

# Commissioning outcomes and recovery

London Borough of Camden

October 2008



# Background

Commissioning and procurement have been accused of ignoring service users, going for the cheapest option irrespective of quality, squeezing out small providers, and playing safe.

To address this, and as part of Camden Council's place shaping role, we teamed up with the new economics foundation (nef) to develop outcome based procurement that will support sustainable communities, and demonstrate the added community value from third sector service provision.

**Supported by HM Treasury, and funded by the Invest to Save Budget (ISB), we set out to:**

- develop and pilot a new outcome based commissioning model
- increase opportunities for third sector organisations to engage in the design and delivery of services in Camden
- develop third sector supply side through capacity building and support.

The ISB project is a partnership with the voluntary and community sector and Voluntary Action Camden in particular. Although the project has mainly focused on developing third sector service delivery, the new approaches that have been developed apply to procuring across all sectors, as our first two pilot projects indicate.

This first ISB pilot project produced a different approach to commissioning. It put mental health users at the heart of service development and delivery, enabling innovation from the provider market, challenging the procurement process to consider wider social impact, and collaborating with users and providers on evaluating the outcomes.

The ISB project joined Camden's mental health commissioners on a sometimes rocky journey from a traditional mental health day centre model to an innovative 'co-production' approach, which aims to enable recovery and involvement in mainstream life for all our residents.

**So far the project has:**

- Involved small local providers in market development and delivered a new consortium approach
- Brought about innovative partnerships with service users and voluntary sector providers in 'co-production' in service design, bringing service users greater choice and control
- Achieved strategic coherence between service level outcomes and wider social, economic and environmental sustainability
- Endeavoured to quantify third sector 'added value' in the procurement environment
- Developed and promoted tools for individuals to measure their own progress, and for commissioners to evaluate and compare service performance.

# First Pilot: Mental Health Day Care Services

Camden, an inner London Borough of around 220,000 people, has very high levels of mental health problems amongst the working-age population and also above average levels of alcohol addiction and suicide (see box). Historically Camden's Adult Social Care department funded four Day Care centres specifically focusing on helping people with mental health problems. These centres were run by specialist mental health charities.

**Mental Health in Camden**

- There is high incidence of mental ill-health: in 2000 16% of adults had a mental health problem and Camden has the highest Mental Illness Needs Index (MINI) score in London
- While there has been a reduction in suicide in recent years, Camden has the second highest suicide rate in London: for the period 2003-05 the suicide rate for Camden was 14.4 per 100,000 of the population, compared to a 2002-04 rate of 8.7 for England and Wales and 8.3 for London.
- Camden has the highest proportion of men dying of alcohol consumption in London (3rd nationally) and the highest rate of female suicides
- It has a larger proportion of people of working age with a limiting long-term illness (9.3%) than both the London (7.8%) and national averages (8.3%)
- More than 12,000 working age residents receive Incapacity Benefit or Severe Disability Allowance. Of these approximately 6000 claims are as a result of mental illness.
- Proportionally fewer residents provide unpaid care than the London and national averages – 7.8% in Camden compared to 8.5% in London and 10% nationally
- There is an overrepresentation of patients from Black African or Black Caribbean backgrounds admitted to psychiatric hospital; 50% compared to the expected 8% based on the prevalence in the Camden population (2002 audit).

A Best Value review of the Council's existing mental health day centres in 2005 found that services were not meeting the needs of some groups of Camden citizens - in particular younger people and ethnic minority groups suffering from mental ill-health. In addition, the review suggested that Camden's Day Care Services should do more to promote the independence and recovery of service users and involve them more directly in the design and delivery of services.

The review's findings are mirrored by a change in approach to the treatment of individuals with enduring mental health issues nationally. National policy is moving from a model of diagnosis and cure, towards a social model that values 'recovery' and social inclusion. This recognises recovery is an ongoing process enabling individuals to take control over how they improve their lives.

As a result of these challenges, commissioners in Camden's social care department took the decision to re-commission the service once the existing term had expired. The contract, worth £2 million over three years, was put out to tender in an open competition to provide centre based day support using three of the four buildings. The fourth was closed, with funds reinvested in two employment support services linked to the Early Intervention Service and Community Mental Health Teams.

# Commissioning Outcomes

The development of a new model to commission outcomes has been a key achievement of the Camden ISB project. This Outcome Model is enabling a major shift in commissioning and procurement practice in Camden.

Two of the key elements of the new approach include:

- 1. Explicitly specified social, economic and environmental outcomes to be accounted for in procurement and delivery
- 2. Establishing effective ways to measure and report on outcomes

Together, these components create a key part of an outcomes focussed commissioning, procurement and performance management process to contracting.

Building outcomes into the procurement process needs to be considered at every stage of the procurement cycle, from service user involvement to the final review of the impact that the service has made. The cycle and the required consideration of outcomes throughout the process are demonstrated in Appendix 1.

## How the outcomes model works

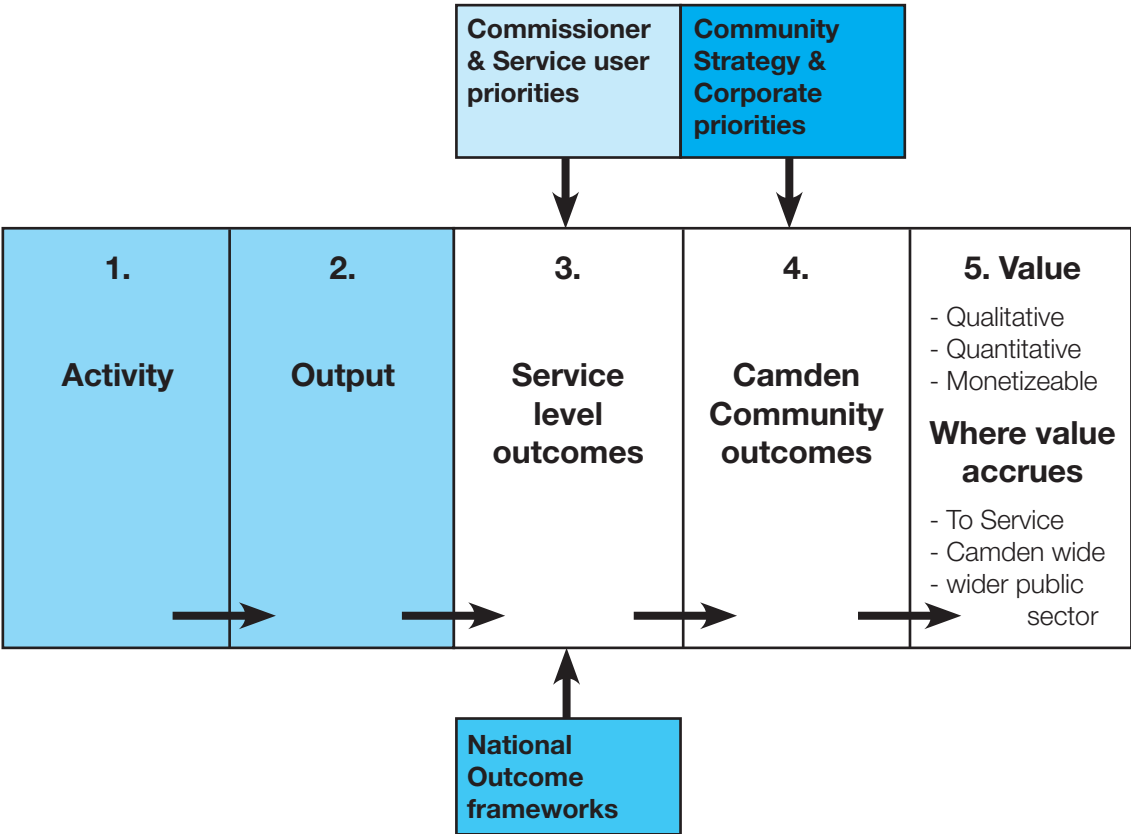
The Outcomes Model values the wider social, environmental and economic impacts providers claim they can create, in addition to the agreed service level outcomes. These outcomes are set out at the tendering stage and are tracked over the course of the contract so that decisions can be made on more than price alone, and there is increased understanding of the impact of interventions.

The Outcomes Framework (figure 1) illustrates the approach, describing:

- How activities and outputs (columns 1 & 2) delivered as part of the service contribute to the desired service-level outcomes (column 3) established by end-users of the service, and commissioners.
- How the service level outcomes relate to the Council's broader priorities (called 'Community Outcomes') (column 4) - established by the Council in their policy and strategy documents.
- How the Council will monitor the value and benefits created through delivery of this service (column 5). Value can be measured in qualitative, quantitative and financial terms. Value accrues to the service, but also across the Council, its partners in community and to the wider public sector.

Further information on the tender schedule relating to outcomes is available from [chambers@camden.gov.uk](mailto:chambers@camden.gov.uk)

Figure 1: Outcomes Model



The model has been used successfully to tender a mental health service contract worth £2.2 million over three years. The winning tender consortium involves three locally based medium sized charities. The consortium was not the cheapest of the bidders, but won on the basis of being the “most economically advantageous tender,” that is a combination of price and quality.

The consortium showed the value of their approach in their tender, demonstrating the positive social, economic and environmental outcomes for Camden as well as for individuals using the service. The tender schedule allows space for providers to detail how their activities, in the way they are delivered, achieve both service and community level outcomes.

The model stimulates innovation amongst all providers (in-house, private and third sector) to achieve key local priorities of a public agency. In particular, the model places the wider social, economic and environmental impacts that some providers may bring to a service at the core of the commissioning process.

Rather than a provider being required to meet minimum environmental or social standards in the delivery of the service, the model allows us to take account of the maximum level of such environmental and social impacts in the tender. The ‘added value’ is seen as a core aspect of the delivery of the service and weighted accordingly.

Camden is piloting the outcome model with a home care service for people with dementia worth £3 million over three years and will be using it across all of their Supporting People and related social services. The total contractual value of services employing the outcome model over the next two years is approximately £30 million.

## Why procure outcomes?

The Outcome Model should help public sector organisations to achieve greater strategic coherence between service level outcomes and wider social, economic and environmental sustainability, see Appendix 2.

### Specifically:

- Better understand the longer term impact of their spend and identify ways in which more sustainable, joined-up procurement can help their objectives (positive social, economic and environmental outcomes)
- Stimulate innovation among providers of services (whether third sector, independent or in-house) related to the delivery of the organisations' social, economic and environmental goals (e.g. for a local authority those detailed in the Community Strategy and the 198 national local indicators.)
- Increase the opportunity for third sector organisations, service users and communities to be involved in design and delivery of services – 'co-production' by recognising the importance of wider community and social outcomes
- Achieve their sustainable procurement objectives, as outlined in 'Procuring the Future: The Sustainable Procurement Action Plan'.
- Align their spending with the Sustainable Communities Act which gives additional devolved powers to local council representatives to solve the problems within their local communities.

## Commissioning innovation

The Outcome Model enabled the winning bidders to put forward an innovative approach to delivering the service. The model's lack of prescription allowed providers to propose the co-production approach to service delivery, which commissioners may not have specified.

The term 'co-production' is increasingly used to describe a shift towards the greater engagement of 'service users' in the design and delivery of services, particularly in a social care context. However, there is very little guidance available to commissioners as to how to stimulate co-production in the commissioning and procurement of services. The Camden example is the first attempt, as far as we are aware, by commissioners to systemically embed co-production in to an adult social care contract.

The tender process encouraged providers to express the ways in which they would involve service users. Prospective providers were required to answer specific questions on service user involvement and illustrate their answers with reference to previous contracts.

### Questions included, for example:

1. How does your service identify and mobilise service users' strengths?
2. How does your service support clients in finding ways to help/support others, including fellow service users, family, neighbours and the local community.

## Measuring and demonstrating outcomes and value

Commissioning outcomes requires effective ways to measure and report them. In Camden, we have piloted and promoted tools for individuals to measure their own progress, and for commissioners to evaluate service performance. For example, the Substance Project Reporting System (SPRS) is being piloted:

**The Substance Project Reporting System** (SPRS) is a web-based monitoring and reporting tool that allows services to generate and capture instant and locally definable statistical results or developmental data. This system was initially piloted with the Home Office Positive Futures programme three years ago.

### It provides users with access to a range of tools to help them demonstrate:

- The breadth and quality of their work
- The numbers and demographic details of participants as well as the engagement and progress of participants
- The contributions and development of volunteers
- How activities and approaches are meeting service level and community level objectives and outcomes

SPRS combines quantitative and qualitative data entry to enable projects to capture and represent their full range of work. The system provides analysis and reports at project/service level and at aggregated programme level, therefore illustrating impact against higher level outcomes e.g. Community Strategy or Every Child Matters.

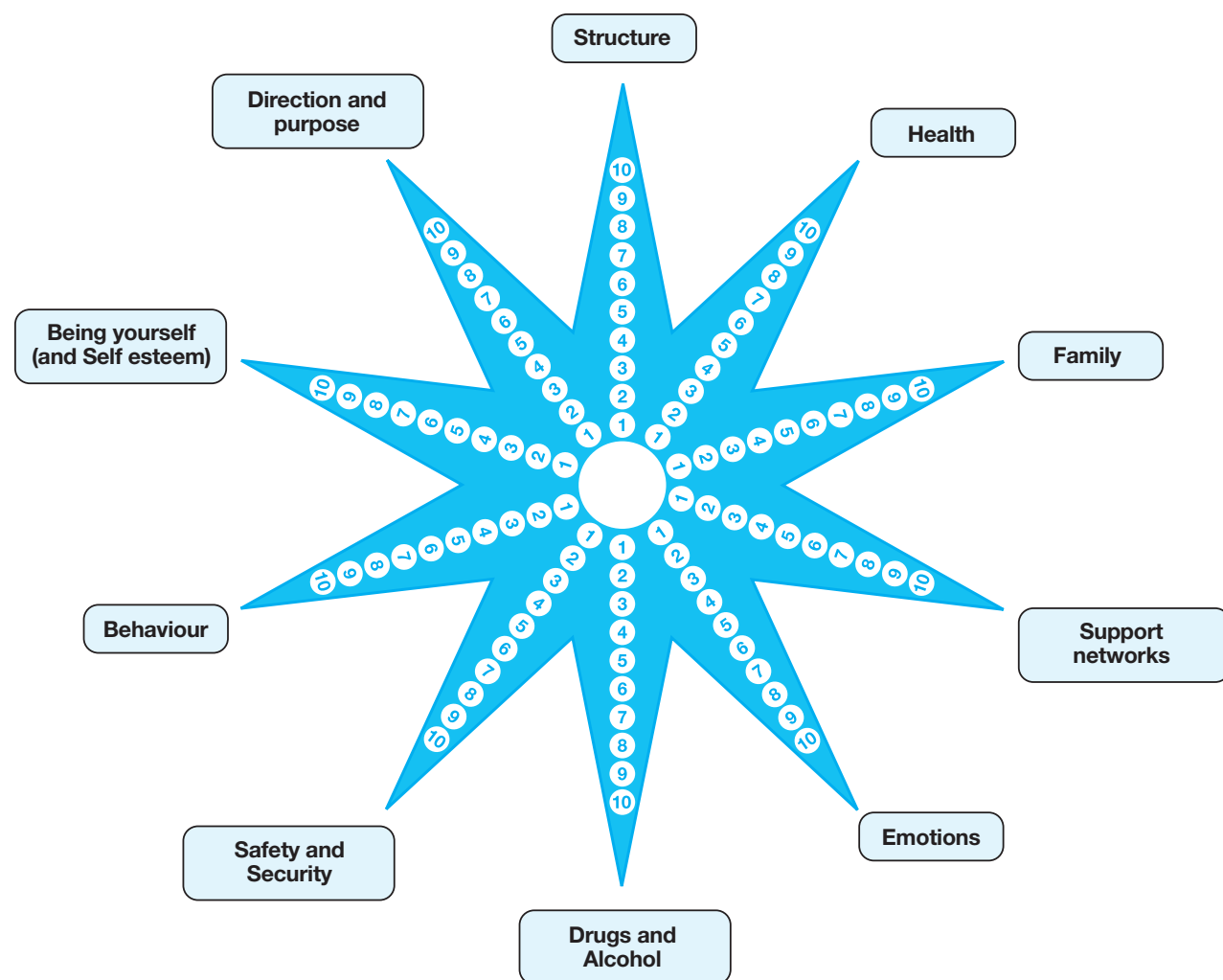
The system provides users with real-time access to key statistics and a full range of quantitative and qualitative reporting functions. These enable providers and commissioners of services and programmes to reflect upon practice through continual learning and development.

**Further info** [www.substance.coop/sprs](http://www.substance.coop/sprs)

### In addition, the Outcome Star Tool (OST) has been piloted:

The Outcome Star is a tested and effective motivational tool which services integrate into assessment and review to record where a client is and how they progress (outcomes) within up to 10 areas of their life. The 10 scales are underpinned by a journey of change – an understanding of how people change and the various turning points and steps involved.

This helps clients and worker understand where someone is in their own process at a given time, as a basis for developing a support plan. It also facilitates the meaningful collation of outcomes data across a service and also across types of service and client group within the borough.



The Outcomes Star was originally developed by Triangle Consulting within the homelessness sector, funded by the London Housing Foundation. A variant for mental health – the Recovery Star – was published in 2008. Through the Invest to Save budget, Camden are now working with Triangle to develop a version for services working with young people on drug and alcohol misuse (draft pictured).

The Outcomes Star and all supporting materials can be downloaded free of charge from [www.homelessoutcomes.org.uk](http://www.homelessoutcomes.org.uk)

The Local Multiplier 3 (LM3) has been piloted in Camden to enable providers to demonstrate the local economic impact of their activities. LM3 is a Government recognised tool for measuring economic impact, particularly for public procurement.

LM3 is free to social economy organisations.

For more information go to <https://www.lm3online.org/Default.aspx>

## Case studies and reports

The Camden approach to commissioning outcomes and recovery has been highlighted in several articles, case studies and reports. For example:

Links below to some of these:

### Baroness Neuberger's review, Volunteering in Public Services: Health & Social Care

[http://www.cabinetoffice.gov.uk/upload/assets/www.cabinetoffice.gov.uk/third\\_sector/neuberger.pdf](http://www.cabinetoffice.gov.uk/upload/assets/www.cabinetoffice.gov.uk/third_sector/neuberger.pdf)

### The Future Role of the TS in Economic and Social Regeneration, Cabinet Office

[http://www.cabinetoffice.gov.uk/upload/assets/www.cabinetoffice.gov.uk/third\\_sector/the\\_future\\_role\\_of\\_the\\_third\\_sector\\_in\\_economic\\_and\\_social\\_regeneration.pdf](http://www.cabinetoffice.gov.uk/upload/assets/www.cabinetoffice.gov.uk/third_sector/the_future_role_of_the_third_sector_in_economic_and_social_regeneration.pdf)

### Assets that can't be bought, July 2008, The Guardian

<http://www.guardian.co.uk/society/2008/jul/16/longtermcare>

### There's little profit to be made from savings, Nov 2007, The Guardian

<http://www.guardian.co.uk/society/2007/nov/21/guardiansocietysupplement.publicmanager>

### Core Values (the Edgar Cahn interview), Oct 2007, The Guardian

<http://www.guardian.co.uk/society/2007/oct/10/guardiansocietysupplement.voluntarysector>  
acevo Impact Briefing [https://www.acevo.org.uk/UserFiles/File/Impact\\_Briefing\\_final.pdf](https://www.acevo.org.uk/UserFiles/File/Impact_Briefing_final.pdf)

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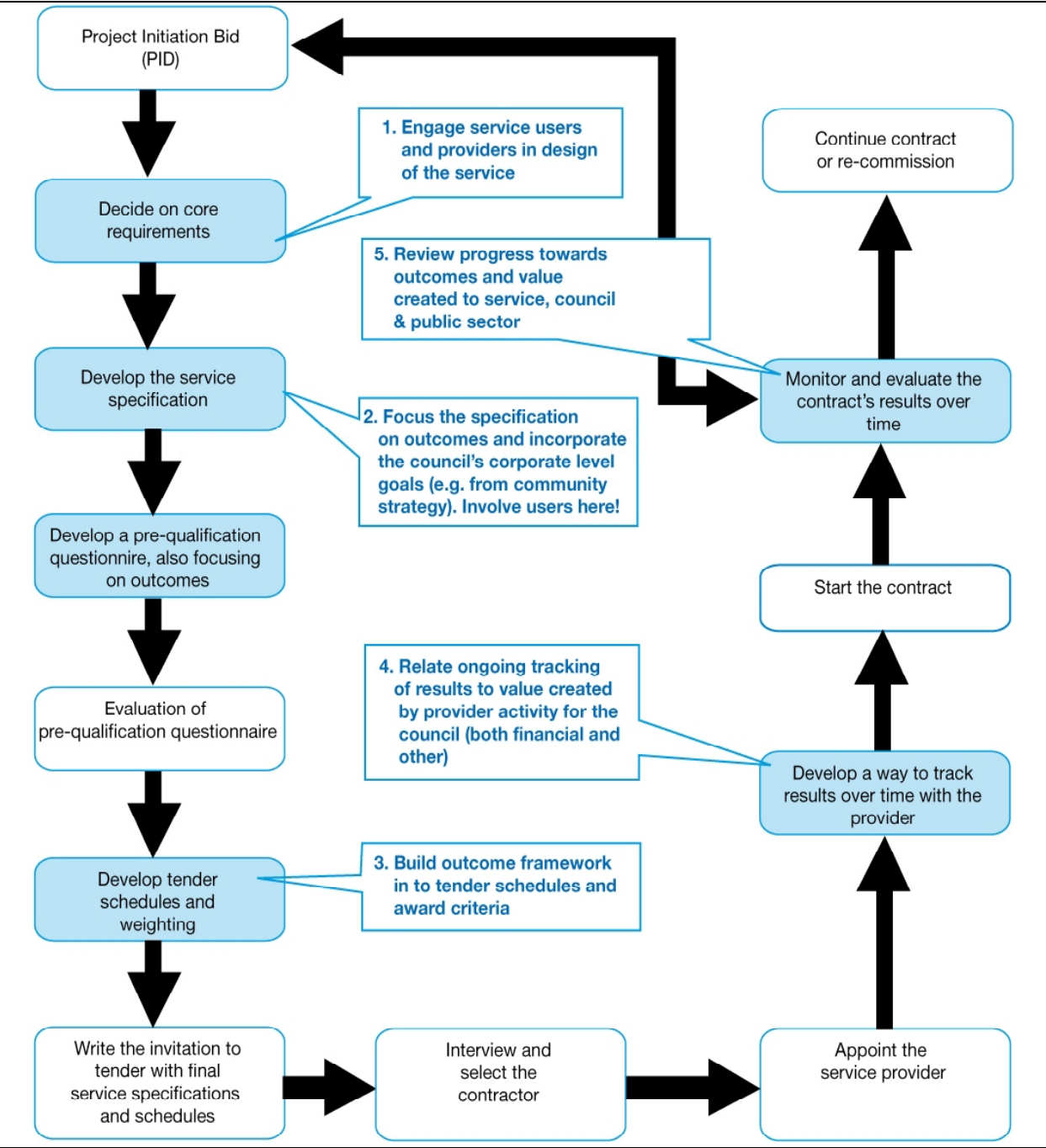
or

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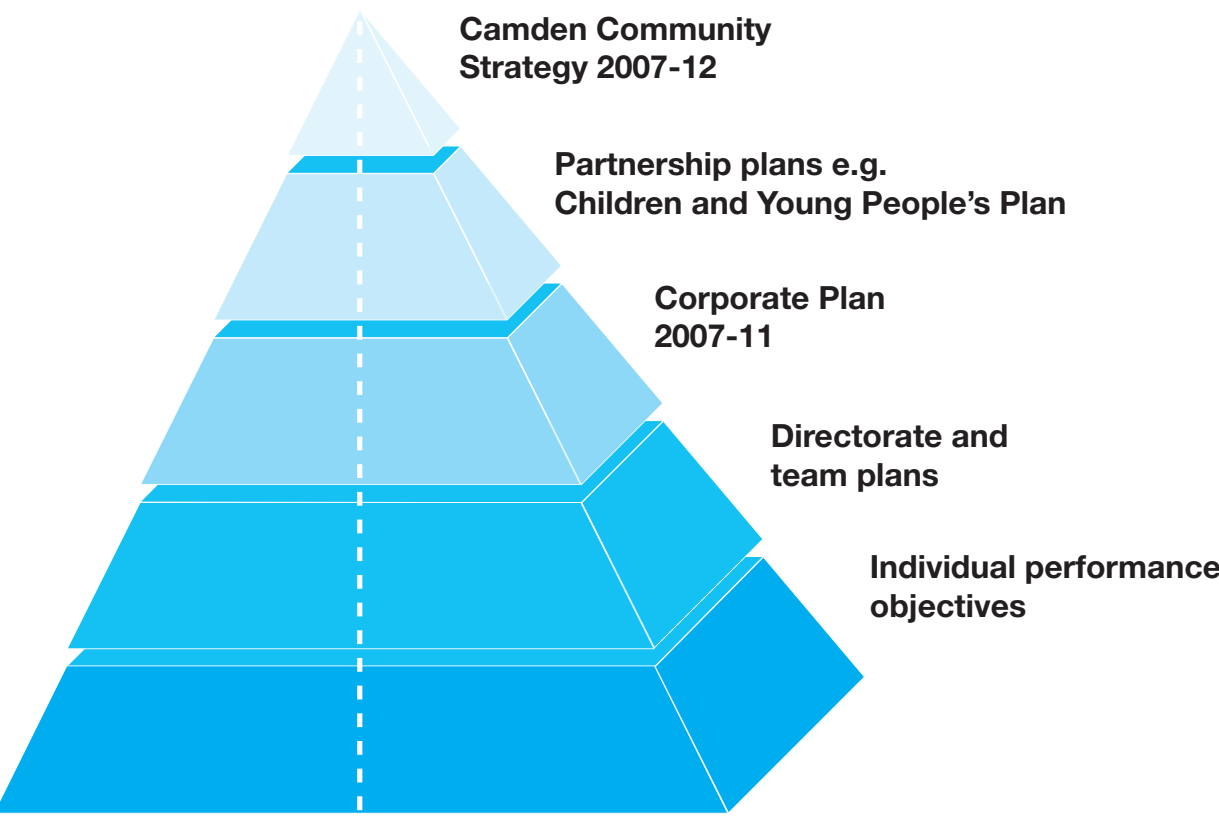
[josh.ryan-collins@neweconomics.org](mailto:josh.ryan-collins@neweconomics.org)



Appendix 1.  
Building outcomes and impact into the  
procurement process



Appendix 2.  
'Golden thread' through the planning process from  
Community Strategy to individual objectives



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