

Targets as a policy tool

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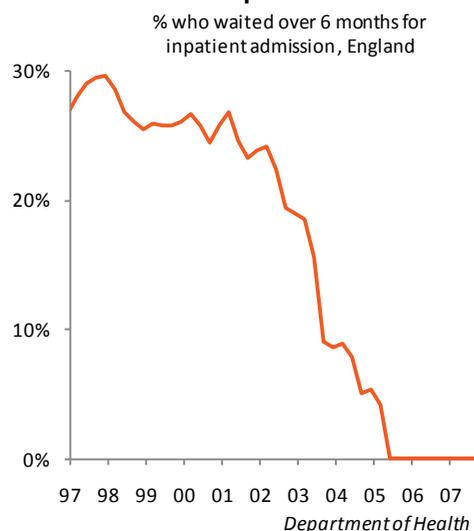
Where now for targets in public services?

Targets in the public sector (and the 'red tape' associated with them) have been attacked regularly over the last decade and remain controversial. However, targets have also been at the centre of widely celebrated achievements, notably in the NHS, and continue to be used extensively in the public and private sectors.

The main parties have all suggested that the use of targets should be limited. Labour have talked about cutting back on central targets for local areas; the Conservatives have said they will scrap hundreds of process targets; and the Liberal Democrats have said they will reduce centralised targets and bureaucracy in the NHS.

None of the larger parties is suggesting that targets be abolished altogether, and all of

Targets helped reduce long waiting times for hospital treatment



their manifestos contain targets – sometimes described as commitments or benchmarks. These cover a range of areas, from reducing youth unemployment to moving to a zero-carbon Britain.

WHY HAVE TARGETS?

A target is a clear expression of a policy priority, setting out exactly what the Government wants to have done and by when. Targets let those responsible for delivery know what needs to happen, so that they can plan, monitor and deliver the specified change. They let citizens know what the priorities are. They allow organisations to be held to account on whether they meet the targets, including by Parliament. They can provide a focus on long-term strategic goals in areas where short-term pressures would otherwise mean that these goals might not be achieved.

WHAT MAKES A GOOD TARGET?

A good target is clearly defined and is focused on policy objectives. Delivery of the target generally requires incentives or penalties, ongoing focus on the target and the commitment of the people responsible for making it happen.

WHAT GOES WRONG?

Given a set of targets and the incentive to meet them, people will generally give less attention and resources to other areas, which may do worse in comparison. There have

been reports that a focus on meeting NHS targets led to certain hospitals neglecting fundamental aspects of patient care.

Targets change people's behaviour – they take action to meet the target. However they may not choose to do this in the way the target setter intended. They may instead focus on the technical definition of the target, maximising their chance of meeting the target (or any associated financial return) with the minimum of resources and effort.

Other challenges include:

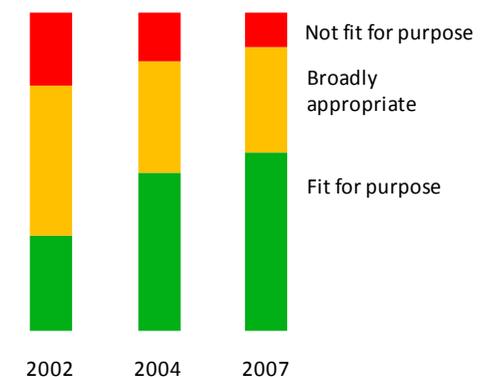
- Targets defined in terms of a preferred process rather than a desired outcome – reducing an organisation's flexibility to achieve the outcomes, using lower cost or alternative methods
- Targets that are too demanding, demoralising the people responsible for delivery, or insufficiently stretching, leading to complacency
- Ensuring the cost-effective provision of timely, local and robust statistical data to measure progress

WHERE NOW FOR TARGETS?

The need to make large efficiency savings in the public sector arguably makes effective targets more important than ever. It is essential that these targets have been well thought through, focus on outcomes, have adequate incentives, limit perverse incentives and allow effective statistical monitoring.

More targets are fit for purpose but one-in-ten is still inappropriate

National Audit Office assessment of PSA targets, by Spending Review period



TARGETS IN LEGISLATION

Recently there has been a move toward putting key targets in legislation and thus making requirements of future governments:

- The *Child Poverty Act 2010* creates a duty to meet certain income poverty targets that relate to children, by the end of the financial year 2020
- The *Fiscal Responsibility Act 2010* creates a duty to ensure that public sector net borrowing is halved by 2013/14 compared with 2009/10
- The *Climate Change Act 2008* creates a duty to ensure that the net UK carbon account for the year 2050 is at least 80% lower than the 1990 baseline