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institute of
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Outcome-Based Commissioning

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Institute of Public Care Commissioning Cycle



Focussing on outcomes

“Public service commissioners are under increasing pressure to demonstrate the impact of their services on the beneficiary in terms of the outcomes achieved. To do this, they will need to focus on the impact on the service user and what has been achieved, rather than just how time and money have been spent.”

Social Finance (2015:2) Commissioning for outcomes across children's services and health and social care

What do we mean by outcomes – our definition

“An outcome is a change in circumstances that results from the decisions we make and the actions we take”.

- Individual in receipt of care and support/carer outcomes
- Service / provider level outcomes
- Population or ‘system’ outcomes
- Social outcomes/Social Value
- Economic outcomes
- Efficiency outcomes
- Legal compliance outcomes

What do we mean by outcomes?



Inputs



+ Processes



+ Outputs =



Outcomes!

Definitions

- **Outcome** – result or upshot
- **Output** – production; the amount of services produced in a given time
- **Process** – procedure, method or means
- **Input** – contribution or effort

Oxford English Dictionary

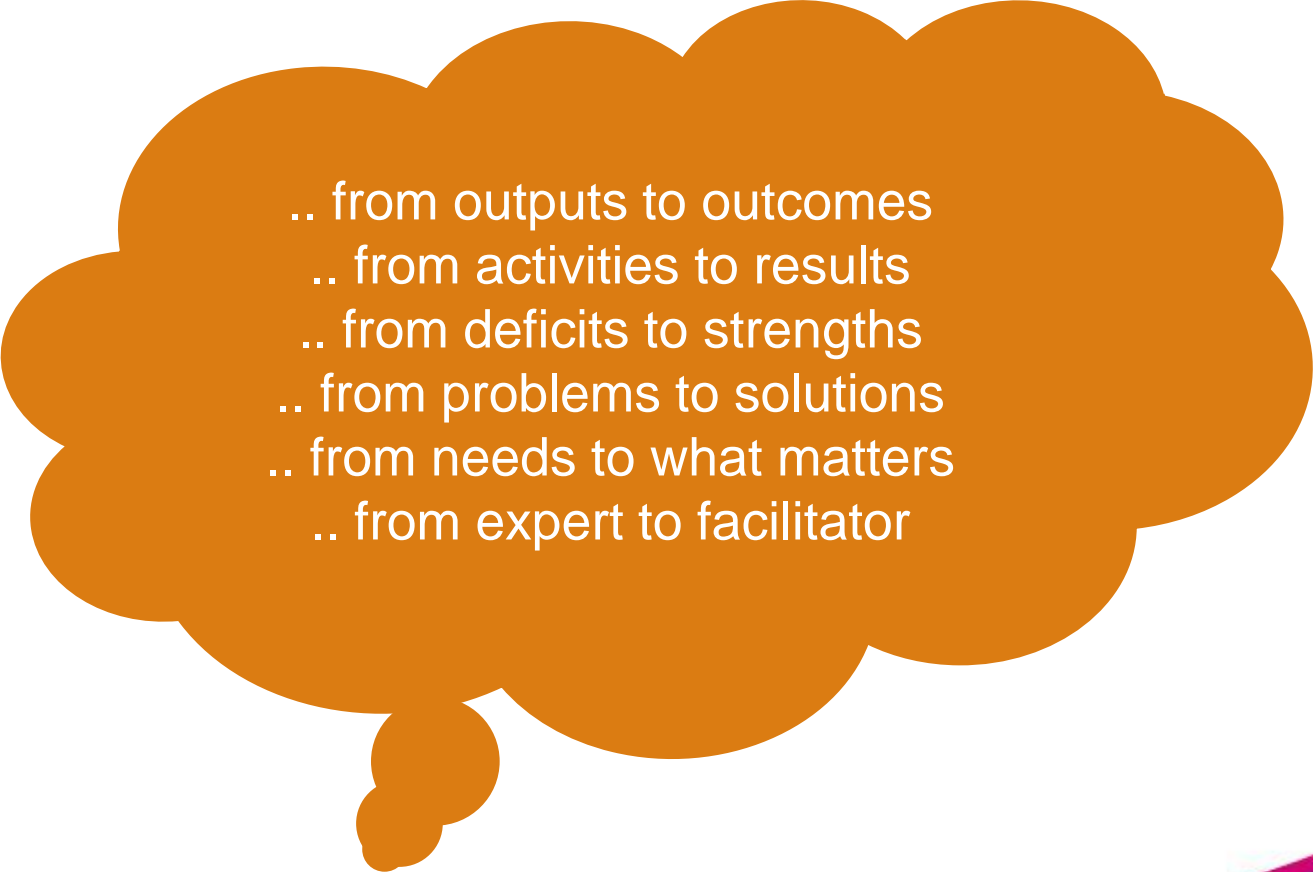
Outcome, output or process/input?

Objective	Type	Measure
1. The number of new entrants to the youth criminal justice system is reduced		
2. Develop a register of those receiving advocacy by June		
3. Young people feel safe and secure in their new accommodation		
4. All staff will be paid at least minimum wage plus £1.50		
5. Reduce the vacancy rate by 5%		
6. Reduce the average waiting time to access the tier 3 CAMH service to 6 weeks		
7. Young people report increased confidence and independence		

Service-led or outcome focussed?

	Service led		Outcome focuses
Endpoint	Delivery of service	S H I F T	Impact of the plan
Format	Pre-determined question and answer formats		Semi structured conversation = open questions
Approach	Obtaining information required for form filling = “filtering” information		Skilled interaction including active listening and reflecting back
Person	Client, service user or patient who receives services		Person in their own right with skills, ability and a role to play in achieving their outcomes
Practitioner	Expert		Enabler & partner
Focus	Identify problems and deficits and match to a limited list of services		Build on capacities and strengths towards creative solution
Recording	Tick box		Building a picture towards a clear plan for achieving outcomes

An outcomes focus approach requires a shift in thinking



.. from outputs to outcomes
.. from activities to results
.. from deficits to strengths
.. from problems to solutions
.. from needs to what matters
.. from expert to facilitator

Individual and 'System' Outcomes

For People

- Wellbeing and Independence – living the life I want, keeping safe and well.
- Information and Advice – having the information I need, when I need it.
- Active and Supportive Communities – keeping family, friend and connections.
- Flexible and integrated care and support – my support, my own way.
- When things need to change – staying in control.
- Workforce – the people who support me.

Making It Real - TLAP

For example, for council run adult social care

- That for some people, living in their 'own home and community' is preferred.
- That there should be a reduced inappropriate use of hospital and residential care beds.
- That people should be empowered, have choice and support to maximise their strengths and stay independent.
- That people should be satisfied with the support and services they receive.
- That ASC should endeavour to use resources effectively and efficiently.
- That ASC has an adequate supply of appropriately qualified and trained staff.

Things people like about an outcome-based approach

- Based on the person's desires, not service led.
- Holistic approach.
- Fits with person centred approaches; puts the individual at the centre.
- Empowers service users and promotes self advocacy.
- Emphasises evidence based practice.
- Focuses on needs and seeks positive interventions to provide better outcomes.
- It facilitates a co-productive approach using person's assets as well as services or support.

Working with outcomes – some challenges

Some of the main challenges of working with outcomes are:

- Identifying and agreeing what outcomes we should be aiming for
- Getting everybody to work to outcomes
- Knowing the outcomes we want to achieve does not tell us what we need to do to achieve them
- Linking the identified outcomes to our activity
- Finding measures and methods to capture them

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Scenario-based exercise

Scenario Exercise

The Leader of the Council wants commissioners to identify a set of outcomes to be achieved in relation to young people who are homeless in the area



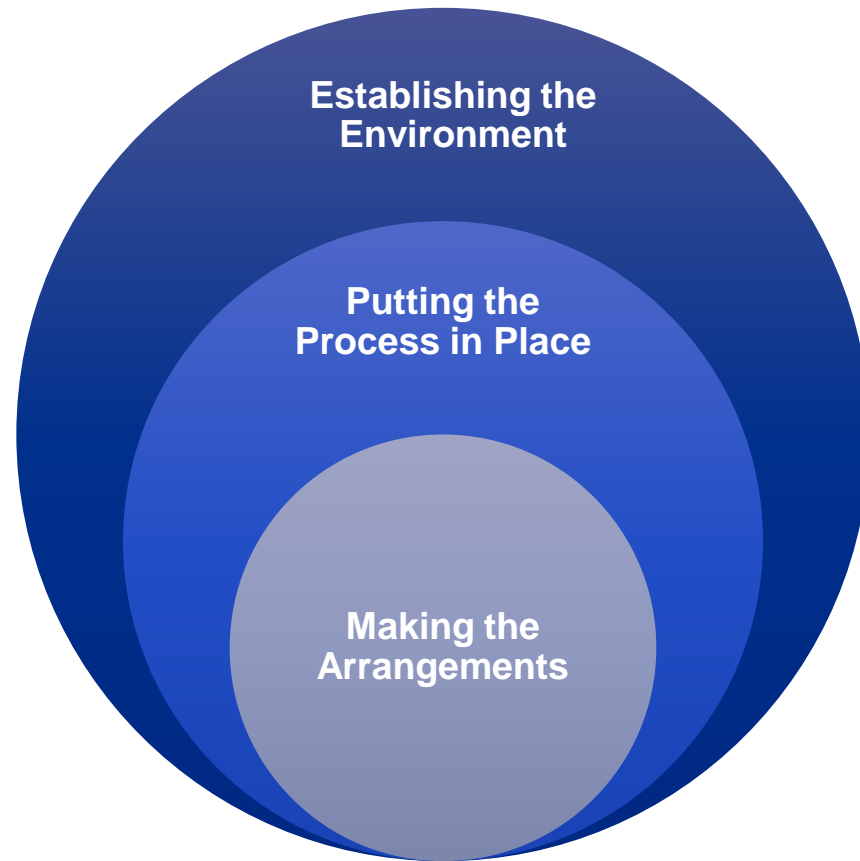
Stage 1

- Consider people who are homeless in the area, who they are, and what you plan to commission.
- Agree your desired outcomes – no more than 3 or 4 (ensure you have a mixture of individual, service and population level outcomes).

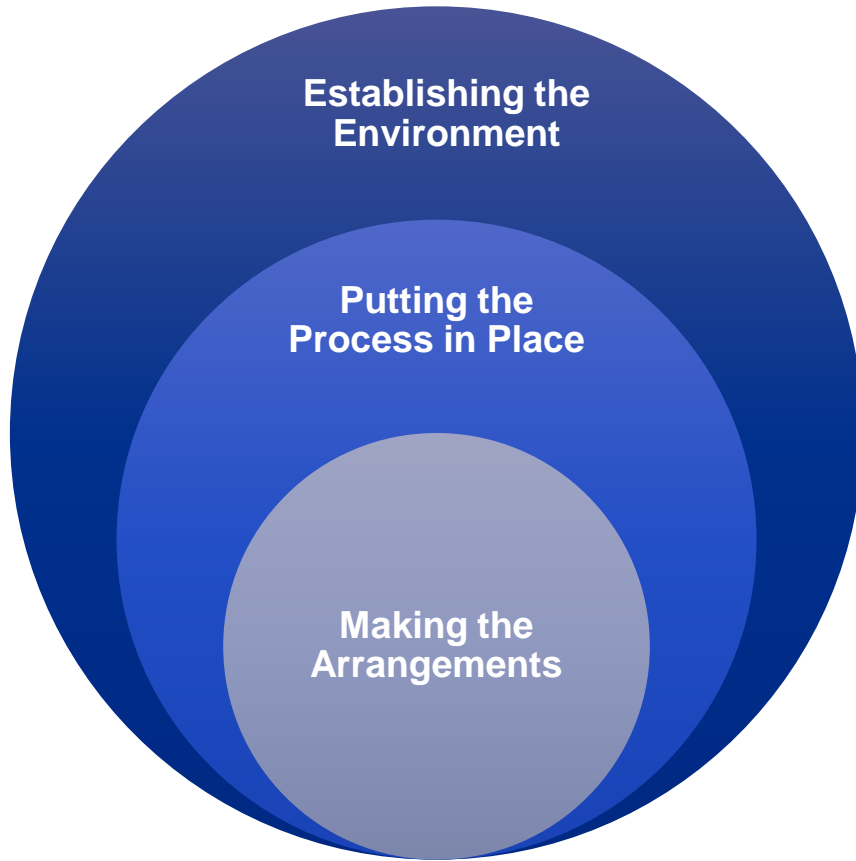
Stage 2

- In addition to these outcomes, what outputs would you suggest are also measured?
- Consider how you would realistically monitor a contract to get this information.
- Note the measures.

IPC Model for Whole System Outcomes Based Commissioning



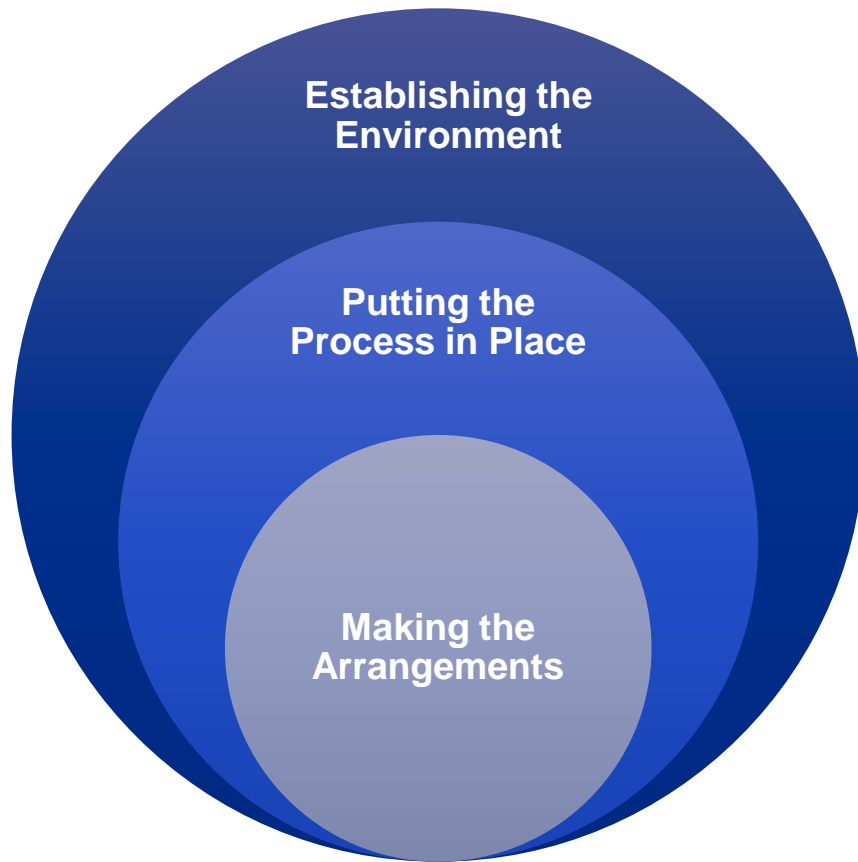
IPC Model for Whole System Outcomes Based Commissioning



“Establishing the environment”

creating the right culture, vision, attitudes, behaviours and relationships to enable outcomes to become integrated into every aspect of the social care system.

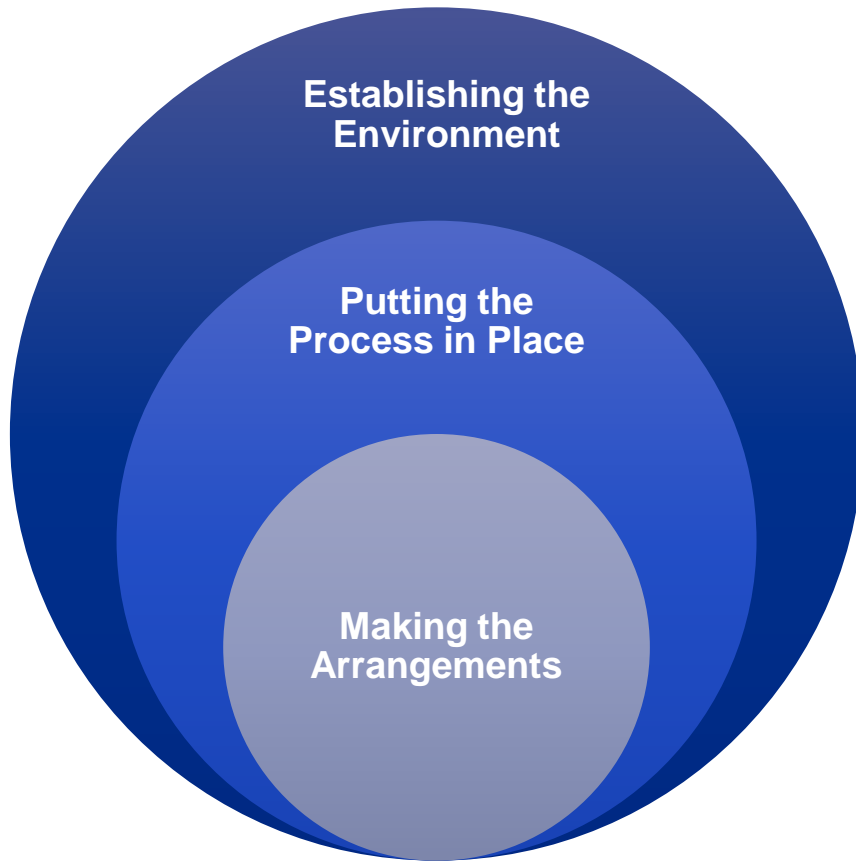
IPC Model for Whole System Outcomes Based Commissioning



“Putting the processes in place”

systems and processes which will support and enable the delivery of outcome focused services. This includes assessment, care and support planning, review, performance monitoring as well as ensuring that staff have the relevant skills.

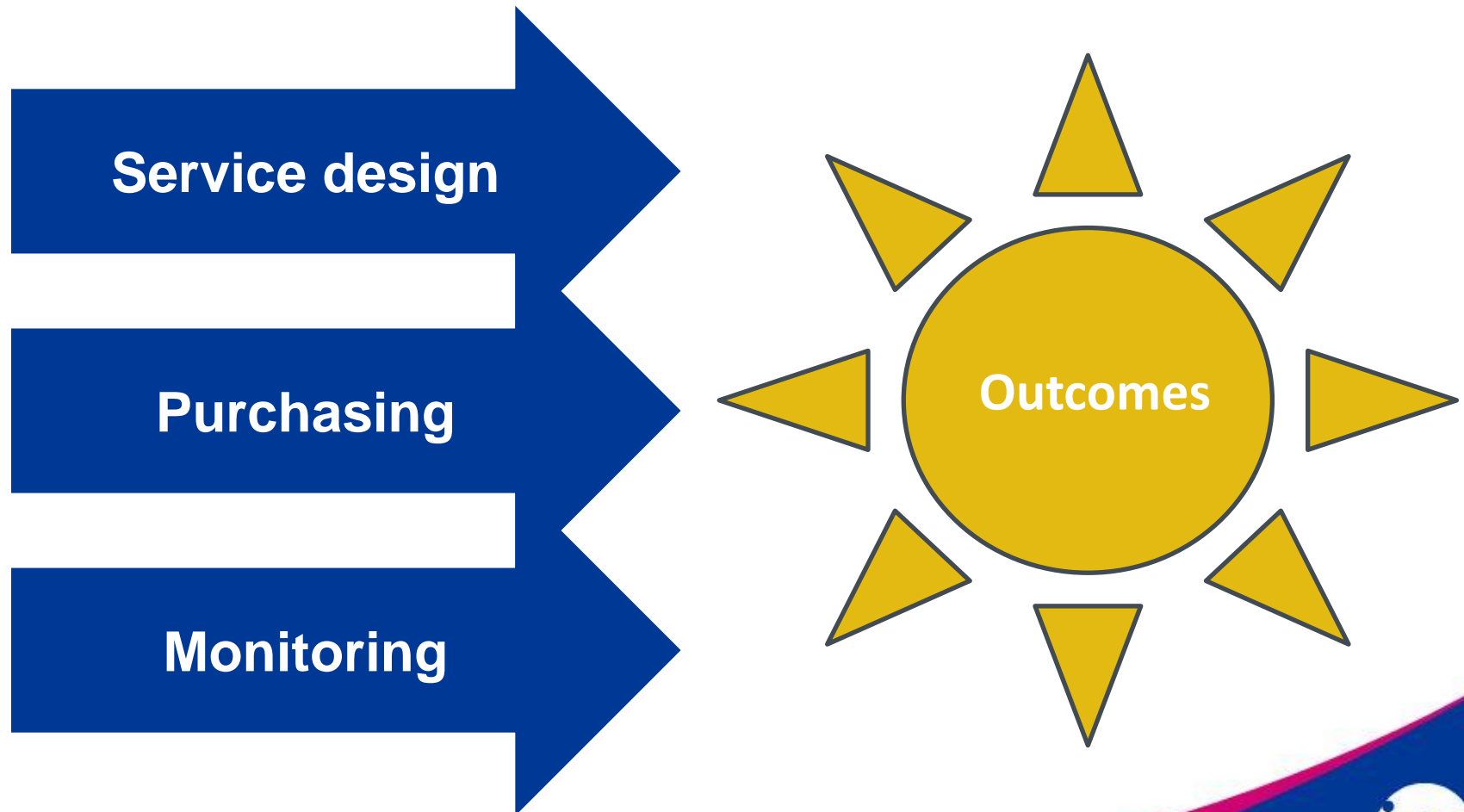
IPC Model for Whole System Outcomes Based Commissioning



“Making the arrangements”

To ensure an outcome focused approach across the whole system the final element of the model describes the arrangements that need to be in place to enable care and support to be contracted, delivered and paid for on the basis of outcomes.

3 elements of an outcomes based approach



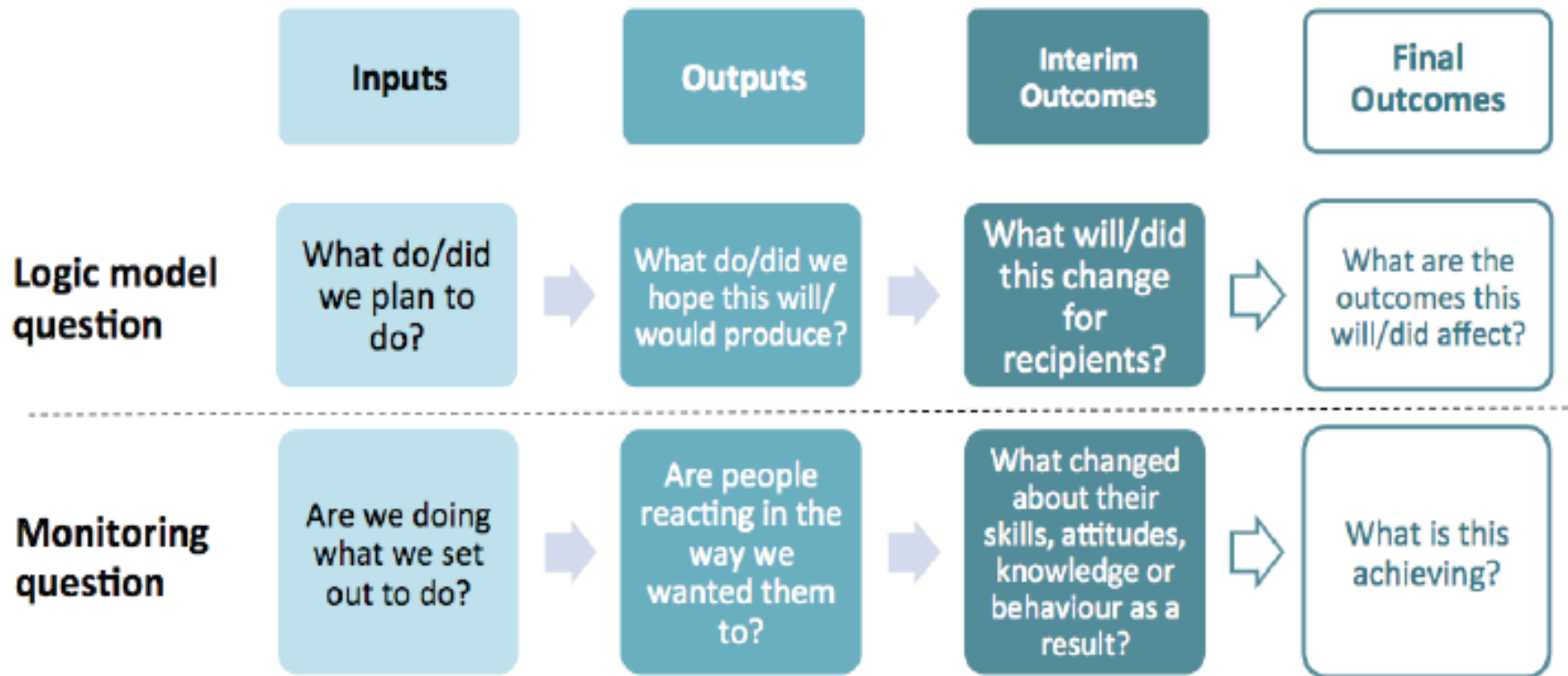
Service design

- Agree tangible outcomes, identify who benefits from these and what is the value of such outcomes.
- Identify specific actionable insights into the underlying needs of children and how the system currently responds to them
- Acquire robust understanding of the available interventions, and their business case for different sets of issues
- Engage all those agencies that are likely to have a material impact on the selected outcomes.
- Commissioner sets direction but some risks transferred to the delivery body.

Social Finance (2015) Commissioning for outcomes across children's services and health and social care

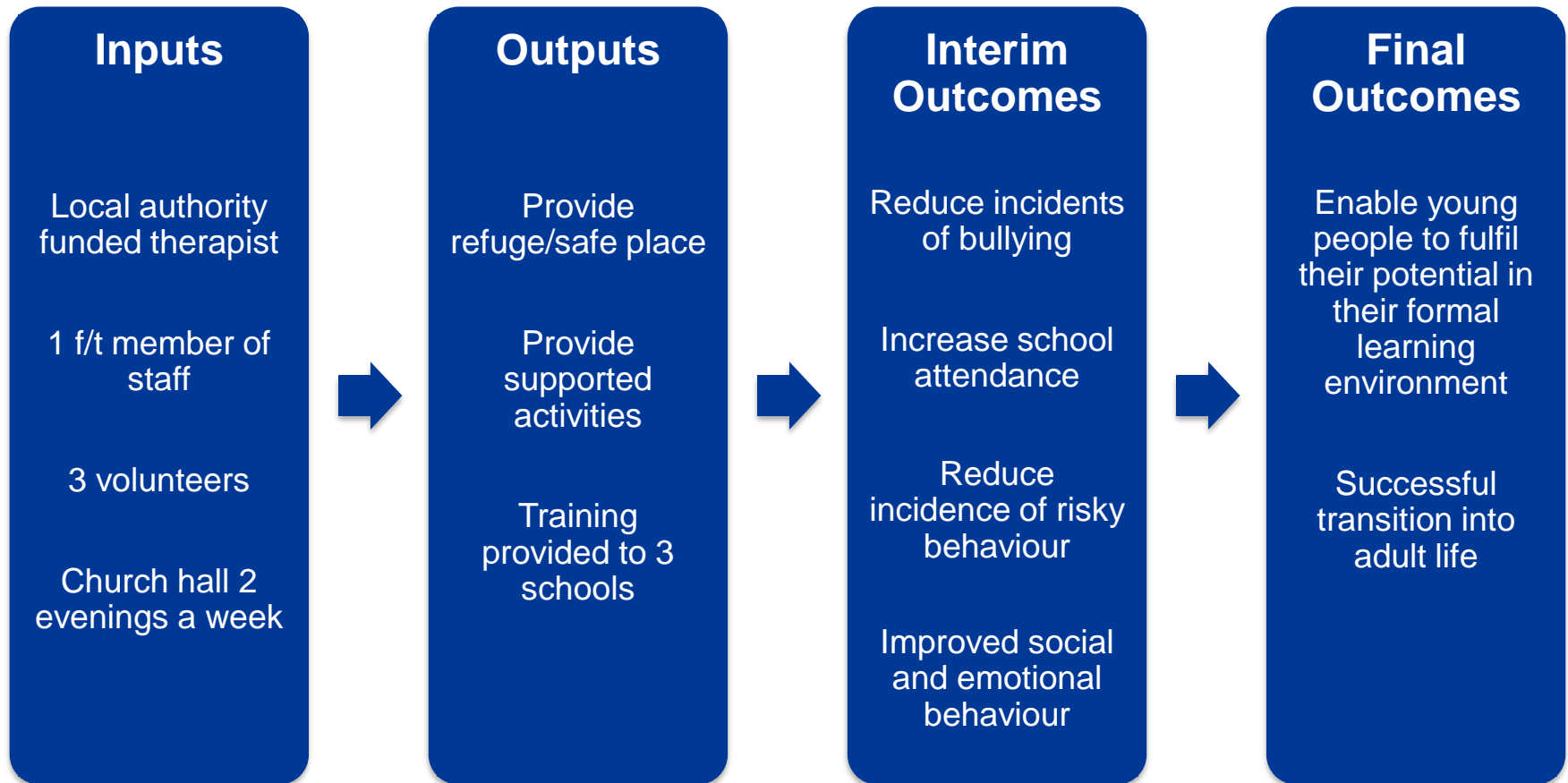


Outcomes-based service design – sequence of events



Children's Improvement Board (2012) Monitoring outcomes and quality assuring provision for children and young people with special educational needs

Example logic model



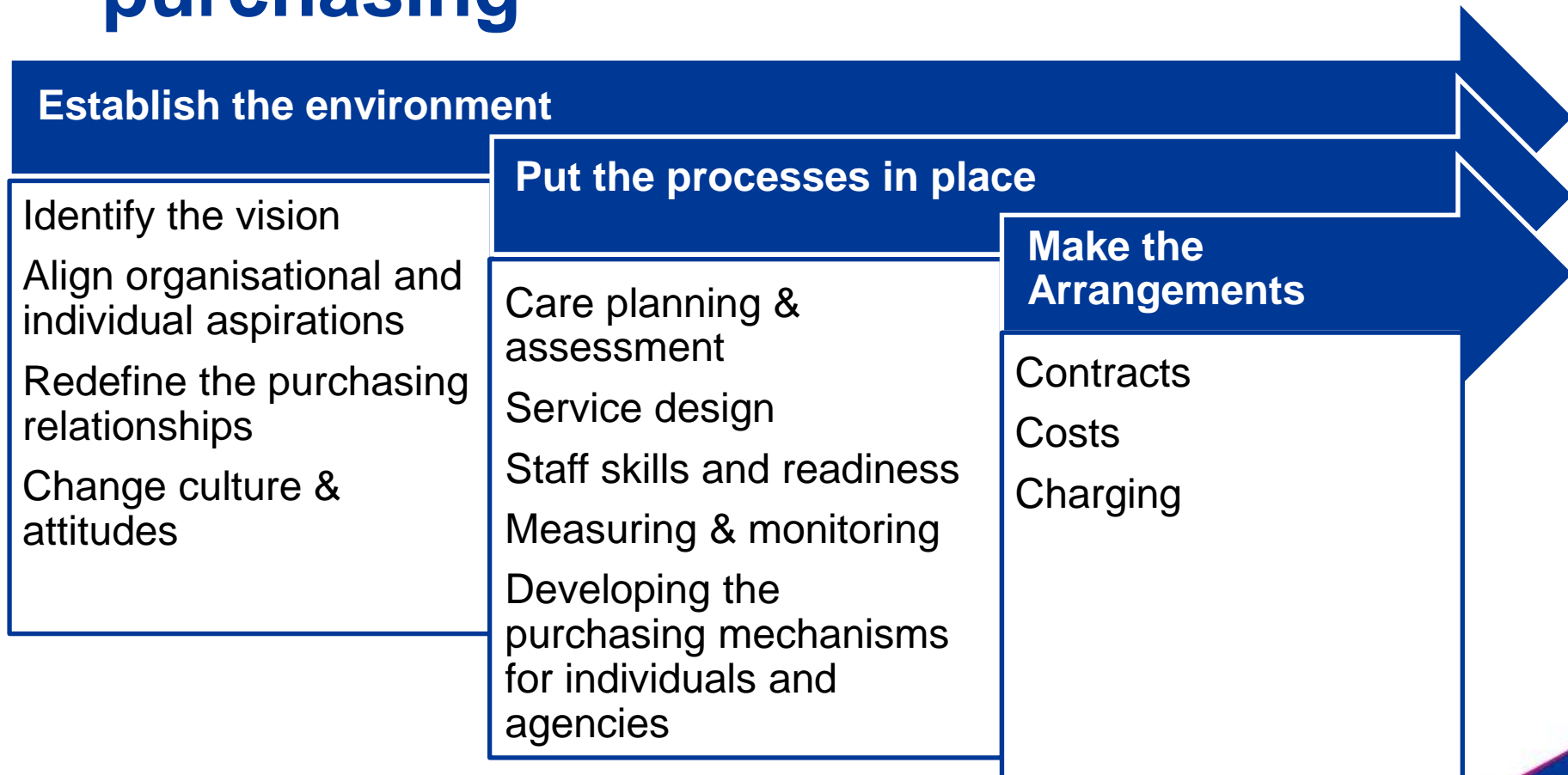
Purchasing

May require a fundamental re-think of business model and operation for providers.

- Can we:
 - Stop paying for outputs?
 - Continue to ensure user choice and personalisation?
 - Attribute the outcomes obtained by a patient/service user to the input of a single provider?
 - Give organisations who provide services incentives for doing better than the agreed outcomes, and disincentives if they don't?



IPC's approach to outcome based purchasing



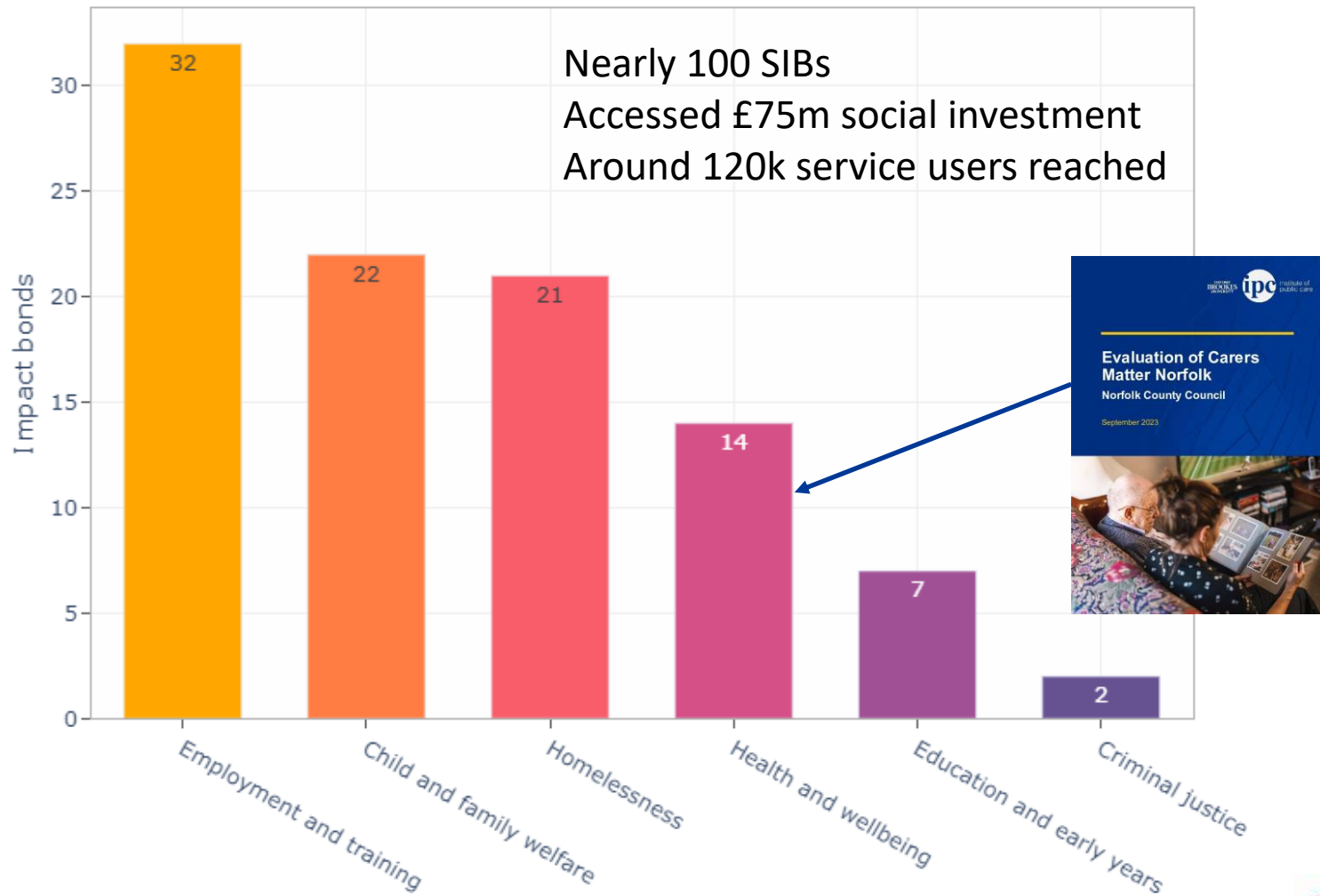
Social Impact Bonds

- A commissioning tool that can enable organisations to deliver outcomes contracts and make funding for services conditional on achieving results.
- Social Impact Bonds (**SIBs**) are outcomes-based contracts. They use private funding from investors to cover the upfront capital required for a provider to set up and deliver a service. The service is designed to achieve measurable outcomes specified by the commissioner. The investor is repaid only if these outcomes are achieved.

SIBs – Parties typically involved



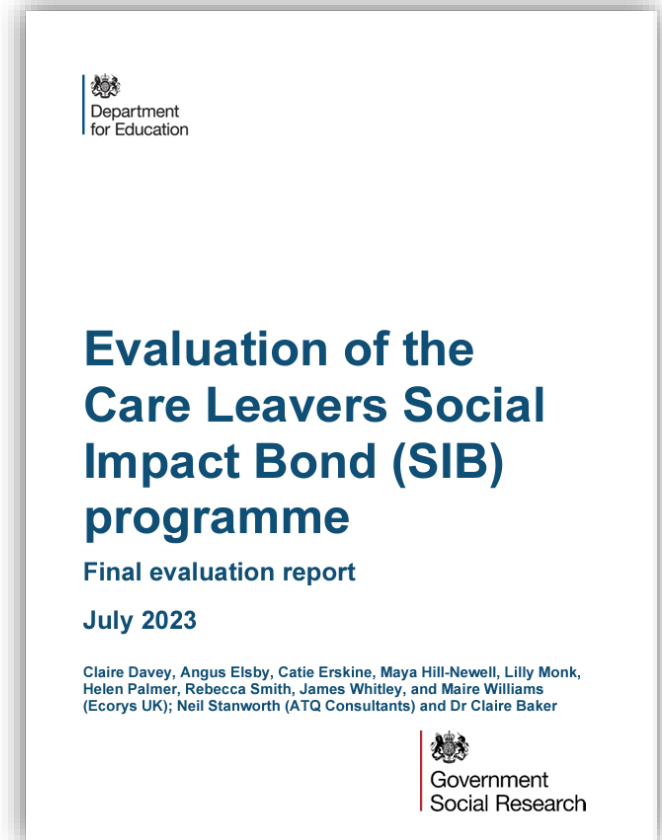
SIBs – UK use by policy area



Info on SIB contracts in UK [@Impact Bond Dataset](#)
IPC Norfolk Evaluation [@carers-matter](#)

Example of a Social Impact Bond

- 61% achieved at least 1 employment outcome.
- Half achieved at least 1 education or training outcome.
- Attribution to the SIB model for these outcomes varied, however.
- Focus on achieving outcomes and flexibility in how this was achieved in their performance management was welcomed by Providers.



SIBs – why use them?

There are a range of potential **benefits** that impact bonds might bring to public services:

- Bring together expertise from different fields
- Allow investment in prevention/early intervention
- Enable new interventions to be tried and evaluated
- Enable greater flexibility and resilience in service delivery
- Level the playing field for voluntary sector and NGOs

However, there are also a number of possible **limitations** to their use:

- Not appropriate in all situations
- Complex and expensive to develop
- Outcomes difficult to define
- May not encourage innovation
- Financialisation of public sector

SIBs – Conditions for successful implementation

LOUD SIB model:

Collective **L**eadership

- key advocates across all organisations involved in a SIB
- collective leadership across and between the different organisations

Clear **O**utcomes

- outcomes achieved over and above those that would happen without the intervention
- Specifically defined and objectively measurable

More detail [@PIRU Ecorys LOUD SIB Model](#)



SIBs – Conditions for successful implementation

Shared Understanding

- all parties have a shared understanding about how the policy problem can be addressed, that
- the proposed intervention is credible or knowledge-based, and
- it is seen as a viable option in the area where it is to be delivered.

Data

- The eligible cohort, including the size of the cohort, the outcomes they are currently achieving and the current cost of supporting them; and
- The outcomes likely to be achieved by the intervention, including when these would take place and for how long they are likely to be sustained.

Monitoring



- Put in place a monitoring framework that can capture performance against the outcomes.
- Develop one or more indicators to measure the change in relation to each outcome.
- Ensure a balance between subjective (or self-reported) and objective indicators.
- Measure intermediate outcomes or the distance travelled towards an outcome.
- Evaluate longer-term outcomes.

Nef (2009) A guide to commissioning children's services for better outcomes

What works in implementing an outcome-based approach

- Developing trust and enabling providers to have the skills and knowledge to deliver the right outcomes in the most appropriate way.
- Make payment and performance management processes clear and simple.
- Develop common understanding and engagement across assessment staff, providers, carers and their families of the importance of taking an outcomes approach.

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