(a)	By 2008 deliver a measurable improvement in the business performance of UK Trade & Investment's international trade customers, with an emphasis on new to export firms.	● Fit for purpose
8(b)	Maintain the UK as the prime location in the EU for foreign direct investment. (Joint with the Foreign and Commonwealth Office.)	● Disclosure
9	By 2008, working with other Departments, bring about measurable improvements in gender equality across a range of indicators, as part of the Government's objectives on equality and social inclusion.	Assessed by DCLG
10	By 2008, promote ethnic diversity, cooperative employment relations and greater choice and commitment in the workplace, while maintaining a flexible labour market.	
10(a)	Raising the self-employment rate of under-represented ethnic minorities, relative to that of other groups.	● Fit for purpose
10(b)	Reducing the incidence of racial discrimination at work reported by ethnic minority employees.	● Not fit for purpose

Number	Target	Rating
Former DTI <i>continued</i>		
10(c)	Maintain and improve the overall level of UK labour market flexibility.	○ Not established
10(d)	There is a statistically significant increase in the number of employees that have information and consultation procedures.	● Disclosure
10(e)	There is a statistically significant increase in the number of economically active people of working age who feel well or very well informed about their rights at work.	● Fit for purpose
11	Reduce the civil nuclear liability by 10 per cent by 2010, and establish a safe, innovative and dynamic market for nuclear clean-up by delivering annual two per cent efficiency gains from 2006-07; and ensuring successful competitions have been completed for the management of at least 50 per cent of UK nuclear sites by end 2008.	
11(a)	Reduce nuclear liabilities by 10 per cent by 2010.	○ Too early to form a view
11(b)	Deliver annual two per cent efficiency gains from 2006-07.	● Systems
11(c)	Establishing a safe, innovative and dynamic market, ... ensuring successful competitions have been completed for the management of at least 50 per cent of UK nuclear sites by end 2008.	○ Too early to form a view
Standard	Maintaining the UK's standing as one of the best places in the world for online business.	● Not fit for purpose
DWP		
1(a)	Halve the number of children in relative low-income households between 1998-99 and 2010-11, on the way to eradicating child poverty by 2020; including joint target with the Treasury	● Disclosure
1(b)	Reducing the proportion of children living in workless households by five per cent between spring 2005 and spring 2008; and	● Fit for purpose
1(c)	Increasing the proportion of Parents with Care on Income Support and income-based Jobseeker's Allowance who receive maintenance for their children to 65 per cent by March 2008.	● Not fit for purpose
2	Improve children's communication, social and emotional development so that, by 2008, 50 per cent of children reach a good level of development at the end of the Foundation Stage and reduce inequalities between the level of development achieved by children in the 20 per cent most disadvantaged areas and the rest of England. (Joint target with Department for Education and Skills.)	● Systems
3(a)	As a contribution to reducing the proportion of children living in households where no one is working, by 2008 increase the stock of Ofsted-registered childcare by ten per cent;	● Fit for purpose
3(b)	increase the take-up of formal childcare by lower income working families by 50 per cent; and	○ Too early to form a view
3(c)	introduce, by April 2005, a successful light touch childcare approval scheme. (Joint target with Department for Education and Skills.)	● Fit for purpose
4(a)	As part of the wider objective of full employment in every region, over the three years to spring 2008, and taking account of the economic cycle, demonstrate progress on increasing the employment rate. (Joint target with the Treasury.)	● Fit for purpose
4(b)	Increase the employment rate of disadvantaged groups and significantly reduce the difference between the employment rates of the disadvantaged groups and the overall rate:	● Fit for purpose
	■ lone parents;	
4(c)	■ ethnic minorities;	● Fit for purpose
4(d)	■ people aged 50 and over;	● Fit for purpose
4(e)	■ those with the lowest qualifications; and	● Fit for purpose
4(f)	■ those living in the Local Authority wards with the poorest initial labour market position.	● Fit for purpose
5	By 2008, improve health and safety outcomes in Great Britain through progressive improvement in the control of risks from the workplace.	● Fit for purpose

Number	Target	Rating
<i>DWP continued</i>		
6	By 2008, be paying Pension Credit to at least 3.2 million pensioner households, while maintaining a focus on the most disadvantaged by ensuring that at least 2.2 million of these households are in receipt of the guarantee element.	● Fit for purpose
7(a)	Improve working age individuals' awareness of their retirement provision such that by 2007-08 15.4 million individuals are regularly issued a pension forecast; and	● Fit for purpose
7(b)	60,000 successful pension traces are undertaken a year.	● Fit for purpose
8(a)	Further improve the rights of disabled people and remove barriers to their participation in society, working with other Government Departments, including through increasing awareness of the rights of disabled people;	● Fit for purpose
8(b)	increase the employment rate of disabled people, taking account of the economic cycle; and	● Fit for purpose
8(c)	significantly reduce the difference between their employment rate and the overall rate, taking account of the economic cycle.	● Fit for purpose
9(a)	Improve Housing Benefit administration by reducing the average time taken to process a Housing Benefit claim to no more than 48 days nationally and, across the bottom 15 per cent of Local Authorities, to no more than 55 days, by March 2008;	● Fit for purpose
9(b)	increasing the number of cases in the deregulated private rented sector in receipt of Local Housing Allowance to 740,000 by 2008; and	○ Too early to form a view
9(c)	increasing the number of cases in receipt of the Local Housing Allowance where the rent is paid directly to the claimant to 470,000 by 2008.	○ Too early to form a view
10(a)	Reduce overpayments from fraud and error in Income Support & Jobseeker's Allowance; and	○ Too early to form a view
10(b)	Housing Benefit.	● Systems
<i>DCLG</i>		
1	Tackle social exclusion and deliver neighbourhood renewal, working with Departments to help them meet their PSA floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010.	● Disclosure
2	Make sustainable improvements in the economic performance of all English regions by 2008, and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006 (Joint with the former Department of Trade and Industry and the Treasury), including by establishing Elected Regional Assemblies in regions which vote in a referendum to have one.	● Systems
3	By 2010, reduce the number of accidental fire-related deaths in the home by 20 per cent and the number of deliberate fires by 10 per cent.	● Fit for purpose
4	By 2008, improve the effectiveness and efficiency of local government in leading and delivering services to all communities.	● Systems
5	Achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English regions while protecting valuable countryside around our towns, cities and in the green belt and the sustainability of towns and cities.	● Systems
6	The planning system to deliver sustainable development outcomes at national, regional and local levels through efficient and high quality planning and development management processes, including through achievement of best value standards for planning by 2008.	● Disclosure
7	By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition.	● Fit for purpose
8	Lead the delivery of cleaner, safer and greener public spaces and improvement of the quality of the built environment in deprived areas and across the country, with measurable improvement by 2008.	● Fit for purpose
9	By 2008, working with all Departments, bring about measurable improvements in gender equality across a range of indicators, as part of the Government's objectives on equality and social cohesion. (Formerly PSA 9 for the former Department of Trade and Industry)	● Not fit for purpose
10	Reduce race inequalities and build community cohesion. (Formerly PSA 7 for the Home Office)	● Fit for purpose

Number	Target	Rating
Home Office		
1	Reduce crime by 15 per cent, and further in High Crime Areas, by 2007-08.	
(a)	British Crime Survey (BCS).	● Systems
(b)	Police Recorded Crime.	● Systems
2	Reassure the public, reducing the fear of crime and anti-social behaviour and building confidence in the Criminal Justice System without compromising fairness. (Building confidence element shared with the Ministry of Justice and the Crown Prosecution Service.)	
(a)	British Crime Survey.	● Systems
(b)	Citizenship Survey.	● Disclosure
3	Improve the delivery of justice by increasing the number of crimes for which an offender is brought to justice to 1.25million by 2007-08.	
(a)	Offences brought to justice.	● Systems
(b)	Police data system.	● Fit for purpose
4	Reduce the harm caused by illegal drugs, including substantially increasing the number of drug misusing offenders entering treatment through the Criminal Justice System.	
(a)	Drug Harm Index.	● Systems
(b)	Drug Interventions Programme Management Information System.	● Fit for purpose
5	Reduce unfounded asylum claims as part of a wider strategy to tackle abuse of the immigration laws and promote controlled legal migration. (Joint with the Ministry of Justice).	
(a)	A-CID Applications & Initial decisions.	● Systems
(b)	Asylum Appeals.	● Systems
Police Standard	Maintain improvements in police performance, as monitored by the Police Performance Assessment Framework (PPAF), in order to deliver the outcomes expressed in the Home Office PSA.	● Systems
NOMS Standard	Protect the public by ensuring there is no deterioration in the levels of re-offending for young offenders and adults. Maintain the current low rate of prisoner escapes, including category A escapes.	
(a)	Adult and Youth re-offending (Police National Computer).	● Systems
(b)	HM Prisons Incident Reporting System.	● Systems
DH		
Substantially reduce mortality rates by 2010:		
1	<ul style="list-style-type: none"> ■ From heart disease and stroke and related diseases by at least 40 per cent in people under 75, with at least a 40 per cent reduction in the inequalities gap between the fifth of areas with the worst health and deprivation indicators and the population as a whole; ■ From cancer by at least 20 per cent in people under 75, with a reduction in the inequalities gap of at least 6 per cent between the fifth of areas with the worst health and deprivation indicators and the population as a whole; and ■ From suicide and undetermined injury by at least 20 per cent. 	● Fit for purpose
2(a)	Reduce health inequalities by 10 per cent by 2010 as measured by infant mortality;	● Fit for purpose
2(b)	and life expectancy at birth.	● Fit for purpose
3	Tackle the underlying determinants of ill health and health inequalities by:	
(a)	Reducing adult smoking rates to 21 per cent or less by 2010, with a reduction in prevalence among routine and manual groups to 26 per cent or less;	● Disclosure
(b)	Halting the year-on-year rise in obesity among children under-11 by 2010 in the context of a broader strategy to tackle obesity in the population as a whole; and (Joint with the Department for Education and Skills and the Department for Culture, Media and Sport.)	○ Too early to form a view

Number	Target	Rating
<i>DH continued</i>		
(c)	Reducing the under-18 conception rate by 50 per cent by 2010 as part of a broader strategy to improve sexual health. (Joint with the Department for Education and Skills)	● Fit for purpose
4	To improve health outcomes for people with long-term conditions by:	
(a)	offering a personalised care plan for vulnerable people most at risk; and	● Not fit for purpose
(b)	reducing emergency bed days by five per cent by 2008, through improved care in primary care and community settings for people with long-term conditions.	● Disclosure
5	To ensure that by 2008 no-one waits more than 18 weeks from GP referral to hospital treatment.	● Systems
6	Increase the participation of problem drug users in drug treatment programmes by 100 per cent by 2008 and increase year on year the proportion of drug users successfully sustaining or completing treatment programmes.	● Systems
7	Secure sustained national improvements in NHS patient experience by 2008, as measured by independently validated surveys, ensuring that individuals are fully involved in decisions about their healthcare, including choice of provider.	● Disclosure
8	Improve the quality of life and independence of vulnerable older people by supporting them to live in their own homes where possible by:	
(a)	Increasing the proportion of older people being supported to live in their own home by one per cent annually in 2007 and 2008; and	● Systems
(b)	Increasing by 2008 the proportion of those supported intensively to live at home to 34 per cent of the total of those being supported at home or in residential care.	● Disclosure
<i>Standards</i>		
1	A four hour maximum wait in Accident and Emergency from arrival to admission, transfer or discharge	● Fit for purpose
2	Guaranteed access to a primary care professional within 24 hours and to a primary care doctor within 48 hours.	● Disclosure
3	Every hospital appointment booked for the convenience of the patient, making it easier for patients and their GPs to choose the hospital and consultant that best meets their needs.	● Disclosure
4	Improve life outcomes of adults and children with mental health problems by ensuring that all patients who need them have access to:	
(a)	crisis services; and	● Systems
(b)	a comprehensive Child and Adolescent Mental Health Service.	● Fit for purpose
<i>MOJ (former DCA)</i>		
1	Improve the delivery of justice by increasing the number of crimes for which an offender is brought to justice to 1.25 million by 2007-08.	
(a)	■ Data collected by Police Forces; and	● Fit for purpose
(b)	■ Data collected by Crown and Magistrates' Courts.	● Systems
2	Reassure the public, reducing the fear of crime and antisocial behaviour, and building confidence in the CJS, without compromising fairness.	
(a)	■ British Crime Survey	● Systems
(b)	■ Citizenship Survey	● Disclosure
3	Reduce unfounded asylum claims as part of a wider strategy to tackle abuse of the immigration laws and promote controlled legal migration.	● Systems
4	By 2009-10, increase the proportion of care cases being completed in the courts within 40 weeks by 10 per cent.	● Systems

Number	Target	Rating
MOJ (former DCA) <i>continued</i>		
5	To achieve earlier and more proportionate resolution of legal problems and disputes by: <ol style="list-style-type: none"> increasing advice and assistance to help people resolve their disputes earlier and more effectively; increasing the opportunities for people involved in court cases to settle their disputes out of court; and reducing delays in resolving those disputes that need to be decided by the courts. <ul style="list-style-type: none"> ■ English and Welsh Civil and Social Justice Survey ■ HM Court Service's Caseman system 	 Disclosure  Systems
NIO		
1(a)	Increase confidence in the police throughout all parts of the community in Northern Ireland by three per cent by April 2008, to be measured by a composite suite of measures on public views on the fairness and effectiveness of the police and policing arrangements.	 Fit for purpose
1(b)	Increase the Catholic representation in the police service to 30 per cent by December 2010 as proposed by Patten with an interim target of 18.5 per cent by March 2006.	 Fit for purpose
2	Increase confidence in the Criminal Justice System throughout all parts of the community in Northern Ireland by three per cent by April 2008 to be measured by a composite suite of measures on public views on the fairness and effectiveness of the Criminal Justice System.	 Fit for purpose
3(a)	The Northern Ireland Office working in conjunction with other agencies, will: <ul style="list-style-type: none"> ■ reduce domestic burglary by two per cent by April 2005 and by 15 per cent by April 2007; ■ reduce theft of and from vehicles by six per cent by April 2005 and by 10 per cent by April 2007; 	 Disclosure
3(b)	By April 2008, reduce the rate of reconviction by five per cent compared to the predicted rate.	 Fit for purpose
4	Ensure that the annual cost per prisoner place in Northern Ireland falls to £82,500 by 2007-08 with interim targets of £86,290 for 2005-06 and £85,250 for 2006-07.	 Fit for purpose
DFT		
1	By 2007-08, make journeys more reliable on the strategic road network.	 Fit for purpose
2	Improve punctuality and reliability of rail services to at least 85 per cent by 2006, with further improvement by 2008.	 Fit for purpose
3	By 2010, increase the use of public transport (bus and light rail) by more than 12 per cent in England compared with 2000 levels, with growth in every region.	 Disclosure
4	By 2010-11, the 10 largest urban areas will meet the congestion targets set in their local transport plans relating to movement on the main roads into city centres.	 Systems
5	Reduce the number of people killed or seriously injured in Great Britain in road accidents by 40 per cent and the number of children killed or seriously injured by 50 per cent, by 2010 compared with 1994-98, tackling the significantly higher incidence in disadvantaged communities.	 Fit for purpose
6	Improve air quality by meeting Air Quality Strategy targets for specified substances. (Joint target with Department for Environment, Food and Rural Affairs.)	 Fit for purpose
7	To reduce greenhouse gas emissions to 12.5 per cent below 1990 levels in line with our Kyoto commitment and move towards a 20 per cent reduction in carbon dioxide emissions by 2010, through measure including energy efficiency and renewables. (Joint target with Department for Environment, Food and Rural Affairs and former Department of Trade and Industry.)	 Disclosure
DFID		
<i>Target 1: Progress towards the Millenium Development Goals (MDGs) in 16 key African countries demonstrated by:</i>		
1(a)	A reduction of four percentage points in the proportion of people living in poverty across the entire region, against the 1999 baseline;	 Disclosure
1(b)	An increase in primary school enrolment by 18 percentage points and an increase in the ratio of girls to boys enrolled in primary school by five percentage points, both against their year 2000 baseline;	 Disclosure

Number	Target	Rating
DFID <i>continued</i>		
1(c)	A reduction in under-five mortality rates for girls and boys by eight per 1000 live births, against the year 2000 baseline; and an increase in proportion of births assisted by skilled birth attendants by 11 percentage points, against the year 2000 baseline;	● Disclosure
1(d)	A reduction in the proportion of 15-24 year old pregnant women with HIV from 16 per cent;	● Disclosure
1(e)	Enhanced partnership at the country and regional level, especially through the G8, to increase the effectiveness of aid and ensure that international policies support African development.	● Disclosure
<i>Target 2: Progress towards the MDGs in nine key countries demonstrated by:</i>		
2(a)	A reduction in the proportion of people living in poverty of five percentage points in East Asia and the Pacific, and of eight percentage points in South Asia, both against the 1999 baseline;	● Disclosure
2(b)	An increase in net primary school enrolment by eight percentage points and an increase in the ratio of girls to boys by five percentage points, both against their year 2000 baseline;	● Disclosure
2(c)	A reduction in under-five mortality rates for girls and boys by 24 per 1000 live births and an increase of 15 percentage points in the proportion of births assisted by skilled birth attendants, both against their year 2000 baseline;	● Disclosure
2(d)	Prevalence rates of HIV infection in vulnerable groups being below five per cent; a tuberculosis case detection rate above 70 per cent; and a tuberculosis cure treatment rate greater than 85 per cent.	● Disclosure
<i>Target 3: Improved effectiveness of the multilateral system as demonstrated by:</i>		
3(a)	A greater impact of European Commission (EC) external programmes on poverty reduction and working for agreement to increase the proportion of EC Overseas Development Aid (ODA) to Low Income Countries from its 2000 baseline figure of 38 per cent to 70 per cent by 2008;	● Disclosure
3(b)	Ensuring that 90 per cent of all eligible Highly Indebted Poor Countries (HIPC) committed to poverty reduction that have reached Decision Point by end 2005, receive irrevocable debt relief by end 2008 (Joint with the Treasury);	● Disclosure
3(c)	International partners are working effectively with poor countries to make progress towards the United Nations 2015 Millennium Development Goals (Joint with the Treasury);	● Disclosure
3(d)	Improved effectiveness of United Nations agencies and the humanitarian aid system.	● Disclosure
<i>Target 4: Ensure that the EU secures significant reductions in EU and World trade barriers by 2008 leading to improved opportunities for developing countries and a more competitive Europe. (Joint target with the former Department of Trade and Industry)</i>		
4(a)	Secure further progress via CAP and WTO negotiations in reducing CAP trade-distorting support.	● Disclosure
4(b)	Reduction in EU barriers to trade.	● Disclosure
4(c)	Reduction in non-EU developed countries barriers to trade.	● Disclosure
4(d)	Increase in the value of EU imports from Least Developed Countries (LDCs) by at least \$6.5 billion by 2010.	● Disclosure
5	By 2007-08, improved effectiveness of UK and International Support for Conflict Prevention through addressing long term structural causes of conflict, managing regional and national tension and violence, and supporting post conflict reconstruction where the UK can make a significant contribution in particular Africa, Asia, the Balkans and the Middle East. (Joint target with the Foreign and Commonwealth Office and Ministry of Defence.)	● Systems
6(a)	Ensure that the proportion of DFIDs bilateral programme going to low income countries is at least 90 per cent, and;	● Disclosure
6(b)	Achieve a sustained increase in the index of DFIDs bilateral projects evaluated as successful.	● Disclosure
Cabinet Office (data systems transferred from Home Office and therefore validated this year)		
4(a)	Increase voluntary and community engagement, especially among those at risk of social exclusion.	● Disclosure
4(b)	The capacity and contribution of the voluntary and community sector to deliver more public services.	● Systems

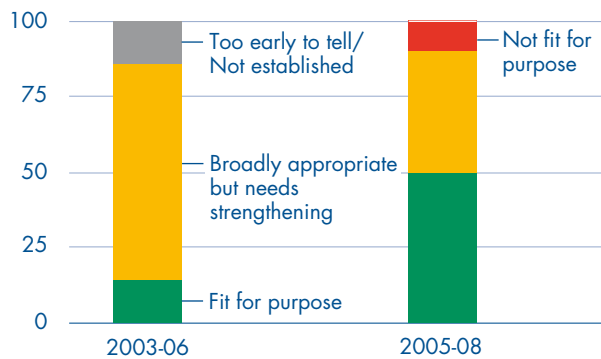
APPENDIX FOUR

Department SR2002 (2003-06) and SR2004 (2005-08) results compared

These graphs show a comparison of each Departments validation ratings for the SR2002 (2003-06) and SR2004 (2005-08) periods.

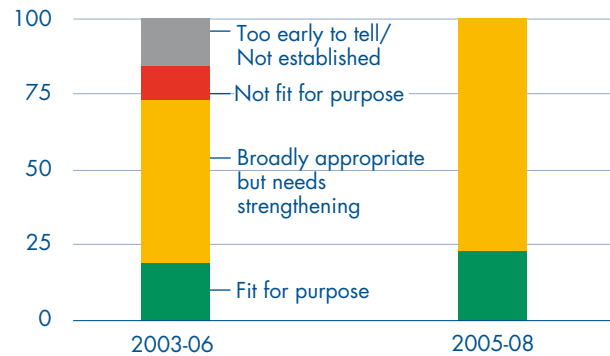
DCLG

Percentage of data systems



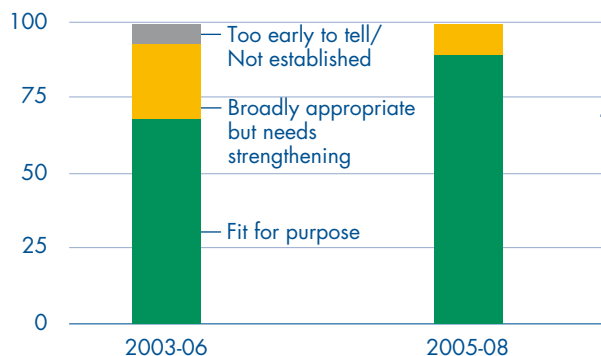
HO

Percentage of data systems



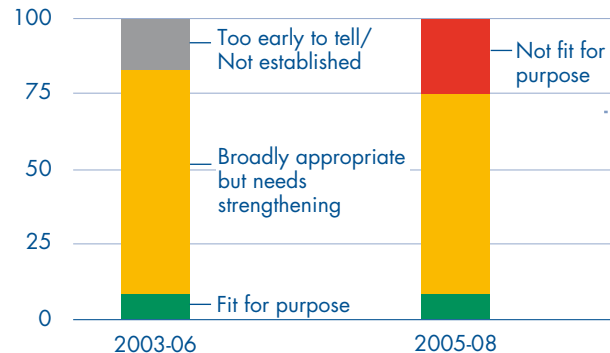
DfID

Percentage of data systems



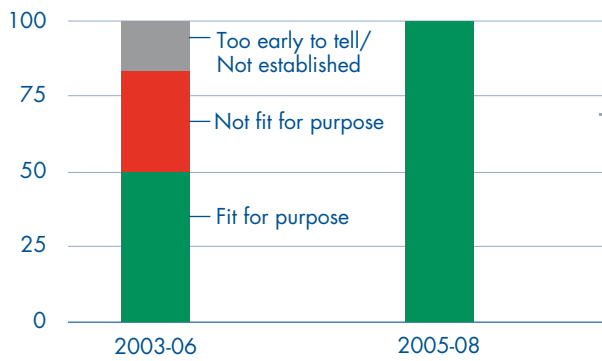
FCO

Percentage of data systems



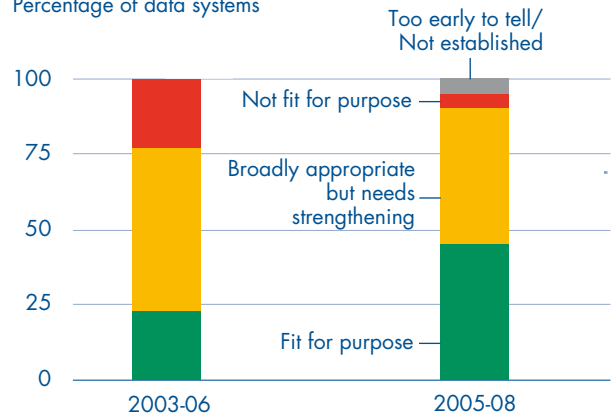
NIO

Percentage of data systems



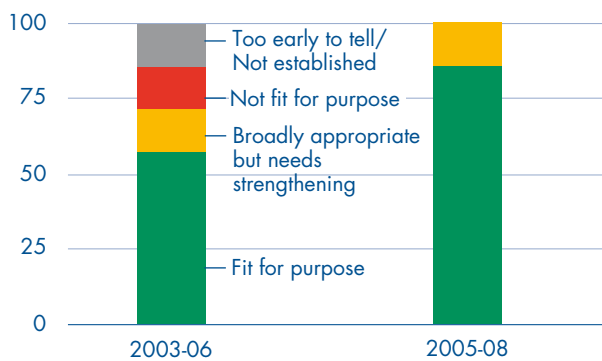
DH

Percentage of data systems



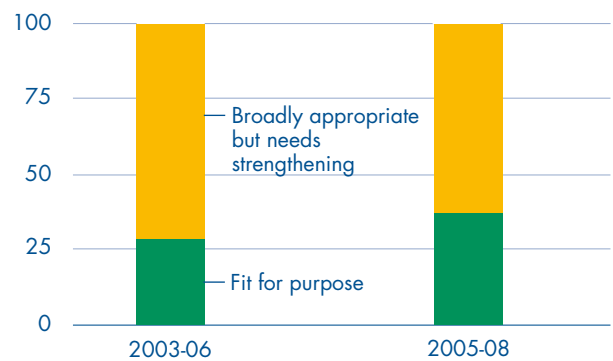
DFT

Percentage of data systems

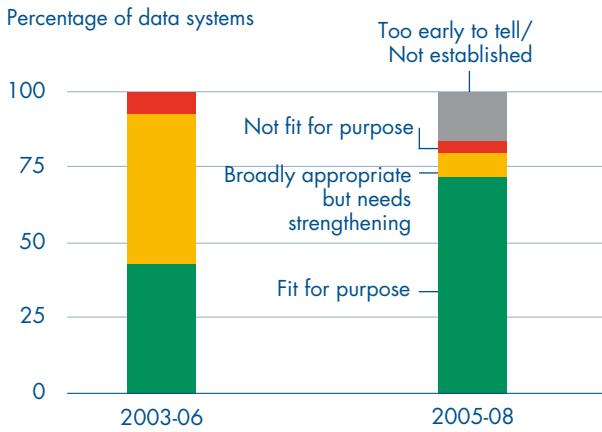


MOJ

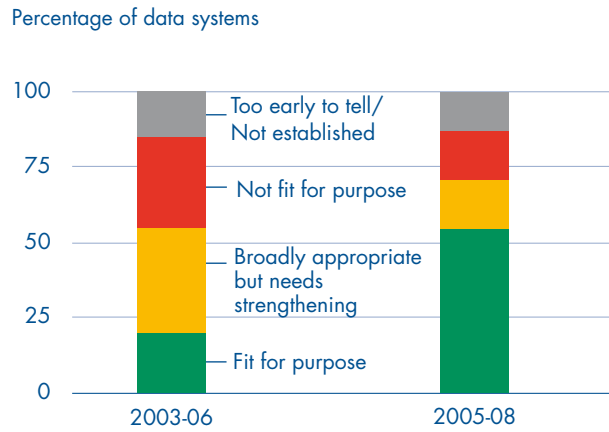
Percentage of data systems



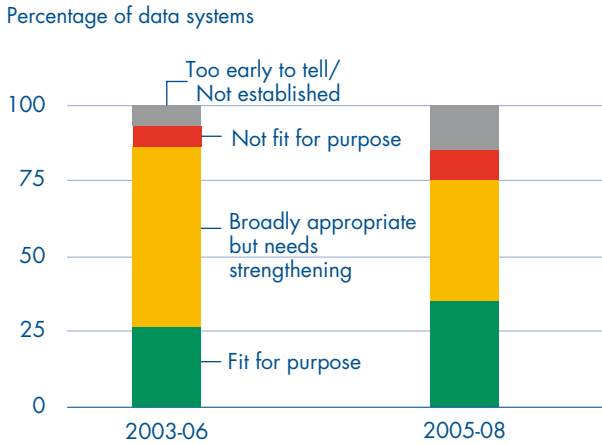
DWP



Former DTI



HMRC



APPENDIX FIVE

Good practice checklists for PSA data systems

The Second Validation Compendium Report, published in March 2006, contained a series of good practice checklists for the design, operation and reporting of data systems supporting Departments PSA targets.

Checklist for data systems design

- Is the target easily measurable?
- Is the target clearly and unambiguously defined in its Technical Note? If the system is more complicated than can reasonably be set out in a public document, has it been fully documented in internal papers?
- Does the data system cover all key aspects of the target?
- Can existing data systems provide adequate data?
- Will the data system produce data that are precise enough (e.g. are sampling errors or accuracy margins understood)?
- Will the data system produce data that are accurate enough (e.g. are the data free from significant bias, does the degree of bias vary over time)?
- Where complex measures are used (e.g. indices or ratios), have they been tested to ensure that they will provide a reliable indication of performance over time?
- Will the data system produce data that are sufficiently timely?
- Have experts and other stakeholders been consulted?
- Can achievement of the target be unambiguously assessed?
- Are the Technical Notes and other documentation clear and up to date?

Checklist for data systems operation

- Is it clear who is responsible for data quality and operating controls?
- Are there effective procedures for identifying and assessing risks to data reliability?
- Have proportionate and appropriate controls been designed and put in place to prevent errors?
- Are definitions and guidance to staff on data collection, processing and analysis clear and unambiguous? Are staff adequately trained to operate the data system?
- Is the documentation of the operation of the data system clear and comprehensive? Have errors been recorded?
- Does management review data systems to ensure that they are providing data of suitable quality?
- Where weaknesses have been identified, has the Department established a programme of action to strengthen the data system?
- Is there documentary evidence of the operation of key controls?
- Are data comparable over time?
- Are qualitative assessments of progress subject to adequate review and challenge?
- Where data comes from external sources, do Departments have adequate knowledge of the data source and possible limitations?
- Where contractors are employed to manage part or all of a data system, does the contract specify data quality requirements and quality assurance arrangements?

Checklist for data systems reporting

- Are out-turn data reported for all aspects of the PSA targets as specified in our Technical Note?
- Are the out-turn data presented in a clear and understandable fashion?
- Are the out-turn data the latest available? Is the period covered clearly identified?
- Where aspects of performance targeted have not been measured or reported, are the reasons disclosed?
- Do data systems include controls to ensure that the correct data are extracted and reported from data systems?
- Are our assessments of progress supported by the accompanying out-turn data?
- Are cross references made to Technical Notes and other publicly available documents where this will help the reader get a clearer understanding of the out-turn data?
- Is the quality of data systems described? Are limitations in data systems and their implications for interpreting out-turn results explained?
- Are out-turn data reported for all 'live' PSA targets?
- For shared targets, is external reporting consistent?

GLOSSARY

Public Service Agreement (PSA)	A contract between Departments and HMT stating each Departments high-level aim, objectives and performance targets.
Target	In this report, a target is a level of performance the Department wishes to attain, which should be measurable.
Standard	Like a target, but setting a 'floor' of performance which no one area/group/delivery agent should fall below – as in 'minimum standard'.
Data system	The structure and methods used to capture and analyse data.
Data system specification	The process of designing and establishing a data system to support a target.
Data system operation	The process of operating a data system on a day to day basis.
Data system reporting	The process of reporting performance data produced by a data system and assessing progress against target.
Validation	Audit term for examining a data system.
Spending Review (2002 and 2004)	The name of the process where the Departments agree goals and spending plans for the upcoming years with the Treasury.
Comprehensive Spending Review	As above, but including a more fundamental review of the framework by which Departments agree goals and spending plans for the upcoming years with the Treasury.
Technical Note	Technical Notes are documents published alongside the Spending Review that set out how performance against Departments PSA targets is to be measured.
Joint target	In this report, a joint target is one where two or more Departments share responsibility for delivering the PSA.
Millennium Development Goals	The Millennium Development Goals (MDGs), agreed at the United Nations Millennium Summit in September 2000, are eight goals to be achieved by 2015 that respond to the world's main development challenges.

ABBREVIATIONS

DFES	Department for Education and Skills
DEFRA	Department for Environment, Food and Rural Affairs
DFT	Department for Transport
HO	Home Office
DCA	Department for Constitutional Affairs (now Ministry of Justice)
MOJ	Ministry of Justice (former Department for Constitutional Affairs)
BERR	Department for Business, Enterprise and Regulatory Reform (former DTI)
DTI	Department of Trade and Industry (now BERR)
DFID	Department for International Development
FCO	Foreign and Commonwealth Office
DCLG	Department for Communities and Local Government
DCMS	Department for Culture, Media and Sports
HMRC	Her Majesty's Revenue and Customs
NIO	Northern Ireland Office
DWP	Department for Work and Pensions
DH	Department of Health
HMT	Her Majesty's Treasury
CO	Cabinet Office
MOD	Ministry of Defence
DIUS	Department for Innovation, University and Skills
DCSF	Department for Children, Schools and Families

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