Tool 11: Outcomes-based procurement template

This document is part of the Home Care Outcomes-based Commissioning Toolkit developed by the National Commissioning Board for Wales to assist home care commissioners and providers to move the home care service towards a more outcomes-based approach. This is an outline document that will be developed further as the project moves forward.

Don't forget that procurement approaches and models are subject to the provisions of the Public Contracts Regulations 2015 (PCR) which have made fundamental changes to the way social care (and other 'light touch') services can be procured, so make sure you check these regulations when considering your approach. Please read the guidance by LEC for further information on the PCR.

1 Core Material: Overarching principles of this toolkit

The provision of social services in Wales is governed by the Social Services and Well-Being (Wales) Act 2014. The Act is accompanied by a Code of Practice and guidance on the exercise of social services functions and partnership arrangements. The Code of practice stipulates that:

"In order to seek to promote the well-being of people who need care and support and carers who need support, local authorities need to understand what matters to people and the personal outcomes they wish to achieve".

The provision of health services in Wales is the remit of NHS Wales under the direction of the Welsh Government. Local Health Boards have responsibility for all commissioning and provision of health services in their area. The Welsh Government has produced an Outcomes Framework for the NHS in Wales that it describes on its website as follows:

"The NHS outcomes framework includes only outcomes and outcome indicators that have been determined to measure health related well-being. A delivery framework is in place to support the delivery of health and well-being by health boards and health trusts. "

Generally, the toolkit identifies that there are three models of outcome-based commissioning:

- **Model 1: Outcome Based Care Planning:** (Using outcomes as the basis for planning and reviewing a care package)

- **Model 2: Reward for Achieving Outcomes and customer satisfaction:** Again, Individual focused but concentrating on the financial aspects of meeting outcomes.
- **Model 3: Population based accountability for Outcomes:** Responsibility for the provider(s) for meeting the outcomes of a group of people across a defined geographic area

2 Purpose of this tool

The purpose of this tool is to provide commissioners with a checklist and other information regarding the planning of home care and reablement procurement exercises.

3 Core Materials

A major source of information and guidance about outcomes-based procurement is the Government Outcomes Lab 'How *To Guide – Procurem*ent' listed under additional materials, below. Whilst it is generic in nature it provides both general advice on outcomes –based procurement as well as a toolkit covering procurement activities through the commissioner journey.

Whilst some minor procurement activity can be carried out on a routine basis under normal local authority finance procedures, major procurements are generally project planned by the purchasing authority. Some project plans will cover the whole commissioning cycle, whilst other may be initiated later and just cover the actual procurement activities. The local authority's contract procedure rules will usually govern their procurement processes for below and above threshold procedures. These may include the relevant financial procedure rules for procurement or they may be separate. Commissioners and procurement officers ought to consult these rules before commencing a procurement exercise. Some authorities will use their generic project planning methodology whilst others will have a more specifically-tailored approach for procurement exercises.

However, where there is scope for variation in the methodology and where the procurement activity is for outcomes based home care, this part of the toolkit contains a bespoke project planning template that takes particular account of the additional steps needed for outcomes-based procurement. The purpose of a Procurement Project Plan is to define the procurement requirements for the project and how it will be managed through to a conclusion. The requirements of the PCR will need to be built into this process. A standard procurement project plan is likely to contain steps designed to cover some or all of the following[1]:

- Service to be procured with rationale and timelines.
- Type of contract to be used.
- Risks associated with the procurement.
- How procurement risks will be mitigated.

[1] Adapted from: http://www.projectmanagementdocs.com/project-planning-templates/procurement-management-plan.html#ixzz4ZcBKRb00

- Determining costs and if/how they're used as evaluation criteria.
- The uses of any standardised procurement templates or documents to be used.
- How multiple suppliers will be managed if applicable.
- Contract approval process.
- Decision criteria.
- Establishing contract deliverables and deadlines.
- How procurement and contracts are coordinated with project scope, budget, and schedule.
- Any constraints pertaining to procurement.
- Direction to sellers on baseline requirements.
- Vendor Management.
- Identification of any prequalified sellers if applicable.
- Performance metrics for procurement activities.

However, the procurement of an outcomes-based home care and reablement services will require additional steps or considerations in the procurement process. In particular, it needs to incorporate:

- Engagement with service users, carers and communities to identify/confirm the outcome framework to be used for the procurement and the operation of the commissioned service.
- Engagement with internal stakeholders to ensure that practice across the local authority is consistent with and supportive of the outcomes-based approach being followed.
- Engagement with external commissioners in partner organisations to ensure consistency with their approach if they also commission home care.
- Engagement with providers and potential providers to obtain their input into what the outcomes-based procurement process and framework should take.
- Statement of the required outcomes and development of the outcome measures.
- Clarification of the relationship between the outcomes framework itself and any additional quality assurance processes and indicators to be used in support of it.

The requirements of the PCR (and unless waived the local authority's contract procedure rules) will need to be built into the process chosen. In addition you might need to consider the following elements as appropriate to each of the outcome-based models in the toolkit as follows:

3.1 Model 1: Outcome Based Care Planning: (Using outcomes as the basis for planning and reviewing a care package)

- Engagement of assessment and care management staff.
- Development of (or linkage to) Outcomes-based care plans and care planning processes.
- Ensuring effective staff development arrangements for providers.

- Developing appropriate risk management mechanisms.

3.2 Model 2: Reward for Achieving Outcomes and customer satisfaction: Again, Individual focused but concentrating on the financial aspects of meeting outcomes.

All the above plus:

- Developing appropriate financial rewards systems.
- Developing appropriate monitoring and payment systems.
- Developing effective review processes.

3.3 Model 3: Population based accountability for Outcomes: Responsibility for the provider(s) for meeting the outcomes of a group of people across a defined geographic area

- Identifying appropriate population based outcome indicators.
- Developing appropriate monitoring mechanisms for those indicators.
- Developing liaison arrangements with providers around usage and progress of those indicators.
- Ensuring mechanisms for reviewing the appropriateness of those indictors.

Commissioners will know that each procurement exercise has to be individually planned and implemented. However, this framework should help in the process and ensure that the procurement of an outcomes-based service work well.

4 Good Practice Example

Croydon have produced a comprehensive document (listed under *'Further Resources'*, below) for assessing providers. They describe it as follows:

"This document sets out the competencies and capabilities that providers would need to demonstrate when delivering outcome based commissioning. In addition, it enables providers to self-assess themselves against these elements in order to consider their current maturity and areas for development. "

It sets out core competencies (describe the overarching abilities) and capabilities (specific functions) that would be expected of providers, breaking the latter down into a services. The guidance lists 8 headings for 'Capability Statements', with several statements under each heading. Those headings are:

- Strategy and Vision.
- Leadership and Governance.
- Processes.
- Technology.
- Performance Management.
- Financial and Risk Management.
- People and Culture.

- Sourcing and Collaboration.

The document also contains details of an assessment framework that can be used with providers that has scoring charts and a maturity model that allows providers to describe their capabilities as being one of:

- Emerging.
- Developing.
- Established.
- Leading.

They also describe their assessment framework as providing automated outputs. They expect it to be repeated periodically over time, to measure improvement and progress made with development plans.

NEF, in their report –*'Commissioning for Outcomes and Co-production'*, identify the use of 'Method Statements' to find out the provider's rationale behind their approach. Examples given include:

1. To explore a provider's understanding of how the service-level outcomes will be achieved:

- What activities will be delivered and how will your activities and outputs bring about the service outcomes detailed?
- Which outcomes have you chosen to focus on for this contract? How will your activities and outputs bring about these outcomes?

2. To explore a provider's ability to meet the community-level outcomes:

- What aspects of how you propose to deliver this service particularly contribute to the wider social, economic and environmental objectives of the Council?
- Any experience you have had in the past that demonstrates how your organisation achieved these outcomes.

3. To explore a provider's understanding of co-production:

- Please describe your organisation's experience of planning, delivering and evaluating youth work interventions and programmes using co-production, with specific examples to evidence your assessment. Please assess your strengths, as well as areas for improvement in relation to co-production.
- [Please describe] how your organisation currently recognises the strengths of people *and how you would see this developing during the period of this contract.*
- What role would you envisage for service users in the development and delivery of your service?
- How does your service support clients in finding ways to help/ support others, including fellow service users, family, neighbours and the local community? Please illustrate your answer with reference to previous contracts.

4. ***To explore a provider's understanding of measuring the outcomes:***

- How you will know your service is creating change, and the rationale for the indicator (way of knowing change is happening) you selected. How will the changes be measured and who will measure the changes.
- Which measurement methods and tools will you use to assess progress against the outcomes?
- Why have you chosen the indicators you have selected?
- How will progress against the outcomes be documented and measured? How will service users be involved in this?

Carmarthenshire re-commissioned their home care services in 2015. Their aims were to:

- Introduce ECM as Mandatory.
- Commissioning hours per week.
- Outcome focussed care and support plans & provider service delivery plans.
- Improve recruitment and retention in sector.
- Consolidating and improving existing contract management and quality assurance systems.
- Sustainability.

They established a strong project management structure with:

- A Project Board.
- E - Tender process.
- Developed a contract and service specification that met our requirements.
- Quality & Performance Monitoring Protocol.
- Held workshops with providers and social workers.
- Worked closely with Business Support/Finance.
- Reviewed our brokerage system.

Carmarthenshire's evaluation of the benefits showed that:

- DTOC has reduced.
- Good working relationships with care providers and care management.
- More flexible approach to delivering care.
- Improved service user satisfaction.
- Improved Terms and Conditions for staff.
- Greater transparency of what is commissioned as billing on actual delivery.
- Provided a foundation to develop services in line with the SS&W Act.

5 Further Materials

Don't forget that some of these materials might have been prepared pre-PCR

Carmarthenshire Domiciliary Care Commissioning Framework Report

'Tools and Templates' Chartered Institute of Procurement and Supply' Webpage, undated.

'Healthcare Supply Chain Network (HSCN) Innovation Procurement: Outcome-based Specification Guide' Healthcare Supply Chain Network, 2015.

A guide to outcome-based agreements A better way to do business, Intellect 2009 (Available only as PDF).

There is a range of non-local authority/social care materials that look more widely at the outcomes-based approach to commissioning and procurement and a selection are listed here.

The Many Ways to Pay for Results: Funding options for innovation and success, Deloittes 2015

Commissioning public services for better outcomes, Crowe D, Gash T, Kippin H, Institute of Government, 2015

What You Need to Know Before You Move to Outcome-Based Contracts, Convergys, 2015

(About the Construction Industry, but useful and thought-provoking).
Outcome led procurement: A common sense approach to construction procurement Constructing Excellence South West, 2015

Consideration of paying for outcomes from a set of the population for domiciliary care, Mears group , 2016.

Croydon have produced a full assessment framework to use with provider organisations moving into outcomes-based services. Provider considerations for delivering an outcome based contract, Croydon CCG and London Borough of Croydon.

NEF –Commissioning for Outcomes and Co-production (2014)

Government Outcomes Lab – How To Guide – Procurement'

Appendix 1

Introduction

This template has been designed to assist commissioners in the procurement of outcomes-based home care or reablement services, but can be used when procuring other services as appropriate.

It does not replace local commissioning and procurement procedures. Rather, it provides an opportunity to ensure that whatever procedure you are following is itself outcomes-focused (for service users and carers) and will lead to the effective procurement of outcome focused services.

	Area/Activity	Comment	Action required
1.	There is a clear understanding and description of the service to be procured and the outcomes to be delivered by it and the model of commissioning being used?		
2.	The contract being used reflects and relates to an outcomes-based service?		
3.	What risks arise from procuring an outcomes-focused service?		
4.	Will the contract(s) awarded have a reward element for the delivery of outcomes?		
5.	Is there clarity about the relationship between the outcomes-based approach and any additional quality assurance processes and indicators to be used in support of it?		
6.	Will the contract(s) awarded just be based upon outcomes, or will there be supporting quality and performance measures?		
7.	How will the ability to deliver outcomes be evaluated in the procurement process?		

	Area/Activity	Comment	Action required
8.	If a population-level outcome model is being used, how will those outcomes be determined?		
9.	Does using an outcomes-based model place any constraints on the procurement?		
10.	Is the direction to sellers clear about outcomes?		
11.	Is there engagement with service users, carers and communities to identify/confirm the outcome framework to be used for the procurement and the operation of the commissioned service?		
12.	Is there engagement with internal stakeholders to ensure that practice across the local authority is consistent with and supportive of the outcomes-based approach being followed?		
13.	Is there engagement with external commissioners in partner organisations to ensure consistency with their approach if they also commission home care?		
14.	Is there Engagement with providers and potential providers to obtain their input into what the outcomes-based procurement process and framework should take?		
15.	Is there a statement of the required outcomes and development of the outcome measures?		

	Area/Activity	Comment	Action required
16.	Is there clarity about the competencies and capabilities that providers would need to demonstrate when delivering an outcomes-based home care service?*		

* See the Croydon Assessment Framework listed in Further resources, above.