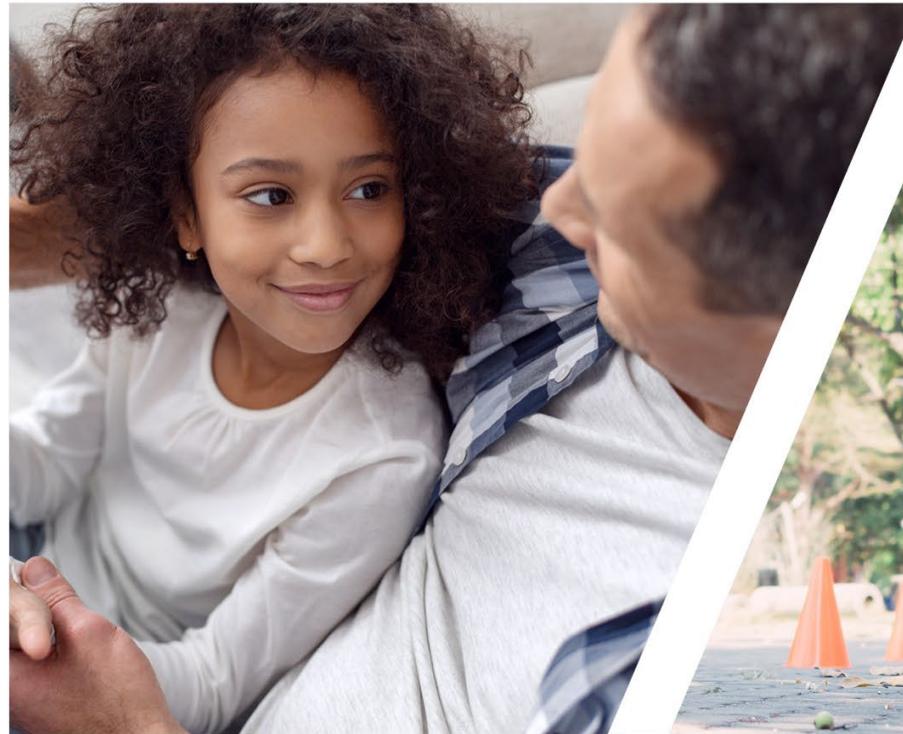




Children's Commissioning

Provider Fee Change Rationale 2024-25





Rationale

The Children's Commissioning Provider Fee Change Strategy sets out the approach to the management of provider fee changes (uplifts) with our commissioned providers for Children. The outcome of the core principle review has determined the approach for 2024-25.

The Council's budgetary position is a relevant factor to consider in the uplift approach for 2024/25, but it is not the only factor. Other relevant factors will be rising costs for providers, effect on users in and out of county or emergency placements and the Council's duty to secure the best value in its provision of services. These factors have determined the rationale for the uplift approach for this year.

Recognising the significant increase in the costs to the council budgets in recent years, uplifts will only be given to suppliers where this can be justified.

The following will support the uplift decision making process for 2024-25 where providers can demonstrate that they are:

- **Building more affordable capacity:** Uplifts will not be given to suppliers that have requested uplifts that are considered to have profit margins that are greater than the industry norm.
- **Building better and more collaborative relationships:** Uplifts will support Cambridgeshire SMEs, that are providing for our children, benefiting from the wrap around services of the Council.
- **Investing in a market that is investing in us:** Where there are greater outcomes being delivered through innovation and social value, this will also be considered when uplifts are requested.

Eligibility for uplifts will be determined on the above factors. This year, criteria will be scored and calculated to support the negotiation process. Providers will be required to justify and explain their cost increases, demands and future stability, in a local context at point of request.