

Harrow Strategic Partnership Board

14th June 2007

Outcome-Based Commissioning and Contracting – A discussion paper

The HSP Board is asked to agree:

- (i) that officers identify appropriate opportunities for further development of Outcome-Based Commissioning and Contracting;
- (ii) that officers work with providers to identify those who may be willing to embrace a changed approach to commissioning and contracting;
- (iii) that the Board receive a progress report in 6 months time.

Background

The Executive Director People First, in response to a discussion with voluntary and community organisations, had agreed to consider whether it would be possible to commission and contract with the voluntary and community sector using an outcomes-based framework. This paper sets out the issues to be considered before making such a change, the implications of doing so and the progress that has been made in relation to domiciliary care for children and adults.

Within Children’s’ and Adult’s Services there is an increasing focus and emphasis on outcomes – Every Child Matters and Our Health, Our Care, Our Say framed a series of outcomes for children, young people and adults within a wider concept of well-being. This is leading increasingly to a movement from contracts defined by quantity of service, whether measured by numbers participating, places or activity, to contracts which focus on outcomes to be delivered.

Outcome-Based Commissioning and Contracting

Outcome-Based Commissioning and Contracting can be described as any commissioning or contracting that links outcomes to investment. It moves the focus to results that may be achieved for individuals rather than inputs, outputs or processes. Usually an outcome target is expressed in terms of specific changes in condition, behaviour and satisfaction for the people receiving the service or programme. In terms of contracting the table below shows examples of outcomes:

Inputs	Outputs	Processes	Outcomes
Number of people who attend for training	Number of people who complete training	The provider will deliver training sessions on Thursday evenings	Numbers demonstrating changes in knowledge, attitudes, behaviour and satisfaction.

Number of people who sign up for a job finding course	Number of people who attend and complete the course	The provider will design and run 6 job finding courses during the year	Number of people who obtain jobs and are still in employment after 3, 6 and 12 months.
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Implications for stakeholders¹

Some of the implications of introducing a true outcomes framework for key stakeholders within a social care context are shown below:

Stakeholders	Implications
Local government and PCT commissioners and contracting teams	<ul style="list-style-type: none"> • Joint commissioning and investment teams linked through key strategies to establish local outcomes-based commissioning and investment plans and contract mechanisms. • Market management to reward outcomes of service systems. • Develop joint investment planning with local GP Practice Based Commissioning and school clusters and joint commissioning teams to integrated health, social care and wellbeing investments. • Link individual and programme budgets. • Service and programme portfolio data management for benchmarking. • This does not exclude separate commissioning arrangements and may not cover all areas in the short-term.
Providers of services	<ul style="list-style-type: none"> • Responsible for responding to outcomes-based call for investment, setting outcome targets, verifying their achievement and being monitored on the basis of outcomes and impacts. • Ensuring that individual outcomes are met and innovating to ensure high performance
Users and carers	<ul style="list-style-type: none"> • Individual budgets would operate within a personal or programme outcome care planning framework. • Users would be required to give feedback on quality, satisfaction and outcomes achieved for self or others.

Challenges

A shift to an outcomes-based model poses a number of key challenges, including:

- Outcomes for whom (e.g. for individual, for family, for commissioner, for provider)
- Assumes a direct cause and effect relationship
- Measurement problems and timescales
- Requires whole system review
- Potentially shifts risks towards providers

¹ Adapted from Technical Briefing – outcomes-based commissioning and contracting. Commissioning News. Dec 2006

Developing the approach in Harrow

The Council is currently at the pre-qualification phase of the tender process for the provision of domiciliary care services for children and adults. The draft specification signals the Council's intent to move towards Outcomes-Based Contracts which will specify the outcomes to be met by the provider within an allocation of hours. It is recognised that this represents a significant change and that the move to an outcome-based focus will require development over time, and detailed discussion with providers to put this in place. It is also acknowledged that this may not be appropriate for all service users.

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