

Fair Price, Fair Care
Care Funding Calculator
Protocol to Support Good Practice

This *protocol* has been drawn up following consultation with Health and Social Care commissioners and a broad range of providers. Its purpose is to recommend a *framework* to facilitate constructive dialogue between commissioners and providers. More specifically, it aims to promote the effective use of the Care Funding Calculator in commissioning services for people with learning disabilities - that are value driven, high quality, and offer value for money. The protocol sets out undertakings for both sides, based on what each can expect from the other and seeks to influence behaviour.

By actively applying the principles described, commissioners and providers are more likely to build trust and mutual respect and achieve a better balance of risk. The overarching aim is to ensure positive outcomes are achieved for people with learning disabilities who rely on care and support services, through the effective use of resources, and with providers and commissioners working as partners.

The Care Funding Calculator encourages an individualised approach to the identification of needs and the setting of costs, in both residential and supported living settings, highlighting aspects of personal development, choice and control. The module also incorporates an element which supports community presence and participation, both within formal care settings and also as a gateway to future independent living options.

Strategic Principles

Use of the Care Funding Calculator to procure services from the full range of providers requires a mature approach to securing contracts which accepts:

- The benefits of adopting a *common understanding* about cost structures, and the relationship between fair pricing, investment decisions and building market capacity.
- The importance of achieving a fair and proportionate balance of risks with providers.
- Wherever possible people who rely on care and support services should be involved in the use of the Care Funding Calculator.
- Meaningful engagement and fair negotiation builds relationships and will enhance service design and delivery.
- Common to commissioners and providers is the need for objectivity, accountability, openness and honesty.
- Funding is a central factor in the relationship between commissioners and providers.
- Effective and fair terms of delivery contribute towards developing an effective partnership.
- The achievement of agreed outcomes is an indicator of the success of funding.
- The financial relationship should be constructed in such a way that allows outcomes to be maximized.

- Delivery specifications which include positive incentives are more likely to ensure beneficial outcomes are achieved.
- Costing processes and contract negotiations should be as uncomplicated as possible and in proportion to the amount of money involved.
- Well managed and mature commissioner/provider relationships mean that resources will be focused on achieving outcomes, rather than on costing processes.
- Effective contract review focuses on outcomes, is fair and promotes transparency.
- Use of the Care Funding Calculator is a means to an end, a starting point, and not a conclusion.

Providers

Providers recognise there are competing pressures on public spending and that commissioners are responsible for achieving value for money. In negotiating or renegotiating contracts,

Providers will:

- Involve people who rely on care and support services, wherever possible, in the use of the Care Funding Calculator
- Support the use of the Care Funding Calculator when focused on achieving quality outcomes for people who rely on care and support services, underpinned by transparent and fair cost assumptions
- Be willing to develop an awareness of commissioners' policy objectives and priorities
- Define success coherently in terms of outcomes for people who rely on care and support services
- Reach agreement about terms of delivery and outcomes at the outset
- Ensure effective systems are established to account for finances
- Be straightforward and clear in reporting
- Seek forthright feedback from commissioners
- Manage conflict resolution positively

Health and Social Care Commissioners

Have a leadership responsibility for building efficient contractual relationships with providers. These should reflect market plurality; provide incentives for delivering quality in relation to price, ensure the development and maintenance of market capacity and a fair allocation of risks.

Commissioners will:

- Involve people who rely on care and support services, wherever possible, in the use of the Care Funding Calculator
- Respect the independence of providers
- Be clear about which version of the Care Funding Calculator is being used
- Make available the Care Funding Calculator to providers, including access to its underpinning cost assumptions
- Put outcomes at the heart of the commissioning process
- Use the Care Funding Calculator creatively to facilitate healthy dialogue and negotiation
- Show commitment to service quality and innovation
- Commit to a three month placement review; including upon request revisiting the initial funding calculations
- Develop their knowledge and understanding of providers' services and cost pressures
- Promote a sound commercial relationship with providers taking account of the need for providers to operate efficiently

- Promote effective working relationships with providers and build trust through consultation
- Seek to increase transparency in procuring services from providers
- Implement longer term funding arrangements where these represent good value for money
- Be proportionate in monitoring
- Be clear about timescales and decision making process
- Actively seek honest feedback from providers
- Manage conflict resolution positively

Resolution of disagreements

As far as possible, disagreements over the application of the Care Funding Calculator should be resolved between the parties. To assist this process, where both parties agree, independent mediation may be a useful way of trying to reach agreement.

The principles and approach set out in this protocol - as underpinning good practice and for developing constructive commissioner, provider relations - are supported by the following organizations:

Regional Improvement & Efficiency Partnerships, VODG (Voluntary Organisations Disability Group), NCF (National Care Forum), LGA (Local Government Association), ADASS (Association of Directors of Adult Social Services) and the Primary Care Trust Network.

