



THE GOVERNMENT REPLY TO THE THIRD
REPORT FROM THE HOME AFFAIRS COMMITTEE
SESSION 2004-05 HC 320

Home Office Target-Setting 2004

**Presented to Parliament by the Secretary of State
for the Home Department
by Command of Her Majesty
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HOUSE OF COMMONS HOME AFFAIRS COMMITTEE

Third Report of Session 2004-05

Home Office Target-Setting 2004: The Government's Response

Introduction

The Government is grateful to the Home Affairs Committee (HAC) for its scrutiny of our target setting process. The targets are an important means by which we articulate our priorities and drive delivery. The 2004 targets draw on our experience to date and reflect feedback from consultation with key stakeholders and delivery partners. As a result we have set fewer targets in 2004 and increased the emphasis on outcomes rather than outputs. The new targets provide greater flexibility over how the outcomes are achieved and greater scope for priorities to be determined locally. The target to reduce crime, for example, no longer specifies which crime types local areas should focus on.

This paper responds to the specific conclusions and recommendations made by the HAC in its report.

Response to specific conclusions and recommendations made by the HAC

The HAC's conclusions and recommendations are now addressed in turn, giving the number of the paragraph in the Committee's report. The Committee's recommendations are shown in bold below.

1: There have been three main changes in the approach of the Home Office to PSA targets since the 2002 Spending Review. First, in general there are fewer and simpler formal objectives, given expression in fewer and simpler PSA targets. Second, there is a trend in favour of 'directional' PSA targets that do not specify a target level of improvement. Third, so-called 'standards' have replaced PSA targets in relation to some areas of performance, denoting a commitment to maintain, rather than to improve upon, current levels of achievement. (Paragraph 23)

We agree with these observations, although we would add that our standards also capture outputs for which targets were set in 2002 and which remain key to achieving our new targets. But as these are not outcomes they are not included in the targets for 2004. For example, improving police performance and reducing reoffending are outputs that make a key contribution to our new PSA 1 to reduce crime.

2: We broadly welcome the Home Office's decision to reduce the number and simplify the content of its targets and objectives. We believe it is right that national target setting should be concerned with setting a strategic direction but not to micromanage matters that are best left to local discretion. However, this reinforces the need for a real reduction in centrally determined targets that are set outside the PSA framework. We also consider that the scope for further simplification is very limited, if the PSA targets are to reflect accurately the full range of Home Office priorities. (Paragraph 37)

We welcome the Committee's support for the general direction we have taken to reduce the number and simplifying the content of our targets and objectives. We also agree that targets should not attempt to micromanage what should be decided locally. The increased emphasis on what is to be achieved (outcomes) rather than how it is to be achieved (outputs) leaves a greater level of discretion for prioritisation at the local level.

We also agree, that for this to be effective, there must be a similar streamlining of non-PSA targets. The new PSA set gives local areas and business units more discretion to determine how they will contribute to the PSA set and more scope to determine local priorities. This move is also reflected in our commitment to the pilot Local Area Agreements (see 'Local Area Agreements: a prospectus', published by the Office of the Deputy Prime Minister in July 2004), aiming to reduce bureaucracy, streamline funding arrangements and allow for agreed outcomes to better reflect local priorities. But the Home Office will still want to ensure that its delivery partners' contributions will add up to achieving the national priorities. The simplified PSA set allows us to simplify the target setting regime beneath. For example:

- CDRPs are being asked to support delivery of PSA1 through an overall target for the recorded crime BCS Comparator. Individual crime type targets will therefore be better able to reflect local priorities
- The IND performance regime will be tailored to suit their new strategy 'Controlling our borders: making migration work for Britain' (published in February 2005).

3: In addition, we recommend that key performance indicators (KPIs) and supporting data are routinely published so that Parliament and the public can form a rounded appreciation of the performance of the Home Office in attaining these targets and objectives. (Paragraph 38)

We already publish a range of information on KPIs. For example, end of year performance on the NOMS KPIs is published in a Written Ministerial Statement annually; police performance assessments are published annually in the autumn and IND information is published on a quarterly basis. Local targets set by CDRPs are published by CDRPs in their audits and strategies publications.

4: We recommend that when the Home Office next reviews its PSA targets, as part of the 2006 Spending Review, a higher proportion of targets should contain "realistic but stretching" quantitative elements. (Paragraph 52)

We consider that there can be merit in both quantitative and directional targets. In some cases it is difficult to determine a quantitative level for a target that is realistic and challenging. In these cases, a directional target is more appropriate. Inappropriate target levels risk demotivating frontline staff and reduce the credibility of the target system. Examples of where it is difficult to determine a quantitative target level include:

- Where we do not have a robust historical time series for the data. For example, PSA 6 – the voluntary and community sector contribution to delivering public services, measured by the quantitative state of the sector panel survey, which only started collecting data in 2002/03.
- Where the link between outputs and outcomes is difficult to quantify. For example, PSA 2 – to reassure the public, reduce the fear of crime and anti-social behaviour, and build confidence in the CJS without compromising fairness.

We will consider the appropriate use of quantitative and directional targets in our PSA set during the 2006 Spending Review process.

5: We conclude that the use of a standard (rather than a PSA target) in relation to reoffending was inappropriate and re-affirm the points we made in our recent Rehabilitation of Prisoners report. In our view, the example highlights the need for standards – no less than PSA targets – to

be fully integrated with an agreed strategic direction and performance management regime. (Paragraph 62)

As we outlined in our reply to the HAC report on Rehabilitation of Prisoners (First Report from HAC Session 2004-2005 HC 193-I):

“The Home Office is firmly committed to reducing re-offending, as is demonstrated by the target set out in its Strategic Plan for 2004-08 which sets a target of a 5% reduction in re-offending, leading to 10% by the end of the decade. This target is the primary objective of the National Offender Management Service, and reducing re-offending is included within the Management of Offenders Bill currently before Parliament as one of the Service’s proposed statutory aims. The focus on tackling re-offending so as to protect the public and reduce crime has never been more explicit.

“The PSA targets themselves were drawn up following an extensive consultation by the Home Office. This consultation confirmed that stakeholders supported a move to fewer, high level, targets focussed on overall social outcomes. For this reason the Home Office reduced the number of targets, from 10 headline targets with 36 sub-targets in SR02 to 7 headline targets, with 16 supporting targets in SR04.

“The Home Office decided not to continue the re-offending target as a separate PSA target because it contributed to a range of wider outcomes covered by other SR04 PSA targets – reducing crime, increasing public reassurance, bringing offenders to justice, and reducing the harm caused by drugs. But we will maintain a continuing focus on reducing re-offending through the new re-offending Standard, and we will continue to monitor and report publicly on this throughout the SR04 period.”

See also our response to recommendation no 1.

6: We believe that inconsistency between objectives and PSA targets may generate confusion and a sense that the PSA targets do not give full expression to the Home Office’s strategic direction. We recommend that in future, there should be a consistent relationship between objectives and PSA targets, with objectives stating clearly the Home Office’s priorities and the PSA targets giving them concrete expression. (Paragraph 65)

The objectives describe a vision of social change that we seek to achieve. And to achieve this vision we will be undertaking a wide range of activities including inputs, outputs, milestones and outcomes as set out in our strategic plan “Confident Communities in a Secure Britain”. The PSA targets support this by setting out a smaller number of priorities that cover outcomes against which progress can be measured. The PSA targets map onto and are coherent with the objectives but do not seek to fully replicate them. Not all of our work can be adequately covered by PSA targets, the most notable examples being combating terrorism and countering organised crime.

7: We accept that the choice of baseline year can often reflect performance management needs, and that there can often be good internal reasons for choosing particular baselines. However, we are concerned about the lack of transparency in doing so, believing that this risks undermining the accountability benefit of PSA targets as an indicator of Home Office performance. We recommend that the Home Office publishes its policy on how baseline years are set, and ensure that – in cases where it is thought necessary to depart from this – the reasons for any such departures are explained in the Technical Notes. (Paragraph 72)

Baselines are set for each target taking into account a range of factors: for example, the time period to be covered by the target and the availability of data before and during that period.

Generally we adopted as the baseline:

- the period for which the latest full year performance data was available when the PSAs were set or;
- where a new measure was being used, the period that the first set of data would cover.

The baselines for each limb of the PSA targets are recorded in the technical note.

8: We recommend that the Home Office introduces consistent reporting categories so that it is instantly clear to the reader whether or not the target has been met or is likely to be met. Euphemisms such as “the target is challenging” should not be used if what is meant is “there has been slippage” or “the target is now unlikely to be met”. As many of the new PSA targets are directional, we further recommend that the Home Office comes up with consistent reporting categories to describe the magnitude of any improvement. (Paragraph 76)

We are committed to reporting clearly and openly on performance against our objectives in the departmental report and the Autumn Performance Report. Wherever possible we seek to use the standard Treasury approved reporting categories; however there are occasions where a wider range of descriptors is needed so as not to give a misleading impression of the status of delivery.

We agree that the categories used should be clear and consistent. In this year’s Annual Report we will report using a small number of descriptors that draw on Treasury guidance and are consistent with the terms used in last year’s Annual Report and Autumn Performance Report.

9: We recommend that in its next annual report the Home Office should aim to supply more fully and consistently the information necessary to judge its progress towards targets. (Paragraph 78)

We aim to provide clear and comprehensive performance information in the Annual Report. Where possible the report provides baseline information for the target, as well as the target and any latest outturn information. In some cases information was not available on all the targets at the time of the 2003-04 Annual Report. More data is now available and the 2004-05 Annual Report will be able to report more fully progress against all targets. The HAC Report notes two examples of cases where information could have been more comprehensive:

- HAC suggest that the proportion rather than the absolute figures of asylum removals should be given in the next annual report. The proportion figures are published in the Asylum Statistics (Asylum Statistics United Kingdom 2003, published in August 2004). And the figures will also be given in future annual reports.
- HAC also use as an example the target to significantly reduce the performance gap between the best and worst performing forces. The 2003/04 Annual Report noted that 13 forces were required to close a performance gap. However, it is not possible in a document of this nature to reproduce all the detailed performance figures. The detailed information was published in the Police Performance Monitors (Police Performance Monitoring Report 2003/04, published in September 2004).

10: It is clear to us, as it must have been to the Home Office, that the department was not on course to meet its original ‘offences brought to

justice' target by 2006. We deprecate the apparent lack of transparency in this year's Departmental Annual Report (DAR) about the impending failure to meet the original target and the consequent redefinition of the target. (Paragraph 79)

We do not agree it was clear that we were not going to meet the offences brought to justice (OBTJ) target. The Annual Report gave an accurate picture of performance at the time, which put us ahead of where we planned to be.

We reported in both the Autumn Performance Report 2004 and the Strategic Plan for Criminal Justice that the number of offences brought to justice fell between 1999 and 2001. However, we have now reversed that trend, with sustained increases every year since then. The position reported in the 2004 annual report was accurate; the latest data at that time for the number of offences brought to justice (November 2003) was, in fact, some 23,000 offences ahead of the expected trajectory at that time, putting us on course to meet the then target of 1.2m.

Following publication of the annual report in April 2004, we agreed new PSA targets for SR04 and these were published in July 2004. The performance figures up until that time contained within them a number of minor motoring offences (e.g. failure by the keeper of a vehicle to identify the driver following a speeding offence). The number of these offences increased following the introduction of speed cameras. But it was not the intention to deliver the target through an increase in less serious offences (speeding for example does not count towards the target) and so they were removed from the figures for the SR04 target. For the SR02 PSA the performance figures and the target were both adjusted to take the exclusion of these offences into account. This avoided the confusion that would result from two targets measured in slightly different ways.

Under SR04 a new more challenging target was set to bring 1.25m offences by 2007/08. In line with the trajectory towards this new target, it was agreed that the interim (SR02) target for 05/06 should be 1.15m offences brought to justice, superseding the previous target of 1.2m. The new targets, and performance against them, were set out in the Strategic Plan for Criminal Justice published in July 2004.

11: It is not always clear from the DAR that particular targets have lapsed. In some cases, performance against old, but still apparently current, targets is not reported at all. This can cause confusion, and we recommend therefore that in next year's DAR, the Home Office reports more clearly on progress against those PSA targets that may have been superseded by new targets agreed in a more recent Spending Review, but which are still live, or would be were it not for these new targets. We recommend that an additional table at the end of its Performance Summary to describe its performance against all these superseded PSA targets together with a brief note explaining whether these targets have been dropped or replaced would effectively address this concern. (Paragraph 81)

We intend to produce a table for this year's annual report which sets out the position on all targets from the 2000 Spending Review.



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