

Good Practice Case Study

Care Funding Calculator forecasts £4.5 million in savings for the East Midlands ▼



Residents at Heath Farm, Lincolnshire

'Fair price, Fair care' across the East Midlands ▼

Through the implementation of a Care Funding Calculator across the region's authorities, Adult Social Care Services in the East Midlands have generated over £2 million in savings since 2008, forecast to become £4.5 million cumulatively when the 2010-2011 figures are included. This represents an average price reduction of 17%.

The Calculator assists in managing the costs of residential care and supported living for adults with learning disabilities, but can also help plan the future strategic direction of

services. Although initially developed specifically for learning disabilities, the tool is flexible and is now being used successfully in other adult care services such as mental health.

"The Care Funding Calculator generates tangible benefits and is now proving invaluable for local care providers in the East Midlands as it is easy to use and designed to fit within any structure. The results truly help deliver 'a fair price for fair care'."

Mihir Trivedi Regional Transformation Consultant, Care Funding Calculator Project

Identifying the opportunity ▾

At a time when there is a national drive to save money, there is a trend for increased spend within the Adult Social Care departments of councils nationwide, attributable to our ageing population amongst other factors.

Additionally, national data shows that Adult Social Care often overspend their allocated funding, as it is difficult to forecast budget. For example, due to the nature of care services, it is virtually impossible to predict how many people will need care home assistance, what type

of care, the cost, location or the duration.

In some councils it is the social worker's responsibility to negotiate costs and terms with care providers. Their primary concern is sourcing and arranging the care needed as quickly as possible, therefore a tool that can support negotiations and assist in matching the individuals' needs to the best available solution for those needing Adult Social Care assistance could be invaluable.

Calculating the cost of care ▾

The Care Funding Calculator was an initiative developed and successfully trialed by Improvement & Efficiency South East (IESE) before being deployed nationally.

The Calculator is a free excel spreadsheet-based tool designed to provide transparency and greater information to the negotiation and placement of adults with learning disabilities, mental health and physical disabilities in residential and supported-living placements. It is designed to provide cashable efficiency gains through ensuring a fair payment level for care, measured against a benchmark.

The project (hosted by Leicestershire County Council) began its roll-out across the East Midlands in spring

2008, and is now engaged with all nine local authorities responsible for Adult Social Care.

Programme Aims

By supporting local authorities and Primary Care Trusts (PCTs) with this tool, the programme seeks to:

- Aid local authority commissioners to ensure value for money
- Create a 'Fair Price, Quality Care' environment
- Create transparency with the costs of placements, allowing for a clear understanding of costs
- Inform negotiations with providers

- Foster an environment of partnership between providers and commissioners. In total, over 300 providers' detailed costs from across England have contributed to the cost assumptions included in the Care Funding Calculator. This data was also used to establish the level of cost variation based on size, type and location of home/service.

facilities of the care home and the level of care/support required.

The tool benchmarks this information against its data to provide a breakdown of specific costs as well as a guidance range for a reasonable overall total cost of care per week. This can assist negotiations with suppliers and make savings without compromising the level of care.

The tool is used by inputting a variety of factors on an individual case, which will affect the cost of the care, for example location, size and

Adding up the benefits ▾

Recognising that the Care Funding Calculator could generate savings for many local authorities in the region, EM IEP, in partnership with Improvement & Efficiency West Midlands (IEWM) funded a project manager - Mihir Trivedi - to provide free support and training to local authorities across the region to encourage usage and increase roll-out of the Calculator tool. So far:

- Nine authorities have used the tool
- 320 staff have been trained across the Midlands, including 175 in the East Midlands
- During a pilot scheme reviewing high cost placements,

Nottinghamshire County Council secured savings of £182,000 and has recently declared its intent to roll the Calculator out across the county

- Lincolnshire County Council has the tool fully embedded and has generated savings in excess of £1.6 million in 2009/10
- A Project Board, attended by staff from all levels and areas of Adult Social Care, has been established and meets bi-monthly to share learning and discuss how to maximise savings



Lincolnshire County Council *Fit for the Future* team

Lincolnshire leads the way...

The Calculator was embedded at Lincolnshire County Council ahead of many other councils, and is a good point of reference for demonstrating the fantastic achievements the tool can drive, not only in savings.

In 2008, Lincolnshire CC appointed a dedicated team to work with providers of services for adults with learning disabilities. The County has more than 2,000 residents with learning disabilities requiring care and services, with a quarter of these costing more than £700 per week. The 'Fit for the Future Team' was created and their remit is to work with providers ensuring they provide high quality services, as well as:

- Working with colleagues in Commissioning, Contracting and Finance to establish new services where required

- Preparing service users, services and families for the introduction of Individual Budgets in line with the 'Putting People First' agenda
- Ensuring value for money for the people of Lincolnshire

Following training on the Care Funding Calculator, the Fit for the Future Team began working with providers to utilise it through:

- Building on existing links with providers
- Involving key stakeholders such as parents/carers, home managers, key workers and practitioners with day-to-day responsibility for managing and reviewing needs

While it was always envisaged this work would lead to significant savings, it was vital when liaising with providers to ensure that the

process was not simply about cost but also about the people involved. Ensuring fair services in line with the Personalisation Agenda, reviewing the ‘appropriateness’ and ‘suitability’ of placements as well as considering the ‘Putting People First’ agenda was essential.

One of the main drivers has been the Personalisation Agenda and the realisation that “choice and control” will quite rightly be in the hands of the service user in the future. Given this agenda, issues around quality and cost in an open market have a major influence on potential future business for providers. Lincolnshire County Council believes the Calculator has acted as a major contributor in bringing about purposeful change toward the goal of “personalisation” as well as achieving “value for money.” So, through scrutinising costs and the appropriateness of care, a young man that was in an ‘Out-of-County’ care placement in Essex was able to move much closer to home, which he was keen to achieve.

Links with providers have also been strengthened, and opportunities for service development have been identified. The Calculator has enabled Lincolnshire CC to provide a link between Commissioning & Assessment and Care Management

teams, providing a system that can be used both at a strategic level to transform the local market, whilst also ensuring practitioners have a tool to support commissioning of individual cases. For example, by working closely with one major provider, eight supported living apartments have been developed in the Sleaford area, which will enable more people to move out of residential care.

The success of the Calculator so far, has resulted in the principles regarding commissioning and negotiating care packages, now also being implemented into other departments such as Physical Disability.

“By adopting the Care Funding Calculator as a catalyst for change, Lincolnshire County Council has achieved new ways of working, remodelled and introduced new services, all whilst achieving efficiencies. More importantly, the work has enabled our service users to have increased choice and control, now and in the future – helping us to really Put People First.”

Richard Goodson
Partnership Manager
Fit for the Future Team
Lincolnshire County Council

Formula for success ▾

Rolling out one tool to many different Authorities, with differing processes, cultures and teams could be expected to result in varying levels of success. However, if successfully embedded into councils' existing processes then huge efficiencies and benefits can be made no matter what the individual circumstances of the organisation. Whilst the tool is relatively new, useful learning gathered to date include:

Consider the most appropriate user

The person who would be using the Calculator on an on-going basis i.e. the person who will be negotiating with the care provider should be the person who can use it to best effect; and therefore this person should receive the training.

Understand how it fits into existing systems

The Calculator is incredibly flexible and therefore should work with any team's existing functions and processes. However, it needs to be integrated to work with those systems from the beginning – although initially free, making changes to its implementation down-the-line can be costly.

Free can still mean valuable

Anecdotal evidence suggests that there is a potential barrier to using the Calculator because it is a free tool, and therefore its value is potentially not being fully recognised. Teams should receive full training

with refresher training or continuous communication to fully understand the savings the Calculator is helping to generate.

Individual costs can fluctuate

The Calculator is aimed at providing 'quality care at a fair price'. Whilst in the vast majority of instances teams will be able to negotiate better rates for the authority, in some minor cases, the Calculator may show that costs currently being paid are under the market value.

Improved negotiations

There has been found to be some concern that negotiating more strongly with care providers could weaken relations and potentially hinder the speed which an individual gains access to care. However, it has been found that using the Calculator can strengthen relationships, as care providers view it as a fair and transparent basis for negotiation. They can use the tool to tailor their services directly to clients' needs, without having to create bespoke quotes for every case; therefore benefitting them too.

Success takes time

Maximising the CFC's potential of savings does take time. It is estimated that it is at least 6-7 months before savings appear to be realised. It is recommended councils and authorities adopt the Calculator for a minimum of a three-year period, to really establish savings.

Next steps... ▾

The national programme is currently working to web-enable the existing CFC tools, which will ease issues of upgrades and efficiency reporting.

Plans are also in place to adapt the tool for use in Children & Young People's Services.



This picture was taken from our short video case study about the Care Funding Calculator.
Watch it here www.eastmidlandsiep.gov.uk

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East Midlands Improvement and Efficiency Partnership Case Studies

The East Midlands Improvement & Efficiency Partnership (EM IEP) is committed to celebrating the successful, innovative and imaginative project work that exists in the East Midlands region.

The EM IEP Support Team publish case studies showing how East Midlands councils are improving services, and delivering significant improvements and efficiencies.

The case studies are intended to inspire councils in the region, and indeed nationally, to transform services and benefit from the processes developed by those councils that have pioneered the way forward.