

# REVIEW

## SO NOW IT'S 'OUTCOMES', IS IT?

Sean Lusk (*National School of Government*) and Rob Hutchinson (*Portsmouth City Council*)

After a decade or more when government talked incessantly of 'targets', it now seems that everyone is talking 'outcomes'. Yet many deputy heads of secondary schools, many assistant chief constables, many hospital managers or local authority heads of service are understandably suspicious—is this shift in language just the latest waft of Whitehall hot air? Or is something deeper and more significant afoot? Does the shift towards outcomes hold the prospect of a more intelligent, more rewarding and ultimately more successful approach to public services? It does, at least, seem to be a shift that begins to answer the heartfelt call from people at the front line to 'leave us alone to get on with the job'.

### Why language matters so much

When it comes to jargon, the world of policy competes impressively with the world of management. Words like strategy, policy, objective, output, goal, target, aim and outcome are often used interchangeably and with little sense of their relevant meaning. But successful enterprises use words in a disciplined way where each has a distinct meaning and the distinctions matter. How much service we deliver as measured by inputs such as 14,000 more police or 32,000 more doctors only leads to outputs like more police patrols or more medical examinations. But what we really want are population outcomes like 'healthy people' measured by indicators like 'rate of deaths from heart disease', and service outcomes like 'percentage of clinic patients who adopt an exercise regime' or 'patients lower their cholesterol levels'.

When we fail to align what we do with the outcomes we hope to achieve, the targets we set will not help us over the long haul.

Like weary soldiers fighting a just war—but with little conviction that their generals know how to fire a pistol—our public service managers have shown that they can achieve the target for how the service is delivered again and again—for instance faster delivery or lower cost per unit of service—while appearing to miss the point of it all, which is improved quality of life for people. Part of the problem lies in our insistence on expressing change in terms of activity and product, rather than as the *result* we want to achieve.

A true outcome describes the change we desire in the world 'out there'. It can be useful to think of outcomes in two categories:

- The first is as a 'population outcome'. These outcomes are about quality of life for a population in a given geographical area, for instance: 'healthy people in Kent', or 'all children in Newcastle are kept safe'. Population outcomes need leadership from government but also the contribution of many other community partners and most importantly those from who live in the community.
- The second category is a 'service' or 'customer' outcome.

These outcomes are about change for the better by those who use a service, such as patients attending a doctor's surgery or the clients of a mental health team. To understand change we need to measure both types of outcome.

Whereas spending billions more on education is simply an input, the outcome we seek is for all people in, say, England, to achieve their potential and be economically active as measured by indicators like the percentage of young people who go on to higher education or employment. Our objective is therefore

an education system that helps people to achieve their potential and be economically active. Note that while our objective is about the education system we build and run, our outcome is about the result that education system helps to create (alongside the actions and behaviours of many others). This matters because an outcome is a description of a desired end-state and is hardly ever solely dependent on the activity of government for its achievement. Outcomes are invariably achieved as a result of the work of many individuals and organizations and, above all, of citizens themselves. They are co-produced. 'Service transformation', while important as an enabler of the changes government wants to see, is hardly ever an end in itself.

### Is government is letting go?

So is government leaving the front line to get on with the job? Not exactly. Although we have moved away from the high tide of targets, which saw 160 centrally-set targets for Whitehall departments in the 2000 Spending Review and around 1200 indicators for local authorities in the first round (2005) of Local Area Agreements (LAAs), government still wants to hold the public sector to account for how it performs (and thus for whether it is spending £586 billion of taxpayers' money efficiently) and for whether the public sector is effective in achieving service outcomes and leading partnerships toward improved population outcomes. Government, whether national, devolved or local, also wants to be able to say 'we did this' come election time. But what government is beginning to learn is that being clear about what it wants to achieve (the outcome) is what matters most, and the role that its activities and its money plays can be subordinated

to the outcome without detracting from government's ability to say to an electorate: 'we achieved this'; or better still: 'you achieved this (on our watch)'. This understanding, coupled with the realization that change is achieved systemically rather than through levers or attempts to create the perfect quasi-market, has led to 30 public service agreements for Whitehall and a National Indicator Set of 198 indicators for local authorities in the new LAAs, of which 51 are mandatory. The Scottish government has gone further, with a single purpose, five national objectives, 15 outcomes and 45 indicators.

By setting fewer targets and relating them more clearly either to service or to population outcomes and by giving local authorities, schools, hospitals and other public and voluntary agencies more scope to achieve them, government is 'letting go', rather like a parent lets go when a child leaves home, with a mixture of pride and trepidation, with trust, hope and a beady eye it can't quite afford to lose.

### **Seminar**

This article is based on the authors' presentations to the PMPA/BT Vision@ lunch seminar on 14 October 2008 on the management of public services by outcome. For further information visit [www.nationalschool.gov.uk/strategyexchange](http://www.nationalschool.gov.uk/strategyexchange) or email [sean.lusk@nationalschool.gsi.gov.uk](mailto:sean.lusk@nationalschool.gsi.gov.uk). For future seminars, see the PMPA website: [www.pmpa.co.uk](http://www.pmpa.co.uk)

*Sean Lusk is Head, Strategy Programmes/ Research, National School of Government, London.*

*Rob Hutchinson was formerly Director of Social Services, Portsmouth City Council.*