

# Out of home care placement utilisation and funding policy

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## 1. Purpose

Placement utilisation seeks to monitor the proportion of placement nights provided to children and young people during the reporting period that are utilised. This assists the Department for Child Protection (DCP) to understand the volume of service that is being delivered, against what has been funded to be delivered.

This measure is an indicator that may inform:

- funding for placement based agreements
- identification of placement utilisation blockages and opportunities for improvement
- client demand management and future service planning.

This policy sets out the business rules as to how:

- placement utilisation is to be measured and managed across placement based out of home care (OOHC) service agreements
- family based care funding and loadings are to be applied to NFP family based care service agreements.

## 2. Scope

This policy applies to DCP contracted OOHC service providers who:

- deliver placement based OOHC services such as family based care (general, specialist, and respite) and residential care, and
- operate under a block funding arrangement via the Not for Profit (NFP) funded agreement, and
- are contracted to provide a minimum number of placements.

Placement based OOHC services that operate under a fee for service agreement are not in scope under this policy.

## 3. Authority

### 3.1 Legislative context

Please refer to the [Legislation and standards](#) service provision requirement page on the service provider area of the DCP website.

### 3.2 DCP requirements

- [DCP Contract Management Framework](#)
- [DCP Contract Performance Management Framework](#)
- [DCP Performance Measurement Specification](#)

## 4. Requirements

### 4.1 Placement utilisation measurement

The placement utilisation performance measure is represented as a percentage by calculating:

*The number of actual placement nights provided in the period by service provider to DCP children or young peoples specified by care type and placement type within the contract.*

------(divided by)-----

*The total number of contracted placement nights in the period defined by the minimum number of placements within the contract multiplied by number of placement nights in reporting period.*

There may be specific scenarios that could impact the actual placement nights in the period. Scenarios that are considered as an actual placement night and those that are excluded are summarised in table 1 below.

Service type	Actual placement night inclusions	Exclusions from actual placement nights
Family based care (general, specialist, and respite)	<p>Missing persons <i>A placement where the child has been reported as being missing can be included as an actual placement night as long as the placement is active.</i></p> <p>Shared care <i>A placement where the child's care is shared across multiple parties, can be included as an actual placement night, as long as the placement is active.</i></p>	<p>A placement where the child or young person care type has been identified as other person guardianship or post 18 placement will not be considered as an actual placement night.</p> <p>Where a placement has been put on hold by DCP, the placement nights reported will exclude the period recorded as on-hold.</p>
Residential care	<p>Missing persons <i>A placement where the child has been reported as being missing can be included as an actual placement night as long as the placement is active.</i></p>	

<sup>1</sup> All inclusions will be monitored and reviewed on an ongoing basis to ensure that they represent a valid delivered placement.

### 4.2 Minimum placement target

Placement targets are relevant to block-funded NFP contracted agreements only. Fee for service agreements have no placement targets and are funded on placement nights delivered.

The minimum placement target service providers are contracted to deliver, is provided in Attachment 4 – Funded Services Item 3 Minimum Placements section of the NFP funded service agreement.

The Performance Measurement Specification prescribes the expected performance targets and thresholds, DCP expects service providers to meet against placement utilisation measures. Performance against these thresholds will indicate the appropriate performance management response as described in 4.4 of this policy.

Any reasons for not achieving targets are to be considered and discussed as part of scheduled contract management meetings between DCP and the Service Provider.

### 4.3 Monitoring, assessment and reporting

Formal performance assessment and reporting will occur in accordance with the [reports and meetings service provision requirements](#). Formal performance assessment and reporting for the period is underpinned by agreed placement utilisation data that is validated by both DCP and the Service Provider.

### 4.4 Performance management

#### 4.4.1 Over performance

Where the service provider's actual placement utilisation exceeds 100% of the minimum placement target in a financial quarter this will represent over performance.

For family based care NFP placement service agreements where over performance occurs, the difference between the actual placement utilisation and minimum placement target will represent the growth placement total. Growth placements for family based care service agreements will have quarterly base unit funding applied and represent the quarterly base unit growth payment (excludes loading).

Residential care placements should not exceed the contracted placement target, unless DCP has approved a short term exceed placement request.

#### 4.4.2 Under performance

Whilst service providers are expected to fully deliver against the minimum placement targets set out in their contract, management of underperformance is set out within the Contract performance management framework and mitigating action will be considered on a case by case basis. Current financial performance, fixed costs, employment and recruitment factors will be considered in the management of underperformance.

Any acceptable variances and contributing factors will also be taken into consideration as part of the performance discussion.

If an abatement is deemed to be required, the difference between the actual placement utilisation and level 3 threshold for the measure will represent the upper limit of the abatement total. The actual abatement will be determined based on factors associated with placement performance and service delivery requirements. If changes to the minimum placement target is deemed to be required, a contract variation process will be undertaken to do so.

### 4.5 Placement funding and loading rates for family based care NFP agreements

#### 4.5.1 Family based care placement funding

Each family based care NFP funding agreement placement will consist of additional funding and loadings as set out in the [family based care funding service provision requirement](#).

#### 4.5.2 Family based care loadings

[Family based care remoteness loadings](#) are applied to all family based care contracts based on the location of the carer households. The remoteness loadings reflect the increased cost associated with supporting carers in rural and remote locations.

[Family based care Aboriginal and Torres Strait Islander loadings](#) are applied to all family based care contracts based on the cultural background of children and young people in care. This is determined based on the child or young person's DCP record. The Aboriginal and Torres Strait Islander loadings reflect the additional layer of complexity associated with the care and support provided to Aboriginal and Torres Strait Islander children and young people while retaining their connection to culture.

Loadings are applied per placement, which when multiplied by a base unit price provide additional loading funding, within the contract and/or as part of family based care growth payments.

#### Loading quarterly adjustment

Each quarter placement loading data will be provided with the placement utilisation information for the actual reporting period. This will be determined by carer address and child or young person Aboriginal and Torres Strait Islander status recorded against placement utilisation details.

In cases where loadings exceed the loading set for the contract, the difference between the actual placement loading and the loading set within the contract will represent the loading growth and will have quarterly base unit funding increased to represent the quarterly loading payment.

In cases where the loadings are below the loading set for the contract, the difference between the loading set within the contract and the placement loading will represent the loading abatement and will have quarterly base unit funding reduced to represent the quarterly loading abatement. The actual abatement will be determined based on factors associated with placement performance and service delivery requirements.

#### Annual review of contract loading

Each active family based care contract will have the loading reviewed annually.

The loading will be reviewed based on year to date (YTD) quarter 2 data and the profile of the children and young people in placements at that time.

Annual adjustments to contract loadings will be managed via contract variations with the intention of taking effect from the first quarter of the following financial year.

## 5. Compliance, monitoring and evaluation

Compliance with this agreement will be measured in line with the [Contract Performance Management Framework](#).

As part of the Policy Governance Framework, this document will be reviewed and updated by Finance and Corporate Services in accordance with the review date shown at Document Control.

## Document control

<b>Reference No./ File No.</b>			
<b>Document Owner</b>		<b>Lead Writer (name, position)</b>	
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Accountable Director: Joanne Male			
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REVISION RECORD		
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2 August 2022	V1.1	Reviewed – minor formatting and language changes.
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