



# Measuring and reporting outcomes of Community Sector grants

A **Plain English** resource to use with the  
*DHHS Community Sector Outcomes  
Purchasing Framework*

Produced by TasCOSS

# Contents

PART ONE.....	2
1. Why measure outcomes?.....	2
2. Why is DHHS looking at outcomes measurement? .....	3
3. Who does this change affect? .....	3
4. How will the sector be involved?.....	4
PART TWO.....	5
5. The Outcomes Purchasing Framework.....	5
6. What do DHHS-funded Community Service Organisations have to do? .....	6
7. How will the outcomes be decided on?.....	6
DHHS generic Outcomes Hierarchy .....	7
1. Population-level outcomes.....	7
2. Program outcomes (change for clients or target groups).....	8
3. Program outcomes (quality of services) .....	8
4. Program outputs (or activities) .....	8
PART THREE.....	10
8. Developing the indicators .....	10
Developing indicators of population outcomes .....	10
Developing indicators of program performance.....	11
9. Collecting the data.....	13
10. Reporting on the data .....	14
11. What if the data suggests services are underperforming?.....	14
PART FOUR .....	16
12. When are these changes happening? .....	16
13. Some important matters for the Community Sector to consider .....	16
Questions still to be answered for the sector include: .....	17
14. What is TasCOSS doing? .....	17

# PART ONE

TasCOSS supports the move towards measuring outcomes of the work services do. But for this work to be useful, all parties need to understand what is involved. This paper is a Plain English resource to accompany the *DHHS Funded Community Sector Outcomes Purchasing Framework* and help you understand outcomes measurement.

The [DHHS Funded Community Sector Outcomes Purchasing Framework](#) can be found on the Department of Health and Human Services (DHHS) website (click on hyperlink or see URL address below)<sup>1</sup>. The DHHS Community Sector Relations Unit has also prepared a brief [Overview of the Framework](#).<sup>2</sup>

## 1. Why measure outcomes?

Everyone who works in community services wants to see positive changes in the lives of the people who use their services.

But how do we know whether the programs we provide are actually useful for clients? How do we know whether clients are actually achieving the goals they set for themselves? How do we answer the question of whether our services could be more useful or effective?

The way we can answer these questions is to look for evidence of change. We can ask ourselves, our clients and other services whether the programs we provide are achieving the outcomes they are aiming for.

If we can do that, we can establish that we are achieving good outcomes for clients and tell the story of the changes we are creating. We will then be well placed to argue the case for the importance of our services and for appropriate funding for the community safety net we provide.

This way of working is called 'measuring outcomes'. We measure outcomes by being clear about what we are trying to achieve, then working out how to measure whether we are achieving it and to what extent.

It's quite possible that you are already collecting information about client or service outcomes but you have never thought of it as 'outcome measurement' – for example, you might already be collecting information about improvements to client

---

1

[http://www.dhhs.tas.gov.au/\\_data/assets/pdf\\_file/0013/161005/DHHS\\_Funded\\_Community\\_Sector\\_Outcomes\\_Purchasing\\_Framework\\_Final.pdf](http://www.dhhs.tas.gov.au/_data/assets/pdf_file/0013/161005/DHHS_Funded_Community_Sector_Outcomes_Purchasing_Framework_Final.pdf)

2

[http://www.dhhs.tas.gov.au/\\_data/assets/pdf\\_file/0014/161006/Outcomes\\_Purchasing\\_Framework\\_-\\_Overview.pdf](http://www.dhhs.tas.gov.au/_data/assets/pdf_file/0014/161006/Outcomes_Purchasing_Framework_-_Overview.pdf)

behaviour, circumstances, confidence or community engagement following the intervention of your service.

In the future, all Community Service Organisations that receive funds from DHHS will be asked to report on whether or not they are achieving client outcomes. Measures of client outcomes will be included in Funding Agreements and reporting requirements.

So it is important to understand what outcomes are, how they are measured and why these changes are happening.

## **2. Why is DHHS looking at outcomes measurement?**

DHHS works across a range of Program Areas (Housing, Alcohol and Drug Services, Children, Youth and Family Services etc). It wishes to have a consistent approach to measuring whether the funding it provides for human services across all these areas is achieving positive changes for clients and communities.

To develop a consistent approach, DHHS wants services to get better at measuring and reporting on the outcomes they achieve for their clients. It also wants DHHS employees to use this information in a more consistent way and to start managing programs and funding agreements in a way that focuses on these outcomes.

The *DHHS Outcomes Purchasing Framework* outlines the approach DHHS proposes to use.

This means that, in the future, some of your reporting will still be about what you do (your activities) but you will also be asked to report about what changes have been achieved by your clients (your outcomes).

## **3. Who does this change affect?**

All DHHS program areas that have funding agreements with the community sector will use this framework.

A DHHS program is the program, or set of similar programs, designed to achieve a particular outcome for clients. (An example might be all out-of-home care in Children and Youth Services.)

This will affect housing and homelessness services, children and youth services, mental health services, drug and alcohol services, home and community care services, population health services, disability services, and community and gambling support services.

## 4. How will the sector be involved?

The *Outcomes Framework* outlines how DHHS wants to work with Community Sector Organisations on developing these outcome measures for its programs.

The work will be done at two levels. At the first level, outcomes, indicators and targets will be set for each DHHS program or sub-program. For example, a statement will be developed for the whole Home and Community Care (HACC) program but separate statements will be developed for Specialist Homelessness Services' three sub-programs (Intake and Assessment, Specialist Support Services and Crisis Accommodation).

This work will be done in groups by representatives of Community Sector Organisations who work on similar initiatives and the DHHS Program Managers. CSO representatives and the DHHS Program Managers will need to agree what the outcomes are and how they will be measured. Your organisation may, or may not, be involved at this level.

The second level of the work happens when CSOs are negotiating their individual funding contracts with their Funding Agreement Manager. At this level the DHHS program outcomes, indicators and targets that were set at the first level will be used to guide the discussion about what the indicators and targets for your individual funding agreement should be.

## PART TWO

### 5. The Outcomes Purchasing Framework

The main element of the framework is the *Commissioning for Outcomes statements*. What are they?

These documents will state what the outcomes expected from each DHHS program will be and how they will be measured.

*Commissioning for outcomes statements are documents that cover entire DHHS programs*

A *Commissioning for Outcomes statement* will be developed for each DHHS program.

The *Commissioning for Outcomes statements* will list:

1. The outcomes, or changes, the DHHS program is expected to achieve.
2. The Theory of Change for each DHHS program.<sup>3</sup>
3. The Indicators (or evidence) of change at the population level.
4. The indicators (or evidence) of the program's performance.

These *statements* will also be used in DHHS program evaluations, planning and reviews.

*Commissioning for outcomes statements will also be used when DHHS funding agreements are developed*

---

<sup>3</sup> A 'Theory of Change' is a description of the logic of **how** a program will achieve positive changes for clients. A program logic is one tool for developing a theory of change. The Theory of Change for each program will be developed by the group of Community Sector Organisations representatives and Program Managers who develop the outcome measures.

These statements will be used to develop the indicators for each individual funding agreement. CSOs receiving DHHS funds will be expected to report regularly on these indicators.

Some DHHS-funded organisations deliver unique services and are not part of a broader program of initiatives. These unique services will have individual *Commissioning for outcomes statements* developed for them.

## 6. What do DHHS-funded Community Service Organisations have to do?

You **might** be involved in the work of developing the *Commissioning for Outcomes statements* for an entire DHHS program. Not every organisation with a DHHS funding agreement will be involved – DHHS's plan is to work with representatives of CSOs funded under particular program areas.

This work will happen at DHHS program level (for example, one program *statement* would cover all Home and Community Care services. Or it might happen at sub-program level (for example, all Intake and Assessment Services within Specialist Homelessness Services).

DHHS Program Managers will coordinate the development of the statements. They will consult with DHHS Funding Agreement Managers, representatives of community services and other key stakeholders.

Your organisation **will** become involved at the level of contract negotiation. You will be expected to negotiate with your Funding Agreement Manager about what the indicators (or evidence) of outcomes should be for your funding. Then you will need to collect the evidence of your service's outcomes and include this information in your regular reports to DHHS.

You might already have ways to collect evidence of outcomes. If you don't, you will need to think about how to do this.

## 7. How will the outcomes be decided on?

In discussions of outcomes, they are often described as existing in a hierarchy. 'Outcomes hierarchies' describe the logic of programs ('if we do these things, then this will happen, which will help this to happen').

DHHS has developed a 'generic', or common, 'outcomes hierarchy' for its programs.

## *DHHS generic Outcomes Hierarchy*

### **1. Population Outcomes**

- The status of a whole population is improved

### **2. Program Outcomes**

- Clients' lives change positively

### **3. Program Outcomes**

- Services are of good quality

### **4. Program Activities**

- Services are available

## *1. Population-level outcomes*

Population-level outcomes are the big-picture changes that are hoped for in the wider community, or a whole client group. They are broader than any one service or group of services can achieve by themselves. They need interventions by a range of bodies to make them happen.

Some examples of the improvements that DHHS and CSOs might want to see in whole population, or target group, are:

- Improved physical health
- Improved mental health/wellbeing
- Improved personal and family safety
- Improved capacity to manage needs independently
- Age-appropriate development
- Improved social networks/participation in the community
- Improved family functioning
- Improved financial resilience
- Participation in education, training or employment
- Safe, affordable housing



## *2. Program outcomes (change for clients or target groups)*

DHHS wants the services it funds through its programs to achieve changes for the clients and target groups they assist.

The question funded organisations will be asked to answer is, 'did we achieve what we expected to achieve?'

Some examples of the outcomes that would tell us whether clients or target groups are achieving positive changes are:

- Clients have improved life circumstances
- Clients achieve their individual goals

## *3. Program outcomes (quality of services)*

DHHS wants the services it funds through its programs to respond to their target groups and contribute to the achievement of clients' goals.

The question funded organisations will be asked to answer is, 'how well did we deliver our services?'

Some examples of what we would see when services are responding effectively to client needs are:

- Clients are satisfied with the service (this would be measured against agreed aspects of your service).
- Partner agencies are satisfied with the service (measured against agreed aspects of service delivery).
- Agreed coverage of geographic areas and target groups.
- Agreed service/practice standards are met.

## *4. Program outputs (or activities)*

Level 4 of the hierarchy is reporting on activities. (In the DHHS generic hierarchy the activities of CSO services are referred to as one level of 'program outcomes'. This is a bit confusing as they can also be called 'outputs' but DHHS sees them as an outcome that the funding provides, ie that services are available and are used.)

At this level of reporting, DHHS wants to see that the services it funds through its programs are available to targeted clients and communities.

The question funded organisations will be asked to answer is 'how much did we do?'.

This is the kind of 'activity' data that services are already required to report on as part of their Funding Agreements.

Some examples of the evidence that would tell us how much services are doing are:

- That the number/type/geographic spread of clients who services have worked with meets the service's funding agreement requirements.

## PART THREE

### 8. Developing the indicators

Indicators are the measures that show the state of something. Indicators will be set for services receiving DHHS grants to measure whether they are achieving outcomes.

#### *Developing indicators of population outcomes*

The indicators of population outcomes are the evidence (or data) that show what is happening for a larger population (the Tasmanian community, or a targeted population within Tasmania, such as people with disabilities). The population-level indicators will use data collected by agencies such as the Australian Bureau of Statistics and the Australian Institute of Health and Welfare.

The Framework gives examples of the kind of indicators DHHS will be using. *Funded organisations are not expected to report on population level indicators and they will not be held contractually accountable for population level outcomes.*

**Table 1: Some possible indicators of population outcomes**

Possible outcomes for the population or target group	Possible indicators
Improved health and well-being	<ul style="list-style-type: none"><li>• % of target population achieving agreed health / wellbeing status</li></ul>
Improved child safety and well-being	<ul style="list-style-type: none"><li>• % of children in their first year of full-time school who are on track developmentally</li><li>• % of children and young people reported as at risk of significant harm</li><li>• % of children and young people in statutory out of home care</li></ul>
Safe, affordable housing	<ul style="list-style-type: none"><li>• % of target population who are homeless</li><li>• % of target population exiting homelessness who sustain their housing</li></ul>
Participation in education, training and employment	<ul style="list-style-type: none"><li>• % of target population participating in employment, training and education</li></ul>

Participation in the community	<ul style="list-style-type: none"> <li>• % of target population participating in agreed community participation activities</li> </ul>
Improved economic independence	<ul style="list-style-type: none"> <li>• % of target population who rely on welfare as their main source of income</li> </ul>
Improved family functioning or relationships	<ul style="list-style-type: none"> <li>• % of target population achieving agreed measure of family functioning</li> </ul>

### *Developing indicators of program performance*

Indicators will also be set for DHHS programs. They will be asking the services they fund for evidence of whether client outcomes are being achieved, whether their services are of good quality and the extent of their service activity.

A target or standard will also be set as the expected level of performance of the DHHS program.

The indicators and targets will also be set at the individual funding agreement level through the contract negotiation. The indicators will be reported on against the targets.

The table below gives some examples of indicators that might be used to see whether DHHS programs are achieving change for clients.

**Table 2: Some possible indicators of how programs are performing re: change for clients**

Possible outcomes for service clients	Possible indicators
Improved life circumstances	<ul style="list-style-type: none"> <li>• % clients with improvement in life circumstances in agreed areas*, eg: <ul style="list-style-type: none"> <li>- Physical health</li> <li>- Mental health and wellbeing</li> <li>- Personal / family safety</li> <li>- Self-care and independent living skills</li> <li>- Age-appropriate development</li> <li>- Social networks and relationships</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- Family functioning</li> <li>- Managing money</li> <li>- Employment, education and training</li> <li>- Housing</li> </ul>
Achievement of individual client goals	<ul style="list-style-type: none"> <li>• % clients achieving their individual goals in agreed areas, eg: <ul style="list-style-type: none"> <li>- Changed knowledge and skills</li> <li>- Changed self-confidence to make own decisions</li> <li>- Changed behaviours (eg reduced harmful behaviours, increased positive behaviours)</li> <li>- Changed engagement with relevant support services</li> </ul> </li> </ul>

*\*In the DHHS framework these areas are called "domains"*

The table below gives some examples of indicators that might be used to see whether DHHS programs are delivering good-quality services.

**Table 3: Some possible indicators of how programs are performing re: quality of the service**

Possible outcomes for a quality service	Possible indicators of a quality service
Clients are satisfied with the service (this would be measured against agreed aspects of your service)	<ul style="list-style-type: none"> <li>• % clients reporting satisfaction with service attribute, eg responsiveness of the service to individual needs</li> </ul>
Partner agencies are satisfied with the service (measured against agreed aspects of service delivery)	<ul style="list-style-type: none"> <li>• % partner agencies reporting they are satisfied with service, eg responsiveness of the service to client referrals</li> </ul>
Agreed coverage of geographic areas and target group	<ul style="list-style-type: none"> <li>• % of assisted clients from priority client groups and/or locations</li> </ul>
Agreed service/practice standards are met	<ul style="list-style-type: none"> <li>• Extent to which service meets agreed program, service or practice standards, eg % of clients with individual case plans</li> </ul>

The table below gives some examples of indicators that might be used to see the extent to which DHHS programs are delivering services to the desired client groups and communities.

**Table 4: Some possible indicators of performance around activity (outputs)**

Possible outcomes	Possible indicators of activity
The number/type/ geographic spread of clients services have assisted meets their funding agreement requirements.	<ul style="list-style-type: none"> <li>• Number of assisted clients</li> <li>• Profile of assisted clients</li> <li>• Number and type of services provided</li> </ul>

In early 2014 DHHS tested its framework on some of its programs and with some funded organisations in a series of workshops. In each of these workshops, a set of outcomes and ways of measuring them were developed.

These indicative *Commissioning for Outcomes Statements* can be found in Appendix 1 of the *DHHS Funded Community Sector Outcomes Purchasing Framework*, where they are presented as starting points for future work.

## 9. Collecting the data

You may already collect some relevant data.

Activity data is already being reported on by all funded organisations in their regular reports to DHHS. You may also be already collecting data on client satisfaction or client outcomes.

To gather the evidence you need to report on, you will need suitable methods, tools and systems in place.

The DHHS framework gives one example of how information might be collected – it describes using scales to gather evidence. For example, this could be done through a survey.

DHHS has employed a consultant to develop a set of Practice Guidelines on how to implement the Framework. This will include more detail on how to collect and report on outcomes data.

## 10. Reporting on the data

Community services will be asked to provide a specific section on *Funding Agreement outcome indicators* in their reports. DHHS has stated that they will need to include the following information:

- 1 Data for the reporting period against each performance indicator (compared to the target/benchmark they have agreed to in their negotiations).
- 2 Information on any factors that need to be taken into account when DHHS is assessing how they have gone in achieving their outcomes.
- 3 A brief summary of any issues that need to be discussed with DHHS to improve the achievement of outcomes.

In the *Framework*, DHHS says it will give feedback to the service on each periodic report when it reviews the outcomes data. This feedback will include comparative data across the funding program, where feasible and appropriate.

In the *Framework*, DHHS also commits to meeting with funded organisations at least once every 12 months to discuss the funding agreement. At these meetings progress against outcomes, and opportunities to improve the achievement of outcomes, will be discussed (in addition to other matters related to the Funding Agreement).

DHHS also commits to recognising and promoting examples of outstanding achievement of client outcomes so the lessons can be shared.

## 11. What if the data suggests services are underperforming?

DHHS states that data from the Funding Agreement outcomes indicators will be analysed thoroughly and that the analysis will take the following factors into account:

- **Trends over time.** Is the achievement or non-achievement of the outcome a one-off? Does it reflect a trend?
- **Overall service performance.** Is the achievement or non-achievement of outcomes related to a single indicator? Is it reflected across a number of indicators?
- **Context.** Are there unforeseen events or barriers for clients that are beyond the control of the CSO but which affect whether the outcome can be achieved?

- **Consequences.** What are the consequences of achieving the outcome? Or of not achieving it? (eg what is the seriousness of not achieving the outcome? Could the situation deteriorate further? How fast?)
- **Experience.** Experience should be used to inform decisions about whether performance indicators are appropriate.

The factors that promoted success or were barriers to achievement will also be identified.

The *Framework* states that once the evidence has been properly interpreted, Community Service Organisations and DHHS have to agree on, and document, what actions the services will take to respond.

The actions might involve:

- Gathering further information to judge more accurately whether outcomes are being achieved or not (in particular to know whether there is a performance issue that requires further action).
- Investigating and managing underperformance.
- Highlighting and promoting outstanding performance in achieving client outcomes.



## PART FOUR

### 12. When are these changes happening?

DHHS plans to have Commissioning for Outcomes Statements for the majority of DHHS-funded programs by the end of 2014.

Application of the outcomes statements to individual funding agreements will take time and will happen as funding agreements are due for negotiation.

However, DHHS plans to start applying the outcomes statements to the first round of funding agreements due to be renegotiated and rolled over in 2014-15. The last funding agreements to be affected will be those due for negotiation in 2017-18.

Outcomes statements will be applied to new funding agreements being negotiated in the next three years.

Some DHHS programs might decide to apply the outcomes statements before the end of a funding agreement term. This would be done as a variation to the funding agreement.

However, DHHS recognises that these early efforts will be a starting point and that in coming years there will be improvements to both DHHS and CSO skills around setting indicators, measures, data collection and reporting.

DHHS has commissioned a consultant to develop tools and workshops to build capacity within DHHS and the sector to support these changes.

### 13. Some important matters for the Community Sector to consider

Outcomes measurement can be used by Community Sector Organisations to improve their service delivery and develop a strong case for appropriate funding. However, it has to be appropriately resourced and properly done.

The DHHS framework signals an intention to shift the relationship between DHHS and CSOs away from purchaser/provider and towards shared responsibility for defining what outcomes DHHS programs, and the community service organisations that deliver its funded services, will work towards.

In its Framework document, DHHS acknowledges some important points the sector will need to keep to the forefront of its discussions with DHHS about this framework. They are:

- This work will have to be realistic. It will have to reflect the resources available to services and the capacity services have to achieve the desired changes.

- For services to achieve positive outcomes for their clients, other changes to the service system need to be made. Setting targets for outcomes in funding agreements will need to reflect this fact.

### *Questions still to be answered for the sector include:*

- What resources will be available to enable the sector to improve its data collection and information management systems?
- What resources will be available to help the sector acquire the skills it needs in data collection, outcomes measurement and evaluation?
- What will the process be for identifying which organisations will take part in the development of program-level outcome measures and indicators?
- The framework document says that DHHS Program Managers will manage the decision-making about program-level outcome measures and indicators. How will we, and DHHS, evaluate whether the decisions made have been a genuine collaboration between DHHS and the community sector?
- The Framework document is about reporting on outcomes, but it is called an 'Outcomes Purchasing' framework, and there are references throughout it of 'commissioning for outcomes'. The document says that this is an approach with less emphasis on reporting on resources and activities, and more emphasis on reporting on client outcomes. Commissioning can mean much more than this though. More discussions need to be had to clarify what the Department means by 'purchasing outcomes' or 'commissioning for outcomes'.

## **14. What is TasCOSS doing?**

TasCOSS is working to support community sector staff to build their skills and knowledge around outcomes measurement. This work has funding support from DHHS.

TasCOSS has also been represented on the working group that oversaw the development of the framework and observed the workshops where the framework was tested. Our input has focused on making sure that realistic assessments of the resources and capacity of the community sector were at the forefront of decision-making.