

# **Improving value for money in the United Kingdom National Health Service: Performance Measurement and Improvement in a Centralised System**

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## **ABSTRACT**

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This paper charts the development of performance measures in health care in England and their current use in managing the NHS. A brief description of the organisation of the NHS is followed by a summary of the UK Government's overall approach to performance management of the public sector and a short history of the evolution of performance indicators within the NHS. The last 10 years has seen a shift from measures of activities and costs, to measures of outputs and outcomes and from a focus on efficiency to a "balanced score card" approach to monitoring and measuring performance. There is a short discussion of the lessons learnt from this experience. The paper then goes on to discuss current approaches to performance measurement and management. It focuses on the rationale for and characteristics of the Performance Assessment Framework (PAF) which is currently applied to health authorities, NHS Trusts and Primary Care Groups/Trusts. There is a discussion of the role of the PAF in promoting performance and how it is complemented by other tools including strengthening self regulation. Several parallel approaches to using performance information to improve performance are also set out: published information for the public; benchmarking; and encouraging self regulation. The paper ends with some reflections on what has been learnt from the National Health Service's experiences with performance measurement and performance management to date.