



Target Setting

[Location]

[Date]

[Presenter]

[Title]

N.B. See notes pages



Presentation outline:

- Target setting – its importance and context
- The principles of good target setting



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Target Setting

Its importance and context



Overview

- National context
- Understanding targets
- The context of performance management

The National Context

A target culture:

- House of Commons, Public Accounts Select Committee report – On Target
- Audit Commission – Targets in the public sector
- Innovations Forum work on targets
- Treasury/PMDU Devolving Decision Making
- Audit Commission / IDeA Performance Management, Measurement and Information (PMMI)

Sources of targets

- Nationally set targets
- Best value targets against BVPIs
- Themes and service areas (Decent Homes Standard, Crime and Disorder)
- Local Public Service Agreements (LPSAs)
- Local targets

PMMI support for effective target setting

PMMI Aims:

- Identify and disseminate characteristics of good PMMI
- Review existing work to identify gaps, duplications, contradictions and areas for improvement
- More consistent approach and language
- Develop and deepen understanding of good performance management

Definitions

“**Targets** specify time bound desired levels of improvement.”

Audit Commission, “Targets in the Public Sector”, September 2003.

“Targets: usually desired or promised levels of performance based on performance indicators. They may specify a minimum level of performance, or define aspirations for improvement.”

House of Commons Public Administration Select Committee, “On Target? Government by Measurement”, 2003

Definitions

“A performance target represents the level of performance that the organisation aims to achieve from a particular activity. ... Such targets should be consistent with the ‘SMART’ criteria”

Source: Choosing the Right Fabric (Government and Audit Commission)

“Performance target: means the level of performance in the exercise of a function that a Best Value authority is expected to achieve, as measured by reference to the performance indicator in relation to that function.”

Source: BVPIs statutory guidance 2003/04



Common characteristics

- ‘Desired’, promised or ‘expected’ to achieve
- Time-bound
- A standard or an aspiration?
- Measured by performance indicators

⇒ aim to bring about improvement

Understanding the terms

- Vision, mission, ambition, aspirations and aims
- Target, goal, objective
- Standard, minimum standard, planned performance
- Forecast, expected results
- Performance measures, performance indicators

Understanding the terms

- Performance Indicators
- Targets
- Goals or objectives
- Minimum standards
- Aspirations
- Plans and forecasts



Why have targets?

- Initiate discussion on priorities
- Agreed direction
- Focus attention and resources
- Incentives
 - Rewards and punishments
 - Extra thought or effort
- Accountability – a test of achievement

When not to set targets?

- When you can't affect the outcome
- When it is not a priority for the organisation or public
- When the cost of measurement outweighs the benefit
- When there are no resources to deliver it
- When you have too many targets

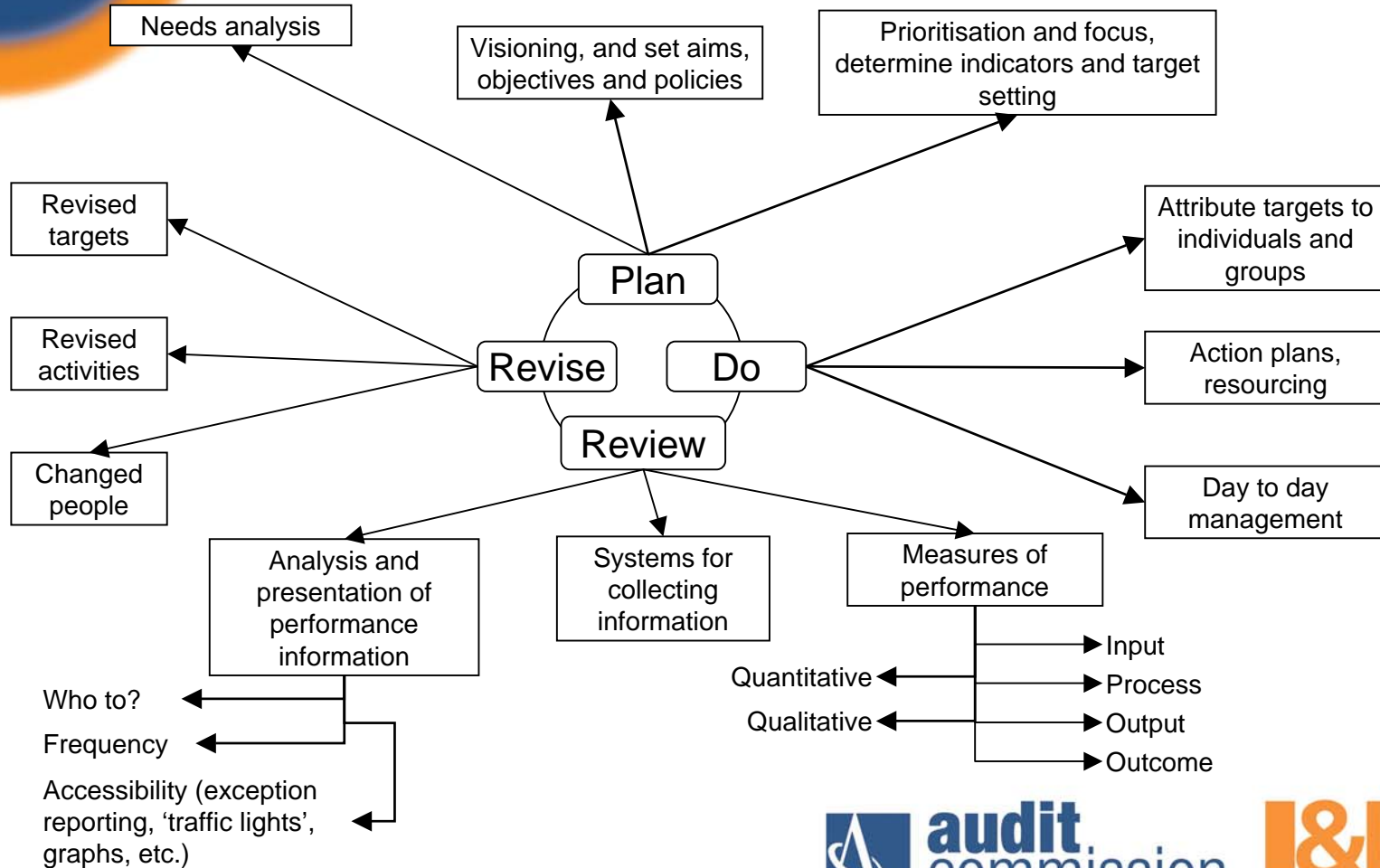


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“Performance
management is simple,
but not easy”



The Performance Management context



Integrating Plans and Strategies



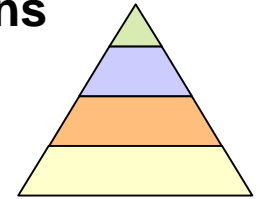
Quality of life indicators

Statutory and corporate PIs (e.g. BVPIs)

National and local PIs

Management information – local PIs

Partner organisations' plans



Integrating Plans and Strategies

Community Plan aim or goal
- Zero homelessness

Service Plan target - 95% homeless households offered accommodation within 21 days

Estate management team target
- 90% houses available for re-let within 28 days

Individual work plan activity to standard - Collect keys, assess condition, arrange repairs, notify lettings when ready, within 15 days



Good Performance Management

- Leadership – members and officers, vision and focus
- Systems – integrating finance and resources
- Culture – of performance, of performance management and learning
- Accountability
- Skills and capacity

How to set targets

- Know what outcome you are you trying to achieve
 - Clearly define where you are now and where you want to be
 - Identify appropriate measures
 - Consult with staff, Members and Citizens
 - Action plan to achieve the target
 - Do final checks
- ⇒ Monitor progress

Exercise

- Think of when target setting has worked well (include examples from outside of work)
- What made it work well?
- Were there different sorts of target, if so what were they?
- Were there differences in how the targets were set? If so, what?



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The principles of good target Setting

Overview

- Barriers to target setting
- What makes it work
- Measuring performance
- Reality check
- Exercise: Setting SMART targets, Issues and barriers to effective target setting

Barriers to effective target setting

- ‘Gaming’ and perverse incentives – improving the indicator rather than the service
- Too many targets
- Confusion between types of targets (e.g. aspirational, achievement, accountability)
- Inappropriate timescales
- Lack of baseline information / unreliable data
- Lack of skills
- Lack of ownership

What makes targets work well?

- Embedded in performance management
- Ownership – involve those who will have to deliver in setting targets
- Balance of targets
- Robust data

Good Performance Indicators

- Relevant
- Avoid perverse incentives
- Unambiguous
- Attributable
- Well-defined
- Timely
- Reliable
- Comparable
- Verifiable
- Cost-effective

Aim not to start from scratch

- Library of local PIs
www.local-pi-library.gov.uk
- Indicators used by other authorities
- National indicators (BVPIS etc.)
- Professional organisations
- Benchmarking groups and networks

What is realistic?

- Baseline information
- Historical data – trends and projections
- Consider seasonality, peaks, troughs and patterns
- Comparisons with others
- Partners – who else do you depend on?
- What changes is the future likely to bring?



Prepare for the futureby SWOTTING up

Strengths	Opportunities
Weaknesses	Threats

Prepare for the futureby grinding it down

- **P**olitical
- **E**conomic
- **S**ocial
- **T**echnical
- **L**egislative
- **E**nvironmental

What will produce change

- Focus
- Effort and motivation
- Resources
- Training and development
- Technology
- Organisation – e.g. revise processes

Types of target

- Long term – short term
- Intermediate / milestone targets
- Input and output
- Absolute vs. percentage
- Quality of service
- Efficiency, financial performance
- Effectiveness (outcomes)



Final Checks

- Are targets SMART?
 - **S**pecific
 - **M**easurable
 - **A**chievable
 - **R**ealistic
 - **T**ime related
- Are targets fair, legal, honest and ethical?

Good and Bad Targets



We will:

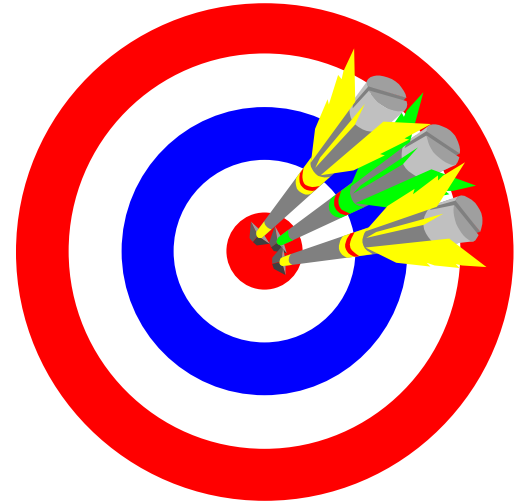
- reduce the number of missed household bin collections by 10% by next year.
- cut the number of unfilled places in primary schools by 10% by 31 December 2000.



- improve the way we handle complaints
- buy as many books for the schools as possible

Exercise: Target practice!

- Individually try setting some targets
- In pairs, provide feedback on each other's targets.
Assess them against the criteria
- Whole group discussion of general problems, issues and successes



Exercise: Barriers to target setting

- Individually write down the issues and barriers to effective target setting in your organisation
- One idea per post-it
- Write clearly and legibly
- Stick on the flip chart paper on the wall
- Collectively group into common themes
- General discussion on the issues, and what to do about them

Monitoring Progress

- Data collection
- Make it accessible
- Ensure accountability
- Not all targets will be met!

Useful resources

- PMMI website
 - www.idea.gov.uk
 - click on *'improving your council'* then *'performance management'*
- Improvement Network website AC, IDeA, CIPFA and Employers' Organisation
 - www.improvementnetwork.gov.uk