

**Consultation on the introduction  
of a Framework Agreement for  
younger adults' care providers  
and the use of a micro-  
procurement process to  
purchase care services for  
younger adults (18 - 64 years)**

**Monday 22 December 2014 to  
Saturday 31 January 2015**

**Consultation Document**

## Introduction

Birmingham City Council commissions a diverse range of social and health care services for younger adults in Birmingham. These services support younger adults who have been assessed by the Council as being eligible for social care services. Services can be delivered in a range of ways, for example, by taking a Direct Payment, the Council commissioning and purchasing appropriate care on behalf of the younger adult, or a mixture of both.

Over the last two years the Council has been developing a number of ideas to improve the way it commissions and purchases care for younger adults. The Council wants to further ensure that younger adults are better safeguarded from avoidable harm and that the Council has greater control over the quality of the care services it purchases on behalf of eligible younger adults.

The Council believes that its current arrangements for the purchase and contracting of care services for younger adults could be improved by ensuring that every care provider it commissions with is operating under the same contractual rules, and by introducing a new process for managing the purchase of care packages.

The Council could continue with its current contractual arrangements and purchasing arrangements, but it fundamentally believes that the implementation of an overarching Framework Agreement and micro-procurement process would be more efficient and effective for both younger adults and the Council.

One significant improvement that the Council has already implemented is the introduction of **Quality Scores**. Every care provider providing care services to citizens on behalf of the Council is awarded a quality score. The overall quality score is based upon information from:

- A quarterly Self-Assessment Questionnaire completed by the care provider;
- The Care Quality Commission; and
- The Council's contract and compliance process.

The Council also considers safeguarding activity and performs a financial viability check to determine the quality of a care provider. Financial viability refers to the ability of a care provider to generate sufficient income to meet payments and to allow growth, whilst maintaining service levels.

The Council published its quality scores to the general public in October 2014 and these can be viewed at:

<http://www.birmingham.gov.uk/adult-social-care/provider-quality-dashboard>

The Council believes that the introduction of quality scores will assist citizens and carers when making decisions about which care services to use or buy. We currently use a Framework Agreement to contract with older adult care providers who are required to complete a Self-Assessment Questionnaire. This requirement and the use of a quality score approach are included in the terms and conditions of the Framework Agreement.

The next stage of our process is to establish how we purchase care services for younger adults and how we contract with these care providers in the future. Therefore, the Council wishes to consult with the general public, younger adults in receipt of care services, children who are over the age of 14 who may use care services in the future, their families, carers and care providers on its proposals to introduce a Framework Agreement for its contractual arrangements with care providers and a micro-procurement process for purchasing care.

This consultation document sets out the Council's rationale for these proposed changes.

## **The introduction of a Framework Agreement for younger adults' care providers**

Care contracts for younger adults in Birmingham are currently administered by:

- The Joint Commissioning Team creating a unique 'Spot Contract' for an individual package of care once a care provider has agreed to provide a package of care to a younger adult.
- The Spot Contract is a paper based contract that, once signed, is scanned and then stored onto a computer.

In order to better understand the overall business viability of a care provider, (that is its ability to deliver safe, good quality services while being able to make an adequate return on investment on its business), the Council wishes to change its contractual arrangements by asking care providers to register themselves onto a Framework Agreement.

The Council believes the key benefits of a Framework Agreement will be:

- During the registration process every care provider will have to provide proof of key documentation, policies and procedures. If the care provider cannot provide evidence of these requirements then the Council will reject the care provider's application. Currently, we have no way of knowing if every care provider has the correct policies and procedures and key documentation in place.
- The Council will only provide business to care providers who have been registered and accepted onto the Framework Agreement.
- The introduction of a Framework Agreement will ensure there are robust contractual terms and conditions to which each care provider will have to adhere. Failure to do so could result in a care provider being removed from the Framework Agreement.
- The introduction of a Framework Agreement will enable care providers to declare which categories of care they are able to provide (e.g. respite, supported living, physical disability, learning disability).

- The introduction of a Framework Agreement will ensure that the purchasing of care is a transparent and fair process to everyone, and that every registered care provider will have fair access to business. We want to ensure that the care we purchase focuses on independent living wherever possible and focuses less on time and tasks.
- The introduction of a Framework Agreement will enable the Council to understand better the overall quality of care provision, and ensure the Council is only purchasing services from known care providers who are able to demonstrate acceptable levels of quality. The Council believes that this will better safeguard vulnerable citizens.
- The introduction of a Framework Agreement will replace a large number of existing and historical contractual agreements, which are largely paper based and in need of review, so that every care provider is providing care to our citizens on the same generic terms and conditions.

Do you think that care providers should be registered onto a Framework Agreement, so that all care providers are subject to the same terms and conditions?

## How we propose to purchase care services for younger adults using a micro-procurement process

### How care services are currently purchased for younger adults in Birmingham:

- Following a robust and outcomes focused assessment by a social worker, a personalised support plan is created for a younger adult.
- The purchase of care services is undertaken by a social worker and a care broker who, based on their knowledge, telephone or email one or more care providers to see if the care provider can meet the younger adult's needs and outcomes. The social worker and care broker then negotiate the amount of money to be paid to the care provider.
- Once the care provider agrees to support the citizen, the contractual arrangements are made using a 'Spot Contract'. A 'Spot Contract' refers to the manual process and the paper based contractual arrangements made once a care provider agrees to support the citizen. As these are individualised contracts, they often vary in content and this makes it difficult for the Council to monitor and evaluate against them.

The Council believes that this process can be improved and made fairer to all by the introduction of a micro-procurement process to purchase care services.

**How care services could be purchased using the proposed micro-procurement process:**

- The individual needs and outcomes for the younger adult (as identified in their support plan) can be electronically sent to care providers who have registered onto the Framework Agreement and who have said they can meet those particular care needs. This means that care providers will have an equal and fair opportunity to bid for business, rather than being hand selected by social workers and care brokers.
- Having received the personalised support plan including information on the younger adult’s specific personalised outcomes (their aspirations, goals and priorities), care providers have the opportunity to offer a creative and innovative solution focusing on needs, outcomes and maximizing independence. This process is scored by a care broker.
- The care provider will also tell the Council how much it is prepared to charge to deliver those care services.
- During this process the Council is recommending that the overall score for a care provider is based on 60% quality (we will use the quality scores we mentioned above for this) and 40% price, to ensure that we are rewarding quality and receiving value for money.
- Once this process is complete the younger adult will be offered the service from the care provider who finishes top of this process i.e. has the highest score. If the younger adult does not wish to use this care provider, he/she can choose from the other providers who have submitted an offer that meets their needs with the support of their social worker or advocate. Choosing an alternative care provider may require a contribution towards the fee (by way of a ‘Third Party’ top-up payment) if the fee of the chosen care provider is higher than that for which the Council can purchase the care.

Do you think that Birmingham City Council is right to concentrate on specific personalised outcomes when purchasing care services for younger adults?

Do you think that Birmingham City Council should use a care provider’s quality score as an important factor in its decision to purchase care services for younger adults?

While younger adults will still receive a robust and outcomes focused assessment by a social worker, the Council believes there are a number of benefits to using a micro-procurement process to purchase care services for younger adults. These include:

- The move away from a process that focuses on 'hours of care' and tasks towards one that focuses on individual needs and outcomes in order to support and maintain independence.
- By requiring each care provider to outline how they would meet the needs and outcomes of a younger adult, the Council will be able to evaluate bids and identify the best quality provider that can offer the most appropriate package of care for each individual younger adult.
- The Council believes that requiring the care market to determine its own cost for providing care to younger adults, rather than using traditional fixed fees, will provide greater value for money and a more open and transparent process around the costs of care for younger adults.
- The micro-procurement process will create a more open and transparent way of purchasing care as care providers will have an equal and fair opportunity to bid for business, and the quality scores included in the micro-procurement process will be publicly available. All younger adults will be able to view the quality scores of all care providers in the market, which the Council believes will provide re-assurance that the best quality care is being sourced at the right price.
- The Council believes that the inclusion of quality scores, together with a general 60% quality / 40% price equation will identify the best quality care provider to provide care services for younger adults at the most cost effective price.

Do you think that Birmingham City Council should ensure that it receives value for money when purchasing care services for younger adults?

Do you think that the introduction of a micro-procurement process would create a more transparent way of purchasing care services?

In summary, the Council believes that the introduction of a Framework Agreement and a micro-procurement process will provide greater transparency to younger adults, their families, carers, care providers and the Council. They will promote and reward the use of services that are achieving and maintaining high degrees of quality. They will also concentrate more on the needs of and outcomes for younger adults and offer a range of service provision options from across the entire younger adults care market.

How do you think that the proposed introduction of a Framework Agreement and use of a micro-procurement process might affect you?

Any other comments on our proposals?

Please use the consultation questionnaire to tell us what you think about these proposals.

## How can you take part in this consultation?

Please return the questionnaire in the pre-paid envelope provided.

**Write to:** Younger Adults Care Services Consultation  
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**Thank you for taking part in this consultation.**

