Target Setting - A Practical Guide

1. Guide to this paper

Target setting can sound easy in theory but is difficult to do in practice and many targets do not result in improved performance. In some instances people look at previous performance figures and suggest a target that looks ‘a bit better’. Others calculate targets as mathematical ‘steps’, making fixed increases, often with little thought as to how they will be achieved.

The setting and monitoring of targets is an integral part of service planning and improvement. Target setting should not be viewed as a statistical or administrative process carried out by a few in isolation of service planning. It is a key management process, which should be undertaken by all those responsible for delivering service improvements.

This guide has been produced to assist officers in setting challenging and robust targets that support the achievement of corporate priorities. The guidance is aimed at those with responsibility for setting meaningful targets to drive improvement. It provides the minimum of theory to understand the thinking and practice of effective target setting.

After this introduction, this guide includes sections on:

2. Understanding targets
3. Why set targets?
4. When to use targets
5. How to set targets
6. Monitoring Progress
7. Problems and how to get around them
8. Setting targets in partnerships

It is supported by a practical checklist for managers and staff responsible for setting targets and a presentation to be used by policy and performance staff in an authority to raise awareness and understanding of target setting.
2. Understanding Targets

There are a number of different definitions for targets (see Table 1):

Table 1: Definitions of a target

<table>
<thead>
<tr>
<th>Definition</th>
<th>Source</th>
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<tbody>
<tr>
<td>“Targets specify time bound desired levels of improvement.”</td>
<td>Audit Commission, “Targets in the Public Sector”, September 2003</td>
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<tr>
<td>“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.”</td>
<td>House of Commons Public Administration Select Committee, “On Target? Government by Measurement”, 2003</td>
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<tr>
<td>“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”</td>
<td>Source: Choosing the Right Fabric (Government and Audit Commission), March 2001</td>
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<tr>
<td>“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.”</td>
<td>Source: BVPIs statutory guidance 2003/04</td>
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There are a number of common characteristics across all definitions. Targets are time bound, they define a ‘desired’, ‘promised’, ‘minimum’ or ‘aspirational’ level of service and they are measured via performance indicators. Some would add that they are set where there is an identified need to improve performance, with the aim of a target being to bring about improvement. However, others argue that they identify a level of performance you want to achieve, and if current performance is adequate (and priorities are elsewhere), the target may not be for improvement.

The impetus for the target can vary. They can be nationally set, often against Best Value Performance Indicators (BVPIs), set jointly by national and local government (e.g. Local Public Service Agreements (LPSAs)) or locally set. Some targets are statutory and others set voluntarily by the authority.

There is sometimes confusion between the different types of targets and related terms. This confusion can lead to a loss of credibility for the process of improvement and to inappropriate use of targets. These terms have therefore been clarified in table 2 below (and see the glossary at the end of this guide). Often terms such as ‘goals’ and ‘objectives’ are used interchangeably, and it would be hard to obtain general agreement on any subtle differences between them. However, there are some distinct differences where it is important to be clear what is being referred to:

- Where you would ideally like to reach – vision, mission, ambition, aspiration, aim
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- Where you would like to, and should be able to reach – stretched target, target, goal, objective
- Where you are expected to reach, and will be held to account for not reaching – standard, minimum standard, planned performance
- Where you are expected to reach if you carry on as at present – forecast, expected results

Some examples might help illustrate the importance of these differences:

- A particular service may aspire to have no complaints (assuming they have a good and accessible complaints system) but not wish to make this a target since they feel one unfortunate incident leading to a complaint means that they have ‘failed’. Here it might be helpful to distinguish between the aim or aspiration of zero complaints, and the target or standards against which they will be judged.

- A monitoring report which only lists the number of targets met or not met, may be misleading if some of the targets are aspirational and some are expected results.

- If someone feels they will be penalised for not reaching a target, they may set it in terms of what they think they are likely to achieve, rather than making it stretching, so missing the motivational potential.

Targets are a tool to help improvement, not an inflexible mechanism that can guarantee change.
Table 2: Understanding targets, performance indicators, minimum standards and aspirations.

- **Performance indicators** are clearly defined measures that enable an organisation to demonstrate the achievement of an individual, team, service or an authority in meeting objectives.

- A **target** is a commitment to achieve a specific and better quality or level of service over a specified time frame.

- **Goals or objectives** are generally at a broader level than targets and probably less specific (for instance not including a measure of the desired state or a timescale for reaching it). The terms *goals* and *objectives* are often used interchangeably, though sometimes one (such as *goal*) is taken to be at a broader level of generality. It can be helpful to use *objective* for completing activities (e.g. opening a new centre) and *targets* for quantifiable performance.

- **Minimum standards** define the lower level of service that is acceptable to the authority and customers.

- **Aspirations** are the ultimate and desired levels of performance. They are not always achievable but reflect the ambitions of the individual, team, service or authority. They might also be described as *vision or mission* when related to the broadest or most fundamental objective of the organisation or partnership. Other terms used might be *aims or ambitions*.

- **Plans and forecasts** make clear to others the intended direction and likely outputs but without consequences for non-achievement.

### 3. Why set targets?

Targets help to drive improvement in a number of ways. They:

a. **Prioritise** – initiate a discussion as to the priorities for the authority / service. If targets are set in a limited number of areas, that can indicate that those areas are of higher priority;

b. **Help to define an agreed direction** – they show more precisely where an authority is trying to get to. It can then be made clear to staff, Members and the public what is expected;

c. **Focus attention and resources** on achieving the target and therefore a priority;

d. **Motivate staff** – if they are challenging but realistic, and there is a sense of ownership of them, they can be motivating. There may also be motivation if rewards or ‘punishment’ are associated with them (which could be anything from performance reward grants in LPSAs or being
required to attend committee to explain variations from the target). Of course different people are motivated in different ways, which needs to be taken account if using targets as a management tool. The motivation could produce not just harder work, but more creative and intelligent ways of improving performance.

In addition they support the authority in:

- Putting national performance standards into a local context;
- Helping organisations to develop a culture of continuous improvement;
- Providing a route for involving the public in planning services.

It is important to be clear on the use of the target. Some are used to promote accountability, others help manage a service and some are set for self-improvement. Being aware of the purpose of the target will inform the way in which the target is addressed.

Effective targets need to be realistic but challenging. Targets that are too difficult and therefore unrealistic debilitate rather than motivate and those that are too easy lead to complacency. It is acknowledged that setting a realistic but challenging target can be a difficult balance to achieve. They should encourage improved performance and motivate people where there is a probability of success.

While the whole point of targets is that they are effective because people try and achieve them, not meeting a target is not necessarily a sign of failure. Aspirational targets may not be met but may have still led to improvement and be motivational. Assess performance by comparing with others and with previous performance as well as by reference to the target. If targets are not met, there is still an opportunity to focus on what has been achieved, to make a rich assessment of that and share the learning where possible.

4. When to use targets

Targets are just one means of managing performance. They can be very helpful and powerful, but they are not always appropriate. Blindly setting a target for every activity is unlikely to be productive.

In setting targets, consideration should be given to what is important locally, as well as nationally. Sometimes a balance will need to be struck between a range of seemingly conflicting objectives. In these situations the authority needs to make a decision on what the priorities are for the Council.

There is a balance to be achieved in terms of the number of targets set. They should measure aspects of service delivery that are important rather than those that are easily measured. There is no definitive number overall but it is unlikely that any one manager with responsibility for delivery would be able to focus on
more than 6-10 targets at any one time. However that may still mean that there are hundreds of targets at different levels of any one organisation.

It is not always appropriate to set targets. There are indicators that might help you put activity into context but it might not be appropriate to set targets against them, for example if the activity is largely out of your control, e.g. the number of enquiries received, or it is about ‘how things are’, rather than what you want to change or improve, e.g. number of licensed premises in an area. Don’t set targets for targets’ sake.

The increasing use of performance management software means that in some cases targets are having to be set for every indicator in the system, often to feed into the traffic light system. It might be helpful to use a different term such as ‘trigger’ or ‘threshold’ to differentiate between such instances of tripping the traffic light to amber or red, to focus attention on that area, and a target designed to indicate a positive improvement in performance.

Table 3: When to use targets

<table>
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<tr>
<th>Use targets when:</th>
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<tr>
<td>• You can positively affect the outcome (within the timescale for this target)</td>
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<td>• There is enough predictability in the area of performance for a target to be meaningful</td>
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<tr>
<td>• A target will help focus attention on a particular area of importance</td>
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<tr>
<td>• A target will motivate the people working in this area to put more effort into finding ways of improving it</td>
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<tr>
<td>• A target would be helpful to demonstrate to the rest of the organisation, the public and other stakeholders that this is regarded as important and there is a commitment to deliver.</td>
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<tr>
<td>• It will be possible to monitor progress against the target without disproportionate cost</td>
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These factors can be used to answer the question of whether targets are appropriate for each of these types of measures: inputs, throughputs, outputs and outcomes (see the glossary for a definition of each of these). There has been increasing emphasis in recent years on the importance of targeting outputs, or potentially outcomes. However there are different views about where such targets are appropriate. Potentially they can be appropriate for any of these. For instance, if an in-depth review finds that the most significant immediate problem is not having enough people with the right skills, an ‘input’ factor, then a target might legitimately address that. Individual organisations are less likely to be able to influence final outcomes, but in some cases they may, in which case a target may be worthwhile (outcomes for children in care might be an example). Even if individual organisations cannot influence outcomes on
their own, a collective agreement amongst partners, who together can make a difference, could be appropriate.

Targets form just one part of the performance measurement and management framework. By themselves they have little effect – they need to be owned and managed by people who do take action to ensure that improvement happens. For further information on performance management visit the PMMI website at www.idea.gov.uk.

5. How to set targets

If it is appropriate to set a target there are a number of stages to go through in setting one that is challenging but realistic: (There is a companion checklist which can be used during the target setting process)

a. **Know what outcome you are trying to achieve.**
   - Be clear about the purpose of the target and the type of target you need. Is it aspirational, to drive up performance, or a realistic assessment of what can be achieved, against which people will be judged?
   - Be clear in articulating the outcome that you are trying to achieve as this will help in engaging staff and particularly citizens;
   - Consider any constraints (e.g. national targets or standards)
   - Be clear what the time period is for achieving the objective. Will you also need intermediary or milestone targets? When will most of the changes happen and what is the trajectory of improvement?

Table 4: Determining service areas appropriate for targets

When developing objectives and considering which services or aspects of service might benefit from target setting it is worth considering:

- Member priorities – what are the council priorities and which areas have Members expressed greatest concern about?
- Public perception – do complaints, surveys, consultation findings reveal areas for particular attention?
- Universality – which services are used by the largest number of citizens and relied upon the most?
- Dependency – which services are most essential to particular groups?
- Performance – which services are performing poorly and need special attention to improve?
- External intervention – have any services been singled out by external auditors or inspectors as being in particular need of attention?
b. Clearly define where you are now and where you want to get to.
   o Review trends and history.
   o Consider variations in performance, e.g. peaks, troughs and seasonal factors
   o Project forward taking account of known changes ahead in the environment.
   o Take account of national targets, community strategy etc
   o Use comparisons to help build up an idea of what is feasible.
   o Take account of your ability to influence the outcomes (e.g. do you depend on others such as partner bodies)

c. Identify measures
   o Consider whether to express the target in terms of a suite or basket of measures (e.g. where several different indicators have to be reached rather than just a single one).
   o Check if there are indicators already in existence (e.g. check BVPIs, PIs reported to government, the library of local PIs (www.local-pi-library.gov.uk). Work on the definition if it is a new indicator to ensure that information will be collected consistently over time.
   o Developing a new indicator is difficult, so always check whether ones already exist and consider getting expert help, either internally or externally.
   o Consider what type of target is most appropriate (e.g. number or percentage, a band rather than spot figure, utilisation, user satisfaction etc.). There are not hard and fast rules for which is most appropriate, and indeed there might be disagreement as to which is right. For instance, one authority found that looking at staff absence in terms of percentages suggested there were only small changes, whereas in terms of number of days and the resulting cost, the difference seemed much greater. The provision of a service may depend on demand which may be variable, such as number of clients coming forward, number of new homes, or number of roads needing gritting. In aspirational (and possible legal) terms, it may be that the full demand should be catered for, in which case a percentage may be more appropriate. However, with limited resources, it might not be possible to meet higher demand, so a fixed number, which isn’t varied to take account of higher or lower than expected demand, may be more appropriate. A target for the number of families with children placed in temporary accommodation under the homelessness legislation may be more appropriate than a percentage, if the base for the percentage is quite stable and a percentage would be too small to be very meaningful.

d. Set targets in consultation with staff, Members and citizens.
   o Involve those who will have to deliver the target and who will be held to account right from the beginning. You will need their knowledge, experience, ownership and understanding.
   o Be clear who the target is for – is it for an individual, a team or even a whole service or a partnership? Be clear how they will be
held collectively accountable, and who will drive achievement of the target in practice.

- As well as setting a target, consider, and ideally plot, the trajectory by which you will reach it. Do you expect a steady, straight line improvement, will there be peaks and troughs, or will it take time for investment or interventions to take effect?

**e. Action plan to achieve the target.**

- Consider the time period for achievement of the target.
- Clarify what action would need to be taken to achieve the target in this time period.
- Produce an action plan with accountabilities, costs and timescales. Ensure any necessary money is in the budget, that people’s time is accounted for and that it is included in service and business plans.
- What will change to enable you to meet the target (see table 5)

**f. Final checks**

- Ensure staff, Members and citizens understand and are happy with the targets set.
- Do the SMART challenge and check that the target is specific, measurable, achievable, relevant and time bound.
- Ensure that an action plan is in place to deliver against the target.
- Do a risk assessment: plan preventive or ameliorative action. Monitor risk actions.
- Are the targets fair, legal, honest and ethical?
- Ensure that performance is monitored on a regular basis. Be clear who is reviewing the information, how it will be presented to them and how frequently. Be sure that action will be taken if required as a result of the monitoring.

Table 5: What needs to change to meet your target?

<table>
<thead>
<tr>
<th>What will be different to ensure you meet the target?</th>
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<tbody>
<tr>
<td>Improvement may come because of:</td>
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<tr>
<td>- <strong>Focus on this target area rather than something else (individually, as a team, department or the whole organisation and beyond)</strong></td>
</tr>
<tr>
<td>- Greater effort or motivation</td>
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<tr>
<td>- More resources (including time and money)</td>
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<tr>
<td>- Personal development</td>
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<tr>
<td>- Better organisation, e.g. through improved processes</td>
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<tr>
<td>- Better or increased use of technology</td>
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While it is sometimes necessary to have a real focus on a particular area, in reality there is a limit to how much improvement can come this way alone, or just from greater effort. Continued large-scale change over the longer term will generally come from improved processes and investment in ‘technology’ of one sort or another.
6. Monitoring Progress

Target setting is an imperfect process. It is hard to be sure whether targets are really stretching and realistic. For this reason, you need to monitor performance over time, as well as achievement of targets.

‘Traffic light’ systems are now widely used to flag up areas requiring attention (these typically show red, amber or green circles, smiley or sad faces, up or down arrows etc. to indicate whether or not there is a problem with an indicator). While they can help make the presentation of information more meaningful and accessible, there are a few things to remember. What are the criteria for a red or amber light? Using only a percentage difference from the trajectory may not be enough. It may be worth considering other criteria such as whether there is an action plan and whether it is being properly followed, whether action is being taken in accordance with a risk register in giving a red light.

It is often helpful to monitor performance on an exception basis. However, there are risks of using failure to meet targets as the sole criterion: targets will not be equally easy or hard, there may be unforeseen circumstances or the targets may not have been well set. Other criteria worth considering are comparisons with other sections or the same service in other authorities, comparisons over time (e.g. at the same point in previous years) or unusual variations (based on previous trends). Also it can be de-motivating if exception reporting only focuses on poor performance (the red lights).

What is done with the monitoring of the information? It is important that targets are taken seriously and people are held to account, but it needs to be a positive process, without a blame culture, which is only likely to lead to people playing the system. Instead, failure to meet target trajectories should be used to support people, prompt learning and problem solving to improve performance. It is also worth considering that “targets are meant to be stretching. So not all targets can be hit” This is the view expressed by the Treasury and Delivery Unit in their evidence to the House of Commons Public Administration Select Committee investigation into targets (House of Commons, 2003). This suggests it may not be appropriate to judge people solely on whether they have reached their targets, but the progress they have made.

7. Problems and how to get round them

Many targets are not set well and do not result in improvement (or worse, disincentivise). Common causes for this include:

- **Lack of ownership of targets.** Ensure that each target has a named officer against it who is accountable for performance. Also that those involved in delivering the service have an opportunity to input to the discussion in setting the targets. If necessary review the level the target has been set if it proves to be unrealistic or meaningless. Have a broad
approach to improvement, including a strong leadership role. Do not just rely on targets to drive improvement.

- **Unreliable data.** Re-visit the definition of the performance indicator and ensure that it is robust i.e. that there is no room for different interpretations and that it is clear where the information is coming from. Map out data collection processes and ensure that they are consistent and in accordance with the definition.

- **Perverse incentives.** This is where an indicator doesn’t measure the real objectives, so there is a tendency to do what is necessary to improve the indicator rather than meet the real aims. For example a target to answer telephone calls within 5 rings may result in calls being answered quickly but callers being left on hold for several more minutes. Review the indicator to see whether it can be revised to make it more reflective of aims. Use a balanced suite of indicators and particularly qualitative assessments. Focus on outcomes as far as possible.

There may also be an issue about not setting targets at 100% since it might not allow for necessary flexibility. For instance a target that no-one should have to wait for more than four hours in casualty may reduce clinical discretion in cases where the condition of the patient is not clear enough to either discharge or admit and the solution would be to observe them for more than four hours.

- **Ambiguous indicator.** Sometimes an indicator can be interpreted in different ways. For example, the aim might be to reduce the number of complaints received, however an increase in complaints may indicate that the complaints system is working well and that people are willing and able to use it. Such a PI cannot be used as an absolute indicator of performance, only a starting point with further investigation needed. It will therefore generally be inappropriate to set a target against such an indicator.

- **Distorted activity.** Individual indicators may work well, but there may be indicators and targets in only a limited range of areas, unintentionally focusing attention there rather than elsewhere. Consider a wider range of indicators / targets, or using other means to manage the whole range of activities (including qualitative or narrative reports, on the ground management, etc.).

- **‘Gaming’.** This is a general term for people trying to ‘play the system’, rather than using it as a tool for improvement. Vary the targets from time to time (but beware of frequent changes of indicator, which can lose useful historical data), and again focus on outcomes as far as possible. Where this is a result of people wanting to look good rather than be good, it may be a reflection of underlying issues with the organisational culture.
• **Confusion over terms.** Be clear whether you are using ‘target’ to mean an aspiration, something which is stretching but achievable, a plan of intended direction without consequences whether it is reached or not, or a standard whose achievement is expected. Ensure there is clarity around performance management and measurement terms.

• **Lack of attribution.** This is particularly an issue with targets set in partnership with others when an organisation or person has little ability to influence the performance of the target. In some circumstances this may be appropriate as long as this is understood by all and action plans reflect the reduced individual input to the overall outcome in this area. In other cases it may reflect a lack of consideration or consultation on the target. Be sure that targets can be achieved by those whose names are against them in the action plan.

• **Targets working against each other.** Sometimes, performing better against one target means you do worse against another. For example a reduction in the number of children on the Child Protection Register may coincide with an increase in child abuse cases. It is necessary to investigate the reason for this data. If it is because the performance measures are not telling you the whole picture, you may need to find more representative indicators or a wider suite. Sometimes, however, the conflict may represent real policy choices, (such as brighter streetlights to reduce crime against cost and sustainable use of energy), in which case the judgements and trade-offs need to be addressed directly.

• **Too many or the wrong kind of indicators.** Many authorities feel swamped by the number of indicators being produced or use output rather than outcome indicators. All indicators must provide useful information that can lead to action against identified objectives and priorities. However, not all information needs to be provided to everyone or used for the same purpose. The same performance management system is supporting management of particular service areas, corporate management and accountability to the public (and more). Appropriate suites of indicators are required for different purposes. While outcome indicators are important to keep a focus on what you are trying to achieve, sometimes output, input or contextual indicators are required to develop a rich understanding of what is going on, so action can be taken.

8. **Setting targets in partnerships**

In partnerships, there are the same problems with setting targets but the added complications of working across boundaries, with different cultures, systems, politics, regulatory frameworks and so on. Here are some of the problems and approaches to dealing with them:

• **Getting agreement from a group of independent bodies.** It is bound to take longer to get agreement, so allow more time to agree
processes and targets in the early stages. How much longer it takes depends on how mature the partnership is.

- **Dealing with the unknown.** It is very easy when working in partnership to forget the things you would do within your own organisation, assuming that someone else will do it, or that your partners will do it. Go through the same process for target setting as you should in a single organisation (including assessing trends and making action plans). Clarify from the start with partners what process you will take.

- **Shared accountability.** Shared accountability can lead to a sense of shared and reduced responsibility – ‘maybe someone else will do that job or take the blame’. This means more attention needs to be focussed on ensuring all partners are really committed. If they have agreed a target, is it in their business plan? Has it been communicated across their organisation? Are you fully committed to it within your organisation?

- **Contribution of inputs may not match rewards for outcomes.** One body may be reluctant to set a more stretching target if they another body will get all the credit or benefit from savings. Consider whether there are ways of pooling resources and benefits (there have been a number of agreements to share performance reward grant in the LPSA process, and aligning and pooling budgets is an important part of Local Area Agreement negotiations).

- **Lack of understanding and ownership of all partners.** Involve and communicate. Ensure all who need to be involved and informed are. Keep the language simple and in doing so ensure that there is a common understanding of terms.
9. Further information on target setting


‘Targets in the Public Sector’, Audit Commission, Public Sector Briefing, September 2003

‘Acting on Facts, using performance measurement to improve local authority services’, Audit Commission and IDeA, May 2002

‘Performance Breakthroughs’, Audit Commission, 2002


‘A Measure of Success: setting and monitoring local performance targets’, Audit Commission, 1999


Many of these documents are available in the PMMI virtual library
10. Glossary

Aspirations are the ultimate and desired levels of performance. They are not always achievable but reflect the ambitions of the individual, team, service or authority.

Attributable measures – “the activity measured must be capable of being influenced by actions which can be attributed to the organisation and it should be clear where accountability lies” (“Choosing the right FABRIC”).

Contextual information – information on factors outside the organisation’s control or influence which help put its performance into perspective.

Forecast performance – what performance is expected to be in the absence of any additional activity. This could be used as the basis for setting a target. The target may be higher on the basis of more effort or resources being put in, or improvements to the way the service is provided.

Impact – another term for outcome.

Inputs are those things that are converted by a process into an output. For practical purposes (and particularly in the local government context) you would probably also include staffing and premises, although some would argue that they are resources that contribute to production and delivery, rather than being converted into the output. In the national accounts, staffing costs are included in inputs.

Management information or data – the information used to monitor and control your service activities. It may include background or contextual information as well as measures of performance.

Minimum standards define the lower level of service that is acceptable to the authority and customers.

Outcome – the effect that your organisation’s activities have on your community or other target group. Examples of outcomes include people being satisfied, living longer, feeling safer or living more active lives.

Outputs are the goods and services produced by the organisation, such as bins emptied by the council or council tax collected. An output performance indicator might then be the number or percentage of bins emptied or council tax collected.

Performance indicators are clearly defined measures that enable an organisation to demonstrate the achievement of an individual, team, service or an authority in meeting objectives.

Perverse incentives arise when a performance indicator produces unintended, negative or unwanted results. For instance, focussing on improving the indicator (e.g. phone calls answered within three rings) may distort activity away from other objectives (such as answering queries accurately and politely).

Plans and forecasts make clear to others the intended direction and likely outputs but without consequences for non-achievement.
Process targets relate to what is done by the organisation, rather than what is produced (outputs) or the impact which outputs have (outcomes).

SMART targets – stands for Specific, Measurable, Achievable, Relevant and Time-bound or timely. Variations are sometimes used. The A can be used for ‘agreed’ (particularly relevant in partnerships). The R can be used for realistic, reliable or resources

A target is a commitment to achieve a specific and better quality or level of service over a specified time frame, or complete a one-off objective (such as have a new centre opened by a specific date).

Traffic light systems typically show red, amber or green circles, smiley or sad faces, up or down arrows etc. to indicate whether or not there is a problem with an indicator. The way that ‘problem’ is defined is important. Sometimes a 5% divergence may not be significant, but in other cases it might be, so the criteria for determining what gets a red light need to be carefully thought through.

Trigger or threshold – the point at which further attention is focussed on performance as measured by a particular indicator. Sometimes a traffic light system is used to quickly signal where there are likely to be problems. This may be based on deviations from targets, but it may be better to think of these as triggers or thresholds rather than targets.
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