



National Audit Office

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**MEASURING UP**

HOW GOOD ARE THE GOVERNMENT'S  
DATA SYSTEMS FOR MONITORING PERFORMANCE  
AGAINST PUBLIC SERVICE AGREEMENTS?

**JUNE 2010**

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**Comprehensive Spending Review 2007 covering the period 2008-2011**

**Review of the data systems for Public Service  
Agreement 18 led by the Department of  
Health:**

*'Promote better health and wellbeing for all'*

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This report can be found on the National Audit Office website at [www.nao.org.uk](http://www.nao.org.uk)

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## Summary

### Introduction

1. This report summarises the results of our follow-up examination of the data systems used by the Department of Health (the Department) to monitor and report on progress against its 2008-2011 Public Service Agreement.

### Public Service Agreements

2. Public Service Agreements (PSAs) are at the centre of Government's performance measurement system. They are usually three year agreements, set during the spending review process and negotiated between Departments and the Treasury. They set the objectives for the priority areas of Government's work.
3. PSA 18 is led by the Department of Health, with data provided by, amongst others, the Office of National Statistics (ONS). There is a named officer within the Department who is responsible for maintaining a sound system of control across Departmental boundaries that supports the achievement of the PSA. The underlying data systems are an important element in this framework of control.
4. The most recent public statement provided by the Department of progress against PSA 18 was in the 2009 Autumn Performance Report.

### The purpose and scope of the 2008-09 review

5. The Government invited the Comptroller and Auditor General to validate the data systems used by the Department to monitor and report its performance. During 2008-09, the National Audit Office (NAO) carried out an examination of the data systems for the Department's PSA. This involved, for each individual data system, a detailed review of the processes and controls governing:
  - The match between the indicators selected to measure performance and the PSA. The indicators should address all key elements of performance referred to in the PSA;
  - The match between indicators and their data systems. The data system should produce data that allows the Department to accurately measure the relevant element of performance;
  - The selection, collection, processing and analysis of data. Control procedures should mitigate all known significant risks to data reliability. System processes and controls should be adequately documented to support consistent application over time; and

- The reporting of results. Outturn data should be presented fairly for all key aspects of performance referred to in the target. Any significant limitations should be disclosed and the implications for interpreting progress explained.

6. Following the findings from the 2008-09 validation process each of the data systems underpinning a PSA indicator were graded, as follows: (see figure 1).

**Figure 1: Key to traffic light ratings**

<b>Rating</b>	<b>Meaning ...</b>
<b>GREEN (Fit for purpose)</b>	The data system is fit for the purpose of measuring and reporting performance against the indicator.
<b>GREEN (Disclosure)</b>	The data system is appropriate for the indicator and the Department has explained fully the implications of limitations that cannot be cost-effectively controlled.
<b>AMBER (Systems)</b>	Broadly appropriate, but needs strengthening to ensure that remaining risks are adequately controlled.
<b>AMBER (Disclosure)</b>	Broadly appropriate, but includes limitations that cannot be cost-effectively controlled; the Department should explain the implications of these.
<b>RED (Systems)</b>	The data system does not permit reliable measurement and reporting of performance against the indicator.
<b>RED (Not established)</b>	The Department has not yet put in place a system to measure performance against the indicator.

7. The ratings were based on the extent to which the Department had:
- (i) put in place and operated internal controls over the data systems that are effective and proportionate to the risks involved; and
  - (ii) explained clearly any limitations in the quality of its data systems to Parliament and the public.
8. The findings from the 2008-09 validation exercise were reported to the Department in August 2009 and cleared with the Department in September 2009.

**The purpose and scope of 2009-10 validation review**

9. Our follow-up review, which was undertaken in January and February 2010, focused on:

- Reviewing and assessing the implications of any significant changes to the data system underpinning a PSA indicator; and
- Following up the findings from our 2008-09 validation exercise to assess what actions the Department had taken to address our recommendations.

10. Our findings from the above were then used to re-evaluate the traffic light rating given in 2009 and conclude if these are still a valid assessment of the data system.

11. Section 1 of our report looks at the overall control environment which the Department has put in place to support the measurement and reporting of performance against its PSA indicators. Section 2 summarises the results of our follow-up review on an indicator by indicator basis. Section 3 includes a brief description of the findings and conclusions for those data systems which have undergone significant change. Our assessment does not provide a conclusion on the accuracy of the outturn figures included in the Department's public performance statements. This is because the existence of sound data systems reduces, but does not eliminate, the possibility of error in reported data.

### Summary of results

12. Figure 2 summarises our assessment of the Department's data systems underlying PSA 18.

**Figure 2: Summary of assessments for PSA data systems**

	PSA 18	
Number of data systems	Full review (2008-09)	Follow-up review (2009-10)
Rating		
GREEN (Fit for purpose)	2	3
GREEN (Disclosure)	1	1
AMBER (Systems)	1	1
AMBER (Disclosure)	1	-
RED (Systems)	-	-
RED (Not established)	-	-

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## Section 1 – Wider control environment

13. The aim of PSA 18 is to promote better health and well being for all and is supported by five indicators. For this PSA we have concluded that the indicators selected to measure progress are consistent with the scope of the PSA and afford a reasonable view of progress.
14. The Department has made further progress on the PSA 18 indicators in the relatively short period of time since we completed our 2008-09 work. Four of the five indicators (80%) have now been given 'green' ratings compared to 3 (60%) last year. The Department has disclosed the status of each indicator in its Autumn Performance Report 2009 in which it has also been transparent about the NAO rating given to each indicator in our Full Report issued in 2009.
15. The Department undertakes extensive monitoring and analysis in respect of its performance against its PSAs and the underlying indicators. Data quality is also taken seriously within the Department; where external data are collected, service level agreements are in place detailing management's expectations of data quality and where data are collected at a local level, the Department supplements local level controls with central checks over data quality and completeness.
16. Our follow-up review work found that the Department has made good progress in strengthening data systems and improving the quality of data it receives and that it is continuing to work closely with data providers to further improve the quality of that data.

## Section 2 – Results of the follow-up review

### PSA 18

No	Indicator	Rating at full review	Rating at follow-up review	Reasons for change and additional comments
18.1	All age all cause mortality (AAACM) rate	<b>GREEN</b> <b>Fit for purpose</b>	<b>GREEN</b> <b>Fit for purpose</b>	No change.  In our view the rating given to this indicator in 2009 is still appropriate.
18.2	Gap in all-age-all-cause mortality (AAACM) rate in disadvantaged areas	<b>GREEN</b> <b>Fit for purpose</b>	<b>GREEN</b> <b>Fit for purpose</b>	No change.  In our view the rating given to this indicator in 2009 is still appropriate.
18.3	Smoking prevalence among people aged 16 and over, and aged 16 and over in routine and manual groups	<b>GREEN</b> <b>Disclosure</b>	<b>GREEN</b> <b>Disclosure</b>	No change.  Our Full Report noted that quit rates are used as a proxy for smoking prevalence and that it was not clear how that data is relevant to the smoking prevalence indicator.  In our view the rating given to this indicator in 2009 is still appropriate.
18.4	Proportion of adults (18 and over) supported directly through social care to live independently at home	<b>AMBER</b> <b>Systems</b>	<b>AMBER</b> <b>Systems</b>	No change.  The risk of double-counting between the RAP and GFS data; and between GFS providers, was highlighted in our Full Report. At that time the Department estimated that the rate of double



No	Indicator	Rating at full review	Rating at follow-up review	Reasons for change and additional comments
				<p>counting between RAP and GFS affected around 20% of GFS cases. The NHS Information Centre has since provided further guidance to Local Authorities on estimating double counting and the most recent estimates suggest that the level of double counting is around 10%.</p> <p>The Department has disclosed this risk in the 2009 Autumn Performance Report and has undertaken further analysis on this issue. As such we have concluded that the rating given to this indicator in 2009 is still appropriate.</p>
18.5	Access to psychological therapies; proportion of people with depression and/or anxiety disorders who are offered psychological therapies.	<p><b>AMBER</b></p> <p><b>Disclosure</b></p>	<p><b>GREEN</b></p> <p><b>Fit for Purpose</b></p>	<p>In our Full Report we noted that data on the number of people diagnosed with depression and/or anxiety disorders had yet to be collected by PCTs. The process for PCTs to collect and pass this data to the NHS Information Centre has now been established. The Department has made good progress and has rolled out the data collection process to more PCTs than it had originally expected it would by this stage.</p> <p>PCTs are required to provide information on 12 fields in their returns to the Information Centre, four of which relate directly to this indicator. 100% of PCTs are providing returns for these four fields on a quarterly basis and so we have concluded that the Department's data system used to measure this indicator is fit for purpose.</p>

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## Section 3 – Findings and conclusions for individual data systems

17. This section summarises the results of the NAO's examination of those data systems, used to measure performance against the Department's DSOs, which have undergone significant change since the time of our full review in 2008-09.

### PSA Indicator 18.5 – Access to psychological therapies; proportion of people with depression and/or anxiety disorders who are offered psychological therapies.

#### Rating 2008 – AMBER (Disclosure)

#### Rating 2009 – GREEN (Fit for Purpose)

#### Conclusion

18. In our Full Review we concluded that the data systems for this indicator were broadly appropriate, but included limitations that could not be cost-effectively controlled; and that the Department should explain the implications of these. This was largely because, whilst systems for collecting data had been identified and established, data had not yet been collected and there were uncertainties about the quality of the data that would be received.

19. As noted in Section 2 of this Report above, data has now been collected for this indicator. The Department has been able to roll out the data collection process at more PCTs than it had originally planned to at this stage. PCTs are required to provide quarterly data which gives an estimate of the number of people with depression and/or anxiety; the number of people referred for psychological therapies; the number of people referred for psychological therapies awaiting initial assessment; and the number of people who have entered psychological therapies.

20. All PCTs are now providing quarterly data for these four fields used to measure the indicator. We have concluded that the Department's data system used to measure this indicator is now fit for purpose.