

# High-Cost Placement Negotiation Workshop: 13,15,19,20 March

Commissioned by Partners in Care and Health,  
delivered by iESE

The Local Government Association and Association of Directors of Adult Social Services are **Partners in Care and Health (PCH)** working with well-respected organisations.

PCH helps councils to improve the way they deliver adult social care and public health services and helps Government understand the challenges faced by the sector.

The programme is a trusted network for developing and sharing best practice, developing tools and techniques, providing support and building connections. It is funded by the Department of Health and Social Care and offered to councils without charge.

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# Facilitator: Diana Sherwood

iESE Associate Consultant-  
[diana.sherwood@iese.org.uk](mailto:diana.sherwood@iese.org.uk)



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# Aims for today's session

- ✓ **Approach to Reviews** – the importance of a good review to support discussions.
- ✓ **Whole System Approach**- Influencing the capabilities of embedded systems, and the critical role of experience in driving positive and impactful changes in the sector.
- ✓ **Negotiation Skills** – how to prepare to negotiate and achieve a win/win position
- ✓ **Understanding budget, value and profit margins** – using data and evidence to understand whether pricing is fair and where negotiations should be focused.
- ✓ **Balancing the books whilst supporting care providers** - creating a sustainable market continues to be the biggest challenge that councils face.



These approaches can deliver immediate benefit and long-lasting change.

# Experience

- Worked with 13 LAs & ICB across LD, PD, MH, Complex Care - managing high-cost placements for care home and support living provision.
- Vast mentoring and collaboration with Social work and Brokerage Teams
- Established robust commissioning processes & whole systems
- Built solid relationships with care providers
- Saved £8.5 million across Adults, Transitions and Children's as well as cost avoiding over £3 million +
- Most recently, with one LA since start of 2023, saved c£4million through robust approach with social workers
- Negotiation training and advising across the country
- Worked with several local authorities on Implementations of CareCubed



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# The Challenge:

## Increasing needs & associated costs and the need to maximise VFM for our Shrinking budgets

- Right-sizing care needs and being creative in our assessments
- Setting clear outcomes for the next period to ensure providers are continuously using an enabling approach
- Early & clear decisions on uplift decisions for requests from providers. How do we better assess whether they are fair and having the evidence and skill set. What level of uplift can/should we offer to support the market?
- Allowing us the ability to quantify immediate savings and cost avoidance, which can be made very quickly by asking the right questions and working from a sound evidence basis.
- Facilitating transparency with providers to have these conversations.



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# Benefits of greater cost control and governance

- Facilitates the creation of tailored solutions addressing specific needs of individuals receiving social care, ensuring personalised and effective support. This gives tailored solutions for diverse needs.
- Significance of benchmarking tools, such as CareCubed in social care, allowing for the comparison of costs and services across different care providers or systems.
- Importance of experienced workforce who understand how to utilise benchmarking tools within embedded systems to drive real change, emphasising the need for skilled individuals to make meaningful improvements in social care practices.
- Having a consistent approach applied always is crucial. We are managing this in adult services, however, ideally, we need to use this approach across all-age commissioning and across all authorities (regionally and nationally). This provides a basis for sharing of data and intelligence and drive change in the market to avoid councils being played off against each other.
- Great results can be achieved quickly- social workers, Brokers and commissioners can do this without being qualified accountants. Putting a little extra time up front will mean we are prepared for high-cost decision making, saving time and meaning you can easily update/review in the future as we have a solid baseline.



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# What good looks like:



Robust reviews which clearly determine the assessed needs



SMART outcomes set for providers - make them more accountable for an enabling approach



Follow up on time limited funding- are we ensuring we have safeguards in place that support does not overrun.



Clear pathways and stepdown approach- are we having these discussions with providers where appropriate



Look robustly at time spent away at College, Day Centre, family visits, holidays especially where individuals have high needs



Clear warning of joint funding or fully funded on the front page



Whole service reviews where possible- one social worker rather than different ones for service with more than one resident



# Our Remit as local authorities

Our vision - Collaborating with residents so they can live the best lives they can, by working together to identify strengths and support independence.

Maintain high quality standards and treat public funds as if they were our own, while achieving stated outcomes. Prioritise quality over quantity in all aspects of spending.

We are all employed as professionals and need to discharge our duties in line with standards and expected outcomes.

Communicate well with providers that we always have an intent to review needs and cost and have difficult conversations with ease.

Query all aspects of the process- creativity in shared hours, less restrictive care, check that the staffing is proportionate to delivery.

In support plans record any core hours, background hours, 1:1/2:1 hours , hourly rates and any other associated costs.

Address unmet needs and aim for quality-of-life changes.

Reflection on whether we are being provider led

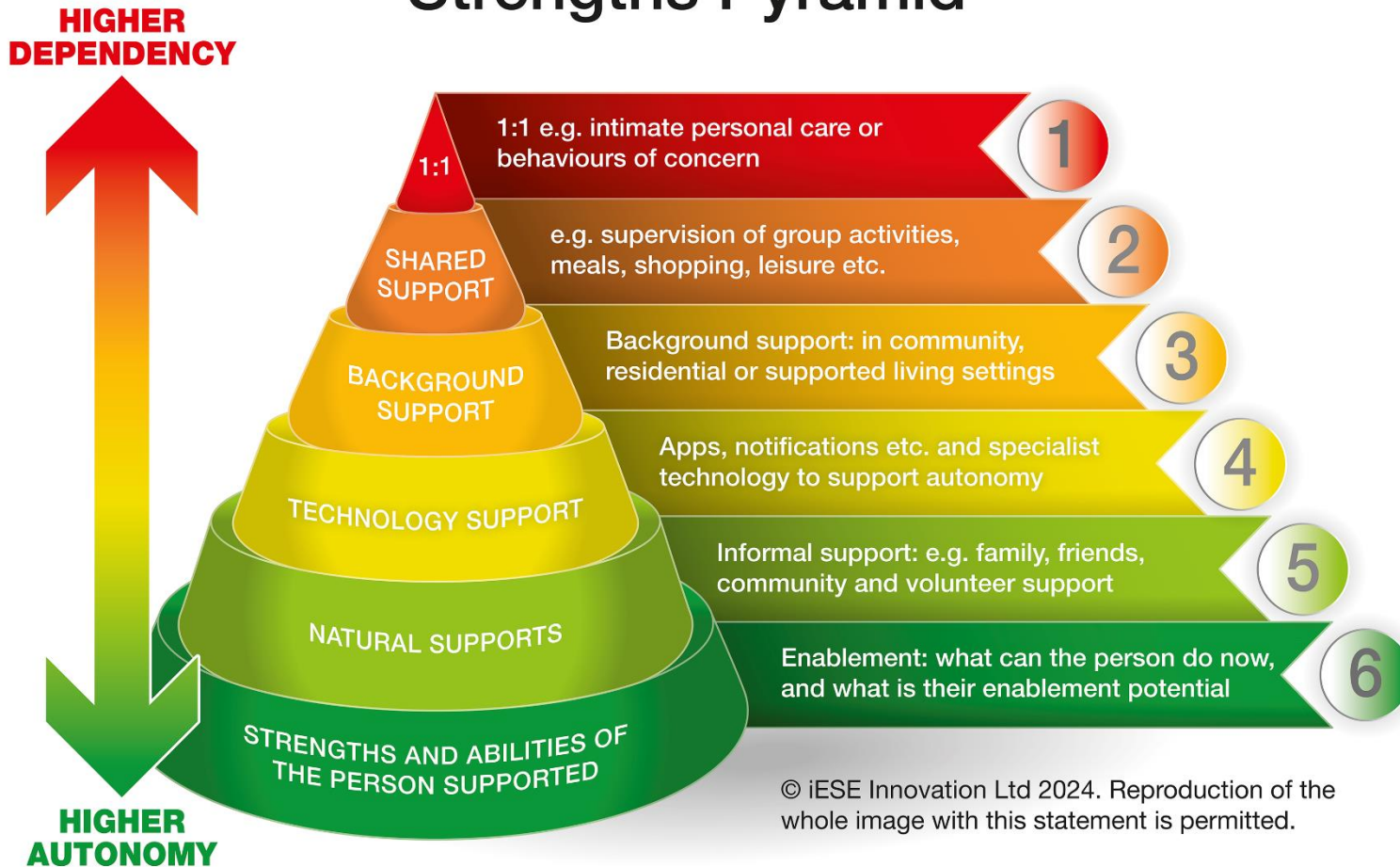


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# The CareCubed Journey – Strengths Pyramid



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# Social Work Team Specific Remit

- Robust review of strength/outcome-based needs
- What has the provider tried, what/how will they try, how strong is their PBS?
- Assessed, agreed and communicated support hours with provider at the time of the review
- Checked all risk assessments related to the level of support
- Collated any incident reports
- Read the daily logs and looked at weekly planner to have an evidence base
- Set outcomes and pathways



# What should Social Workers be looking at and collecting as part of their reviews to enable Brokerage to have robust data & negotiate well?



Risk assessments associated with the level of 2:1, 1:1 etc



Challenging providers on less restrictive support



3 months staff rotas



Incident reports/risk assessments to evidence need for the level of care



Weekly planner

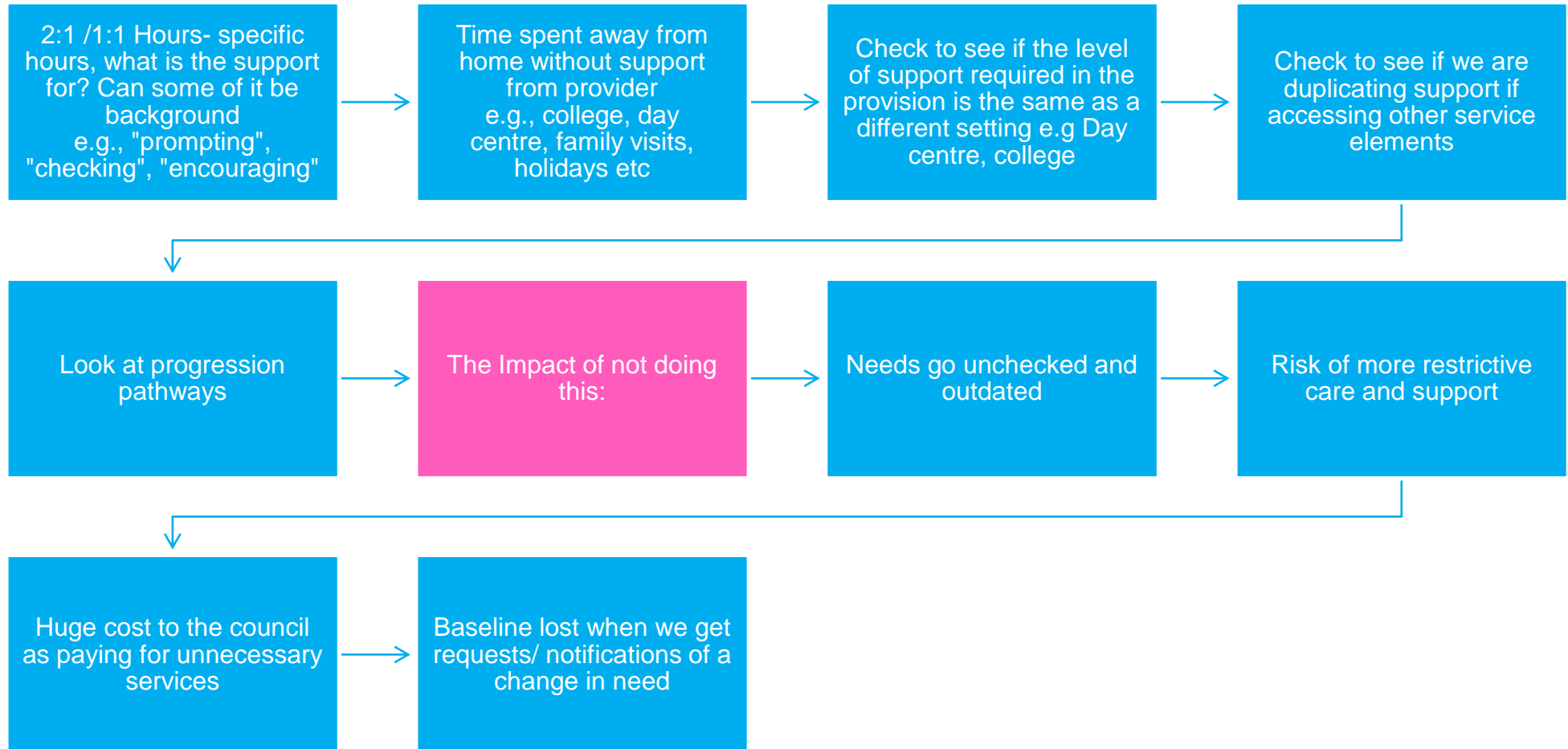


Read at least 2 months of daily records



Ensure that reviews are given to the providers in a timely way

# Types of Support



# Brokerage Team Specific Remit

-  Use different benchmark methods to negotiate, specifically focusing on contracted hours
-  Check if the contracted hours look plausible
-  Record core hours and hourly rates etc on the purchase order
-  Use provider names rather than service names on Mosaic for better risk management and tracking gaps in the market
-  Communicate intentions and collaborate with providers for the best possible outcomes
-  Share information with wider teams of good quality providers
-  Contracts: Are they up to date and supporting your cause

# What difficulties do we face when negotiating?

Issue	Mitigation
Lack of provider engagement	Escalate and decide organisational level response: <ul style="list-style-type: none"> <li>○ Do you discontinue use of such providers?</li> <li>○ Do you impose an interim fee reduction?</li> <li>○ Do you move people where possible?</li> </ul>
Providers involving families/ advocates.	Be more proactive; explaining to families and giving rationale and various options- managing expectations
Providers refusing to budge when there is clear evidence of a reduction- Getting beyond an initial 'no' or low offer	Re-group to achieve result: <ul style="list-style-type: none"> <li>○ Think of other trade offs</li> <li>○ Do more investigative research- strengthen your position</li> <li>○ Try a different approach- be creative</li> </ul>
Some evidence more difficult to establish	Use procurement resource- they are able to look at companies' accounts in more detail
Contracts not adding value to negotiation process	Re-evaluate your contracts
Breakdown of costs coming in various forms from providers	Need to be guided by the data and benchmarking to understand and utilise the negotiation points



# What difficulties do we face when negotiating?

Issue	Mitigation
Provider gives notice, a new placement is proving difficult to find- You need to get an extension on notice period	Use a personal touch, call rather than email- appeal to their collaborative side. Discuss some trade-offs, build on a long-standing relationship
Provider indicates they are unable to provide a service for individual based on the referral form	The power of persuasion lies in listening to what their reservations are, analysis and reflection of these – is the narrative used current? Sometimes we leave negative areas in referral that happened years ago.
Accountability- action plans providers may not agree with	Be clear of rational and benefits. Have confidence in delivery- tone and language matter.
Provider not working towards step down	Standardise across teams setting clear outcomes and expectations. It is important that this is done from the start.

# Tips to Handle Discussion Points :

- Question rather than demand. You will get valuable insight into their motivations and interests. Questions will open the discussion.
- Be joint problem-solvers.
- Be flexible to compromise.
- Do your research- the party with more information usually has more leverage.
- Do not use pressure - strive to get what you want through our underpinning principles.



- Break the negotiations into sections and reach an agreement on each part separately.
- Have a 'Win-Win' attitude towards reaching the negotiation outcome.
- Adopt a fair approach by stressing the need for requests that are simply in line with industry standards or current market prices.
- Share information or your respective interests with the other party.





# Exercise - Negotiation SWOT Analysis – most common answers across the 4 sessions

## Strengths

- Market Knowledge and Awareness
- Existing provider relationships
- Data and intelligence
- Key purchaser for providers

## Weaknesses

- Limited capacity for review
- Inconsistent practices
- Lack of negotiation skills and experience
- Limited understanding of costs

## Opportunities

- Collaborative work with health partners
- Regional and sub-regional collaboration
- Use of technology and innovative delivery models

## Threats

- Funding and Budget Constraints
- Provider Failure / Limited Options in Market
- Contract handbacks
- Health or other LAs driving up rates / being played off against each other

# Collaboration

- Councils are being played off against each other.
- Community allows us to network and have joined up conversations.
- Sharing intelligence and best practice across local government.
- Strength in numbers – multiple LA's working together in negotiations.



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# Benefits of greater cost control and governance

- Optimises resource allocation and improves cost efficiency
- Promotes transparency by providing clear cost insights and accountability, ultimately enhancing service quality.
- Benchmarking tools, such as CareCubed, when utilised alongside embedded systems, allow for the identification and implementation of best practices in adult social care, leading to improved standards across the sector.
- Cost-effective innovations that can significantly reduce costs while improving the quality and accessibility of adult social care.



# Benefits of greater cost control and governance

- Leveraging benchmarking tools to make informed decisions, optimise processes, and identify areas for improvement
- Experience in benchmarking and embedded systems equips decision-makers with the insights necessary to make informed, strategic choices, leading to impactful changes within social care provision.
- Enables social care to adapt quickly to changing needs and evolving regulatory requirements, ensuring ongoing effectiveness.

# Discussion areas providers may bring up:

By combining empathy, active listening, clear communication, and a willingness to find solutions or alternatives, you can effectively manage challenging conversations with providers while maintaining a positive and constructive working relationship.

- Energy costs
- Pension - is a huge cost to provider.
- Agency/recruitment costs
- Annual wage increases- National minimum wage, Real/London living wage .
- Not received an inflationary uplift for years or very little
- Council always cutting costs and business is no longer viable.
- Threat of notice should you want to reduce weekly fees



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# Difficult conversations Fundamentals

- Prepare – know the background and stick to timelines
- Have a goal in mind but be flexible- understand your goals and theirs
- Establish robustly what needs have been assessed and how this is conversed
- Communicate clearly and confidently the matter at hand and any other issues
- Separate the people from the matter at hand - Take care of yourself and remember it is not personal
- Actively listen - Listening is more than not talking. It's about being present and curious.
- Focus on interests not positions- interests answer the question “Why”
- Innovate solutions together - Where possible, propose alternatives or potential solutions to address their concerns. Collaborate with them to find a way forward.



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# Difficult conversations Fundamentals cont....

- Use objective criteria and seek answers where things appear ambiguous
- Use each challenging conversation as an opportunity for personal and organisational growth. Have the ability to set boundaries and declining positively where required.
- Consider the situation from their perspective- be curious and ask questions to move towards a mutual understanding
- Identify areas where you can improve your processes, communication, and stakeholder management.
- Create trade offs - Always aim to create “ Win-Win” solutions

Continue to work collaboratively with providers in order to develop a relationship that recognises the challenges on both sides and works to mutually resolve them to provide excellent care and support to our residents.



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# Uplift Requests

- How can I assess the request?
- How do I know whether this is fair and reasonable?
- How should I respond and what questions should I ask?
- Are we clear on what we gave a provider the previous years?
- What evidence base can I use to challenge?
- How do care/non care costs stack up against others?
- Are we already overfunding- need to truly understand the high-cost placements, and whether a fair price is being paid before offering across the board uplifts.
- Consideration required on the impact of offering uplifts on placements that are already overfunded



**How are you currently assessing and determining these in your Local Authority? Is your approach solid?**



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# Understanding budget, value and profit margins

- Consistently update relevant staff on current budget positions.
- Use data and evidence to understand whether pricing is fair.
- Be clear of where negotiations should be focused.
- Make comparisons of value by provider and similar needs
- Have knowledge of reasonable profit margins and always seek precise percentage from providers



# What helps.....



- Challenge providers on over provision or risk aversion, high hourly and core costs
- Collaborate quality services where providers are creative/agile in their delivery of care
- Ensure we are not provider led- we determine the needs with their collaboration and on an evidence basis
- Needs should always be reviewed, ensure provider is more focused on an enabling approach.
- Co-produce with providers shared visions, outcomes and goals- Should always be SMART and continuously followed up.
- Take your time- do not get pressured into making hasty decisions
- There should be greater analysis of cases by managers to ensure we are making checks and balances before they are approved.
- Empowering workers to recognise they will be supported in their quest to challenge providers
- Providers giving us quality and value for money with really good outcomes - We should support their business models -look not only at the quality & financial value but the social value as well.



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# Streamlined Processes for Effective Work:

- ❑ Establish clear and efficient processes that guide the team in their interactions with care providers.
- ❑ Regularly review and refine these processes based on feedback and evolving circumstances to ensure adaptability.
- ❑ Utilise technology and automation where possible to streamline administrative tasks, allowing teams to focus on more strategic aspects of their work.
- ❑ Make the processes BAU so that new staff can quickly pick them up and be effective.



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# Negotiation book recommendation

