

**ROTHERHAM BOROUGH COUNCIL –
REPORT TO CABINET MEMBER FOR EDUCATION AND PUBLIC HEALTH**

1.	Meeting:-	CABINET MEMBER FOR EDUCATION AND PUBLIC HEALTH
2.	Date:-	15th July 2014
3.	Title:-	Valuing Care – Achieving Efficiencies in Placements
4.	Directorate:-	Neighbourhoods and Adult Services

5. Summary

Valuing Care are an independent/private sector organisation that have a strong track record and has been commissioned by Rotherham to undertake a detailed cost book analysis on a selection (25 cases) of Social Care and SEN residential placements to benchmark value for money and achieve efficiencies.

This report is to update Cabinet Member on progress to date.

6. Recommendations

That Cabinet Member:

- 6.1 Receives this report and notes progress to date on this work**
- 6.2 Receives further updates as the process continues**

7. Background

Valuing Care are a company which offers to undertake detailed cost book analysis of residential placements on behalf of local authorities and CCGs (previously PCTs). They have a strong track record and have been undertaking this work for over seven years, on both young peoples and adults placements, and in that time have negotiated over £15M of savings for over a hundred organisations. One of the key results of that work is that they have built up an extensive data set of averages and costing information that can be used to benchmark services in the care sector.

They have been commissioned to examine 25 current residential placements across social care and SEN on behalf of RMBC.

7.1 Progress to Date

The 25 cases were selected following consultation with staff in social care and SEN and initial details provided to Valuing Care.

A letter was then sent to all the companies concerned introducing Valuing Care and explaining the process that was to be followed. The letter included a proforma for them to complete detailing how the costs were broken down for each individual placement.

Currently 16 of the 25 cost breakdowns have been returned and a further 5 companies have agreed to participate in the exercise but have yet to return their data. These 5 have been sent an initial reminder and now a final chasing letter. Four companies, all SEN residential providers have refused to engage in the exercise. For those four and any of the 5 others who fail to provide data the exercise will still continue. In all cases the data provided will be compared against the extensive database held by Valuing Care of other provider costs to identify any potential areas of overcharging. For those failing to provide a detailed breakdown this will simply be carried out on an average cost basis and this has been made clear to the outstanding 5 in their final reminder letter.

To ensure that Valuing Care is able to challenge providers on the rationale for the costings provided we are in the process of compiling a detailed pen picture of each case. This pen picture will detail the individual young person's needs and also the services which have been commissioned from the provider to meet those needs such as individualised therapies, educational support or increased staffing levels. These pen pictures have been checked with the young person's allocated case worker before submission to Valuing Care and the final batch of these will be sent this week.

All information on cases transferred between commissioners and Valuing Care is being transmitted using a secure area on the data portal to maintain data security. Once Valuing Care have completed their analysis of an individual placements' costings we will be provided with a report detailing their findings and will then be in a position to begin to challenge providers on their fees.

Similar work carried out in Doncaster took approximately six months before any agreed savings could be reported.

Further updates will be provided to Cabinet Member as this work progresses.

8. Finance

Valuing Care usually charge a flat fee of £850 per case examined but we have managed to negotiate this down to £800 per case for the work in Rotherham which means a total cost for the 25 cases of £20,000.

Work recently concluded in Doncaster overachieved on their target of a 5% saving. If we were to achieve a similar level of saving across these cases it would mean an annual saving in the order of £200,000.

9. Risks and uncertainties

That had this service not have been commissioned then capacity within the commissioning team may have meant that this work could not have been carried out and opportunities for savings may have been missed.

10. Policy and Performance Agenda Implications

This work impacts particularly on one of the four Big Things within the recently revised Children and Young People's Plan namely Tackling Inequality as well as both the Enjoy and Achieve and the Making a positive contribution Action Plans.

11. Background Papers and Consultation

N/A

Contact Name:- Chrissy Wright, Strategic Commissioning Manager, Ext. 22308, email chrissy.wright@rotherham.gov.uk

REPORTS – CHECKSHEET

This Checksheet must be completed by all report writers and the Senior Democratic Services Officer.

Meeting:-	CABINET MEMBER FOR EDUCATION AND PUBLIC HEALTH
Date:-	15th July 2014
Title:-	Strategic Commissioning Manager
Directorate:-	Neighbourhoods and Adult Services

1. Have you completed this report strictly in accordance with the Cabinet template and guidance notes?

YES

(The template/guidance notes can be used from the Intranet – Resources A-Z under “C” for Cabinet report.

2. Has the Chief Executive or relevant Strategic Director approved this report for consideration by Members?

No

Name of Report Author:- ...**Chrissy Wright**.....

3. Is the report OPEN or EXEMPT. If exempt please give reason(s).

.....**OPEN**.....

To be completed by Senior Democratic Services Officer

1. Confirm that you have done a quality control check before publishing this report.

YES

2. Specify any amendments made:-

.....

3. Check OPEN or EXEMPT.

Name of Democratic Services Officer:-