



Care Funding Calculator

The Care Funding Calculator (CFC) supports local authorities and primary care trusts in managing the costs of residential care and supported living for adults with learning disabilities. It also helps providers to understand the process of negotiation. 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, physical disabilities and sensory impairment.

The CFC is being widely used and is helping authorities to make significant savings and tailor packages more closely to the needs of clients.

The CFC is available online and can be used by commissioners and providers. The key to success has been to include councils, primary care trusts and providers at all stages of development and to ensure that the process is transparent and open to all.

The Issue

Until 2005 most councils negotiated individually with providers for residential care for people with learning disabilities. It was often difficult to understand how providers costed their services and what level of service they were providing for each client as care plans were not clearly tied to the cost of the service.

The response to this in the South East (SE) of England was for a number of authorities to join together to agree how to tackle this issue. East Sussex and Hampshire had separate tools already in development and these were put together to become the South East Cost Model. This tool later evolved into the Care Funding Calculator.

In October 2005, the Association of Directors of Social Services commissioned a report (Pressures on learning disability services – the case for review by government of current funding) looking at the increasing cost of residential care for people with learning disabilities.



The report suggested that 63 per cent of local authorities would have overspent their budgets by 2011 and that services would be needed by an additional 21,000 clients by this date.

The report was the catalyst for a number of authorities and regions to consider how they could contain their costs whilst continuing to offer a high quality of service, and generated interest at a national level in the work being carried out by the SE authorities.

What they did

Developing the model

East Sussex County Council and Hampshire County Council, in conjunction with a number of other SE region authorities, collaborated to develop the South East Cost Model. This was a costs and care matrix that assessed accommodation and management charges in relation to the core care hours an individual user was deemed to need. The result was a weekly charge for a particular service user's residential care that was used to negotiate and agree terms between the provider and the local authority. Each provider was asked to complete a spreadsheet which enabled the commissioners to compare different provider costs and negotiate on different parts of each package.

Although this original model was very helpful, there were some drawbacks. Care managers were requesting information from providers for each care package. Each provider needed to complete a spreadsheet so that costs and services could be compared. Often this was not a priority for the provider and it could take a long time for the spreadsheet to be returned. There was also some inconsistency in approach. Different authorities were requesting different information from providers – or sometimes the same information that the provider might already have given a number of times. This was time consuming and frustrating for both commissioners and providers.

Commissioners felt that if they had a better understanding of how costs were put together and why there were variations between providers, they could develop a better tool to help them negotiate and make decisions, rather than having to go to the provider first each time.

All nine Regional Improvement and Efficiency Partnerships (previously Regional Centres of Excellence) agreed to develop and extend the original model into a national model, the Care Funding Calculator (CFC). Information from providers would be collected and inform the CFC cost guidelines that could be used by any commissioner across the country. If someone in London, for example, needed to place someone in care in Manchester, they could access accurate information about care services and costs in that region. The development was led by the south east Regional Improvement and Efficiency Partnership

(RIEP), known as Improvement and Efficiency South East.

Consultation

Understandably, many providers were suspicious about the model, seeing it as a cost cutting exercise. It was vital to be transparent and open about the purpose and the process and to assure providers that it would benefit them by helping them to tailor services directly to clients' needs and by enabling them to provide information charges just once rather than in response to every enquiry.

Consultation began with some of the bigger providers and this proved to be a learning experience for all concerned. Some of the providers asked questions and challenged things about the model that exposed its weaknesses. It was vital, at this stage, that the issues raised by providers were addressed. Changes were made to the model and the useful suggestions were incorporated.

A further part of the consultation was to visit residential care homes to explore further how the tool worked with particular residential models, to encourage providers to make comments and to listen to their concerns. This was a valuable exercise. Providers involved in the initial consultation were able to see that their concerns and suggestions had been taken seriously which helped to build trust between the providers and the commissioners. The response to this part of the consultation was very positive.

Consultation is continuous. Anyone using the calculator or taking training is encouraged to take part in discussions and focus groups to make sure the tool continues to be fit for purpose and to identify any problems. This includes all providers and all care staff.

A version of the tool developed for independent living is currently being improved. A range of providers has been consulted and workshops are underway to develop the necessary changes in a way that is acceptable to all.

The most important point is that the development of the tool has been, and continues to be, a transparent and honest process. The tool and database, as well as all discussions, are available to commissioners and providers and all are encouraged to participate in ongoing consultation.

Improving and implementing the model

The government's 'personalisation' agenda means that every person who receives support will have choice and control over the shape of that support in all care settings. This means that care packages have to be tailored exactly to the needs of the client. The tool does this by breaking down the needs of an individual into fine detail and working out accurately, based on benchmarked guide prices, how much it might cost to meet those needs. It ensures that care services are linked directly to the needs of an individual which results in clear contractual arrangements with providers.

The cost guidelines within the tool allow all participating local authorities to check costs before negotiating for a new placement or with a new provider.

The developing model was piloted in 70 councils and two primary care trusts and the new tool was launched in July 2008. Training was offered to both commissioners and providers and has been in great demand from both.

Both the tool and a user guide are now accessible from the web. They can be used without training but feedback suggests that the tool is much more effective where there has been training.

Funding

Originally the project was jointly funded by all nine RIEPs. Restructuring and revised plans for RIEPs have meant that in some areas the project has stalled at the point of roll out. It has, though, been taken forward by the South East, West Midlands and East Midlands RIEPs who have made the tool available online, along with a user guide, so that authorities in all regions can use it (see further information section for links to the tools).

The RIEPs have tried to develop a tool that will be of use all around the country and there is evidence that it is being widely used. The South East, West Midlands and East Midlands RIEPs offer training to commissioners and providers in their regions as part of the roll out and this is in high demand. London RIEP has just appointed someone to take on the support role and roll-out will begin there in April.

Who is using it and how?

RIEPs in each region agreed to identify someone to coordinate and deliver training in the use of the tool. Progress has been variable. In areas like the South East and West Midlands where there was a high degree of commitment, arrangements are in place. Other areas such as London and the South West are making progress.

The flexibility of the calculator means that it can be used across the adult care sector (excluding elderly services) and some regions are investigating this and applying it for use with other user groups. East Sussex, for example, are using the CFC for mental health placements.

In Southampton, the primary care trust and local authority are working together to look at joint use of the model for all appropriate placements and in some areas where Supporting People funding is being merged into general social care, Supporting People staff are now working with other services to use the model.

The previous version of the tool has already been used successfully in a number of local authorities in the south east including Hampshire, East Sussex, Surrey, Kent, Portsmouth, Southampton, Milton Keynes, Brighton and Hove and West Sussex.

The Impact

One of the biggest impacts has been improved relationships with providers. Care has been taken to ensure that providers have been involved in the development of the calculator, they understand its purpose and how it works. Many providers now feel that the calculator is useful as they only have to provide information once, rather than for every placement, and they consider it to be a fair and transparent basis for negotiation. In the training undertaken in the South East and West Midlands regions there have been equal numbers of providers and commissioners, suggesting that providers are really interested and keen to understand and be part of the process.

Most providers have responded positively and, by delivering the services agreed to a high standard, some have actually helped users develop sufficiently to move out of care and into independent living.

There has also been a significant culture change in many social services departments with both services within an authority and different authorities working together and avoiding duplication. Some groups of authorities have worked together to carry out joint negotiations giving them each less work and more influence. In Berkshire, for example, a formal structure has been set up between authorities to identify key providers, the level of provision they each offer and then to use the CFC to negotiate on costs for the county.

There also appears to be a culture change in terms of expecting value for money. People seem to be much more prepared to look closely at costs and to challenge them - they are prepared to negotiate and not just accept prices. One of the staff delivering training for the tool reported anecdotally that when she first began training, most people were reluctant

even to ask providers for audited accounts. As the tool has become more widely used this has changed dramatically.

The project is logging savings reported to them by authorities using the tool. The savings are significant already and are cumulative so there will be a long term effect. In total for the south east region to date, use of the south east cost model and the care funding calculator has delivered over £7m savings for authorities.

Usually in a county there will only need to be one person employed to negotiate using the care funding calculator. This person will work closely with care managers who assess the needs of the individual being placed using the tool. In a unitary local authority the person leading on use of the tool will often have this as part of another role, such as contracts officer or manager for social care.

Overall, consistency is developing and there is general agreement that the calculator is a reasonable and transparent starting point for negotiation.

Lessons

Probably the biggest challenge was winning over providers. Providers were understandably nervous at first that it was just a cost cutting exercise so it was really important to consult with them and be open and honest. Information was made readily available to everyone and discussions and processes were always transparent. A representative of the provider sector was invited onto the project board. This turned out to be one of the most constructive elements of the project development as they were able to talk about how things were working in practice and to flag up any problems and difficulties so that they could be ironed out in the development stage. On behalf of the project, the provider representative managed the provider consultation process and developed a protocol for the use of the tool which has been signed up to by the Association of Directors of Social Services, Voluntary Organisations Disability Group, The National Care Forum, Association for Real Change, Local Government Association and the Primary Care Trust Network.

Another difficulty was that some of the local authorities in the south east had been involved in the development of the original south east cost model which was the basis for the care funding calculator. They were familiar with the older tool and comfortable with it. It took some time to show the value of the new tool but training and sharing of ideas across authorities have helped to show the additional benefits it can bring.

Progress has been slower than anticipated because of the reorganisation of the RIEPs. It was originally agreed that the project would be jointly funded and rolled out by all the RIEPs but changes in priorities have meant that the roll out has been more patchy than expected.

A large number of enquiries were received from authorities in areas where the tool had not been rolled out.

The most effective way to make the calculator available to all those who wanted it seemed to be to “web enable” it. This has the added benefit of making the tool accessible to more people from a wider range of organisations. An electronic tool is easier to update and an online database can be developed to capture data from users ensuring that costings across the country are accurate, and that information on market spread and gaps is available to all.

Some important lessons have been learnt during the development of the calculator.

- Make the process very transparent. It is important that commissioners and providers and potential providers have access to all the data and to all the discussions that take place about the development and use of the tool. Providers are, understandably, suspicious and only by making everything open and available can you hope to dispel those suspicions.
- Ensure that the purpose of the tool is completely understood. It is a tool for negotiation so that everyone understands the costs and the services, making it easier to tailor services to clients' needs and saving time and effort for service providers in supplying information. It is not for cost cutting or price fixing.
- Do not reinvent the wheel. If someone in your region has already done some work or set up a structure, try to use this and incorporate it and try to work regionally so that this doesn't happen. If you ignore work that people have invested in, they will not be prepared to buy in to your system.
- Real consultation is vital. You must involve providers in the whole process from beginning to end. This is probably the most important issue. Remember you can learn a lot from your providers and if they do not fully accept the process they may leave the market creating a shortage of places.
- You must get sign off at a high level for using a tool like this, to make sure it is policy and it is supported. This ensures it is used across an authority so there is a consistent approach and message to providers.

Data/evidence

This is a tool to help commission services and improve individual lives so it could have a connection with many LAA outcomes. It will probably have the biggest impact on NI 179 – value for money. When put in context of the amount of money spent across a whole council, the savings made through the care funding calculator are small, but they are cumulative so will have a greater effect over time. They will have a big impact on social care budgets.

It is difficult to measure the impact of the care funding calculator as it is still in the process of being rolled out and it is not clear yet how many authorities will use it. Regionally, the number of people being trained are counted as well as the amount of money saved by using the tool. There is quarterly monitoring and this information will be used in the future to help to evaluate the impact of the calculator.

Further information

Improvement and Efficiency Partnerships are dedicated to helping local authorities and their partners achieve efficiency and improvement objectives.

To download the tool and user guides, go to

<http://www.southeastiep.gov.uk/page.asp?PageRef=152>

Improvement and Efficiency South East

<http://www.southeastiep.gov.uk/>

Improvement and Efficiency West Midlands

<http://www.wmcoe.gov.uk/>

East Midlands Improvement and Efficiency Partnership

<http://www.eastmidlandsiep.gov.uk>

You can get more information about the government's personalisation agenda from

<http://www.dh.gov.uk>

You can find out more about the Association of Directors of Adult Social Services at

www.adss.org.uk

Contacts

Suzanne Gale

Project Manager

Improvement and Efficiency South East

Tandridge District Council

Council Offices

Station Road East

Oxted

Surrey

RH8 0BT

Tel: 07595 201415

Email: suzanne.gale@southeastiep.gov.uk