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| Report to: | NW Commissioning Managers and Providers |
| Date: | January 2023 |
| Author: | Amy Lythgoe |
| Title: | NW approach to uplifts: confirmed approach |

# Context

There are four regional purchasing systems in the North West managed by Placements North West, these include fostering, residential, supported accommodation and SEND provision.

As part of a series of proposals to improve the sufficiency of placements for Looked After Children it has been agreed by NWADCS and Commissioning Managers to align the approach to uplifts across the four purchasing systems.

The North West approach to uplifts will be applied in April 2023 for the contracts for fostering, residential and SEND placements and in the new contractual arrangements for supported accommodation placements later in the year.

# Summary of approach

The North West approach includes:

1. **Allowing requests to be made annually and reconciling the timing of these.**

This will bring the processes for uplifting indicative contract price on all contracts in line and will mean that all new indicative prices are applied from 1 April each year.

1. **Providers being required to request an uplift.**

No uplifts will be granted without a completed pro forma being submitted by the published deadline. No late or incomplete requests will be considered.

1. **Introducing standard uplift percentage to indicative contract price for all sectors.**

The agreed formula for calculating the uplift percentage is: 70% National Living Wage increase for that year + 30% CPIH taken as a three-month average in August, September and October.

For 1 April 2023 this will mean an uplift of 7.3%.

1. **Removing the 10% discount on long term placements made via the Fostering FPS.**

This will mean that for placements made after 1 April 2023 there will be no discount when they reach 36 months. Discounts for placements over 12 and 24 months will remain in place.

1. **Setting out guide approach to managing uplifts to existing placements.**

There remains a proportion of placements that providers advise are financially unviable and are below indicative contract price. NWADCS and Placements North West cannot make any regional agreement in relation to placements already made. However, we are aiming to reduce the impact of this on providers by;

* Including an option for authorities to agree to annual uplifts in line with the North West percentage for placements made after 1 April 2023. This will include an update to the template Individual Placement Agreement to allow for this decision to be recorded.
* Encouraging authorities to consider how they manage increases to placements made before 1 April 2023 and potentially allowing annual uplifts in line with the North West approach. This will be a judgement to be made by each authority and potentially for each placement.
* Continuing to look at the data on existing placements to understand impact on individual providers and liaise with placing authorities regarding this.

# Queries

There is more information for authorities and providers on our website including;

* Further detail on the process
* Questions and answers
* Consultation documents
* Template to request uplifts

You can visit the NWADCS website here: [www.nwadcs.org.uk/north-west-approach-uplifts](http://www.nwadcs.org.uk/north-west-approach-uplifts)

Any questions please contact [placementsnorthwest@stockport.gov.uk](mailto:placementsnorthwest@stockport.gov.uk).