

Children's Home Provider Engagement Responses re. Lancashire County Council Proposals (July 2021)

Responses received from 20 Children's Home Providers. Thank you to all who took the time to give their views.

Q1 (Call Off Proposals) Responses:

50% either strongly agreed or tended to agree with the proposed call off process, with a further 30% neutral (neither agreeing or disagreeing). 20% stated that they tended to disagree and no responses stated that they strongly disagreed with the call off proposals.

Those who tended to agree or strongly agreed welcomed the more targeted approach to sending out referrals and felt that this would save time for both providers and the Local Authority. The proposed process was also felt to be fair, understandable and easy to follow.

Specific Comments/ Queries raised re. Q1 and LCC Response:

Comment/ Query	Response
A number of responses questioned the proposal for lower cost offers to be shared before more higher cost options	There are already established expectations and processes in place in Lancashire that means Social Workers explore lower cost offers first and consider whether they are suitable before considering higher cost options, so this proposal will not be a significant change to current practice. Under the proposed new arrangements, where higher cost offers have been received, this will be made very clear to Social Workers and these offers will be promptly sent over once it has been confirmed that the lower cost options are not considered to be suitable.
Concern that selection of Tier 1 providers will be too heavily weighted on price and will penalise higher quality placements	Just as with current arrangements, the proposal is for quality to continue to have a higher weighting than price.
Concern re. those on block contracts being a Tier 1 provider without going through the same channels. The automatic placing of 'block contracts' negates the fairness of the whole system unless this is also coming under review with scope for those who	Existing block contract providers will be eligible to apply to be on the new arrangements (as not all of their provision is included on Lancashire's block contract) but they will not automatically be placed in Tier 1. It is recognised that a block contract provider would have the benefit of

<p>become Tier 1 to also be block contract providers.</p>	<p>seeing all referrals straight away regardless of which tier they are placed, however if they are not appointed to Tier 1, Lancashire's Access to Resources Team will ensure that any non-block contract offers will only be shared with the Social Worker at the correct time (i.e. when offers are requested from Tier 2 providers). The new arrangements will enable a retainer to be paid for provision (if both the Local Authority and provider agree) ahead of a young person being identified (in essence a 'soft block' arrangement). There is also likely to be further opportunities for providers to become part of the block contract over the duration of these new arrangements, this may be delivered as a separate contract/ tendering opportunity, or may be a call of from the new arrangements.</p>
<p>The information fails to provide a time frame in regards to how long a response will be awaited from Tier 1 before proceeding to Tier 2.</p>	<p>The Service Specification will include further information on this, including indicative timescales, but will ultimately be determined by the urgency of the referral. Response timeframes/ expectations for each referral sent to Tier 1 will be made clear and will be included in the referral email sent by ART.</p>
<p>Will homes without a judgement be unfairly penalised?</p>	<p>The reopening of the arrangements every three months will enable providers who are not yet part of the arrangements to be added to Tier 2 once requirements have been met. Once a provider is on the new arrangements, they will be able to make offers for homes which are not yet rated (as is the case now). Homes which have yet to receive an Ofsted rating will not be counted as part of the Tier 1 requirement to have 65% or more homes to be rated good or outstanding. Providers will be given the opportunity to apply to be on the Tier 1 reserve list if they previously were not able to meet the requirements but now can.</p>

<p>Which tier includes providers of residential care for children with a disability?</p>	<p>As a direct result of this feedback, it has been agreed that an additional list will be added to Tier 2 for homes which provide residential care for children with a disability. If a provider of such provision is able to deliver placements which are not inclusive of education and/ or therapy they are eligible to apply to be on Tier 1. Providers of such provision who deliver education and/ or therapy as 'standard' will be placed on Tier 2 on all relevant list(s) where they meet the requirements.</p>
<p>Don't know what 20% in Tier 1 looks like - is this dependent upon the number of placements on tier 2?</p>	<p>Tier 1 will consist of up to 20% of the total number of <u>providers</u> on the arrangement (not number of placements on Tier 2).</p>
<p>I don't fully understand the logic behind Tier 1 and Tier 2.</p>	<p>Our experience to date with the block contract and step down into fostering arrangements (and evidence from best practice elsewhere) is that working in close collaboration with providers ('relational commissioning') is much more effective. Whilst in an ideal world we would want to work in such a way with all providers, this is not possible given the high number of providers we currently engage with. The purpose of Tier 1 is to enable us to have a transparent and fair way of determining which providers we will have a more in-depth, closer and more collaborative way of working with. We will continue to work in the same way we currently do with providers who are placed on Tier 2.</p>

Q2 (Becoming a Tier 2 Provider Proposal) Responses:

85% either strongly agreed or tended to agree with the proposal, with the remaining 15% neutral (neither agreeing or disagreeing).

Those who tended to agree or strongly agreed welcomed the reopening of the arrangement every three months and the reduced time and workload required in applying to be a Tier 2 provider. The Tier 2 criteria is felt to be fair and proportionate.

Specific Comments/ Queries raised re. Q2 and LCC Response:

Comment/ Query	Response
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<p>How will this work in the current situation where many homes have not had any inspection/grading through no fault of their own and the gradings currently held by some no longer reflect their situation?</p>	<p>The proposed new arrangements will be reopened every three months, allowing providers who previously have not met the criteria of having at least one home at Requires Improvement or above within the Location Boundary to apply.</p>
<p>A number of providers have queried why the specified boundaries go beyond Lancashire, across the North West and include Yorkshire areas such as Huddersfield, Wakefield and Halifax.</p>	<p>The current Flexible Agreement allows providers with homes within a 20 mile radius of a Lancashire County Council boundary to be included. This approach has worked well to date, with very few of our young people having to be placed at a distance. The proposed use of postcode areas and the inclusion of the whole of the North West Local Authorities has been included as an easier way for both the Local Authority and providers to determine whether eligibility criteria has been met. 20 miles from a Lancashire boundary includes Huddersfield, Wakefield and Halifax postal code areas.</p>
<p>Will there be a requirement for providers to submit ALL homes onto the agreement if they are located within the borders listed?</p>	<p>There will be an expectation that successful providers will include all of their homes within the Location Boundary.</p>
<p>As a provider we should not be made to jump through more hoops. We have to ensure the quality of our service through our monthly and annual inspections. These should be enough to help form opinions on suitability on using us as a provider of quality care and support for the most vulnerable children in and out of county.</p>	<p>Given the amount of spend on Children's Homes placements, an open and transparent purchasing method is required. It is not possible for a Local Authority to just spot purchase all of their Children's Home placements. The workload to apply to be on the proposed new arrangements at Tier 2 has been kept to a minimum.</p>
<p>It would be good to see providers based on service history. If we have achieved all good outcomes with every child placed with us and they had tenures of 2 or 3 years and our homes are outstanding - surely this should be factored into the tier we get placed</p>	<p>Procurement rules do not allow previous service history to be used as a key measure as this is unfair on newer providers and is not necessarily an indicator of future ability to deliver. Tier 1 eligibility criteria does however require 65% of a provider's homes that have received an Ofsted rating within the Location Boundary to be Good or Outstanding.</p>

Q3 (Becoming a Tier 1 Provider Proposal) Responses:

60% either strongly agreed or tended to agree with the proposal, with a further 30% neutral (neither agreeing or disagreeing). 1 provider tended to disagree (5%) and 1 provider strongly disagreed (5%).

Those who tended to agree or strongly agreed felt that the idea of Tier 1 would help to further build strong working relationships.

Specific Comments/ Queries raised re. Q3 and LCC Response:

Comment/ Query	Response
Will Childrens Homes understand where they are on the List?	Yes, Providers will be informed at the outset of the arrangements and on an annual basis as part of the annual review process.
I would be careful about using quality questions as the tendency nationally now puts greater emphasis on independent sources of quality such as a home's Ofsted rating. Personally, I would either keep the quality questions to a minimum and/or use Ofsted performance as a key indicator. This will also reduce the workload for the Authority as well as Providers.	A Provider's eligibility to apply to be on Tier 1 will include the requirement to have at least 65% of their rated homes within the Location Boundary at either Good or Outstanding. A smaller number of quality questions will be used to assess the collaborative approach being proposed by the provider.
To be taken off Tier 1 with no formal interview around on goings at the home may seem a little harsh as there could have been a significant explanation or reasons as to why	Concerns relating to performance of a Tier 1 provider will be discussed and a Formal Improvement Notice will be issued prior to the removal of a provider from Tier 1. The Formal Improvement Notice will give a provider the opportunity to rectify issues within an agreed timescale.
Surely you need a good representation of every type of home in tier one. We provide therapy and education on site and 100% of homes in the area but do not take emergency or short term placements. Is there a danger not every category will be catered for in tier 1	It is not our intention to have all types of homes covered in Tier 1. Where a specific request for education/ therapy or emergency placements are made the referral will be sent out to Tier 1 providers and the relevant list(s) in Tier 2 at the same time.
Queries in relation to the justification for having tiers and the amount of time that would be required by the Local Authority to search different tiers and monitor Tier 1 providers	The reason for Tier 1 is to establish and build better relationships and work collaboratively to help meet identified gaps in provision. Therefore, the Local Authority's view is that investment of time and commitment to build and develop these relationships will be time well spent and is likely to save time longer term. The aim will be to shift the

	significant amount of time currently spent on challenging placement searches to working collaboratively and proactively with a small number of good providers.
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Q4 (Tier 1 Expectations Proposal) Responses:

80% either strongly agreed or tended to agree with the proposed Tier 1 Expectations, with a further 5% neutral (neither agreeing or disagreeing). 10% of providers tended to disagree and 1 provider strongly disagreed (5%).

Those who tended to agree or strongly agreed felt that working more individually with a small number of providers would be very beneficial for the Local Authority, providers and children and young people. It was also felt that the open and transparent arrangements were fair.

Specific Comments/ Queries raised re. Q4 and LCC Response:

Comment/ Query	Response
Concern from a provider in relation to whether being a Tier 1 provider will take away the responsibility of each individual manager to decide on placements, free from restrictions or pressure of where to take children from.	What we will be looking for from Tier 1 providers is a commitment to prioritise considering Lancashire referrals for upcoming vacancies and work collaboratively to identify improved ways of working that may lead to an increased number of Lancashire placements. However, as with our block contract arrangements, we are clear that providers retain the right to determine who should be placed in their homes.
Concerns relating to how the Local Authority intends to work with Tier 2 providers.	For those that will be placed on Tier 2, there will be no change to the way that the Local Authority currently works with providers. However, the Local Authority is committed to investing further time to build more enhanced relationships with Tier 1 providers.

Q5 (Use of Retainers for Tier 1 Proposal) Responses:

68% either strongly agreed or tended to agree with the proposal, with a further 26% neutral (neither agreeing or disagreeing). 1 provider (5%) tended to disagree.

Those who tended to agree or strongly agreed felt that the use of retainers would be positive for the local authority, providers and most importantly young people as it would increase the likelihood of local and good stable placements.

Specific Comments/ Queries raised re. Q5 and LCC Response:

Comment/ Query	Response
<p>Comment that retainers should be discussed on the needs of each individual referral.</p>	<p>To clarify, the use of retainers to reserve a placement for an identified young person is already permitted under current arrangements. This proposal is related to enabling a retainer to be paid ahead of a young person being identified (e.g. when a vacancy becomes available).</p>
<p>Several queries relating to further information about the use of retainers e.g. expected length, how many beds</p>	<p>A specific section within the specification will be developed to provide more detailed information on the proposed use of retainers. The use of retainers will not be compulsory and will be mutually agreed by both provider and the Local Authority as and when a vacancy arises. There will be no obligation on a provider to agree to retain a placement.</p>
<p>Who ultimately decides on the placement if a placement is being retained?</p>	<p>As is already the case with block contract provision, the decision to place rests entirely with the provider. A decision not to place a young person into a retained placement will be accepted should clear evidence and justification be provided.</p>
<p>Query why the use of retainers is being restricted to Tier 1 providers only</p>	<p>It is anticipated that the closer, more collaborative working that will take place with Tier 1 providers will make it much more likely that a retainer will be agreed with these providers. However, the arrangement will allow the flexibility to mutually agree the retaining of placements with Tier 2 providers in specific circumstances (e.g. when a highly sought after and much needed provision has become available and there is a willingness on both sides to retain the placement for a specific period of time).</p>
<p>If the contract is to be ten years, retainer fees would have to be assessed annually</p>	<p>All fees will be subject to the annual uplift fee that is agreed, in line with CPI.</p>

Q6 (Aspiration of 80% of Business with Tier 1 Providers Proposal) Responses:

73% either strongly agreed or tended to agree with the proposal, with a further 5% neutral (neither agreeing or disagreeing). 21% tended to disagree with no provider strongly disagreeing.

Those who tended to agree or strongly agreed felt that having a consistent group of key providers that the Local Authority works closely with would further support positive working relationships and increase trust and transparency. It was felt that this is a good long term goal.

Specific Comments/ Queries raised re. Q6 and LCC Response:

Comment/ Query	Response
Query in relation to why Lancashire is not instead looking to increase the block contracting arrangements and in-house provision rather than looking to develop a small cohort of Tier 1 providers.	Whilst there are plans to further expand our internal service and increase the number of placements delivered through the block contracting arrangements, we have always been clear that both of these arrangements will not fully meet our need for placements. There will continue to be a significant demand for placements made through the proposed new commissioning arrangements. We are aware that some providers are not interested in block contracting their provision and therefore wish to offer interested providers a more collaborative, closer way of working outside of very formal block contracting arrangements.
This proposal clearly focuses on the Tier 1 providers, so why would anyone apply to be on Tier 2?	It will be very straight forward for a provider to apply to be on Tier 2, providing that eligibility criteria is met and we are therefore anticipating that a larger number of providers will choose to be part of these arrangements. This will be our primary route to market and providers who choose to not to be involved will only receive referrals which have been unable to be made through these arrangements. Tier 2 providers will receive some referrals straight away (e.g. same day placement referrals and/ or placements requesting education/

	therapy) at the same time as Tier 1, block contract providers and our in-house provision. We are not expecting to meet the aspiration of 80% of business being delivered by Tier 1 in the short term.
There are a few barriers from a Provider perspective to support this aspiration, one of which is the reluctance of some planning boroughs and districts to support new applications to set up children's homes.	We recognise this challenge. There would be a commitment from the Local Authority to support providers with gaining planning permission as far as we are able, which would include providing supporting statements to evidence need and confirm the closer more collaborative working arrangements that are in place.

Q7 (Tier 1 KPI Proposal) Responses:

80% either strongly agreed or tended to agree with the proposal. 10% tended to disagree and 10% strongly disagreed.

Those who tended to agree or strongly agreed felt that these were reasonable and if met would have a very positive impact on young people and placements.

Specific Comments/ Queries raised re. Q7 and LCC Response:

Comment/ Query	Response
Request for more information on what 'to be individually monitored and discussed' means.	As it is highly likely that providers will have different starting points (e.g. a different number of placements with the local authority) the individual targets will be discussed and agreed with each Tier 1 provider at the outset of the contract and at regular intervals, with the clear intention of improving from the starting baseline.
The requirements are geared towards total commitment for Tier 1 providers, similar to a block contracted arrangement, but without the guarantee of business.	We believe that the KPIs are fair and will provide a good overview of how well the collaborative working arrangements are working. The individual KPIs will be jointly agreed and progress will be regularly discussed, which will include opportunities to discuss ideas for improved and different ways of working from both the provider and Local Authority to support improvements in the KPIs.

Comment that the KPIs add pressure and extra work to already very busy providers.	It is anticipated that the majority of the work required in collating and analysing KPIs will be undertaken by the Local Authority and shared and discussed with providers on a quarterly basis.
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Q8 (Pricing Proposal) Responses:

60% either strongly agreed or tended to agree with the proposal, with a further 15% neutral (neither agreeing or disagreeing). 15% tended to disagree and 10% strongly disagreed.

Those who tended to agree or strongly agreed felt that the proposal was agreeable and made sense.

Specific Comments/ Queries raised re. Q8 and LCC Response:

Comment/ Query	Response
Important to recognise price can be indicative of resources offered in placement. A placement may be deemed 'abnormally high' but offer significant established resources that improve placement experience and outcomes (thus making the placement more cost effective in the long term through improved stability, transition to foster care/semi independence etc.)	We acknowledge this and it is why we are introducing the discussions relating to 'abnormally high' fees in order that we can better understand this.
Our provision is quite specialist and the young people placed in our service tend to be quite complex or profound in terms of learning disability/ complex health needs. Therefore, it's very difficult to put a set price in place for such varied needs which may include regular hospital appointments at long distances (affecting mileage costs), lots of specialist intervention from therapeutic practitioners, alternative equipment being sourced to meet needs (which can be costly) and often alternative education being sourced. A more tailored approach to each service may be more suitable.	As with current arrangements, we will be seeking a 'core cost' fee at tender stage that would be used as the basis for placement costs and then we would be open to discussing and agreeing 'additional services' to meet specific need. It is important to note that there would be a clear expectation that placements would be able to be offered at core cost price should a young person not require any additional services. It is therefore important that the core cost submitted at tender stage is deliverable e.g. if your service delivers 1:1 support to a young person as standard whether it is felt that they need it or not then this cost must be included in the core cost submission.
The market place is volatile with over 80% of costs going into staffing and	The arrangements include an annual uplift in line with inflation/ Consumer

training. These costs are increasing, along with the planned increases in the living wage which is going to impact on providers in the next 2-3 years. There should be an honest review of costs	Price Index (CPI). The arrangements will include the ability to agree amended fees in light of significant changes in legislation etc. which directly impact on service delivery costs.
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Q9 (Sub-Regional Arrangement Proposal) Responses:

75% either strongly agreed or tended to agree with the proposal, with a further 15% neutral (neither agreeing or disagreeing). 10% tended to disagree and no one strongly disagreed.

Those who tended to agree or strongly agreed felt that the proposal was sensible and efficient and offers more localised pathways of care. It was also felt to not have a great impact on providers.

Specific Comments/ Queries raised re. Q9 and LCC Response:

Comment/ Query	Response
Query in relation to why there are so many sub-regional commissioning arrangements in the North West	Due to our size and high demand for placements, Lancashire has always had our own mechanism for sourcing children's home placements over and above being a named party on the regional North West FPS. This has worked well to date and has enabled a more tailored approach to meet need. There appears to be a national move away from larger regional commissioning arrangements, with a more nuanced and local approach needed.
Query about whether other local authorities would be allowed to join the arrangements at a future date.	Only those named on the tender will be allowed to use this arrangement. It will not be possible for other Local Authorities to decide to use this arrangement at a later date.
Will there be a role for Northwest FPS - or will this agreement only ever be used for particularly difficult to place young people who cannot be accommodated by tier 1 and tier 2 providers?	As is the case currently, referrals will only be sent via the North West FPS when placements have been unable to be sourced via Tier 1 and Tier 2 providers.

Q10 (Likelihood of being part of arrangements) Responses:

80% stated that they would be very likely or fairly likely to want to be part of the new arrangements, with a further 15% stating that they do not know. Only 1 provider (5%) stated that they were fairly unlikely.

Those who were very likely or fairly likely supported the idea of the arrangements and were very interested in working in this way. Many stated that they already have a very good working relationship with Lancashire and would be keen for this to continue. Others stated that the arrangements will save time and make things easier for them once established.

Specific Comments/ Queries raised re. Q10 and LCC Response:

Comment/ Query	Response
There was a consultation some years ago which discussed the arrangements and it feels like this has moved on very slowly.	The previous consultation was undertaken to inform the development of the block contracting arrangements which commenced in November 2019.
The process is over complicated and burdensome. The monitoring requirements are what would be expected for a block contracted arrangement without any of the benefits to the provider. Inference of price control.	It will be very straight forward to apply to be on the new arrangements, particularly onto Tier 2 and has been designed to be as least burdensome as possible. The monitoring requirements for Tier 2 providers is lower than that of Tier 1 providers and prices at Tier 2 will not be a factor in being accepted onto the arrangements. The majority of the analysis of KPIs is expected to be completed by the Local Authority.

Q11 (Likelihood of wanting to be a Tier 1 Provider) Responses:

68% stated that they would be very likely or fairly likely to want to be a Tier 1 Provider, with a further 11% stating that they do not know. 2 Providers (11%) stated that they were fairly unlikely and 2 Providers (11%) stated that they were very unlikely.

Those who were very likely or fairly likely welcomed this opportunity as they were already committed to partnership working with Lancashire and recognised the added benefits that this arrangement could bring. Those who did not know were not sure whether they were eligible to meet the Tier 1 criteria or still had further questions.

Specific Comments/ Queries raised re. Q11 and LCC Response:

Comment/ Query	Response
Query relating to the fact that a provider currently has homes that are not yet rated and how this would impact on their ability to be a Tier 1 provider.	The % of homes will be calculated on the number of homes in the Location Boundary that have been rated at the time of tendering. If a provider has one home rated Good but has another home not yet rated, their % would not be calculated at 50% but would in fact be calculated at 100%, therefore making

	<p>them eligible to apply. Should the % fall to below 65% during the course of the agreement, a provider will be moved to Tier 2 as they no longer meet the eligibility criteria.</p>
<p>Request for a provider event to enable further discussion/ understanding to help inform the decision about whether they wish to be a Tier 1 provider or not.</p>	<p>This is noted and will be arranged.</p>
<p>There are significant KPIs for providers but there is nothing explicit about what is provided by the authority. What will this look like?</p>	<p>There will be a section in the specification which clearly sets out the Local Authority commitments.</p>
<p>It is notoriously difficult to have discussions with appropriate people in such a large authority.</p>	<p>One of the key successes of our more collaborative working with both block contract and step down into fostering providers has been the clear lines of communication and commitment from the Local Authority. This is an aspect that Lancashire ART and Commissioning do well. We have a clear escalation process in place, with a key contact in Commissioning who will escalate and support throughout and this will be in place in the proposed new arrangements.</p>