



Delivering up to 48% Savings on Transitions Placements

'Fair Price, Quality Care' across the West Midlands

Through the implementation of a Care Funding Calculator across the West Midlands region, West Midlands Adult Care Services are on target to deliver efficiency gains over £2.8 million over the 08-11 financial years, currently averaging a saving of 14%.

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.

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

Mihir Trivedi, Project Manager
for the Care Funding Calculator

Identifying the opportunity

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

Transition cases can pose a high cost to local authorities. Packages transferring from children to adult services do not always reflect a Service User's changing needs as they move from being a child to an adult. They are often costly and do not represent a fair cost for quality care.

The CFC tools provide the commissioner with a needs driven tool, they place the individuals needs at the centre of the pricing tool, ensuring a person centred approach. The guide price can be used to ensure a fair price while always considering the individuals outcomes, ensuring appropriate care and care quality.

Calculating the cost of care

The Care Funding Calculator was an initiative developed and successfully trialed, by the South East Improvement and Efficiency Partnership (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 began its roll-out across the West Midlands in spring 2008, and is currently engaged with eleven local authorities across the region.

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.

The tool is used by inputting a variety of factors on an individual case, which will affect the cost of the care, for example level of care/support required, location, size and facilities of the care home.

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 on care.

Adding up the benefits

Recognising that the Care Funding Calculator could generate savings for many local authorities in the region Improvements and Efficiency West Midlands funded a project manager, Mihir Trivedi, to provide free implementation support and training to local authorities across the region to encourage usage and increase rollout of the Calculator tool. Thus far:

- Eleven authorities have adopted and used the tool.
- 323 people have been trained across the West Midlands.
- Staffordshire Joint Commissioning Unit, Procurement and Quality Team are rolling out the CFC tools across the Staffordshire Social Care and Health and have already generated savings of £350,000 per annum.
- Birmingham City Council has the tool fully embedded and is generating efficiency savings over £1.8 million.
- Regional forum has been setup to ensure that LA's can share their experiences, good practise and promote better collaboration.
- Solihull Care Trust and Shropshire PCT are using the CFC tools to deliver savings.

"I think it's fair to say that initially some staff were suspicious of what was seen as yet another 'initiative' – one financially driven and perhaps at the expense of outcomes for users. In practice the benefits have been financial but have also supported a wider cultural shift in Staffordshire aimed at embedding a front-line approach which recognises that achieving best use of resources is key to achieving best outcomes for people across the service as a whole."

Ian James, Director of Joint Commissioning Unit,
Staffordshire County Council

Staffordshire County Council leads the way...

IEWM engaged with the Procurement and Quality Team, Staffordshire Joint Commissioning Unit in August 2009, together formulating an implementation plan for the deployment of the Care Funding Calculator across the Directorate of Social Care and Health.

Staffordshire's main aims are:

- To ensure a person centred approach;
- To ensure outcome driven assessments and commissioning, focusing on the persons needs and appropriate care model;
- To ensure the long term sustainability of care, understanding the costs of care and the providers breakdown of costs in a transparent way;
- To secure fair care at a fair price.

IEWM supported this work with seven training days, training a total of sixty eight staff across the council including district procurement managers, social workers and case managers.

Following training, Staffordshire Social Care and Health started using the CFC tools by:

- Defining a clear business process; with structured handover points, ownership and clear path to success.
- Adopting a Person Centred approach, driven by needs of the individual and ensuring a fair price quality care.
- Re-provisioning exercise underway which is outcomes focussed and driven by the best outcome for the service user.

The key to success has been embedding the CFC tools into the organisation and making them part of the culture; they have become part of everyday business rather than an 'additional or extra' task. This has been achieved through the championing of the tool by the Procurement and Quality Team, Joint Commissioning Unit to secure management buy in, staff training for Case Managers, implementation support from District

Procurement Managers and follow up sessions with IEWM project manager, Mihir Trivedi, to discuss any challenges faced.

Processes are in place to ensure that:

- Staff understand the process and their role;
- The tool is used to it's full capacity, i.e. assessments, re-assessments, transitions, etc;
- There is a quality gateway – placements are challenged in weekly Resource Allocation Meetings.

The CFC tools place the individual needs at the centre and use them to define a guide price along with data on location and provider. This places the person's needs as the key element in line with the Personalisation Agenda. This fits in well with Staffordshire's person centred approach and focus on outcomes while also allowing the council to realise efficiencies.

Staffordshire Social Care and Health, Tamworth District have successfully used the CFC tools to ensure the appropriateness and suitability of transitions cases while also managing to deliver significant efficiency savings. The success of the Care Funding Calculator has been in both cashable efficiency savings of up to 48% and non cashable improvements in terms of process, culture and marketplace engagement.

“Tamworth District has embraced the use of the Care Funding Calculator tools. It is embedded into the Social Worker's role and is fully supported by Senior Management, which I believe is the key to its success. It provides a transparent breakdown of cost, centred on individual's needs and outcomes. It provides a firm basis for procurement negotiations with providers and has resulted in substantial efficiency savings and improved services for service users.”

Deena Kenny, District Procurement Manager
(Tamworth) Social Care and Health

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. Useful learnings gathered to date include:

1. Clear business process

Ensure that there is a clear process defined - who will complete each section of the tool; what is the role of the Resource Allocation Meeting; when does the Procurement Manager begin the negotiations, etc. A clear process will ensure that all staff understand their role and have a clear view of key touch points.

2. Management buy in

Senior management buy in is fundamental to success. The CFC tools must become embedded within the organisation and become part of the day to day process. As such all levels of management must buy in to the change and ensure it is adopted across the organisation.

3. 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.

4. Person centred approach

The process must be driven by the service user's needs and the best possible outcome for their needs. As such you must also consider different models of care and ensure it is appropriate and suitable.

5. 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...

Further CFC implementation support is already scheduled across the region, along with focused support to assist local authorities with any challenges they may be facing to delivering efficiencies. IEWM will also be examining other opportunities for collaborative efficiency gains across the region.

The national programme is currently working to develop a children's services version of the tools.

For more information, please contact:

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