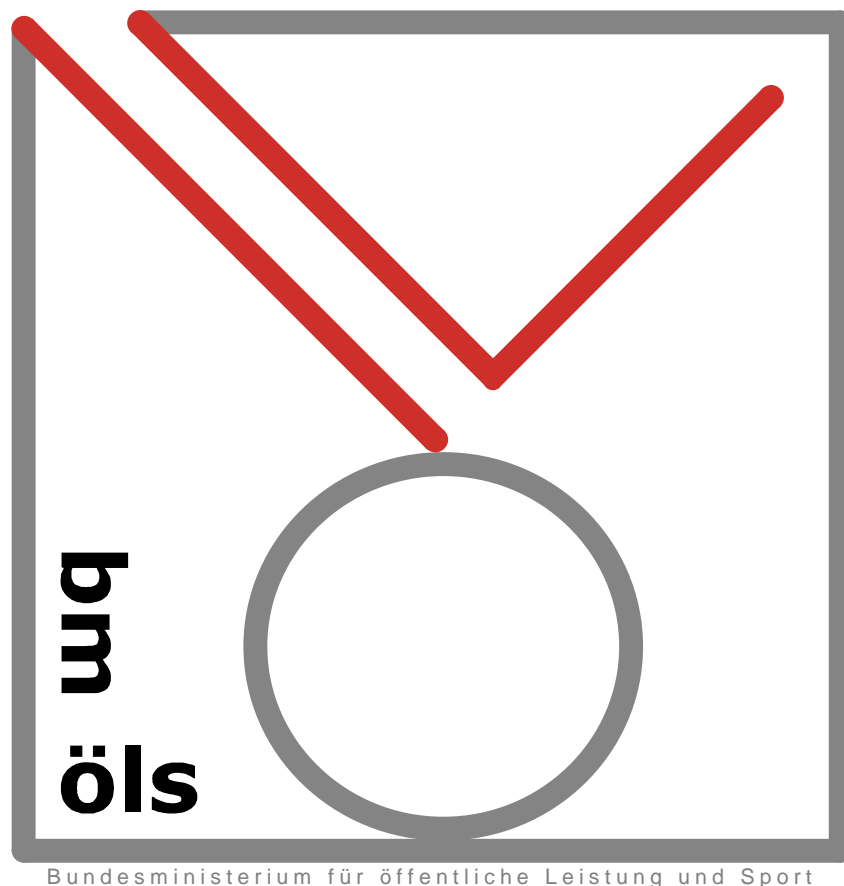


# The Use of Performance Indicators in the European Union: Perspectives on International Benchmarking



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## **Perspectives on International Benchmarking**

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## 1. Executive Summary

In recent years public administrations in the EU Member States have been exposed to mounting pressure for **improving both the performance, the efficiency and the effectiveness of public services delivered to citizens**. To this end, the public administration, being the backbone of the state, has to commit itself to systematic modernisation. Therefore, reform projects aiming at the sustainable development of administrative structures and processes are being carried out in each of the EU Member States.

### The Project “Performance Indicators in Public Administrations in Europe“

In view of the above mentioned, the project ‘Performance Indicators in Public Administrations in Europe’ was launched during the framework of the **Austrian EU-Presidency**. On the basis of various national initiatives in the field of public administration, and the experience gathered in the individual countries, the knowledge transfer between the administrations of the EU Member States is constantly being improved. By systematically carrying out surveys of existing performance indicator systems and by evaluating and summarising them in the present report, it can be assessed to what extent **standardised EU-wide performance comparisons (benchmarking) can be conducted** among the administrative systems of the various Member States. On the basis of the data thus gathered the **necessary prerequisites** for carrying out such comparisons are then set up.

The **EU Member States participated** in the **project on a voluntary basis**; co-operation was indeed very successful: the present report was drawn up on the basis of findings and comprehensive information material provided by the central administrations of 11 of the 15 EU Members. Two Member States promised to submit information. Unfortunately this was not forwarded in time and therefore not taken into account in the evaluation. Furthermore, one country commissioned a study, the findings of which also point to the central role performance indicator systems play in efforts at modernisation.

### Basic Data

The present report covers approx. **780 performance indicators, compiled by the participating EU Member States** in the course of this survey. In core policy areas, such as social and labour market policy, environment, health policy and consumer protection, transport, public finance, public security and judicial administration, a large number of performance indicators were collected. They could serve as a basis for carrying out performance comparisons between the central administrations of the various EU Member States.

This report also specifies concrete performance indicators and gives a short description of performance indicator systems used in the individual EU Member States. It would be recommendable to analyse these sets of indicators in order to be able to **'learn from the best'**.

### **Most important findings**

The present survey clearly shows that **in almost every EU Member State performance indicators are already playing an important role in the management of the public administration and/or that they will gain in importance in the future**. Five of the participating EU Member States currently use more than 500 performance indicators at the senior management level of their public administrations, three EU Member States apply between 100 and 500, and two use between 50 and 100 indicators. The above indicators are **mainly used for external reporting** and as **a management tool for internal control**.

The indicators used to make the performance of the public administration **transparent to citizens** are very well developed. 60% of the Member States questioned are already applying at least **100 indicators which are of relevance to citizens** and may serve well for reporting purposes.

**The outcome of the study** is that the EU Member States **judge the opportunities and chances of EU wide performance comparisons between the central administrations very favourably**. Five EU Member States consider performance comparisons a suitable means for all core policy areas, and six other Member States explicitly specify special areas which are particularly suitable for comparisons. In this context, the importance of a uniform approach and a definition of parameters was stressed as a necessary prerequisite for EU-wide benchmarking.

The participating countries have **submitted a total of 779 Indicators**. Approximately **45%** of these indicators were identified as **key indicators** of particular relevance to the general public and/or EU citizens. For a comparable number of indicators Member States have submitted **concrete figures**.

In the field of **social and labour market policies** the countries covered specified a total of **156 indicators** (two thirds thereof in the field of labour market policy). Nine of the eleven participating countries consider an international performance comparison in this area as an interesting and promising tool.

The EU Member States use a large number of performance indicators in the field of **environmental policy**. These indicators are, however, mainly limited to the effectiveness, or efficiency of performance. A total of **115 indicators** cover all areas of environmental policy. Hence these indicators constitute a sound basis for the future development of benchmarking on the EU level.

In the field of **health policy and consumer protection**, Member States compiled 118 indicators. Ten of the eleven states questioned are in principle interested in international performance comparisons.

The number of indicators submitted in the field of **transport** amounts to **141**, a very large number. The indicators compiled cover all areas of transport. The interest in international performance comparisons in this field is, however, quite low.

In the field of **fiscal administration** Member States collected approximately **100 indicators**. They cover efficiency, processes, effectiveness and quality aspects and relate to the whole range of performance assessment. Eight Member States regard this field as suitable for international performance comparisons.

In the field of **public security** a large number of performance indicators are already being used in the Member States. In connection with this study, **78 indicators** have been submitted. Eight Member States are basically interested in an international performance comparison.

**71 indicators** have been submitted by the Member **States' judicial administrations**. The indicators cover all areas of the individual penal systems as well as probation. It is interesting to note that the largest number of key indicators was compiled in this field and that the largest number of Member States (9) in favour of EU wide benchmarking were also found in this field.

### **Recommendations for further action**

The objectives of carrying out a survey of the existing performance indicators in the public administrations of the EU Member States and of **analysing both the chances of and the interest in performance comparisons at EU level** were **clearly met** by the present report. In order to guarantee the success of this project in the long run, it would be **advisable to a working group** consisting of experts in the field of public administration, contributing to this project on a voluntary basis.

The aim of such a working group would be to improve further the quality of the existing data in order to arrive at a systematic analysis and standardisation of the basic parameters.

As an additional measure the setting up of **special learning labs** is recommended. The goal of such labs is to enhance the scope of application of performance comparisons in the various areas of public administration.

The target of creating an attitude among civil servants that is characterised by their readiness to learn from experience can be supported **by confidence-building measures on the part of the politicians**. Such measures will be conducive to promoting a process of rethinking and behavioural change in public administration. It would be desirable if the EU Troika assumed the responsibility for further project work.

As to the continuation of the project work, it is recommended to aim at facilitating performance comparisons between the central administrations of the EU Member States on the basis of the present study. This will help to improve further **the national indicator systems**. It has to be pointed out that EU-wide performance comparisons represent an instrument essential to the **continuous enhancement** of the administrations' performance and to **fostering transparency of the public sector activities** vis-à-vis citizens.

## 2. Preliminary Remarks and Objectives of the Study

The present study aims at initiating and enhancing the **exchange of information and knowledge between top ranking officials in the public administrations across Europe**. The issues dealt with will mainly refer to principles of public management and to options for optimising the present system. Particular emphasis is placed on **the prospects for and chances of comparing the performance of public administrations within the EU Member States (benchmarking)** in certain core policy areas.

Carrying out a survey of performance indicators and integrating these into the management process represent an essential prerequisite for cross-national performance comparisons, which could give a strong impetus to the modernisation of public administrations. This study focuses on the four below-described goals:

- Giving a first **overview on the use of performance indicators** within the EU Member States. The main emphasis is on indicators in core areas of particular concern for the public (such as social policy, environmental policy, health and consumer protection, transport, public finance, public security and justice). This will contribute to stimulating the further development and the optimisation of national performance indicators for the public administration;
- **Pointing out best practices** in the field of performance indicators within the European Union; on the one hand, this will promote the international exchange of information on experience gathered, and on the other hand gradually improve the quality of the public services rendered by the administration;
- Assessing the **chances for, and the benefit, of EU-wide performance comparisons** from the point of view of the Member States;
- Creating the necessary **prerequisites** for carrying out EU-wide comparisons in special pre-defined policy areas. Working out **recommendations** for a co-ordinated approach of all Member States in order to be able to set up and further develop the respective performance indicator systems.

The data specified, represent **a first attempt** at illustrating the extent to which performance indicators are currently being used and have been developed in the EU Member States. The questionnaire necessary for collecting the data was drawn up with the kind support of the European Institute for Public Administration (**EIPA**) and of staff-members of the **British Cabinet Office**. This report is in part also based on **existing OECD/PUMA projects** in the course of which valuable preliminary work in the field of international performance comparisons was carried out.

Furthermore, this initiative, based on voluntary participation, represents an important step towards meeting **the economic and social challenges the European Union is currently facing**. This initiative has prepared the ground for future performance comparisons and has also laid **the foundations for a lasting improvement of the services rendered by the public administration**. The paramount objective of all these efforts is to promote a learning, open and results-oriented administrative culture which strives to enhance the **transparency** of its own performance vis-à-vis the general public and politicians.

### 3. Data on which the Report is Based

The **positive reaction** to this Austrian initiative and the number of returned, by far surpassed expectations may be regarded as **very satisfactory**.

**Eleven EU Member States contributed fully to the survey**. Two other Member States promised to submit information, but as this was unfortunately not forwarded in time and it was not taken into account in the evaluation.

**Both the scope and volume of the material submitted vary considerably**. While some countries simply answered the questionnaires, others supplied very detailed additional information. This additional material mainly consisted of **annual reports drawn up by various administrative units**, but also included **specific reports on the development and use of performance indicators and benchmarking** (see page 16).

The **wide range of material** supplied was to a large extent taken into account when drawing up the report. The papers received can also serve as the **underlying material for a future data base on performance indicators**, open to all EU Member States.

In most countries the co-ordination of the surveys and the compilation of the data was undertaken by staff members of the **Ministries of Finance**. This clearly illustrates the **important role these administrative units play in the field of performance indicators**.

The **general part of the questionnaire** was filled out by all addressees, and most of the participating Members added comments that went beyond the actual questions. As to **the other parts of the questionnaire, reactions differed widely**. While some countries completely filled out both parts by giving concrete key indicators and numerical values, the majority of the countries concentrated on a number of specific issues.

A **positive aspect is that almost every country** - even though some limited themselves to certain specific areas - **submitted concrete figures**.

The **optional questionnaires** on particularly well-developed performance indicator systems in accordance with the „**best practices**“ principle were filled out and **returned by nine countries**. It has to be pointed out that the range of the areas chosen is very wide and covers central policy issues included in this survey (e.g. labour market administration, fiscal administration, judicial administration) as well as **smaller agencies of performance administration** (such as administration of real estate, meteorological institutes, consular activities, statistical offices, agricultural institutes). The fact that the questionnaires were answered in such a comprehensive manner proves that, in principle, **the proposed system is suitable for almost all EU Member States and areas of administration**.

## 4. Performance Indicators Used within the European Union : Overview of the Status Quo

The present survey clearly shows **that in almost all EU Member States, performance indicators have come to play an essential role** in the field of administrative control and/or **will gain in importance in the future**. The idea of using performance indicators in public administration is relatively new to some EU Member States, while others already have many years of experience in using and developing them, even though the priorities set often vary from one country to another.

In **Belgium** for example, the central administration has for some time launched a number of initiatives aiming at **the development of a management-oriented public administration** in which performance indicators are playing an important role. In 1999 Belgium will, for the first time, take performance indicators into consideration when drawing up the budget.

In **Italy** a special office is being set up within the cabinet of the Prime Minister. This office will be responsible for supporting the ministries in carrying out a systematic survey of performance indicators and in drawing up suitable performance indicator systems.

**Germany** recently commissioned a study on performance indicators. The authors of this study came to the conclusion that the development of an **efficient system of performance indicators has to represent the basis of every effort aiming at the modernisation** of the public administration.

For **Ireland** the use of performance indicators in the central administration is a 'relatively new phenomenon'. The Irish government is, however, committed to using them and assigning them a central role in the future monitoring of administrative units. Ireland also expects that both **the scope of application and the number of performance indicators** will increase drastically. An initiative currently under way aims to define areas for which concrete strategic results have to be achieved and to monitor the achievement of goals by means of such indicators.

**Austria**, has only just started developing performance indicators; it has, however, launched an **ambitious initiative** in this field. A steering committee composed of senior administrative officials of all ministries has assumed the task of promoting the systematic development of a performance indicator system for the Austrian federal administration. In doing so this steering committee has drawn on international experience gathered in this field. **Across departments, data on existing performance indicator systems was compiled, compared and assessed** with the aim of ascertaining „best practices„. Apart from organising training courses and informative events with the aim of raising awareness of the important role performance indicators play in public administration, a **performance report** was produced. In this report, the performance of the public administration is illustrated by means of performance indicators of particular interest to citizens and the general public. The

administrative departments covered by this report employ approx. **157,000 persons**, representing close to **90%** of all staff employed in the Austrian public administration. Considering the fact that participation was voluntary, such a wide scope of coverage represents a remarkable success.

In **Finland** a large number of performance indicators are being used in the country's public administration. In the last few years Finland has been working on **developing individual sets of indicators measuring the effectiveness** of the various ministries and agencies. Every year the performance indicators developed are specified in the annual budget and annual reports of the individual ministries. On the other hand they are submitted to parliament in the form of special governmental report.

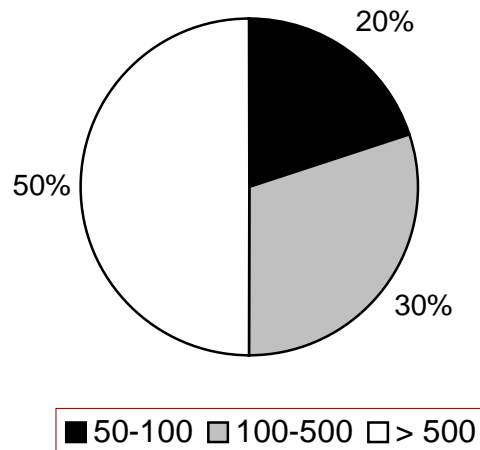
**Great Britain** clearly is the EU Member State which develops and uses performance indicators on the largest scale within its public administration. The British government has introduced a very comprehensive reporting system and a large number of performance indicators. In the country's central government alone, **138 Next Steps Agencies** exist for which **1,244 key targets** have been set. The achievement of all these key targets is measured by means of performance indicators. Furthermore, a large number of additional performance indicators have been defined for 43 police forces in England and Wales, as well as for 400 administrative units at the municipal level. In this context it is worth mentioning that even though a large number of indicators are being used in Great Britain, the country **has no set priorities** as to the importance of individual indicators. It is explicitly pointed out that all targets and indicators specified for any individual agency, are equally important.

**Five EU Member States** currently **use more than 500 performance indicators at their public administrations' senior management level**. Three States use between 100 and 500 indicators, while another two currently use between 50 and 100 performance indicators. One country did not answer this question.

**Question 1:**

**How many performance indicators are currently used in your public administration at the senior management level?**

(Respondent rate of EU Member States in %)

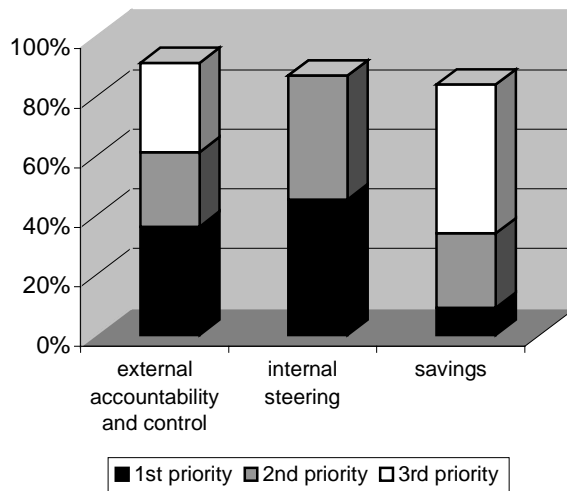


As far as the number of performance indicators is concerned, the chart clearly shows that EU Member States are already attaching **considerable importance** to performance indicators in their public administrations.

The second question referred to the **specific objectives of the performance indicators** used by countries in public administrations.

The outcome was that at present performance indicators are **mainly used as management tools to support internal steering and for external accountability and control**. 87% of the Member States questioned attach top or second highest priority to using performance indicators as an internal steering instrument. Concerning performance indicators as an instrument for external accounting and control, the equivalent rating was over 60%. In this context it is worth noting that **contradictions achieved through performance indicators** – rank third in priority and are consequently **relatively less important**.

**Question 2:  
Main objectives of performance indicators**



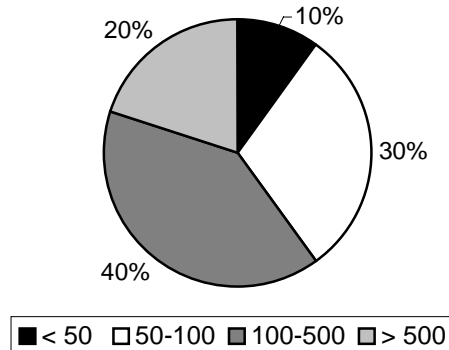
Apart from the areas mentioned above, performance indicators are used to increase the transparency of the public administration's services to citizens, to promote an objective public debate, as well as in the reporting to the European Union and in the field of national programmes.

The EU Member States seem to **use performance indicators with the explicit aim of informing their citizens and the broad public** about their public administrations' performance. Six Member States already apply more than 100 indicators of particular interest to the public. Their target-oriented use for reporting to external addressees is to the fore. One country supplied no answer to this question.

**Question 3:**

**How many indicators are used to inform the citizens about public administration performance?**

(Respondent rate of EU Member States in %)



It is striking that in a number of the documents supplied, reference is made to the **Internet** as a source for further information. The information found on the Internet mainly contains detailed descriptions of the various administrative units and the respective targets; in some cases even **concrete performance indicators are given** in the pages. This is a clear example of the growing importance this medium is gaining in informing the interested public and citizens. In this context the „performance indicator page“ of the British Audit Commission represents an interesting example:

(<http://www.audit-commission.gov.uk/ac2/Plfirst.htm>)

Interesting information can also be found under the address of the **International-Benchmarking-Group of OECD/PUMA:**

(<http://www.oecd.org/puma/mgmtres/pac/benchmarking/links>)

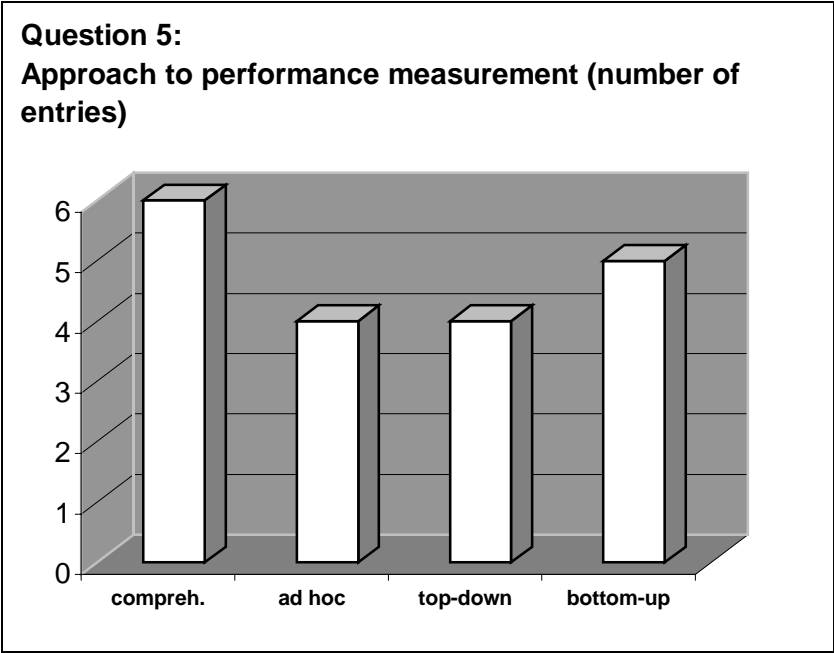
The latter contains a data base of Internet-addresses, which enable the user to have world-wide access to websites on public sector benchmarking as well as to other benchmarking networks. A clear distinction is, however, made between „popular“ and other links.

When asked about the areas or organisations in the public administration that play a central role in **reporting performance indicators to external units**, Member States had the opportunity to give more than one answer. In nine out of the eleven countries questioned, **finance and budget departments** play a central role in this context. The majority (seven) of the states analysed indicated that apart from the fiscal administration, **the headquarters of the individual ministries and external audit units** also play an essential role in reporting performance indicators. In two countries the co-ordinating work was not carried out by the Ministry of Finance, but by the Cabinet and/or the Home Office.

In **approximately 64 %** of the Member States surveyed, the administrative units mentioned above are responsible for reporting performance indicators to both **citizens and politicians**. In only one EU Member State is reporting work shared between the administrative units, insofar as performance indicators are exclusively reported to either citizens or politicians. In all other countries there are only slight differences in the institutions' responsibility for reporting indicators to these two target groups (citizens and politicians).

The **approaches chosen by the individual Member States** for developing and introducing performance indicator systems differ considerably from country to country. The diagram below shows how Member States describe their approaches to performance measurement.

**Five EU Member States** took a primarily **top-down** approach, while **four other States** favoured the **bottom-up** approach. **Six countries** chose a **comprehensive approach** to performance measurement, while **four countries** developed their performance indicators mainly **ad-hoc**, in response to the individual situation.



Only one country took the legislative approach and introduced performance indicators on the basis of specific laws. It is interesting that the top-down approach in combination with the comprehensive approach was only taken by one country, while **75% of the countries that chose the bottom-up approach, decided to combine this approach with the comprehensive approach** (i.e. covering different instruments and most activities).

Another question of this survey was to what extent and in which area of the public administration **international benchmarking** is considered an appropriate and desirable instrument by the EU Member States. In response to this question six States explicitly named areas particularly suitable for benchmarking, while **five States regard benchmarking as in principle suitable and desirable for every area of the public administration.**

The following comments on the advantage of EU-wide benchmarking are particularly worth quoting :

**Denmark:** *"... would be of interest in almost every area within the Danish public administration"*

**Great Britain:** *"Most operational areas have an interest in benchmarking, if it is a cost-effective means to support performance improvement"*

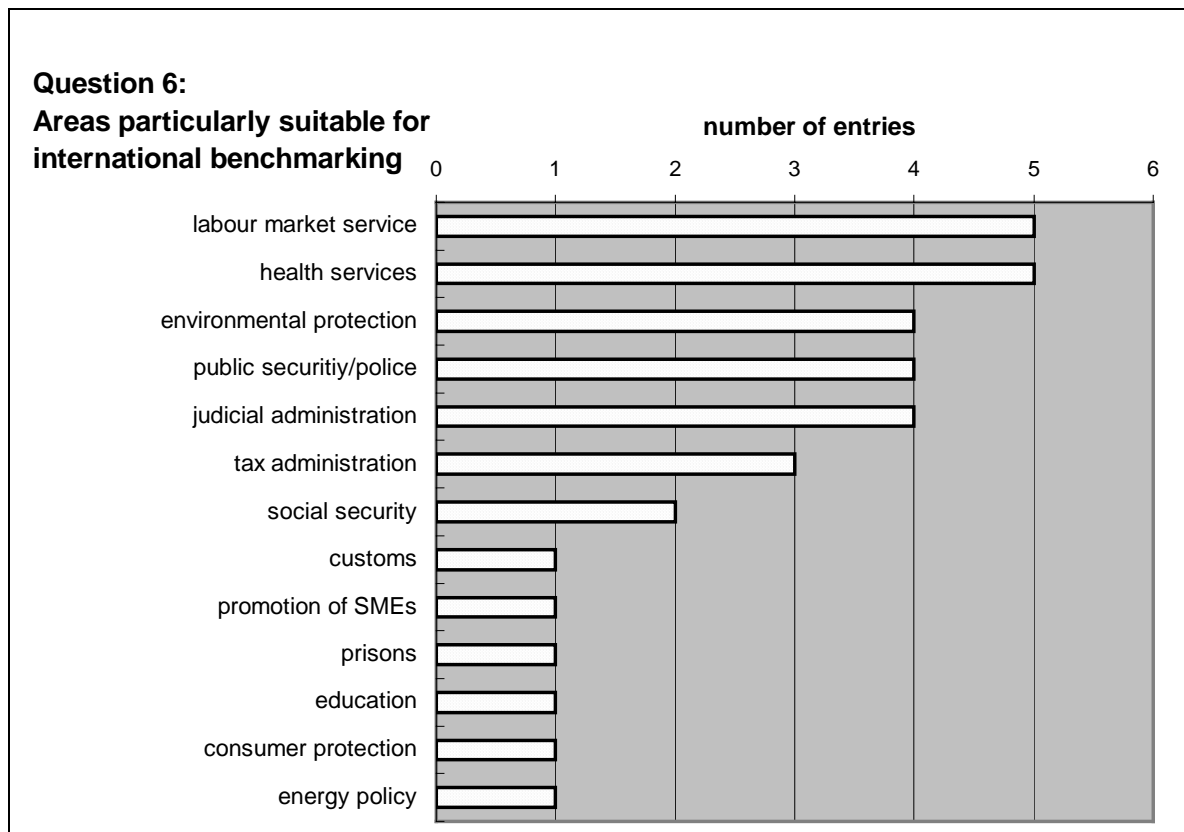
**The Netherlands:** *"In fact for all areas in which a proper comparison can be made. It would be useful to investigate the possibility of such a benchmark operation"*

**Sweden:** *"There are no areas where the Finance Ministry cannot see international benchmarking as an appropriate and desirable instrument"*

The survey shows that **the chances for benchmarking at the EU level are assessed quite positively. Almost all of the participating States are in favour of continuing benchmarking activities.** Belgium is, for example, of the opinion that an overview of all the indicators used within the EU Member States as well as the standardisation of these indicators represent important step, in the right direction. The reaction of the Finnish Ministry of Finance is much the same: „**We find your survey very useful and challenging indeed**“.

The papers received state a number of **necessary prerequisites** and essential requirements for the successful use of performance indicators in **EU-wide benchmarking** are stated in the papers received. Great importance is attached , for example, to **guaranteeing a uniform, systematic approach and to defining parameters and/or indicators.** As to the further development and refinement of indicators a number of States proposed to limit activities in this field to particularly promising areas (mainly to agencies, ministries and/or departments).

The participating States regard international benchmarking as particularly suitable and desirable in the **following policy areas**:



A number of initiatives and/or projects launched in some EU Member States represent an interesting impetus in the field of benchmarking. A British and a Danish project, the topics of which are comparable to those of this project, are briefly described in the following:

In Great Britain „**Public Sector Benchmarking – Towards Best Practice**“, a pilot project started in 1996, proved a striking success. By the beginning of 1998 more than 100 administrative units and more than 360,000 civil servants were taking part in this project, which involved a sum of more than £ 11 billion at current prices.

The British Benchmarking-Project, which places strong emphasis on self-assessment and developing best practice principles, may well be considered the „**largest and most advanced of its type in the world**“. It gives lots of new impulses and offers a huge amount of substantial data and comparative values for similar projects in other European States. It has to be pointed out that there are **close links** between this project and efforts undertaken in the field of **quality management**. The British public administration even took up the challenge of **a comparison with the private sector** – and it performed very well in quite a number of areas (particularly in the field of consumer-orientation). An evaluation, carried out in 1998, arrived at the following conclusion:„ It is apparent that the best public sector

organisations are within striking distance of world-class performance in many areas, most notably customer satisfaction“.

In **Denmark** the report „**A Structural Monitoring System for Denmark**“ was published for the first time in 1997. This report can be seen as a first uncompromising step towards comprehensive benchmarking. Within the framework of this initiative a substantial amount of information from the most diverse sources was compiled and analysed.

Using the data contained in the above report, it is possible to compare Denmark’s position in a number of central areas of public administration (e.g. education, research, environment and energy, public services, health, social security) to that of other States and/or to assess the achievement of the political goals set. The principle idea of this study, mainly addressed to politicians and to the general public, is to serve as a ‘source for new inspirations’. For the areas specified a very wide range of performance indicators was chosen, which focus on measuring the effectiveness of administrative services and primarily cover macro-economic parameters.

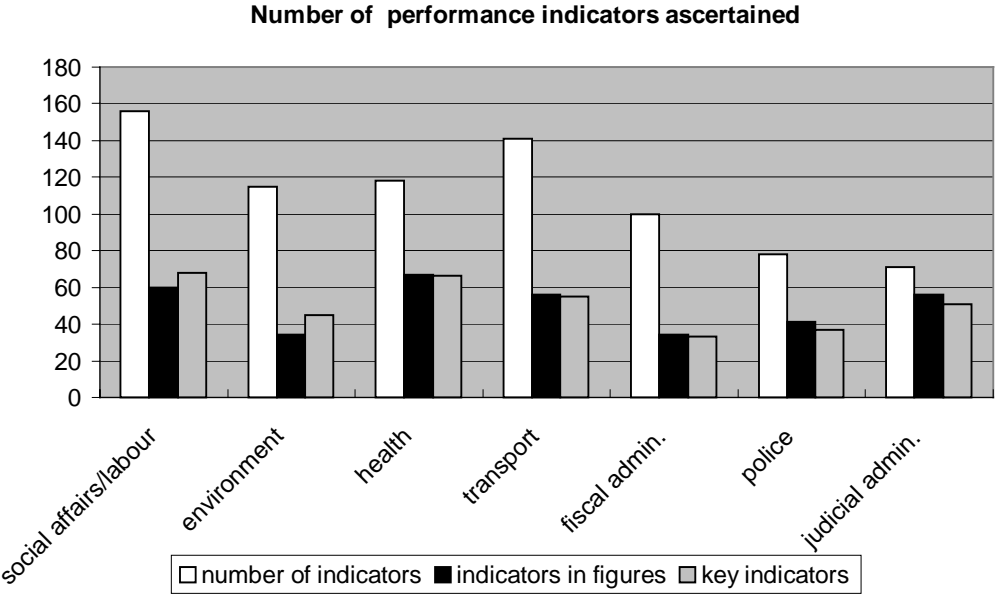
## 5. Performance Indicators for Central Areas of Public Administration

In the following the most important results of the survey are specified broken down by areas. **A general overview of the indicators, from the quantity and quality point of view, is given.** Indicators of particular significance are classified, as far as possible, by their effectiveness, quality, their citizen-orientation, performance and efficiency. This classification is to be understood as the basis for a **balanced and comprehensive overall approach**. On the basis of the indicators supplied and of further additional information the **prospects and chances for cross-national benchmarking** are broadly outlined.

The presentation of the individual areas is rounded off by particularly interesting **national examples**. These examples could serve as **an impetus to the further development** of performance indicators and illustrate the wide range of, and the huge potential for, the application of performance indicators. In the presentation special attention was given to those systems which excel due to their innovative concepts, particular customer and/or citizen satisfaction, and/or a well-structured and comprehensive overall approach, and which can therefore be referred to as **'best practice'**. The selection of these examples was based exclusively on the data provided within the framework of this survey.

The States covered by this survey submitted a total of **780 indicators** (for details see Annex) Indicators which Member States defined as of particular relevance to their citizens and/or the general public in this survey, are referred to as key indicators. **About 45%** of all indicators submitted, were declared **key indicators**; for a relatively large percentage of indicators precise figures were submitted.

The diagram below gives a comprehensive overview of the performance indicators ascertained:



## **5.1. Social Affairs and Labour Market Policy**

### **5.1.1. Scope of Application and Use of Performance Indicators**

The **importance** the EU Member States questioned attach to **social and labour market policy** is **stressed** by the large number of performance indicators used in this field. Within the framework of this EU-wide survey **156 performance indicators** were supplied, two thirds of these indicators being used in the field of labour market policy. **Sixty-eight** indicators were specified as **key indicators** of particular interest to the public, **specific figures** were submitted for **60 indicators**.

**Nine States** consider **international benchmarking** in this area **an interesting instrument**, and five States explicitly manifested their interest in performance comparisons in this area.

In the field of **labour market policy** the main focus of almost every Member State is on measuring **performance and effectiveness**, whereas in the area of **social policy**, the number of indicators used is **more evenly balanced**.

In the following a number of indicators for the area of **labour market policy** are described. States may find it useful to complement their existing indicators with those described below, in order to arrive at comprehensive, more balanced systems.

- In the field of **effectiveness** the main focus is on macro-economic indicators, such as the ratio of jobless to total population and/or the ratio of special target groups (mainly: long-term jobless persons, disabled persons, youth, or foreigners) to the total of the unemployed. These indicators are partly used as concrete target values. The Irish Ministry of Labour has, for example, committed itself to reducing unemployment in the years from 1996 to 2007 from 11.9% to 6%, and to lowering the proportion of long-term claimants from 7% to 3.5%. Further indicators used are, for example: the number of new jobs created through the establishment of companies, or the proportion of people integrated into the labour market after having completed education and/or training programmes.
- **The quality and citizen-oriented approach** of the labour market administration are also covered by manifold indicators. Some States ascertain the percentage of satisfied employment applicants/employers in relation to the placements by the labour market service, the level of customer satisfaction regarding the way their cases were handled by the labour market institutions, or the proportionate value of the prompt transfer of unemployment benefits.

- In almost all of the Member States surveyed the existing indicators are mainly applied to **performance** in quantitative terms, such as placements, services provided in the field of education and training, counselling or the number of unemployed counselled entitled to unemployment benefits. These data are, to a varying extent and in various ways combined to form **efficiency indicators**. Comparably frequent use is made of the following indicators: the expenses incurred per claimant placed - broken down by the various types of claimants, the active and passive labour market expenses per claimant as percentage of the BDP, expenses for promotion per disabled person in employment, or the costs incurred per claimant counselled and/or per further education activity.

For many years the **OECD** has been carrying out international comparisons of **macro-economic indicators**, based on standardised data. Further comparisons and/or **international benchmarking** of services delivered by the public administration are, however, only **in their initial stages**, as a comparison of the underlying parameters and data is hardly possible.

On the basis of the papers submitted, the following indicators seem to be of particular interest in the field of **social policy**:

- Particular importance is attached to indicators **for the assessment of the effectiveness** of the public administration. In the following, examples of indicators used in several EU States are given: rate of children attended to in child care facilities, proportion of disabled persons/persons aged over 65 attended to in special homes or their individual homes, proportion of families without lodging temporarily staying in emergency accommodation, as well as the incidence rate of accidents at work or vocational diseases.
- In the field of social security relatively few indicators were submitted for **quality and citizen oriented approach**. In this context the rate of social benefits paid within in good time, and the proportion of applications dealt with within a specified period are worth mentioning.
- Almost every Member State keeps comprehensive records on the **performance** of the services rendered by its social administration. Indicators essential in this area are, for example, the number of disabled persons, senior citizens and children attended to, the number of visits to homes, the number of inspections of premises, preventive measures taken to avoid domestic problems, or the number of applications for social benefits handled. In general the above indicators are then combined in order to define a set of efficiency indicators, such as the per capita net expenses for social services, the administrative costs incurred per social benefit recipient, the number of disabled persons attended to per support person and/or the relative figures for support persons and persons attended to in other social areas, as well as the ratio of administrative expenses to total social benefit expenses. As regards of inspectorates of premises, efficiency is

assessed, for example, by analysing the responsibilities and activities per inspector and the costs incurred per inspection.

### 5.1.2. Concrete Use in the EU Member States

The very comprehensive standardised system of performance indicators for local administrations, co-ordinated by the British **Audit Commission** should definitely serve as an example for „**best practice**“ at **EU level**, and is therefore referred to in this paper. Apart from covering tasks in the **social sphere**, this system, which uses a number of indicators for each area, also covers the entire municipal administration, including among others: social services, housing, waste disposal, tax collection, police, as well as roads and street lighting.

This system offers a lot of interesting ideas for the further development and refinement of national performance indicator systems. Its comprehensive systematic approach is also of interest to supra-regional administrative units. The overall idea of this system is to inform and **give account of the administration's performance to the citizens and the general public**. Consequently, great importance is attached to the annual publication of particularly relevant information on the administrative units' activities. The administrative units are urged to carry out suitable comparisons (on the basis of the following criteria: costs, economy, efficiency, and effectiveness) with comparable administrative units as well as time series analyses.

This **holistic system** contains exact specifications regarding both the indicators to be published and the definition of the respective parameters in order to guarantee the comparability of results. Central administration defines which performance indicators have to be published by which administrative units. **The citizen-oriented approach** is reflected in the recommendations regarding the use of 'readily understandable' language, the identification of information interesting to the public, and the publication in appropriate media (increasingly also on the Internet).

The indicator system used by the **Swedish labour market** administration can also serve as a model with respect to its structuring and systematisation. Based on three **political core goals** - filling vacancies promptly, reducing the number of long-term jobless as well as taking preventive measures against long-term unemployment - **operational targets in the fields of performance, effectiveness and quality** are defined. The Swedish national labour market administration (AMS), for example, has to achieve the following quantified goals: to find suitable applicants for at least 90% of the vacancies registered, to keep the number of long-term unemployed persons under 73,000 and to take care that an average of 159, 000 persons a month participate in labour market programmes.

In the field of the quality targets, satisfaction of both job-seekers and employers plays an important role. In this connection the goal defined for the next year is an increase in satisfaction from 41% to 52% and from 60% to 68% , respectively. To this end Sweden clearly defines the necessary indicators and parameters, and the respective targets are further specified on the regional level. Within this model, great importance is attached to the **regular reporting** to internal as well as **to external addressees**. Administrative units have to document the level of goal-attainment in quarterly reports using variance analyse. If units

do not succeed in achieving these goals, they have to submit „action plans“, specifying the necessary counter-measures envisaged. In order to allocate resources as efficiently as possible, funding depends in part on the performance results achieved. Retrieval of the manifold internal steering information can be retrieved on a weekly basis, **monthly performance comparisons** between the various administrative can therefore be carried out.

For the **Belgian social and labour market administration** a comprehensive hierarchic system of indicators („tableau de bord“) was developed to serve as a „lever for the enhancement of the administration’s performance“. This system is characterised by a clearly customer-oriented approach. On the basis of three central processes (authorising- paying-monitoring) the desired final products are **defined from the point of view of both external and internal customers**; the processes involved in the development of these products are analysed and **quantified**, as well as assessed in the form of „**balanced scorecards**“. As to the quantitative and qualitative indicators to be collected for this „tableau de bord“, the main emphasis is on covering services which are then assessed in a comprehensive costing system.

In the field of **inspections of premises Austria** has already set up a **reporting system and a range of steering instruments, both very well-developed and comprehensively systematised**. The detailed statistical data thus collected constitute a well-founded basis for decision-making, and are also used to calculate both **efficiency and effectiveness indicators**, as reflected by the regular reports submitted to parliament.

## ***5.2. Environmental Policy***

### **5.2.1. Distribution and Use of Indicators**

In the sphere of environmental policy, a great number of performance indicators are already being applied in the EU Member States, focusing mainly on air, soil or water pollution as well as on waste disposal. A total of **115 indicators** have been submitted, which measure above all the effectiveness of environmental policies. Due to their importance for the public, **45 indicators** have been defined as key performance indicators, and for **34 indicators** concrete figures have been made available.

As regards environmental policy, **nine** of the eleven participating **States** have expressed **their interest in international benchmarking**, with four EU States explicitly stating that they consider international benchmarking as an appropriate and desirable instrument to be applied in this sphere.

A closer look at the indicators supplied reveals that nearly all of the performance indicators which exist in the EU Member States limit themselves to assessing effectiveness and have a considerable number of common features. Special emphasis has been placed on the following indicators:

- **Indicators measuring effectiveness** constitute the core element of the systems in nearly all of the EU Member States. In the field of **air pollution**, the per capita-emissions of different pollutants, the energy intensity (in relation to GNP) or the air quality in densely populated areas are measured and are compared at the international level. Indicators measuring effectiveness in the field of **water pollution** include the percentage of clean waters, pollution caused by nitrates and phosphates from agriculture or the proportion of domestic households whose sewage is treated in municipal sewage plants. In the field of **waste disposal**, indicators measure, for example, the per-capita volume of waste and recycling rates for different kinds of waste. However, indicators also exist for other areas of environmental policy, such as the conservation of nature, noise pollution, EMAS-certification or pollution caused by pesticides. In this context, it is particularly interesting to note that such indicators are used **as specific performance objectives for the public administration**. The **Irish Ministry of the Environment**, for example, is pursuing the goal of decreasing the per capita volume of waste in urban areas by 20% by the year 2010, of re-channelling 20% of the waste dumped at municipal disposal sites into recycling programmes, and of achieving a recycling rate of 27% for superfluous packaging.
- In view of **quality and a citizen-oriented approach**, no specific performance indicators have been submitted by the EU Member States.
- Neither were indicators for **administrative services** supplied in the course of the survey. However, **efficiency indicators** show that such figures are available at least to a limited extent. In fact, the following efficiency indicators have been listed: per-capita net expenditure in the sphere of environmental protection, net expenditure for waste disposal per tonne of domestic waste, or the cost per weighted output unit from contaminated sites and ecological audits.

### 5.2.2. Specific Applications in the EU Member States

In this section, two comprehensive and carefully conceived examples of the application of performance indicators in the sphere of environmental policy are briefly discussed. These two examples may be regarded as "best practices".

The **Dutch system of indicators** is based on two basic categories of performance indicators, each of them following a totally different approach. The combination of **issue indicators** and **target group indicators** leads to the establishment of an overall system which is extremely sophisticated in its conception and which may be used on a broad scale. For several years the Ministry of the Environment has applied aggregated environmental performance indicators covering the core issues of environmental policy. They are divided into seven major environmental fields (e.g. climate change, acid rain, toxic substances, waste disposal, eutrophication) following mainly a problem-oriented approach.

These issue indicators are aggregated from several pollution indicators for each field. As regards pollution from acid rain, the aggregated indicator is calculated from the SO<sub>2</sub>, NO<sub>x</sub> and NH<sub>x</sub> emissions from all national sources. The overall level of emissions is then compared with the target level set by national environmental policy.

On the other hand, the complementing target group indicators take into account that environmental problems are basically caused by various business sectors and the activities. Each target group (e.g. agriculture, manufacturing, trade and consumers, transport, production of electricity) shares responsibility for a number of environmental problems. The corresponding indicators consistently comprise all forms of emissions caused by one target group and are also compared with the specific policy objectives for this group.

The application of these indicators over a certain period of time enables us to draw **sound conclusions concerning the effectiveness of environmental policy**. The indicators are determined by the National Institute of Public Health and the Environment and are published in an annual report submitted to the Dutch parliament by the Minister of the Environment. Especially worth mentioning is the fact that the information provided by this system of indicators, in particular concrete data, methods and the corresponding explanations, is also available via the Internet (<http://www.milieubalans.rivm.nl>).

As regards environmental policy, **Sweden** has also developed a **very comprehensive performance indicator system** consisting of more than 200 indicators. The indicators are divided into the categories "pressure, state and response", thereby specifying the Swedish goals with a view to environmental quality. The comprehensive system takes into account a variety of categories consisting of at least one indicator, in order to ensure the collection of relevant data and the comprehensive coverage of all spheres. A quite remarkable development which is currently taking place is the transformation of the existing system into a **set of "green key performance indicators"**, which may be used in particular to inform the public and the citizens about public administration performance. This system is to be limited to a small number about 15 indicators.

### ***5.3. Health Policy and Consumer Protection***

#### **5.3.1. Distribution and Use of Indicators**

In the sphere of health and consumer protection, the EU Member States collect a multitude of indicators. In the course of the survey **118 indicators** were submitted, **66** of which were defined as **key performance indicators** of particular interest to the public. It can be observed that within this sphere of administration, concrete figures have been supplied for an extraordinarily large number of indicators (67). Another fact worth mentioning is the great number of performance indicators (34) applied to the area of consumer protection, which apparently constitutes an ideal field for performance comparisons.

Considerable interest exist in international performance comparisons with a view to health policy. **Ten** of the eleven participating **Member States have expressed their interest in cross-national comparisons**. Five States have explicitly stated that they consider this instrument extremely useful in the sphere of health and consumer protection.

Analysis of the collected data reveals that the performance indicators used by the EU Member States are basically capable of covering the **different dimensions of performance measurement** (effectiveness, quality and orientation to citizens' wishes, output, and efficiency). The following list of indicators for health issues is intended to serve as a stimulus to complement the indicators compiled by the EU Member States with a view to achieving a more evenly balanced composition.

- **Effectiveness** is assessed on the basis of vaccination rates among children of different age groups, the proportion of smokers, overweight persons or persons with an alcohol problem, the infant mortality rate, the number of hospitalisations or patients receiving out-patient treatment per thousand inhabitants, the proportion of inhabitants aged between 45 and 54 without dentures, or the mortality rates for various diseases.
- As regards **quality and a citizen-oriented approach**, various indicators are used, such as the percentage of complaints in the field of health care measured against the sum-total of complaints in the public service sector, the proportion of the population satisfied with the health care system, the average waiting period for different kinds of operations, the number of patients admitted to hospital within five minutes after arriving at the emergency unit, and the number of ambulances arriving within given target times.
- **Performance** assessment is carried out by means of indicators such as the number of patients receiving out-patient treatment, the number of hospitalisations, home calls, patients receiving continuous treatment, or doctors' prescriptions. The results of the assessment are combined to form various **efficiency indicators**, such as per-capita expenditure for health care, the total cost of treatment per physician, the number of physicians per thousand inhabitants, the number of beds per nurse, the average cost of pharmaceutical products per prescription, the number of home calls per physician, the cost per home call, the average period of hospitalisation in accordance with the diagnosis, and the per-capita cost of different medical programmes.

**Consumer protection** is another field in which diverse and manifold performance indicators are applied. In order to assess inspections of foodstuffs – but also other kind of inspections such as examinations of slaughter animals – several States collect information on the number of inspections (the absolute number and the number per inspector), the number of inspected companies, and the proportion of complaints pertaining to various kinds of shortcomings. Further indicators include the number of reported cases of salmonella or food poisoning, the per-capita expenditure for consumer protection, and the number of consumer complaints which are responded to within a given period of time. In Sweden indicators also measure grammar-school pupils' knowledge concerning consumer rights and obligations. An interesting characteristic of the existing indicators in the sphere of health care is constituted by the fact that **in many cases the main emphasis** has been placed on the collection of macrovariables **with a view to effectiveness** which have already been compiled on the basis of uniform data and have been compared internationally by the OECD and WHO. A further elaboration and complementation of such comparisons by including indicators which describe the quality, citizen-orientation, and because of performance

efficiency seems to be a feasible approach within the European Union not only due to the interest which it has provoked.

### **5.3.2. Specific Applications in the EU Member States**

Recently the **British Ministry of Health** issued a **White Paper** laying down the principles and the framework for a new **national system of performance indicators**, which is conceived as a rounded overall system consisting of six core areas (improvement of health care, appropriate access to services, effective performance of adequate medical services, efficiency, patients' experiences, and health effects). It is mainly designed to extend the existing focus on output and efficiency indicators towards a concept based on a broader scale. In future, performance indicators will not only primarily measure the number of patients treated, but will also take into account aspects which are essential for the health and well-being of patients. The proposals include a small set of highly aggregated indicators serving to assess the performance of the health administration in the provided-for core areas. Depending on the results of the expertise which is currently being drawn up, the regional health administrations will start to implement this system as early as 1998/1999.

The British Ministry of Health has issued a **detailed annual report**, which contains the core objectives, strategies, activities and comprehensive data (in particular financial data) structured by subject areas. Performance in different areas of health administration is described partly by specific indicators.

With a view to doing justice to the postulate of "Putting the Patient First", the **Welsh Office** has developed a well-balanced system of indicators for the health sector involving all dimensions of performance measurement. The system differentiates, among other things, between general health care indicators (e.g. life expectancy), indicators of top priority for health care policy, process and efficiency indicators, and indicators for **customer satisfaction** and **quality of service**, with the latter being of paramount importance. Progress and the achievement of special "Patient's Charter Standards" is measured by precisely specified and defined indicators.

The **Scottish Office Department of Health** has developed a similar system. On the basis of one core objective both the accomplishment of macropolitical and of micropolitical objectives is measured. Comprehensive and detailed information on costs, financial plans and workloads are gathered and combined to form **binding objectives** for all health care issues. Hence data on the different kinds of hospital services cover, for instance, the number of beds available, the number of hospitalised patients, the average period of hospitalisation, the occupancy rate per day, and other indicators. Binding targets are laid down at an early stage, in order to achieve a sustained improvement of the population's state of health. The striven-for objectives for the year 2000 include a 30%-reduction of smokers in the group of 12 - 24-year-olds and a 20%-reduction in the group of 25 - 65-year-olds. Another target is to reduce the number of persons with an alcohol problem by 20% and the percentage of heart attacks among the population under 65 by 40%.

## 5.4. Transport

### 5.4.1. Distribution and Use of Indicators

In the field of transport policy, a broad range of indicators is compiled by the EU Member States. They have submitted a total of **141 indicators**, including **56 indicators** for which **concrete figures** have been made available. **Nearly the same number** has been described as **key performance indicators** of particular relevance to the public.

Five of the eleven participating Member States have expressed a basic interest in cross-national comparisons. Transport policy, however, constitutes the only field where none of the EU States showed any particular interest in cross-national comparisons. Another noticeable aspect is the fact that no illustrative examples providing further details were supplied.

The participating States listed performance indicators covering four major forms of transport (road, aviation, rail, and maritime shipping). As regards **road traffic**, the supplied indicators may be divided into indicators of general interest to the public and indicators specifically concerning the transportation industry and public transport. The essential indicators for the first group are mainly those which describe **safety** road. Hence measurements include road accidents/victims of road accidents in relation to the population or registered vehicles, traffic density, an index of damaged roads, and the percentage of repairs carried out within x hours. Further indicators cover the density of the road network per capita and per square kilometre, as well as noise pollution and harmful emissions caused by road traffic.

**Indicators** which are used **to measure efficiency** include expenditure on repair and maintenance works per road kilometre and per kilometre driven.

Indicators which are extremely significant for **transport contractors** measure the number of transport licences that have been allocated, contraventions in the field of heavy-load transports, or the value of the transported goods. In the area of **public transport**, indicators assess the number of rides and the proceeds per bus, the level of capacity utilisation and the increase in capacity utilisation of public transport.

In the context of **aviation**, great importance is attached to the safety aspect, which is assessed by means of the following indicators: the number of working hours devoted to air safety, the number of landings, and the number of incidents/near-collisions/collisions. A secondary role is played by profitability or productivity indicators measuring the detrimental effects on the environment and on the population due to noise pollution.

In the sphere of **rail traffic** indicators assessing safety also play a very significant role. Such indicators include the number of accidents/injured persons, the percentage of double-track lines in relation to the whole railroad network, and the number of unguarded level crossings. Additional indicators measure the cost recovery ratio of rail services, the goods transported by rail, structured by different categories, the average speed of high speed trains, and the percentage of trains with a delay of less than x minutes.

Indicators for **maritime shipping** were submitted by only two States. Examples include the number of search and rescue operations, accident data, inspections and the corresponding rate of complaints, as well as different productivity indicators.

In summary it can be stated that the survey of performance indicators in **all four areas** clearly demonstrate a **focus on** measuring and assessing **safety**. The highest number of indicators covering the widest spectrum of issues were submitted in the field of road traffic. In the context of this survey a **comparatively weak interest in international performance comparisons was observed**. The States only submitted a multitude of indicators without offering specific examples going into more detail.

## **5.5. Fiscal Administration**

### **5.5.1. Distribution and Use of Indicators**

In the field of fiscal administration, a **vast spectrum of performance indicators is used** within the EU. The Member States submitted about **100 indicators**, which include output, effectiveness, processes and quality aspects, thus covering the whole range of performance measurement. **33** indicators were defined as **key performance indicators** of particular significance for the public, and for **34** indicators **concrete figures** have been supplied.

Eight of the eleven participating States consider the area of fiscal administration **in principle well-suited for international benchmarking**, with Finland, Italy and Portugal explicitly stating that they regard benchmarking as particularly useful.

The **analysis of the collected data** reveals that nearly all of the participating Member States apply a vast spectrum of performance indicators, of which the following indicators have assumed great importance:

- As regards **effectiveness**, indicators measure the additional tax revenue after tax audits, the rate of dismissals of court appeals, the recovery ratio of tax debt, the proportion of taxpayers who pay their taxes correctly and on time, the average duration of the recovery of tax debt and the duration of assessment.
- Regarding **quality and the citizen-oriented approach** which is followed by the fiscal administrations, emphasis is placed on the following indicators: satisfaction of enterprises and individuals as regards the correctness of the assessment results, the general confidence in the fiscal administration (ascertained by means of a customer survey), the number of complaints which could be dealt with within a given period of time, the error rate of assessment, or average waiting periods at the counters.
- One striking feature was the fact that all the administrations compile quantitative data on their services (e.g. assessment, investigations/controls, advisory services for people starting a business) and combine them to form various **efficiency indicators**. The following indicators have assumed considerable importance in this respect: the cost of assessment structured by various assessment areas, the processing time per

assessment type and service, cost recovery ratio for chargeable services, the number of tax assessments per staff member, productivity indices, costs per staff member in the fiscal administration, tax audits per auditor.

In selecting the specific indicators the individual States have mainly followed a pragmatic approach without applying an underlying overall system which ensures the right balance of various performance dimensions.

Despite the fact that many States use identical or similar indicators, **benchmarking** can only be carried out **to a certain degree**, since the parameters are not always sufficiently defined and the indicators are not based on standardised data. Hence **further developments and standardisation** are called for, given the explicitly stated interest in international benchmarking. A first necessary step into this direction would be the selection of specific indicators for future performance comparisons by experts of the EU fiscal administrations.

### 5.5.2. Specific Applications in the EU Member States

The **Swedish model** of performance measurement for the fiscal administration consists of a highly developed and well-balanced system of **top indicators**, which enables a comprehensive assessment of the accomplishment of objectives with a view to performance and effects. On top of the well-structured pyramid system stands the global objective "the right tax, the right way", which is put into concrete terms by means of four basic dimensions (effective tax assessment, effective tax collection, quality and productivity) and 10 subdimensions. These subdimensions are measured by either one or several performance indicators, which in turn leads to the creation of an overall system of 25 indicators.

The **Dutch Ministry of Finance** and the Directorate-General of the Inland Revenue have developed a most interesting approach towards systematising performance indicators in the field of fiscal administration. The **critical factors for the success** of the Inland Tax Revenue are described by three different **categories of indicators**, which enables a comprehensive monitoring of all the output and performance processes:

- **Efficiency and productivity indicators**, comparing the output with the required input of human and financial resources.
- Indicators measuring the **cost of performance processes**, which compare the performance process taking account of the input with the achieved result.
- **Strategic indicators** (e.g. product quality, amount of service r, or cash flow ratio), which are used in the context of politico-strategic decision-making processes.

In order continuously to measure and control the development of the performance, reference values for the quantification of the performance are being established. Five major indexed

indicators measure productivity, process quality, cash flow ratio, product quality and the amount of service provided in the performance in the fiscal administration. The concrete figures are published in the Inland Revenue's Annual Management Report.

The representation of the indicators' time shape in the form of a **cobweb** diagram is especially interesting, since it illustrates the resulting interdependence between the individual indicators.

The **Finnish Tax Administration** is characterized by an **extremely strong customer-oriented approach**, which is also reflected in its Annual Report. The Report is published once a year in form of a calendar containing all tax filing deadlines as well as a variety of graphically displayed data used to inform the public about the fiscal administration performance. It contains clear objectives, which are specified by means of indicators, and places explicit emphasis on a customer-oriented approach ("customers ... are entitled to the best service i.e. correct taxation at the right time and sufficient information on their rights and duties"). In order to fully implement this customer-oriented approach, the Finnish Tax Administration regularly carries out customer surveys in all of its tax-administration front offices. These surveys determine the core elements of a satisfactory supply of services from the customer point of view and examine customer satisfaction.

These aspects of performance measurement have been embedded in the broader framework of **comprehensive quality management**. The criteria for quality assessment, which have been derived from the Finnish Quality Award and have been divided into 8 categories, cover all the activities of the organisation. As regards quality, an international competition has been initiated with the title Best Service Unit, in order to share "good practices" and to promote the application of performance indicators.

The **British Inland Revenue** has elaborated an equally comprehensive reporting system, which is published once a year in the form of an annual report. The Ministry is committed to publishing general plans annually and to rendering full account for the use of the resources granted by the British parliament. For this purpose, clear-cut objectives are laid down, the corresponding duties are assigned to the staff members and the performance development and results are regularly monitored. The comprehensive planning and control system includes **plans with "key results"** and the corresponding **"targets" for the core activities**, on which achievement reports are submitted on an annual basis. In view of these key targets, the achievements listed in the current annual report include a reduction of the cost for every £ of collected taxes to 1.57 pence, which marks the lowest level in more than 25 years. For assessing the performance of the tax offices, special performance indicators have been developed, which above all take into account performance quality and a citizen-oriented approach.

As far as the sphere of fiscal administration is concerned, the **optional questionnaire**, which was also part of the survey was answered in detail by **Portugal** and **Finland**. In these States the fiscal administration is structured by different core services, which are specified

and measured by means of specific performance indicators that are applied in the framework of internal control processes and an external reporting system.

## **5.6. Public Security**

### **5.6.1. Distribution and Use of Indicators**

In the field of public security, a broad range of performance indicators already exists in the EU Member States. In the course of the survey a total of **78 indicators** were submitted, which cover output, processes, effectiveness and quality aspects, thus representing a wide spectrum of performance measurement. **37 indicators** were marked as key performance indicators due to their relevance to the public and for **40 indicators** concrete figures were supplied by the participating Member States.

In the field of public security and the police, **nine States expressed their interest in international benchmarking**, with Finland, Belgium, Ireland and Italy explicitly stating that they consider international benchmarking as an appropriate and desirable instrument for this area.

Analysis of the compiled data revealed that a major part of the States selected their indicators following a **pragmatic approach** with a focus on **output and efficiency indicators**, instead of applying a well-balanced systematic approach. In this sense the indicators of the other States constitute a useful complementation and a stimulus to a further elaboration and a better balance of the national performance indicator systems.

The following indicators are of special relevance to the public

- As regards **effectiveness**, performance indicators include various indicators measuring the crime rate (e.g. the number of recorded crimes per 1,000 population), the corresponding number of crime cases that were solved, as well as indicators in the field of transport such as the number of road casualties per million population and the proportion of road accidents with casualties/injury caused by driving under the influence of alcohol. An excellent example of a citizen-oriented way of publishing such indicators is the data which **Denmark** has published in English on the Internet ([www.politi.dk/Politiet-PIDuk/PIDstartUK.htm](http://www.politi.dk/Politiet-PIDuk/PIDstartUK.htm))
- As regard **quality and a citizen-oriented approach**, there exist a multitude of most diverse indicators, of which the following play an essential role in many States: the confidence of the citizens in the police (expressed as the percentage of citizens who are satisfied with the various police services), the average time needed to reach the site of an accident or emergency, the time needed for issuing passports and driving licences, the percentage of emergency calls which are responded to in a given period of time, the number of complaints, the proportion of police officers' time spent in public and on patrol.
- All of the participating administrations keep detailed records of their **services** (e.g. the number of breath tests, the number of traffic checks, the number of working hours spent on crime prevention, the number of cases that were solved, the number of hours spent on traffic patrols) and combine them to a varying degree to form **efficiency indicators** which

can be compared more easily. The following indicators are of major significance in this respect and should be taken into account in the context of benchmarking: Average expenditure per police officer, the number of police officers per inhabitant, average expenditure per case solved, or the proportion of police officers compared to the proportion of administrative staff. In Austria for example expenditure for maintaining public order amounts to 41 ATS per week per citizen.

It is noticeable that for a great number of indicators, a **large overlap** is found between the participating States. This means that certain indicators are already being applied in several States (e.g. crime rate indicators, the number of solved cases, police officers per inhabitant, expenditure per police officer). Hence the future development of EU-wide **performance comparisons is facilitated to a great amount**. The annual reports of the **Irish** police contain comprehensive statistical data in the sense of potential performance indicators (in particular concerning reported crimes, the percentage of solved cases, and recorded road accidents), for which a **great interest in comparisons with other EU States** has been stated.

**Benchmarking**, however, may at this date only be carried out **to a limited extent**, since indicators and parameters are not always sufficiently defined and there is no common database available. Sweden, for example, explicitly mentions the currently existing differences. In view of this fact and of the stated interest in international benchmarking, **further investigations and increased cross-national co-operations**, as are already taking place, seem to be necessary in order to create a comparable and standardised database for the whole of the European Union.

### **5.6.2. Specific Applications in the EU Member States**

In the **Netherlands** the indicators which are used in the field of police administration derive from a multitude of information sources, such as systematic bi-annual population surveys (Policemonitor Population), the national statistical office (Statistics Netherlands), an internal information system for the police administration consisting of data on the use of human and financial resources as well as standardised budgets, which cover the workload and the availability and accessibility of the local police at regional level. This multitude of data sources enables **the combination of the data to form various indicators** with a view to assigning **a major role** to the aspect of **orientation towards the citizen**. The information gathered in the context of the above-mentioned representative population surveys include the subjective feeling of security, problems in relations with neighbours, and the perceived availability and accessibility of police officers.

In the context of the Police and Magistrates' Courts Act 1994, **Great Britain** has developed instruments and systems, which provide ministers, senior police officials, police officers, and the public with a clear-cut picture of the police services and increase their accountability according to the principles of the Citizen's Charter.

The **core objectives** of the British Home Office in the field of public security focus on two central issues which are of particular relevance to the citizens. For the report year 1998/99 the following objectives were specified and **quantified by means of performance indicators**:

- Swift and efficient dealing with young delinquents and close co-operation with other agencies, in order to reduce the number of subsequent offences;
- Focus on and reduction of local crime problems or disturbances of public order in co-operation with local authorities, agencies and the public;
- Combating drug-related crimes committed by drug addicts in close co-operation with local agencies;
- Maintaining or, if possible, increasing the number of solved cases of crimes of violence and burglaries in private homes;
- Fast reaction to emergency calls.
- 

These performance objectives are then adopted by the local police units and are specified according to regional requirements, so that performance measurements may also be carried out at this level.

The accomplishment of these objectives and the corresponding developments are measured by means of **key performance indicators** and are published once a year in form of an annual police report. These key performance indicators are embedded in a by far more extensive framework of indicators, which measures an extraordinarily wide range of police activities and which was developed in co-operation with HM Inspectorate of Constabulary, the Audit Commission and the Association of Chief Police Officers.

## ***5.7. Judicial Administration and Penal System***

### **5.7.1. Distribution and Use of Indicators**

In the area of the judicial administration and the penal system, the indicators which were submitted in the course of this survey cover a **vast spectrum of performance measurement** and apply to all dimensions which form the basis of this survey (effectiveness, quality and citizen-oriented approach, output, efficiency). Altogether the EU Member States submitted **71 indicators**, for **55** of the **indicators** concrete figures were made available. This sphere of the public administration shows a significantly high proportion of **72%** of key performance indicators which are used to inform the public about the performance.

In the field of judicial administration and the penal system, nine Member States **regard EU wide benchmarking as useful**, and four countries explicitly stated their interest in benchmarking activities.

The indicators which are listed below are relevant to performance comparisons. They are structured by their scope, e.g. courts, prisons and probation service.

In relation to the **courts**, apart from various indicators measuring the workload and the capacity use of the courts and their staff members, the following **indicators for the assessment of effectiveness and a citizen-oriented approach** are mainly applied: the average duration of proceedings for the different trials, the proportion of proceedings pending for more than x months, the proportion of completed cases for various forms of proceedings, the proportion of dismissed appeals, or the proportion of crime victims receiving counselling and assistance. With regard to a **citizen-oriented approach**, assessments include the average waiting periods for court cases or, as in Great Britain, the degree to which the goal is achieved in accordance with the binding definitions of the Charter Standards. Individual countries (e.g. Denmark) carry out direct customer surveys with a view to determining satisfaction with the courts or confidence placed in the judiciary.

A very positive aspect is the fact that there also exist indicators measuring the **output**, which are well-suited for controlling the judicial administration. Courts collect data on the number of cases tried, the completed files, judgements, sentences which are executed by the courts and cases which are settled out of court. These indicators are usually combined to form meaningful **efficiency indicators**, which are then used for internal performance comparisons. Worth mentioning in this respect are the cost per proceedings concluded in the various law courts, the working hours per trial, the number of cases per staff member, the judgements per judge, the executions of sentences per bailiff, or the cost recovery ratio through fees. In Great Britain such indicators are also applied as **target figures**: hence the cost of civil proceedings 1997/98 should not exceed £ 95 and the cost of criminal proceedings are not to exceed £ 1,926. Finland has also started to work with specific targets for courts (e.g. average duration of proceedings, or cost per case).

Only two EU Member States have submitted specific indicators for monitoring performance concerning the **penal system** and the **prisons**. Such indicators comprise a broad range of aspects. In view of **effectiveness**, the collected data include the escape rate, the number of physical attacks on staff and prisoners, the proportion of prisoners in employment, the number of prisoners participating in re-socialisation programmes, and the extent of drug abuse in prisons. As regards **quality**, indicators measure the proportion of overcrowded cells, or the time spent outside the cell. The indicators mainly consist of **efficiency indicators**, such as the average cost per day of imprisonment, the daily cost per prisoner, or the prisoner-staff-ratio.

The same two countries have also submitted a multitude of indicators for **probation services**, focusing on the collection of **indicators assessing effectiveness and efficiency**. The first dimension is measured by data such as the rate of recidivism, the proportion of persons placed under the supervision of unpaid probation officers, or the amount of resources used for the penal system compared to probation services. Indicators applied for measuring efficiency include the number of persons placed under supervision per probation officer, or the cost per person on probation.

It may be noted that unlike in other policy spheres, indicators for the field of the judicial administration and the penal system are already extensively used to form efficiency indicators.

Thus, the sphere of the judicial administration constitutes a relatively good first stepping-stone for **EU wide benchmarking**. In order to ensure comparability within the EU, as a first step the appropriate indicators will have to be chosen. The basis could be formed by those indicators which are already being compiled by several countries, such as the cost per trial, or the rate of decisions repealed by appellate courts.

### **5.7.2. Specific Applications in the EU Member States**

In the **Netherlands**, the use of performance indicators in the judicial sphere constitutes an important basis for reporting to the political entities, since the allocation of resources is linked to the performance which has been achieved. Most of the applied indicators primarily concern the area of internal control and may be used only to a limited extent to inform the public. They include above all efficiency indicators such as productivity, workload, or cost per administration unit, aiming at optimising planning and control of the resources. The effectiveness of the administrative activities (which is of particular interest for the public) is described in the annex of the annual budget in form of an outline of the **evaluations** which have been carried out.

The overall strategic objective for the **British courts** was defined as the rendering of good services based on the premise of cost effectiveness and was subsequently divided into five sub-objectives. These sub-objectives were specified by means of key performance indicators (KPI) to serve as quantitative target values and constitute the subject-matter of an annually published target-performance comparison. According to their targets for 1997/98 civil courts are required to deal with 92% of the administrative cases within 5 working days, to recover 91% of the cost through fees, and to meet 99% of the citizen-oriented Charter-Standards. It is quite remarkable that despite the application of new indicators time series analyses may still be carried out.

In addition, Great Britain collects a multitude of information on the cost incurred by various cost units, the workload, and the payment behaviour, which flows into a special **Corporate Information System (CIS)** of the Crown Prosecution Services (CPS). This information serves as the basis for a comprehensive accounting of trial costs, which enables detailed target-performance comparisons with a view to various indicators for individual administrative units and geographical areas.

The performance indicator system for the **Austrian judicial administration** also comprises a multitude of indicators and follows a comprehensively systematic approach. In the sphere of the administration of justice and of law enforcement, mention should be made of the **staff requirements analysis**, which optimises the allocation of established posts in the field of jurisdiction. Improving the performance of judicial tasks will be made possible by an adequate and goal-oriented human resources management based on the ascertained time standards.

As far as **prisons** and **probation services** are concerned, the **British system** may be regarded as Best Practice. Performance is measured by core “key performance indicators (KPI)“, which are outlined in an operational plan. In the sense of balanced scorecards, they cover different dimensions of performance measurement. In the sphere of prison administration, there exist nine KPIs for the current year, which include the number of escapes from prison, the proportion of positive drug screenings, the rate of overcrowding of prison cells, the cost of a prison place, and the number of prisoners participating in re-socialisation programmes. For every key performance indicator the Home Office establishes one or several operationalized targets per year, and carries out an ex-post examination of its achievement in the following year. The target figure for the cost per prison place was determined as £ 24,388 for 1996-97, and the actual costs for this period even remained slightly below this mark. In the field of probation services the reports for the year 1997/98 were also based on nine KPIs which have been reduced to eight KPIs for the current year.

## 6. Recommendations for Further Action

The **objectives** to collect existing performance indicators of the EU Member States and to examine the opportunities and possibilities of EU-wide performance comparisons have been **largely accomplished** by the present report. In order to guarantee a lasting success of the project, the following actions are recommended:

- **Establishing a working group of experts on a voluntary basis.** The working group will be responsible for a steady qualitative development of the available data, in order to achieve systematisation and standardisation of the underlying parameters. Special emphasis will be placed on optimising user-friendliness;
- In order to secure swift progress of the project, it is recommended that the **meetings** of the working group **take place several times a year**;
- The **results** of these meetings and the **progress** achieved will be reported to the **conference of Directors-General**;
- As a complementing measure **policy-specific „Learning Labs“** will be realised, which will strive to reinforce performance comparisons in the spheres of social, environmental, financial policy, etc.;
- Finally the adoption is recommended of **confidence-building measures on the part of the policy makers** in order to guarantee the success of the project. These measures are intended to promote a process of re-thinking and behavioural change in public administration. Further work on the project will lie within the responsibility of the EU Troika.

As an objective for follow-up projects it is recommended to enable **EU wide performance comparisons among the central administrations** to be carried out on the basis of the present study. These performance comparisons constitute a **core instrument for a consistent improvement of performance** and a prerequisite for enhancing **the transparency of public administration vis-à-vis the citizens**.

## 7. Contacts in the EU Member States

Listed below are the names and addresses of the persons who have kindly co-ordinated the survey, which was carried out by means of questionnaires in the various EU Member States, and who may be contacted for further, country-specific information.

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in Co-operation with imPlus Management Consulting**