Productive Time

Efficiency Programme – Measurement Guidance

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Executive Summary

Productive Time Efficiencies: the Context

The 2004 Spending Review (SR04) announced the efficiency gains to be achieved by departments and by front-line delivery agents in the SR04 period, i.e. through to 2007/08. In October 2004, departments published Efficiency Technical Notes (ETNs) detailing how they would measure those efficiency gains.

Productive Time initiatives are one of the key elements of the Efficiency Programme and will contribute to better public services. The initiatives are designed **to increase the time spent by public service professionals on core activities, i.e. activities that are integral to the delivery of improved front-line services**.

This guidance, prepared in consultation with departments, aims to help departments and front-line delivery agents improve their Productive Time measurement. It sets out: four key objectives and supporting principles for the measurement of Productive Time that should stand the test of time; a Productive Time Measurement Framework that allows flexibility for the measurement of Productive Time to mature and continually improve; and practical advice on the core measurement of activities and quality of service delivery and on some current issues facing departments.

The guidance builds on OGC's ongoing metrics work; HM Treasury ETN guidance; and the findings of the *Atkinson Review: Final report on measurement of government output and productivity for the national accounts*, published at the end of January 2005. Atkinson's definitions for relevant terms have been adopted. The guidance is likely to be updated from time to time as the discipline of measuring Productive Time matures.

The support of departments in the development of the guidance has been greatly appreciated.

Key Objectives

The principles for the measurement of Productive Time Efficiency Gains that are described in this guidance stem from four key objectives reflecting the operational and policy needs of a wide range of stakeholders: Ministers, managers of efficiency programmes in departments, front-line delivery agents, public service staff and members of the public. These four key objectives are:

1. **Operational measurement**: Departments and front-line delivery agents need to be able to provide measurements that have meaning and relevance at an operational level.

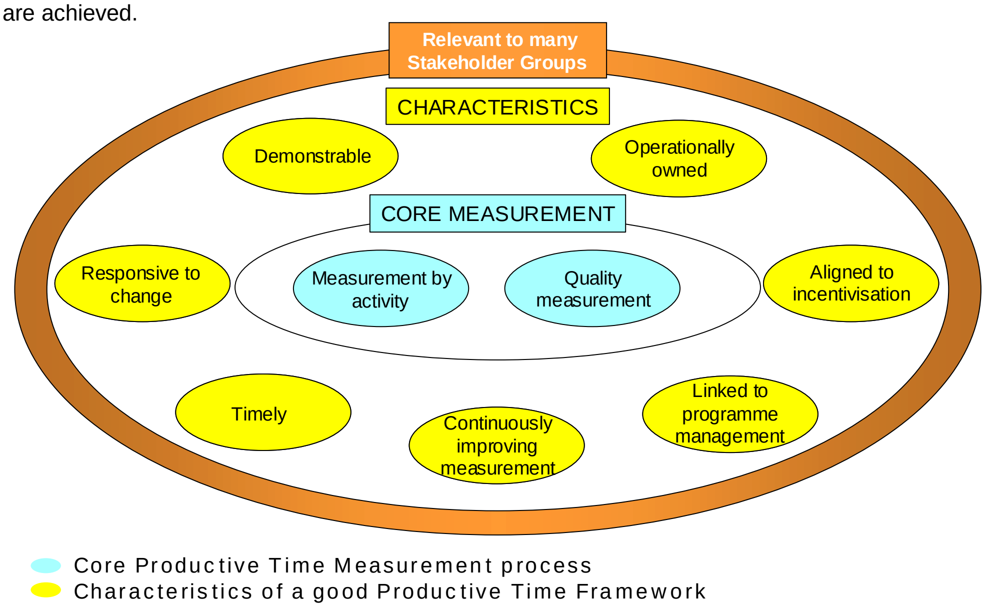
2. **Operational incentives**: Departments and front-line delivery agents need to be able to provide measurements that assist in providing direction, focus and incentives for changes in behaviour.

3. **Year end reporting**: The government corporately needs to be able to publicly monitor, track and report how departments have performed against SR04 Efficiency Targets each financial year and the final 2007/08 target, and to show that quality of service has been maintained or improved.

4. **In-year reporting**: The OGC and departments equally need to be able to monitor, track and report the in-year progress of Productive Time initiatives against the trajectory for Efficiency Gains. This is necessary to manage the efficiency programme successfully and to enable action to be taken if results are off track. Additionally, there will be a need for various progress reports, e.g. for the Budget and Pre-Budget Report and for OGC's regular (half-yearly) report to the Prime Minister and the Chancellor on progress.

Productive Time Measurement Framework

In delivering existing Productive Time efficiency targets and measurements departments and front-line delivery agents have adopted a variety of approaches reflecting a range of operational possibilities. A Productive Time Measurement Framework has been developed which allows for these different approaches to evolve whilst ensuring that the four key objectives are achieved.



Core Measurements

The paper provides guidance on measuring both Productive Time *activities* and *quality* of service delivered.

Measurement of the former provides metrics supporting the determination of a value to quantify efficiency gains. There are three primary ways of measuring activities: by task, by staff role and by service delivered. The guidance sets out examples of each and the pros and cons of each method. On balance, the first seems generally preferable – though this may not currently be achievable by all departments and front-line delivery agents.

Assurance that the figures derived from the measurement of Productive Time activities are true efficiency gains and not at the expense of quality of service is provided by the corroborative evidence from the Quality Measurement of the quality of service. This is analogous to Atkinson's principle of 'triangulation'.

The **characteristics** of a good Productive Time Framework are identified. Measurements should be: operationally owned, demonstrable, aligned to incentivisation, responsive to change, linked to programme management, timely and, critically: continuously improving.

Current Operational Issues

Solutions are provided to assist with current operational issues when measuring Productive Time Efficiency Gains. Departments may wish to consider these whenever they come to revise their own measurement frameworks and ETNs.

- Avoiding double counting within the Productive Time workstream.
- Mapping metrics across differing time periods.
- Managing Time-lags: Spot measurements, Surveys and Proxy Measurements.

Overall Context and Scope

Delivering Productive Time Efficiencies

The 2004 Spending Review (SR04) announced the efficiency gains to be achieved by departments and by front-line delivery agents in the SR04 period, i.e. through to 2007/08. In October 2004, departments published Efficiency Technical Notes (ETNs) detailing how they would measure those efficiency gains.

Productive Time Efficiency Gains are one of the key elements of the Efficiency Review Programme and Productive Time initiatives contribute significantly to the overall efficiency benefit targets established in SR04. This paper presents guidance on the measurement of Productive Time and discusses future expectations whilst acknowledging that in the shorter term these will not be met fully. Some interim options are included.

This guidance builds on OGC's ongoing metrics work; HM Treasury ETN guidance; and the findings of the *Atkinson Review: Final report on measurement of government output and productivity for the national accounts*, published at the end of January 2005 – Atkinson's definitions for relevant terms have been adopted.

Productive Time initiatives are designed **to increase the time spent by public service professionals on core activities, i.e. activities that are integral to the delivery of improved front-line services**.

This definition follows closely that used by Sir Peter Gershon, who emphasised that: "Front-line staff are there to deliver services to the user and reducing the amount of time they spend away from these core activities is an important part of efficiency…" and that "Productive Time can be reduced if people are having to spend too much time servicing the organisation rather than their customers."

Productive Time initiatives take two forms:

1. Producing more output for the same input cost and with the same or greater quality, or,

2. Producing the same or more output at lower input cost and with the same or greater quality.

Thus, in simple terms, the *Productive Time initiatives will deliver*, for:

1. The same input cost, more time for core activities, or,

2. At a lower input cost, the same time for core activities.

In both instances, the quality of service delivered will be either the same or higher, never lower.

In the real world, there will be instances where all three factors (input, output and quality) will change.

Efficiency, Productivity and Productive Time

Productive Time Efficiency Gains improve efficiency and improve productivity. But they are not the only means of achieving either goal.

Productive Time Efficiency Gains form one of the six workstreams that were identified in the Gershon and Lyons reports and together constitute the Efficiency Programme.

Several of those workstreams, including Productive Time, involve gains in productivity. 'Productivity' is described in the Atkinson report as being: "Commonly defined as a ratio of a volume measure of output to a volume measure of input". Other workstreams, such as that on procurement and relocation, relate to the more efficient purchase of inputs.

Atkinson also proposed is that "…independent corroborative evidence…" should be sought to validate the calculated productivity metric. This process is called 'triangulation' since it is the third component of an input-output-validation triad. Similarly, this guidance proposes that the principle of triangulation forms a component of the Productive Time Measurement Framework.

Figure 1 below shows how Productive Time fits within this wider context of the overall Efficiency Programme and Atkinson's national accounts measurement of productivity.

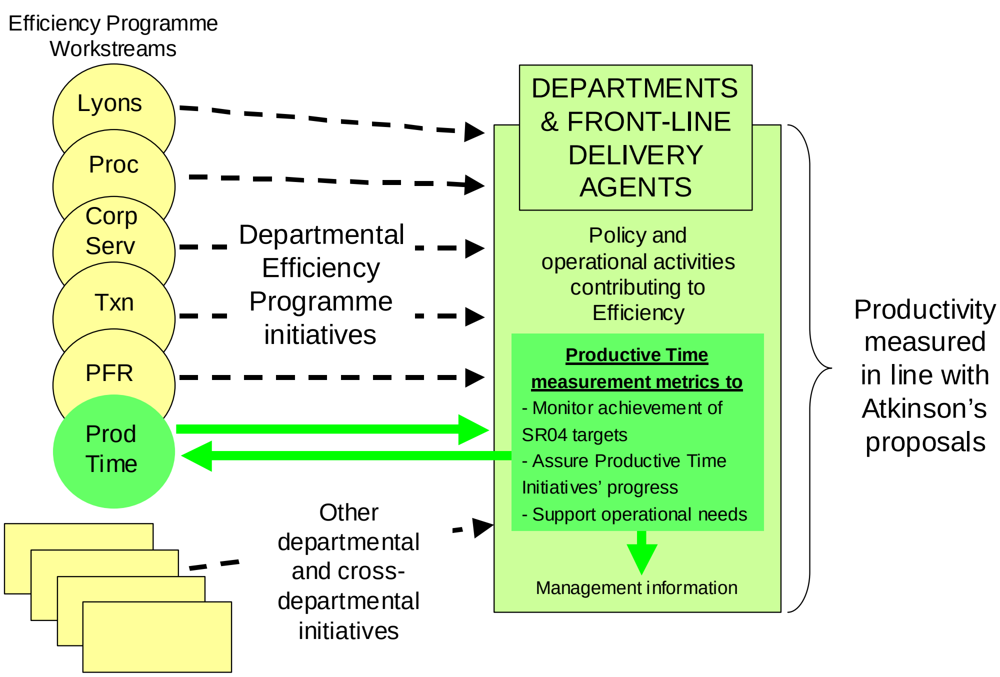


Figure 1.

Whilst there is some interaction between the workstreams, this guidance focuses on Productive Time.

Productive Time Measurement Objectives

The principles for the measurement of Productive Time Efficiency Gains that are described in this guidance stem from four key objectives reflecting the operational and policy needs of a wide range of stakeholders: Ministers, managers of efficiency programmes in departments and front-line delivery agents, front-line staff and members of the public.

These four key objectives are:

1. **Operational measurement:** Departments and front-line delivery agents need to be able to provide measurements that have meaning and relevance at an operational level.

2. **Operational incentives:** Departments and front-line delivery agents need to be able to provide measurements that assist in providing direction, focus and incentives for changes in behaviour.

3. **Year end reporting:** The government corporately needs to be able to publicly monitor, track and report how departments have performed against SR04 Efficiency Targets each financial year and the final 2007/08 target, and to show that quality of service has been maintained or improved.

4. **In-year reporting:** The OGC and Departments equally need to be able to monitor, track and report the in-year progress of Productive Time initiatives against the trajectory for Efficiency Gains. This is necessary to manage the efficiency programme successfully and to enable action to be taken if results are off track. Additionally, there will be a need for various progress reports, e.g. for the Budget and Pre-Budget Report and for OGC's regular (half-yearly) report to ministers on progress of the Efficiency Programme.

Productive Time Measurement Framework

The following figure presents a framework for the measurement of Productive Time that will best meet the Productive Time measurement objectives and be relevant to many stakeholder groups.

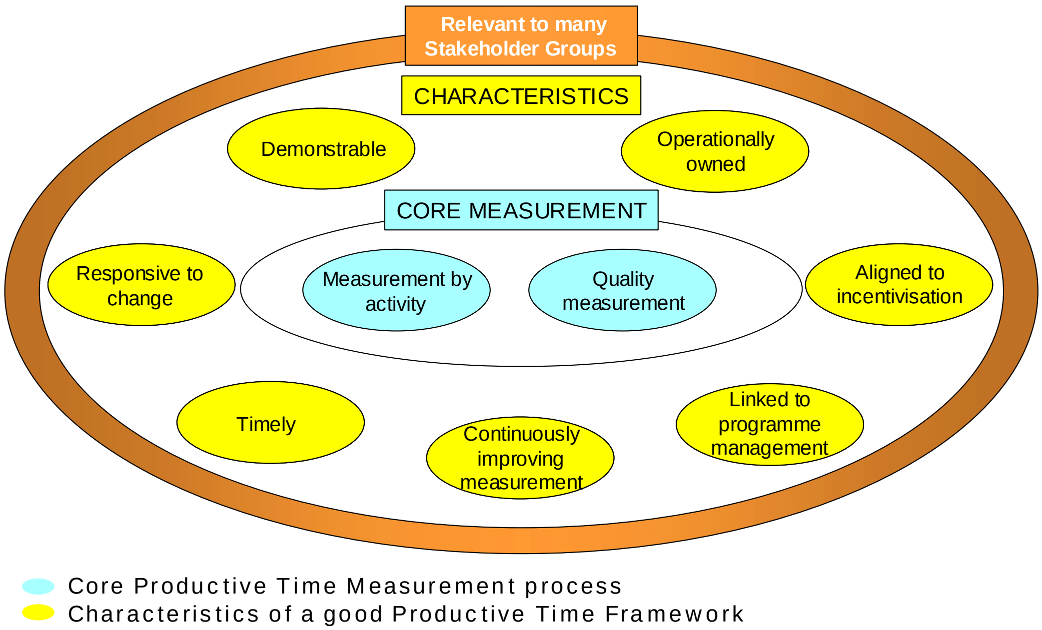


Figure 2.

All stakeholders should benefit from information, based on metrics collected at the front-line, which is at the correct level of aggregation and relevant to their needs, whilst taking account of information sensitivity.

For instance:

- Front-line staff and resource managers can benefit from measurements that are *operationally owned* and support day-to-day management activities.
- Front-line delivery agent managers can benefit from measurements that are *aligned to incentivisation* and encourage positive behaviours.
- Departmental managers can benefit from measurements that are *linked to programme management* and are able to demonstrate that efficiency initiatives are on target to deliver promised efficiency gains.
- Ministers can benefit from measures that are *demonstrably robust* and support public accountability.
- Members of the public can also benefit from the assurance that government figures are *demonstrably* validated.

Departments and front-line delivery agents are encouraged to use measurements that fit into the framework and wherever possible, avoid or minimise any additional operational work. Guidance is included in Annex A on how departments and front-line delivery agents can address some of the operational issues associated with moving towards a framework for measuring Productive Time.

Core Measurements For Productive Time Efficiencies

Two core measures, to be deployed together, determine how far Productive Time Efficiency Gains have been realised.

These relate to Productive Time *activities* and *quality* of service delivered. Measurement of the former provides metrics for supporting the determination of a value to quantify efficiency gains. Assurance that they are *true* efficiency gains and not at the expense of quality of service, is provided by the independent corroborative evidence from the quality of service (the Quality Measurement). This is analogous to Atkinson's principle of 'triangulation' and the Quality Measurement is an important component of the Framework.

Measurement by Activity

Activity measurement can be achieved through a wide range of capture mechanisms including diaries, surveys, spot measurements etc. Where measurement systems are already in place, they can be used to support the measurement of Productive Time with little or no impact on operational procedures.

Three primary ways of measuring activity are by:

- *Task*.
- *Role*.
- *Service delivered* – this may be measured using, for instance, volume or quality measurements.

The three approaches, some of their advantages and disadvantages and an example of the complexities that can arise, are presented in the following paragraphs.

Measurement by task

Task is the term used to describe a specific type of activity executed by a particular role that contributes to delivery of a service. Tasks can be classified in a number of ways.

Each department will have a working definition of their "core activities", where they are undertaken and by whom. It is important that over the SR04 reporting period, the definition of core activity is interpreted consistently within each department. So departments are encouraged whenever they next come to revise and improve their own measurement frameworks and ETNs to state their interpretation of the scope of core activities that are relevant to Productive Time. The box below sets out an example of how tasks and core activities have been defined by Police.

Police

Police use the term "activity" but this example will use the term "task" to be consistent with the rest of the guidance.

Police called upon the metrics collection infrastructure that was already supported by: Activity Based Costing and HM Inspectorate of Constabulary (HMIC) function codes to calculate a front-line policing measure. This minimised the bureaucratic burden on forces and is in line with the guidance objective on front-line measurement and incentives.

Tasks are assigned "activity codes" and table 1 below gives some examples of Activity Based Costing (alphabetic) and HMIC (numeric) codes.

Agreement was reached between the Home Office, the Association of Police Authorities, the Association of Chief Police Officers, No. 10 and HM Treasury on a definition of front-line duties. As a result, it is possible to:

- Establish a headline measure of "Percentage of police officer time spent on front-line duties" (a key PSA measurement).
- Use the same metrics for establishing improvements in front-line Productive Time (a key Efficiency Programme target).
- Inform management judgements about actions to be taken or for further investigation within both policy and operational contexts.

Table 1.

ABC or HMIC code	Task	Front-line?
II	Interview	Yes
IL	Paperwork / case file	Yes
IN	At court (waiting or giving evidence)	No
PH	Investigate	Yes
PJ	Community	Yes
PS	Prison	No
SC	Monitoring cellblock	No
SF	Call handling / relief control room	No
3	Asset confiscation	Yes
5	Burglary	Yes
10	Communications	No
14	Coroner's Office	Yes
35	Marine	Yes
41	Personnel / Human Resources	No
53	Technical Support Unit	No
58	Vehicle crime	Yes
SC	Monitoring cellblock	No
SF	Call handling / relief control room	No

The "IL" task is an interesting example of where some paperwork is part of front-line policing and some is not. Whilst not all paperwork needs to be done by police officers a clear line cannot be drawn between work best undertaken by support staff or police officers. This is a scenario that will apply in other departments. Police have adopted the pragmatic approach of defining all such tasks as front-line but excluding paperwork undertaken by Criminal Justice Units; in this way, there is an operationally sound solution to a problem where it is not possible to clearly define the scope of front-line paperwork. Including "Paperwork /case file" as front-line acknowledges the important contribution of these activities to bringing offenders to justice.

Measurement by role

A "role" might be, for instance, teacher, fire officer, or, as above, police officer. Roles undertake a wide range of activities, some are core and some are non-core. In the example outlined below from the HM Revenue and Customs ETN, the Productive Time Efficiency Gain is identified as resulting from delivering an increase in "core time" of staff in a particular role and is assessed against a range of staffing measurements.

HM Revenue and Customs

HMRC Productive Time Measurement is evolving and the methodology and wording will be continuously improving over time.

Activity:
"Increase in core time through:
- Use of risk management to inform and improve resource usage and more effective deployment.
- More flexible use of resources.
- Greater use of intelligence to inform operational activities.
- Reduction in time lost through sick absence."

Measurements:
- "Full Time Equivalent reductions achieved taken from Staff Year baselines.
- Staff year allocations, deployment and usage from our Resource Information systems.
- Increase in 'core time' e.g. Sick absence will be measured and monitored via HR information systems.
- Increase in staff deployed direct to front-line/core-activity."

This form of measurement may be appropriate when 100% or close to 100% of "core time" is spent on tasks integral to the delivery of front-line services.

Measurement by service delivery

Where mechanisms are not in place to measure by task or role, it is possible to measure output in terms of services delivered and monitoring changes in the service against a fixed input; for example, more instances of the service (greater volume) or a better quality of the service. Such measurements are then used to infer efficiency gains and therefore may be considered to be *proxy measurements*.

If a measurement of quality is used when measuring service delivery, this must be clearly distinguished in purpose from any use of Quality Measurements (see paragraph on Quality Measurement below) in the context of assuring that quality of service has not fallen as a result of a Productive Time initiative.

Health

Some examples of possible measurements by service delivery include:

Measurements of process re-design resulting in lower cost:
- Day cases.
- Length of stay.
- DNAs (Do not attends).
- Emergency admissions.
- Cancelled operations, etc.

Measurements of the cost of staff input:
- Sickness.
- Turnover.
- Agency spend, etc.

Measurements of quality:
- Health outcomes.
- Readmission rates.
- Waiting times.
- Choice.
- Patient satisfaction, etc.

Advantages and disadvantages of activity measurement approaches

Assessed against the description of Productive Time, measurement by *task* has the advantage that it is closely linked to individual activities that are both core and meet customer needs. Measurement by *role* is less clear in that it necessarily introduces an additional variable of the proportion of time spent on core and non-core activities in meeting customer needs and those which serve the organisation. Measurement by *service delivered* has the weakest link to activities that are both core and meet customer needs, especially when services are provided by a variety of staff roles or where quality measurements are used to infer delivery. Such measurements can, however, be useful indicators of overall productivity.

Complexity of measurement

It is possible for several changes to stem from a single change in task, role or service delivery, each offering the potential for efficiency gains. Linkages between, and interdependent impacts of, such changes need to be clearly articulated. The following example illustrates how a single change can result in a chain of improvements *that would need to be measured separately* to support a substantive case for efficiency gains.

> A non-core task, for example, administration, may presently be undertaken by a professional. If, in future, this task is to be undertaken by an administrator (at a lower labour rate), releasing the professional to carry out more front-line activities, then there is an efficiency gain. If the administrator is able to collect similar tasks from a number of professionals then there is the possibility that the work itself could be undertaken more efficiently - a second efficiency gain. If, as a result of another initiative, for instance an ICT development, the administrator is able to be even more efficient then there is a third area for efficiency gain.

This complex interdependency between measurements and operational practices means that it is important for departments and front-line delivery agents to monitor the wider and possibly unexpected operational impacts of measurements to ensure that only positive behaviours and results are produced.

Quality Measurement

Complementing measurement by activity is a Quality Measurement, used to monitor quality of service. The metric for Quality Measurement should be determined prior to any Efficiency Programme change and be re-evaluated at the end of the measurement period. *If quality falls, an efficiency gain may not be recognised*.

It is important that efficiency gains are not accrued at the expense of quality of service and that Productive Time 'saved' is recycled into core activities to produce a benefit that can be both measured and experienced. Productive Time includes Quality Measurement to assure that the Productive Time Efficiency Gains are not at the expense of service quality.

Departments may specify a single relevant measurement or a basket of measurements to arrive at the Quality Measurement.

For selecting a basket of measurements, a three-stage process is recommended:

1. Select appropriate measurements that reflect the characteristics described in the Productive Time Measurement Framework and, preferably, are already collected.
2. Assign a weighting to each measurement.
3. Fix the weightings prior to any of the metrics being collected.

Measurements that are already collected may be found in, for example, PSA targets, operational targets, or measurements collected for day-to-day management purposes. If it proves impossible to find a suitable measurement, any new measurement should be:

- Discussed with front-line staff in advance with the change and need for the new measurement communicated effectively throughout the department and front-line delivery agents. Staff commitment to the need for additional collection is an important factor in data confidence.

- Introduced in accordance with the department or front-line delivery agent's overall change plan. Thus it will take account of other business change and not duplicate effort.

Characteristics of a good Productive Time Measurement Framework

The following check-list of characteristics for a good measurement framework is provided to aid departments and front-line delivery agents whenever they come to review and improve their measurement frameworks.

Demonstrable

1. Supporting public accountability.
2. With a transparent collection process.
3. Objective rather than subjective.
4. Accurate and capable of being independently validated.
5. Not double-counting efficiency gains or quality measurements.
6. Stated as delivering cashable or non-cashable efficiency gains.
7. Collected year-on-year against agreed baselines.

Operationally owned

1. Encouraging engagement and commitment at all levels from the front-line to policy, ultimately contributing to high levels of confidence in metrics and benefits that contribute to improved service delivery.
2. Delivering operational management benefits, particularly to those who collect and collate measurements and make resource and management decisions.
3. Maximising benefits from existing measurement systems and requiring minimal additional effort, by using the right measurements from, for example, finance and resource management systems.
4. Clearly understood by all stakeholders because of effective communication strategies.
5. Formalised in agreements between delivery agents, particularly where delivery is devolved.

Aligned to incentivisation

1. Driving desirable performance improvement behaviours.
2. Complementing other efficiency related incentivisation initiatives.

Responsive to business change

1. Able to accommodate changes in business policy and strategy without compromising the measurement of efficiency gains. Examples of change include scope of functional delivery, organisational structure and business processes.

Timely

1. Achieving the minimum time-lag between an activity and its measurement.

Continuously improving measurement

1. Reviewed regularly to identify where measurements can be improved, for instance, where proxy measurements can be replaced – whilst maintaining the measurement methodology set out in the department's ETN.

Linked to programme management

1. Attributable to individual departmental initiatives. For instance, one initiative may deliver total efficiency gains that are disaggregated for reporting because they contribute to more than one Efficiency Programme workstream.
2. Supporting tracking for individual departmental initiatives.
3. Supporting in-year progress reporting, for instance, by interim metrics.
4. Taking into account the impact of benefit-lags on projected efficiency gains for each financial year. For instance, where benefits from an initiative are expected to have minimal effect in the short term, they should be attributed to the year in which the benefits will be accrued.
5. Taking into account the impact of implementation-lags arising, for example, from the need to design and introduce a business process change and changes to ICT support systems.

ANNEX A - Current Situation and Operational Strategies

A number of factors will affect the ability of departments and front-line delivery agents to implement a Productive Time Measurement Framework. This Annex presents three Productive Time Guidance operational issues and strategies that were identified during development of this guidance and which departments may wish to consider whenever they come to revise and improve their own measurement frameworks and ETNs.

Current Operational Issues

A – Avoiding double counting within the Productive Time workstream.

B – Mapping metrics across differing time periods.

C – Managing Time-lags: Spot measurements, Surveys and Proxy measurements.

Advice on Current Operational Issues

A – Avoiding double counting within the Productive Time workstream

Double counting could occur, for instance where:

1. Productive Time Efficiency Gains are captured at the front-line and another measurement assesses efficiency gains at a higher level of aggregation.

2. Public services are delivered through complex delivery chains and it may be difficult to determine the level to which various initiatives contribute to an output. It is possible that individual initiatives might measure and capture the same Productive Time Efficiency Gain. For example an IT initiative could be measured at the systems level as a process efficiency and/or at the front-line activity level as a task efficiency.

3. Productive Time Efficiency Gains are related to two or more Efficiency Programme workstreams and risk being counted in both.

Possible approaches are:

1. Presenting an assessment of the degree of overlap and clearly 'netting out' the lower level measurement at the higher level to avoid any double counting. Departments could map and review their hierarchy of measurements (from front-line to policy) to eliminate the double counting of efficiency gains.

2. Cross-initiative mapping of efficiency gains. For instance, by reviewing the business cases for individual initiatives, it may be possible to identify areas of potential overlap and ensure that these are eliminated in the final calculations.

3. Efficiency gains arising from one workstream may contribute to those in another workstream and it is important to avoid double counting across workstreams. Figure 3 below illustrates a typical scenario.

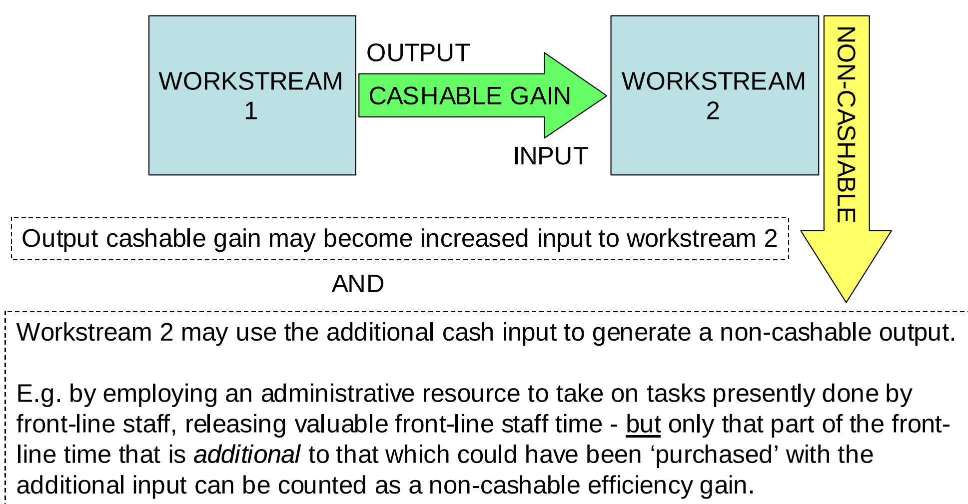


Figure 3.

B - Mapping metrics across differing time periods

When metrics are collected across time periods that do not map onto financial years, they must be adjusted to financial year. This may be achieved by statistical analysis.

Education

Whilst the Academic Year does not map onto the Financial Year, DfES cater for the difference by reporting in five and seven month blocks.

Where spot measurements are used during an academic year, the resulting metrics will be related to the financial year in which the measurement exercise falls.

C – Managing Time-lags

It may not always be possible to collect timely metrics for measurements. Atkinson identified poor timeliness and periodicity as a main issue in the National Accounts arena and Productive Time metrics display similar problems.

Wherever possible, timeliness of metrics should be improved. Where it is not possible to collect existing measurements without a significant delay, for example where a measurement sits within an annual survey, alternate measurements should be considered. These should be selected to track progress towards the long-term target in order to provide a high level of confidence that this target will be met.

Various options are available including:

Surveys

Some departments will undertake surveys, often when prior agreements are in place with key stakeholders. Where surveys are a representative subset of the population that they are measuring they can provide solid metrics. However, in sample surveys, care needs to be taken to minimise error and bias and these should be anticipated as much as possible to minimise their effect.

Spot measurements

Spot measurements can be used to indicate progress, especially if they are taken at regular intervals against a baseline, however, measurements taking into account whole year activities as opposed to short periods are likely to give a truer picture of the real situation and should be used in preference where possible. However, spot measurements can still be statistically valid.

Police

Police undertake two one-week surveys each year to identify how much time is being spent on each task by officers in particular functions.

Each week long survey is undertaken at a representative time of year to ensure that, for example, winter and summer conditions are taken into account.

The greater the proportion of task sampled metrics, the higher the accuracy but the higher the bureaucratic burden.

Patrol, CID and traffic account for over 50% of all police officer numbers and are task sampled by forces. Task metrics by ABC codes from these three areas are combined with data from HMIC function codes for all other areas and this provides a pragmatic and robust solution that does not require additional metrics collection at the front-line.

The guidance identifies that there are advantages to continuous measurement but there are sound operational reasons for adopting this approach at this time although it does not support the Productive Time Measurement Guidance in-year reporting objective.

Proxy measurements

Proxy measurements can be used to *infer* progress and assist with tracking and reporting for example, if a primary Productive Time measurement metric is not readily available either for timing reasons or due to the complexity of the measurement process. The proxy measurement will become redundant when the preferred measurement is available. It is desirable that departments and front-line delivery agents plan to reduce the number of proxy measurements over time.

Health

Two examples from Health are:

(a) To use an ICT system rollout measurement as a proxy measurement of Productive Time Efficiency Gains. For example, the number of patient bookings completed through the system will increase over time as more sites deploy and fully use the technology replacing old manual practices. When measured, the rollout could be applied to a validated 'time and cost reduction per booking' to calculate the inferred Productive Time Efficiency Gain.

(b) Service quality measurements can be used to infer better use of staff time where what staff are doing is it is not being measured directly. Measurements include:

- Repeat tests.
- Delayed discharges.
- Staff & patient satisfaction surveys.
- Length of stay.
- A&E waits.
- Facility (e.g. bed, theatre) utilisation, etc.

Education

Two key areas for proxy measurements are to:

- Infer achievement of efficiency gain targets.
- Support monitoring of an individual initiative's progress towards achieving efficiency targets.

DfES has a particular problem with respect to reporting since it has to rely in many instances on measurements, metrics for which can only be collected by annual surveys. Thus many measurements' metrics will not be available during the financial year to which they pertain.

DfES is developing interim approaches to addressing this issue. Milestones are currently being employed to support the two key areas for proxy measurements mentioned above. An example of a milestone is: "In June 2006, at least 20,000 High Level Teaching Assistants (HLTAs) trained in total cumulatively. School staffing figures published for January 2006 expect continued growth predominantly in support staff".

This and other milestones are being used to determine when the set of efficiency gains targeted for September 2006 may be deemed to have been achieved.

Efficiency gain profiles may not be smooth. Depending on milestone timing, anticipated gains in one financial year may be significantly higher than in the subsequent financial year but the total of gains over the SR04 period will equate to the PTEG target. These variances must be explained when presenting progress to avoid peaks and troughs being perceived as successes and failures; progress is assessed against anticipated gains for each financial year.

Further Information

For further information, please contact:

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The OGC website also includes information on the Efficiency Programme as a whole www.ogc.gov.uk

Glossary

This section covers terms as they are used within the context of the Efficiency Programme.

Baseline or Measurement Starting Point

The starting point for comparison purposes – in general the metric for a measurement at the start of the measurement period against which change over time can be assessed.

Cashable / Non-Cashable

Cashable efficiency gains include those where cash savings have been realised, or input costs have been decreased, releasing cash. Increased input levels (e.g. through reduced absenteeism) or increased output levels represent non-cashable efficiency gains.

Core activities

Activities that are integral to the delivery of front-line services.

Data Confidence

The extent to which data is independently verified.

Efficiency

The Gershon Review defined ‘efficiencies’ as being achieved by five types of reform to delivery processes and resource (including workforce). Efficiency in the context of Productive Time is defined as:

Producing more output for the same input cost and with the same or greater quality, or,
Producing the same output at lower input cost and with the same or greater quality.

Front-line staff

Staff who serve their organisation’s aims directly, usually through regular, direct contact with the people for whom the service is provided, by undertaking core activities.

Indicator

A measurement of business performance against a target. For example, a Key Performance Indicator (KPI).

Initiative

The term used to embrace all efficiency programme initiatives irrespective of whether they are called “programmes”, “projects” or new policy initiatives.

Interim Metric

An Interim Metric is a metric, taken at a point in time during a measurement period, to give a view of the current status of a measurement, for example, for progress reporting. The measurement metric will be re-determined at the end of the measurement period for the final position.

Lags

Benefit-Lag

Where there is a time delay between the commencement of an initiative and the start of the benefit being accrued.

Implementation-Lag

Where implementation issues, e.g. introduction of business process changes or changes to ICT support, contribute to a time delay between defining a measurement and having the ability to collect metrics.

Time-Lag

Where there is a delay between the delivery activity and reporting of a metric.

Measurement
A measurement in the context of: “Number of hours for front-line task”.

See also Proxy Measurement and Interim Metric.

Measurement Starting Point
See Baseline.

Metric
A value of a measurement, e.g. the metric for the measurement “Number of hours for front-line task” might be 2.

See also Interim Metric.

Outcome
A departmental service delivery aim e.g., for health: to improve the health and well being of the nation.

Outcomes are generally social benefits that result from Outputs. (Atkinson’s Terms of Reference included recognising the relationship between government outputs and social outcomes.)

Productive Time
Time spent by public service professionals on core activities.

Productive Time Efficiency Gain
A monetary value agreed in ETNs derived, for example, by multiplying Productive Time by a suitable Labour Rate. The Productive Time Efficiency Gain contributes to the overall Efficiency Target.

Productivity
“Commonly defined as a ratio of a volume measure of output to a volume measure of input.” (Atkinson Review Glossary).

Proxy Measurement
A measurement used to assist with tracking and reporting if the primary Productive Time measurement is not yet available, for example, due to agreed annual reporting cycles. A proxy measurement is used to infer another measurement, normally when that measurement is not yet available. The proxy measurement will become redundant when the preferred measurement is available.

See also Interim Metric.

Public Service Agreement (PSA)
“An agreement between a government department and the Treasury, as part of the Spending Review, including objectives and targets.” (Atkinson Review Glossary).

Quality Measurement
A measurement that is used to determine whether quality of service delivery has changed over time.

Trajectory
The profile of the delivery of efficiency gains over time.

Triangulation
Independent corroborative evidence. (Use in this guidance is analogous to the principle proposed in the Atkinson Review that: “Independent corroborative evidence should be sought on government productivity, as part of a process of ‘triangulation’, recognising the limitations in reducing productivity to a single number.”)

List of abbreviations

ABC	Activity based costing
BVPI	Best Value Performance Indicator
DfES	Department for Education and Skills
DNA	Do not attend – in the health context
ETN	Efficiency Technical Note
HLTA	High Level Teaching Assistant
HMIC	HM Inspectorate of Constabulary
ICT	Information and Communications Technology
PSA	Public Service Agreement
SR04	Spending Review 2004