This article looks at the challenges involved in adjusting measures of government output to reflect changes in quality. Examples from ONS’s experiences in developing measures are used to illustrate the various methods of quality adjustment, including problems that are likely to arise.

The main lessons are that:

- While producing quality adjusted measures of government output is a difficult task, it is possible to define both a reasonable methodology and an achievable work programme.
- This work programme will start by differentiating services. Where the link between unit costs and value of a given activity is weak this differentiation may measure quality changes poorly.
- The next steps will be to adjust further using measures based on the degree of success and/or contribution to outcomes. This will only produce representative quality adjustments if all (main) outcomes are identified and covered by the measures.

For adult social care, the research conducted suggests that

- Service users are capable of estimating how much benefit they are receiving from care services and so their views should be used in preference to those of service providers or inspectors.
- The preferences of the potential service users can be used to give relative weights for different outcomes.