

Lancashire saves over £1.5m on children's placements

Case study: Lancashire County Council

The Challenge

- Understanding the costs which make up packages of care.
- Controlling spiralling placement costs.
- Changing the organisation's culture around questioning the cost of care.

The Solution

- Appointing an analyst to understand the local market with CareCubed as a key part of the role.
- Reviewing cohorts of placements, starting with high-cost placements and moving onto mid-range placements.
- Using CareCubed to help shape the market, especially around cost setting for new providers.
- Using CareCubed as a robust evidence base and consistent approach which is understood by all key stakeholders.

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.
- CareCubed is an impartial solution used by providers and commissioners and both feed into ongoing development.

Results

- £1.58m cost avoidance since November 2022 (total at April 2025).
- Increased confidence in negotiating and understanding provider cost bases.
- Now confident to apply CareCubed learnings and practices to independent non-maintained special schools.



Lancashire County Council (LCC) was the first local authority to adopt the CareCubed Children's module. Its trail-blazing work has seen a rapid uptake of the tool in the North West region and has contributed to £1.58m of savings and cost avoidance on looked-after children's home placements since November 2022. The tool is also helping shape the local provider market and supporting culture change in the organisation.

After a period of learning how to use the tool, LCC appointed a Market Placement Analyst to help the authority understand the local market. A key part of this role is CareCubed. This was initially a two-year fixed-term position but was quickly made permanent as the savings became evident.

The first use of CareCubed in this role was for the analyst to carry out CareCubed on its high-cost placement cohort, as well as for uplifts and to work with new providers on understanding fair cost of care. By July 2024 the council was ready to include mid-range homes in its processes, including its framework contract providers.

Annette McNeil, Senior Commissioning Manager for Policy, Commissioning and Children's Health at LCC says CareCubed has given the organisation a structure to "dive deep into costs".

"Initially when we started it was any high-cost children's home over £6,500 per week. Now we have a real grip on high-cost homes and our numbers have significantly gone down – partly due to CareCubed but also due to a culture change in the organisation," McNeil explains.

"It is about the right home for the right child at the right time in the right place and that means it needs to be a home that meets and matches the child's needs. It is culture shift of understanding that paying more doesn't mean that you are getting better care. We are much braver and bolder in Lancashire now because everyone is on the same page and understands the financial constraints we have."

She explains that CareCubed makes the processes of agreeing a price with a provider more transparent. "We are not necessarily looking for a cost reduction, but we are looking to understand the fees and use that to inform our decision making," she adds, "We say we have this national benchmarking tool, and make it clear that CareCubed is a starting point.

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Louise Anderson,
Director of Children's
Social Care,
Lancashire County Council

"When I arrived in Lancashire, I asked our commissioning team to find a way of breaking down placement costs in terms of boarding, staffing, therapy and profit. The team went much further than I had anticipated and discovered CareCubed. This, alongside a greater emphasis on matching the needs of the child with potential homes, has helped us find the right home for more children at a more reasonable rate."



Dave Carr,
Director of Policy,
Commissioning and
Children's Health,
Lancashire County Council

"We began with a pilot of CareCubed in 2021 and were excited to see what difference it could make in helping us to better manage the costs of residential children's homes. It wasn't long before we began to understand the potential benefits, and we invested in a market analyst to really help drive its use. Four years on, CareCubed has become an essential component of our approach to working with providers and our children's social care teams. I couldn't envisage being without it."

It allows us to see if a placement is in range or not, flags up the areas where costs are high and that prompts conversations such as 'help us understand why your rent is higher than we would expect, or why your food bill is so high'. Sometimes they can justify it and sometimes they review the costs. Even if we don't get the benchmark cost, it helps us build a clear picture of our local market and feeds into our market-shaping activity."

Carys Hunter is the Market Placement Analyst at LCC. Once social workers have identified a child's needs, the Access to Resources team send out the request to providers for offers. Any offers over £5,000 per week are sent to Hunter who then discusses with the social work team which offer or offers are the most likely to be explored. These are CareCubed and the summary of findings and discussions with the provider are incorporated into the decision-making form.

Any unusually high-cost placements now have to be signed off by a Director and McNeil says CareCubed is now so well embedded that asking what CareCubed says is the go-to question. "Our director is really clear that we need to understand costs and she is not prepared to agree some of the exorbitant costs that are out there. Her go-to question is how it compares to CareCubed."

Hunter says using CareCubed has been easier with new providers because they want to work with the council and open more homes. "It has been a bit more challenging with existing providers, especially ones which have had costs agreed and are on our framework. But it is good for them to understand that we understand when something isn't right. We might not be able to negotiate a price reduction, but they know that we are clear the numbers are not adding up. It makes providers less confident in hiding profits in other lines."

Hunter describes the tool as simple and easy to use and has found the support from the CareCubed team valuable too. "The training has been really good and you can watch it again on the platform which is really useful. I haven't used the community much, but it is reassuring to know it is there if I need help, whether from the CareCubed team or someone from another council in a similar role to myself. It is nice knowing the community is there to lean on."

LCC is now looking to make similar waves in the SEND market and is hoping to partner with CareCubed in the development of a module to assist with this. "We have seen the benefits of CareCubed from a residential children's home perspective. We are in the same place now with independent non-maintained special schools that we were 2-to-3 years ago with children's homes where providers were naming a price, but we couldn't understand what was driving that," McNeil explains.

McNeil and Hunter agree all local authorities should be using CareCubed. "When there are councils going bankrupt you would be crazy not to take CareCubed on board. It is so easy, and such a good starting point that will make an immediate impact. You don't make savings on every placement but the savings you do make mean you have money to do other things," says Hunter.

McNeil agrees: "I don't understand why all local authorities don't have CareCubed. Understanding costs and being able to push back on costs is how you try and get control back."