

Leicestershire locks in £774K pa cost avoidance with one provider

Case study: Leicestershire County Council

The Challenge

- Being able to challenge costs without evidence base.
- Negotiating new settings and reviewing existing services.

The Solution

- Subscribing to CareCubed Children's and using it for new and existing placements.
- Having access to an independent evidence base for benchmarking both new and existing services.

Why CareCubed?

- CareCubed is the only nationally recognised benchmarking solution used by commissioners and providers.
- CareCubed provides a transparent basis for negotiation.
- The CareCubed team provide comprehensive training, implementation services and support to ensure benefits are maximised.

Results

- £774K pa cost avoidance with just one provider across two services.
- An understanding from providers that Leicestershire is armed with insight and able to challenge based on evidence.



Leicestershire County Council has been using CareCubed Children's since 2024. Recently the council has used the tool to secure a significant 30 per cent reduction in fees across two services with one large provider totalling £774K per annum.

Leicestershire County Council currently commissions around 20 children's placements at five locations with the same large provider. Four of these provide longer term accommodation, the other is a family assessment centre. As services have been established in recent years, whilst the council was concerned about the cost, it found it difficult to produce an evidence-based challenge to negotiate a more cost-effective solution.

With three more services in the pipeline, and the acquisition of CareCubed, Leicestershire had the independently benchmarked evidence base to challenge the quotations it received in late 2024. Quotes were supplied for the delivery of two new services. One of these was a short stay residential service and the other a mental health hospital step-down service, adding up to some £2.5m per annum.

When the council ran the numbers through CareCubed it was able to evidence that these services should be supplied at a much lower cost. Through the negotiations that followed the council was able to obtain a reduction of £774k per annum, with both services eventually being agreed for £1.7m – a 30 per cent reduction.

Kim Sherriff, Commissioning Manager of Children and Family Services at Leicestershire County Council, said: "With CareCubed, we now have a good understanding of what care costs, and are now armed to challenge with evidence." She added that having CareCubed as a tool had helped rebalance the relationship between the council and providers. "Providers were not prepared for our level of challenge and new insight, they were unable to justify their initial costings," she explained.



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Commissioning Manager of Children
and Family Services at Leicestershire
County Council

Besides using CareCubed to deliver an excellent saving on this strategic development, the Contracts and Quality Teams also use the tool in their service reviews to monitor and assess ongoing service costs and ensure better value. With the help of very good training and support from CareCubed staff, the teams are now more confident and better equipped to challenge what seem to be exceptionally high costs quoted by providers. The council has found that CareCubed Children’s allows it to do the same as the CareCubed Adult tool has achieved in its adult services, namely, the use of an independent pricing tool has put the negotiations on the right range where a more sustainable fee can be agreed.

Nik Jones, Business Development Manager at CareCubed, said he was pleased to see how the independent benchmarking cost of care tool had achieved such significant savings for Leicestershire while ensuring that care users were getting the right level of care for their needs.

He said that savings in the region Leicestershire had achieved in its children’s services with just one provider was not unusual. “CareCubed delivers a level of transparency between commissioner and provider that would otherwise be very difficult to obtain. The independent data sitting behind the tool can give both parties reassurance that they are paying and charging around the benchmarked figure for care. In times when both adults and children’s service budgets are stretched and providers are also struggling with the cost-of-living rises and staffing issues, commissioning care at a sustainable price for all parties is key to ensuring stable provision for those in need of support. In line with the new guidance of the children’s wellbeing and schools bill, CareCubed ensure a greater scrutiny for what is being charged between commissioner and provider. CareCubed is a crucial tool in supporting councils with this requirement.”