



Standards for Public Performance Reporting

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WHITE PAPER

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Standards for Public Performance Reporting

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Introduction

For over 30 years British governments have had periodic drives for better performance and efficiency in government and public services. But Government efficiency drives and performance reporting have often been met with public and media scepticism and sometimes-even derision¹.

This is a pity because action and reporting on government efficiency and performance is both necessary and has often led to real improvements, if not always quite as great as government's have often claimed.

One other notable feature of these periodic efficiency and/or performance initiatives has been the lack of learning, of accumulated knowledge, from one campaign to the next. Although we have learnt a great deal about how to measure performance, efficiency and productivity of public activities in the past four decades, far too little of this knowledge has been properly codified or is systematically used. There seems to be all too frequently a "reinventing of wheels" each time a new initiative emerges.

A good example was the first round of "Public Service Agreements" (PSAs), published in 1998 under the last Government. Despite a wealth of knowledge available across the UK public sector, and indeed internationally, these PSAs were widely regarded as very badly formulated, full of elementary errors.

The present prolonged period of public sector austerity clearly makes efficiency and performance issues all the more important, but these are perennial issues in government that never go away.

The White Paper makes a modest proposal to resolve some of the problematic issues surrounding efficiency and performance of public services by putting one aspect – the measurement and reporting dimension – onto a much sounder, less partisan, basis.

In the reporting of financial information about public services we have well-established standards. These are not without controversy, but they are well enough established that broadly

¹ For example the attempt by the early Blair government to introduce 'Annual Reports', 500,000 of which were produced each year for sale through newsagents, only lasted three years (1998 to 2000) because of the degree of scepticism about them.

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when our government says “we spent X on Y last year” (subject to audit) we can be reasonably assured that is true.

What this paper proposes is that we adopt the same approach to reporting efficiency, performance and productivity data about public services – that is we should have:

- a **Generally Accepted Reporting Standards for Public Performance (GARSPP)**,
- developed through an independent **Office for Public Performance (OPP)** and
- enforceable through a variety of mechanisms, including external audit and parliamentary accountability.

The OPP would also act as a national repository of learning about what works, and what doesn't, in driving performance, efficiency and productivity in UK public services and government. It could become a sort of NICE (National Institute for Health and Clinical Excellence) for performance reporting and efficiency drives across the whole public sector.

The essential advantages of such changes are two-fold:

- **better public accountability** by eliminating tendentious reporting of so-called performance or efficiency improvements;
- **actual improvements to performance and efficiency** by eliminating duplication, mis-reporting, errors and manipulation in reporting of performance and efficiency results.

Why a Generally Accepted Reporting Standards for Public Performance (GARSPP)?

We have learnt a great deal about how to measure performance, productivity and efficiency in public services over the past 3 decades or more. Not just in the UK, but internationally also, there has been masses of experiment and experience upon which to draw.

In my book '[Theories of Performance](#)' (Oxford, 2010) I rehearsed some of what we've learnt, but I also pointed out that even with such apparently simple terms and concepts like "performance", "efficiency", "productivity", "value for money" and so on there are important differences of definition, not just between countries but over time and between expert opinions. But there is actually, and this is crucial, a fairly common set of broad assumptions about what we mean by these various terms – the main problem has been no-one has taken the trouble to define them clearly, through consensus, and then stick to them.

Early in the life of the New Labour Government just such an attempt was made. The Treasury, Cabinet Office, Office of National Statistics, National Audit Office and Audit Commission came together to produce a booklet entitled '[Choosing the Right FABRIC – a framework for performance information](#)' (HM Treasury, March 2001)². This booklet included a set of stipulated definitions of key terms and concepts.

This was a good starting point, the only problem was that Government found itself incapable in practice of sticking voluntarily to the terms which its own agencies had developed, and soon slipped into sloppy and chaotic usage of terms to suit the circumstances. The FABRIC framework fast fell into disuse because there was no institutional force or sanction behind it.

Individual bodies have continued to try to bring some conceptual order and clarity to these activities. The National Audit Office has, for nearly 20 years, attempted to promulgate clear definitions in the 'performance' and 'efficiency' arenas. Whilst NAO has tried to propagate their definitions, there has been little adherence to them in Whitehall or the wider public sector.

The Office of National Statistics has taken forward the work of the [Atkinson Review](#) on the Measurement of Government Output and Productivity for the National Accounts (2005) to try and develop robust measurements of outputs, but their use has

The FABRIC in the title was an acronym for:

Focused,
Appropriate,
Balanced,
Robust,
Integrated and
Cost-Effective

performance
information systems

² This probably partly in response the poor first round of PSAs in 1998 mentioned above.

remained largely restricted to inside the ONS.

The time has come to try and consolidate all this effort and create the equivalent of accounting standards for public performance, efficiency and productivity. I have called these **Generally Accepted Reporting Standards for Public Performance (GARSPP)**, but I am of course open to other suggestions.

My point is that we need some commonly accepted framework of accepted standards of measurement that can be used by politicians, policy-makers, civil and public servants, auditors and not least parliament, the press and the public to judge results in the same way we can judge spending.

Such a set of rules would undoubtedly be subject to amendment and evolve over time, much in the same way accounting standards have. But this would be through consensus, evidence and testing, not by political or bureaucratic fiat.

Performance and efficiency reporting rules can be enforced by requiring their use (through secondary legislation if necessary) in the publication of any data by Government or public services and using them for audit purposes.

This will mean that, for example, civil service Accounting Officers being scrutinised by Parliament would have a formal duty to adhere to report using GARSPP as a standard.

This will not of course remove all political controversy, or even expert controversy for that matter, but it would at least provide a common reference point and, over time, reduce the areas for disagreement to the ones that really matter – like has a particular initiative actually produced efficiency savings or performance improvements, or not?

It would also remove much of the duplication and “reinventing the wheel” which currently goes on across the multiplicity of public bodies and their monitoring bodies. At the moment every agency, inspectorate, audit body and the rest invents its own standards for measuring success in these areas. Having a set of standards would eliminate much of this needless diuplication.

Why an Office of Public Performance?

Since 1979 there has been a succession of units, offices, centres and initiatives concerned with improving efficiency and performance in Government and public services. To name just a couple of the key ones:

- Efficiency Scrutiny's and Efficiency Unit established by Margaret Thatcher immediately upon taking office in 1979 (EU abolished 1999).
- Gershon Efficiency Programme (2004) and the Office of Government Commerce (OGC's) role in overseeing it and the SR 2007 'value for money' programme, which lasted until 2010.
- Programme Analysis and Review and the Central Policy Review Staff (in the 1970s);
- Prime Minister's Delivery Unit (2001-2010); etc.

Alongside this there has been a stream of analyses and reports of individual and broader programmatic efforts at improving performance and efficiency from Parliament, the National Audit Office, Audit Commission and audit bodies in Scotland, Wales and Northern Ireland, as well as the many sector specific inspectorates, quality bodies and others. Many academic studies have also contributed to our developing knowledge, not least through the ESRC's '[Public Services Programme](#)' (which funded my own work for 'Theories of Performance').

What was lacking, therefore, was not analysis but learning and accumulation of knowledge from all these different sources. What is needed is a small, but effective, centre of learning for all this analytic and practical effort.

The second task of a new body would be to use this knowledge to help create the suggested Generally Accepted Reporting Standards for Public Performance (GARSPP). It is not suggested that this should be done by the OPP alone. It would probably be necessary to set up a time-limited Commission, managed by the OPP but drawing on Government, Parliamentary, audit, professional, academic and other sources to work on producing a consensual GARSPP. This should include the institutions of the devolved government's, local government and other public services.

Existing bodies cannot meet either of these needs for a variety of reasons. They are either too close to the executive to be

sufficiently neutral (e.g. the current Policy and Implementation Unit in No. 10) or geographically limited (e.g. the NAO) or limited by their remit (e.g. the ONS). But all of the latter can have useful inputs.

An OPP should probably be best established on a similar basis to the NAO and OPP, i.e. as a body of the national Parliament with considerable guaranteed autonomy.

Conclusion

This may appear a somewhat 'geeky' proposal, but it has the potential to fundamentally change one part of the national political discourse for the better. It could substantially reduce the space for fruitless mud-slinging whilst creating a more sensible debate about what actually works, based on at least some agreed evidence.

Having a GARSPP and OPP would not in anyway reduce the need for Government's and public services to have periodic or systemic drives for better performance and efficiency – what it could do would provide a better way of reporting and learning from such initiatives. Getting better performance and efficiency would still be the job of the elected politicians and unelected public servants running our public institutions.

One additional benefit of having GARSPP and the OPP as British institutions could be that, whatever policy differences develop between the different levels of government and constituent parts of the United Kingdom, there would still be a common basis for measuring what works, enabling better comparisons. The assumes of course that the Scottish Parliament and Welsh and Northern Irish Assemblies would go along with such developments. But it seems to me that if GARSPP in particular were to prove useful it could quickly become an international standard and not just a UK one, in which case agreement to use it within the UK would be much less problematic.

Having something like GARSPP would also be a tremendous boost to transparency and democratic accountability – it would ensure the public got reasonably accurate and uncontested information about performance, efficiency and productivity in the public sector.

In the current climate of austerity, which most agree will not go away soon, getting the most out of limited public resources is ever more important. Understanding whether or not that is being achieved on the basis of better information is surely something on which most can agree, whatever their political beliefs. I do not believe anyone would really think it better to proceed on the basis of ignorance?

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The author

Colin Talbot has given evidence in the Westminster parliament more than two-dozen times to four different select committees on a range of performance, efficiency and public sector reform issues. He has been a Specialist Adviser to both the Treasury and the Public Administration Select Committees. He has also given evidence to the Scottish Parliament and Northern Ireland Assembly finance committees, and advised the NAO. He has also advised many other national governments, including the USA, Canada, Mexico, Australia, China, India, Japan, and France