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| <b>REPORT TO:</b>      | General Purpose and Audit Committee<br>16 February 2022                       |
| <b>SUBJECT:</b>        | Effectiveness of Care Cubed of providing and managing specialist placements   |
| <b>LEAD OFFICER:</b>   | Richard Eyre, Head of Improvement<br>Adult Social Care and Health Directorate |
| <b>CABINET MEMBER:</b> | Cllr Janet Campbell<br>Cabinet Members for Families, Health and Social Care   |
| <b>WARDS:</b>          | <i>All</i>  |
| <b>PUBLIC/EXEMPT:</b>  |   |

**SUMMARY OF REPORT:**

This report provides an update to the General Purposes and Audit Committee on the procurement, implementation and effectiveness of the CareCubed costing tool for working age adult and children's social care placements.

**COUNCIL PRIORITIES 2020-2024**

A change in the way we deliver social care in order to reduce spend and live within our available resources is underway. This aligns to the following Croydon Renewal Plan priorities:

- We will live within our means, balance the books and provide value for money for our residents.
- We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy.

**FINANCIAL IMPACT:**

- The implementation of CareCubed supports the delivery of MTFs savings in Children's and Adult Social Care by enabling local area evidenced market cost analysis, during negotiations with providers on care and support provision in a placement.
- The implementation of CareCubed is also supporting the Cost of Care Strategy in Adult Social Care – where providers are requesting fee uplifts above the percentage being offered, the tool is being used to do right size/right price review of the relevant packages.

**RECOMMENDATIONS:**

- The committee notes the progress of implementation; and identifies a future committee for a further progress update.

## 1. SUMMARY

- 1.1. As part of the Croydon Renewal Plan, the Medium Term Financial Strategy; and what became a Report In Public Interest (RIPI) action to resolve, it was identified that significant levels of revenue were spent on placement costs in Children's and Adult Social Care.
- 1.2. Whilst some of these placements are made through framework agreements, enabling a level of assurance on agreed costs; many placements and packages of care are made on a spot purchase basis and/or are existing high cost placements. At that time, the Council did not have a consistent approach for identifying the 'right size' of a care package from a needs/individuals perspective and then linking that to a consistent approach to benchmarking and challenging costs with the external provider market.
- 1.3. With significant package of care budget reductions in the 2021/22 Adult Social Care budget (£7.925m), ensuring that there is grip and control on placement negotiations and spend, forms a core element of the Adult Social Care improvement plan.
- 1.4. The two most effective routes to achieve this are firstly, to review (within the parameters of the Children and Family Act or the Care Act) current placements and packages of care. Secondly, to ensure all new packages receive strong scrutiny, to ensure they are not over providing, overpriced/costed or missing opportunities to make best use of the individual's own strengths and local networks.
- 1.5. In March 2021 Adult Social Care, along with Children's Social Care, presented a business case to the Croydon Programme Management Office Steering Group, requesting permission to purchase a two year licence for the Adult Social Care and Children's Social Care modules of CareCubed; an online pricing and negotiation tool for placements, as well as some initial implementation costs.
- 1.6. The tool was transformation funded in year one (0.036m). If sufficient assurance was provided that the tool was enabling a reduction in costs of placements, then it would be funded from operational service budgets into year two (£0.026m).
- 1.7. The Council also negotiated the right to cancel at the end of the first 12 month period, if written notice was provided at least three months' in advance of the 2nd year start date.
- 1.8. The steering group approved the business case and investment in March 2021. Due to Covid lockdowns and service pressures. The contract was signed in May 2021, and the contract itself started on 9th June 2021.
- 1.9. This report sets out for the committee, progress to date of implementation and governance, the current return on investment; and finally next steps.

## **2. HOW DOES CARECUBED WORK**

- 2.1. CareCubed is an online and secure, needs led pricing and benchmarking tool for placements (Residential/Nursing/Supported Living). It operates in two modules, Adult Social Care and Children's Social Care.
- 2.2. The tool does not apply to over 65's Residential and Nursing placements.
- 2.3. The tool is currently used in 50 authorities nationally, 19 in London including 3 in neighbouring South East London authorities and some authorities in the South West London footprint.
- 2.4. The tool allows the staffing time and activity required to support the assessed needs of a person to be benchmarked against costs researched from national data sources (such as Skills For Care and Her Majesty's Revenue and Customs). This is then put in to the context of the place and setting (i.e. Croydon, care home), it is being applied, to give a localised indicative cost for a placement.
- 2.5. The key benefits are as follows:
  - A strengths led approach to assessing how much care is required to support someone – in line with the Community Led Support model.
  - Consistent and evidence based approach for cost negotiations with external providers – taking a consistent approach is also more transparent and equitable to providers themselves and enhances the market oversight function of the Council.
  - Shifts some of the power in negotiations back to the Council, as outlier costs have to be evidenced and justified, rather than just accepted.
  - Reduces the opportunity for cost duplication in placements.
  - Is proven to deliver savings when applied to existing/historical placements.
  - Provide 'Value for Money' assurance on new placements – and cost avoidance.
  - Within London, 60% of Local Authorities are currently signed up to at least one of the modules and many are now working together collaboratively on approach, price comparisons and market shaping.

## **3. GOVERNANCE AND RETURN ON INVESTMENT**

- 3.1. The implementation of the tool was overseen by a joint Adults and Children's implementation Project Board.
- 3.2. An implementation update was sent to Internal Audit on 12 August 2021. As part of the Report in Public Interest (RIPI) audit in November 2021, Mazaars were also provided with an online walk through of the CareCubed tool.
- 3.3. The implementation Project Board existed from September 2021 to November 2021. During this time placement reductions for Adults (£0.011m) and

Children's (£0.160m) were identified using the tool. For Adults, as of January 2022 the figure is now £0.178m identified. The two year cost of the tool is £0.062m. This led to the decision on 17 November 2021, from the Project Board, for the contract to be extended by a further 12 months.

- 3.4. The implementation Project Board was wound down, with the decision for oversight of the tool to be passed to the Disabilities Joint Commissioning Board in Adult Social Care.
- 3.5. At the 6 December 2021 Disabilities Joint Commissioning Board, it was minuted the Board would inherit oversight and continued decision making on the tool/future procurement options beyond year two of the contract.

#### **4. CURRENT IMPLEMENTATION**

##### **Adult Social Care and Health (ASCH)**

- 4.1. CareCubed is being used by the Adult Social Care & Health Directorate's Reviews Project Team. The tool assesses the current fee levels being charged for individual placements and to support any negotiations on cost that are required.
- 4.2. Overall the Team has been allocated 61 people to review to date. Of those reviews which have concluded, 11 have resulted in a package reduction. These 11 package reductions total over £6k per week and CareCubed has been used to support negotiations in 7 cases, of which 4 have confirmed reductions and 3 are in the negotiation stage (see 4.3 below).
- 4.3. Additionally, negotiations are under way with 3 other complex cases (some with costs in excess of £5k per week) and CareCubed is being used to support the negotiations.
- 4.4. Bi weekly support sessions have been scheduled in with Social Workers, Commissioners and an expert CareCubed user to discuss cases and provide guidance.
- 4.5. Due to current staffing pressures, the roll out to the mainstream Disability teams has been delayed, but the Disability North Team has been identified as the first Team to use CareCubed within that service. A new start date will need to be agreed with the Head of Disabilities. This will enable the tool to be implemented as a core service process at both the initial care and support assessment stage and also when residents are having care and support plans reviewed.
- 4.6. CareCubed training has recently been delivered to the Adults Mental Health Team to support with their reviews programme. As this is in the early stages of implementation, it is not yet possible to comment on outcomes. This is something that could be reported if required, to a future committee meeting.
- 4.7. Further, CareCubed has formed a central element of the Directorate's 'Cost of Care' strategy. This is where providers are seeking uplifts beyond that offered

by the Council. CareCubed will be used to review the packages of care, ensuring approved uplifts are evidenced as realistic and proportionate.

- 4.8. Looking forward, the Joint Commissioning Board is also exploring purchasing a 'Place Based License' to allow us to share and agree Joint Funding Arrangements with the CCG for complex packages of care.
- 4.9. The license would also support sharing the tool with Care Providers, to populate the information collaboratively. This has the potential to be particularly beneficial when making new placements; allowing social workers and the placements team to ensure best value for money is delivered at the point of placement.

### **Children with Disabilities (CWD)**

- 4.10. CWD have also begun their implementation of CareCubed. The service has held a testing session with iESE (the owners of CareCubed) which was funded as part of the implementation.
- 4.11. This session ran through some cases in a test environment and used assumptions about the providers' costs and staff structures. The testing demonstrated that of the four cases tested, two had the potential to deliver cost reductions. The Project Manager in CWD is now working to implement the use of CareCubed. Negotiations training is currently being scheduled, after which a clearer implementation timeline will be established.

## **5. NEXT STEPS**

- 5.1. The use of CareCubed has evidenced the delivery of savings and cost avoidance in Adults and Children's services, as per the original business case. This is kept under constant review, as per the governance routes outlined earlier in this paper.
- 5.2. During year two of the License, the efficacy of the tool will be further reviewed to inform future commissioning intentions, on whether to go back to the market to procure a costing tool for a further period of time, ahead of the license ending in August 2023.
- 5.3. The Disability Joint Commissioning Board would welcome the opportunity to report back to the General Purpose and Audit Committee at any time it feels necessary.

## **6. CONSULTATION**

- 6.1. No consultation is required.

## **7. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 7.1. **Revenue and Capital consequences of report recommendations**

None. Transformation funding for year one was agreed in March 2021, and year two funding has been identified in 2022/23 revenue budgets.

## 7.2. **Risks**

The main risk, that CareCubed costs more than it saves or generates through Cost Avoidance, has been mitigated.

## 7.3. **Future savings/efficiencies**

CareCubed is an enabler to the delivery of the Adult Social Care and Health Directorate's, Medium Term Financial Strategy obligations.

**Approved by:** Mirella Peters, Head of Finance, Adult Social Care & Health

## 8. **LEGAL CONSIDERATIONS**

- 8.1. There are no legal considerations, beyond the usual discharge of the statutory duties under the Care Act relating to funding assessed need at a fair price. These duties fall within the remit of the Statutory Director of Adult Social Services (DASS)

**Approved by:** Petrena Sharpe, Interim Head of Social Care and Education Law, on behalf of the Interim Director of Law and Governance & Deputy Monitoring Officer.

## 9. **HUMAN RESOURCES IMPACT**

- 9.1. There is no Human Resources impact.

**Approved by:** Debbie Calliste, Head of HR for Adult Social Care & Health and Children, Young People & Education on behalf of the Director of Human Resources.

## 10. **EQUALITIES IMPACT**

- 10.1. The CareCubed tool was identified within the directorate's placement programme. The focus of this programme was cited in an equality impact assessment on reductions on packages of care spend, (dated 26.01.21) and approved by the Equalities Manger at that time (dated 03.02.21).
- 10.2. The focus of the tool is not to change the Care Act assessed care and support needs and so there are no impacts on residents or their protected characteristics. The tool simply identifies a realistic and benchmarked indicative cost of care support provision, from which the Council and Provider are able to negotiate a final cost.
- 10.3. Monitoring arrangements are scheduled to ensure that service users are not negatively impacted by the reduction in care packages. It is proposed to continue to review the Equality Analysis to support this.

- 10.4. Service users are able to access care through a variety of different providers including the voluntary sector. This ensures that service users are more able to receive care that meets their needs.

**Approved by:** Denise McCausland – Equality Programme Manager

## **11. ENVIRONMENTAL IMPACT**

- 11.1. There is no Environmental impact.

## **12. CRIME AND DISORDER REDUCTION IMPACT**

- 12.1. There is no Crime and Disorder Reduction impact.

## **13. DATA PROTECTION IMPLICATIONS**

### **13.1. WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

Yes.

### **13.2. HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

An initial DPIA was completed, but in consultation with Information Governance, it was agreed as not required. This followed confirmation from a Carecubed demonstration, no personally identifiable data is being shared. The council will be using a unique reference number which is only identifiable to Croydon Council employees which mitigates any risk to the sharing of the data.

Please note the directorate has a published DPIA for adult social care - <https://democracy.croydon.gov.uk/documents/s19037/Appendix%201.pdf>

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## **APPENDICES TO THIS REPORT**

*None.*