

## Externally Purchased Placements Fees Inflation Uplifts 2008/09

### Background

1. Previous regional strategies have proposed that future fee negotiations should be based around a fair price for the quality of care provided and that there should be a clear link between performance and the fee paid. Developments are ongoing to establish a process for evaluating Provider performance, both in terms organisational best practice, the contents of the 'standard fee' and individual placement outcomes.
2. Work is ongoing in the region to develop and implement the necessary QA model required to underpin this approach. It is also accepted by both Purchasers and Providers that further 'outcome' indicators are required to provide a more balanced indicator of performance. Many of these enhanced processes will shortly be incorporated in the Placements Information Management System (PIMS) but will not be available in time to influence the current year fee negotiation round
3. So far as the 2008/09 fee negotiations are concerned it is concluded therefore that analysis of the usual percentage uplift will be the interim approach adopted by the region. Providers need to be aware of the intention to move to a different approach during 2008 and that Providers will continue to be consulted on these developments.
4. With regard to those Providers who consider the recommended uplift threshold is insufficient for them to provide their service, the NW Steering Group has agreed an approach to determine and recommend any exceptions.

### 2 Process

- 1 In recognition of the different budget settlements, levels of inflation and potentially pay settlements affecting the Education and Social Care sectors there is a case for these to be again negotiated separately. *The NW Steering Group has therefore agreed and recommended that the uplift threshold for Residential, Fostering and Leaving Care Providers should not exceed 2% whilst the uplift threshold for Education Providers should not exceed 2.76% with any exceptions subject to the process described below.*
- 2 Each local authority will issue a standard letter to those Providers seeking an increase, which allows a short period of time for Providers to respond. Individual Local Authorities will decide on their own consultation process but this will be completed by 18 January 2008 and the results will be fed back to Placements North West. Mailing lists will be provided by Placements North West if required.
- 3 Placements North West will collate responses received by Authorities and circulate a summary and conclusions to partner LA's by 8 February 2008.

- 4 Placements North West will act as a clearing house for challenges to Authorities on the recommended increase. Claims for increases above the agreed percentage will be collated by Placements North West and circulated to all Authorities.
- 5 Placements North West will distribute a QA Provider Performance Assessment (Appendix 1) to individual partner Authorities (via Nominated Officers) to determine an overall regional assessment of the Providers performance.
- 6 Based on the QA Provider Performance Assessments, Placements North West will report any exceptions (higher increases), identifying those challenges which the majority of Partner Authorities consider to be justified, to the NW Steering Group for approval as required.
- 7 Providers will then be informed of agreed increase by respective Local Authorities.

As stated above the intention is that an increase will not be awarded automatically, Providers need to apply and, subject to agreed exceptions this will be at or below the agreed target.

## Appendix 1

Authority QA Provider Performance Assessment		
<b>Key</b> 0 = cause for concern / reluctant to use 1 = poor 2 = average 3 = good 4 = excellent		
Provider Name.....		
Nominated Officer.....		
Quality of Staff	Score	Comments
In providing services in the last 12 months has the Provider demonstrated that their staff have been provided with the appropriate training, support and supervision?		
Value for Money		
In terms of placements made with this Provider, do you consider that they have delivered a value for money service in the last 12 months?		
Making a Difference		
Has the Provider demonstrated an ability to 'make a difference' to the Children and Young People receiving the service?		
Improving Services		
Has the Provider demonstrated the ability to monitor/review the quality of their services to improve the overall quality of their placement service?		
Educational Development		
In the last 12 months, has the Provider demonstrated an ability to support, encourage and maximise the educational development of the Children and Young People receiving the service?		
Consultation/Service Development		
Has the Provider demonstrated an ability to consult with Children and Young People, parents and carers during the course of the placement(s) to enhance service development?		
Contractual Relationship		
Has the Provider demonstrated a willingness and ability to develop a positive business relationship, e.g. Responding to enquires, assisting with placement management issues, contract compliance and financial matters?		