

Framework Agreement Consultation questions and Responses

Frequently Asked Questions (FAQs)

Adults and Communities is currently in the process of moving from current contract agreements for Home Care and Care Homes to a Framework agreement.

This is a period of change for both the council and providers. To provide information specifically to providers, this document has been produced. This document includes the most frequently asked questions by providers about the framework, with a response from the Council.

If you have any further questions, please let us know via shapingthemarket@birmingham.gov.uk. Any questions will be added to this document.

Question category	Question	Answer
General	What is the reason for these frequently asked questions (FAQs)?	The council is aware that providers are keen to know as much as possible about the new framework agreements for home care and care homes. The council has received a number of enquiries from providers and so thought it would be helpful to produce this document. This document will be updated on a periodic basis.
Framework approach	Why has the Council decided to move to using framework agreements? What is wrong with the way services are currently contracted?	In line with the Personalisation agenda, the council is seeking to adopt approaches which offer customers choice and control. Commissioning is adopting framework agreements as it allows a more flexible approach to commissioning services that meet an individual's assessed eligible need, as opposed to for example, a block contract. A framework agreement does not commit the council to purchase any volume of work from any one provider, but it allows the council and customer to select an appropriate service from a potentially wider range of providers. Framework agreements are a positive way of commissioning services as it provides more choice for customers and an open and transparent commissioning process for the Council and providers.

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Framework approach	So providers are signing up to a framework agreement? What is the difference between a framework agreement and a framework contract?	A framework agreement sets out the terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement. Following a mini tender process, the Individual Placement Agreement (care homes) and Individual Service Order (home care) will determine the specifics of how the service for the customer will be delivered. A framework contract is where a formal document which places an obligation, in writing, to purchase goods, works or services for mutual consideration.
Framework approach	What is the reason behind combining the contracts for care homes and home care? Will they all fall within the same tender? The two different types of services have very different requirements; will having a contract cause confusion?	The council has traditionally contracted for care homes and home care separately. Although they are different services, the majority of the contractual terms and conditions are the same. The difference in services is reflected in separate service specifications. We also have a number of providers who provide both care home and home care services. Therefore to streamline processes for both the council and the provider, the decision was taken to jointly commission both services.
Framework approach	What is the duration of the framework?	The framework will start on 2 April 2012 and run until March 2014. The framework can also be extended for up to two years, one year at a time.
Framework approach	Will the council still commission block contracts with providers?	The council is seeking to move away from block contracting with providers as: (1) it doesn't align to customer choice (2), we will not be paying for voids, and (3) the budget will be distributed via Individual Budgets. If the council wishes to use block contracts in the future, then normal Council Corporate procurement rules will apply.
Framework approach	We are concerned that the Council is consulting on a framework agreement in the absence of a revised Resource Allocation System and Personalisation approach, the Council has announced that it is reviewing how these key themes will be implemented following recent Judicial Reviews. The RAS is	On 19 th May 2011 the High Court ruled in respect of the Judicial Review regarding Adults and Communities' Universal Resource Allocation System and the 2011/12 Budget. The following decisions were quashed: <ul style="list-style-type: none"> • the New Offer for Adult Social Care • the proposals for the funds transferred by the NHS under Section 256 of the NHS Act 2006 • the adoption of an <u>Universal Resource Allocation System</u>

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	<p>subject to the next consultation due from September to December 2011. How can Providers agree to or indeed give feedback on something not yet understood / agreed? Consultation on the Framework therefore is premature and that a further consultation period should be provided when a comprehensive approach to the market has been finalised.</p>	<ul style="list-style-type: none"> • the adoption of the revised eligibility criteria and operational principles • the Equalities impact of the above recommendations <p>The only decision which was not quashed was to implement the savings agreed in the Council Plan with respect to care fees paid to third parties and the extension and management of existing agreements pending introduction of new framework agreements.</p> <p>The council did previously and still does have a resource allocation system (RAS), which allows it to calculate an Individual Budget which is an indicative amount, subject to moderation, to provide the support to meet the users assessed eligible need. As part of the framework agreement, there will no set contracted rates. The rate the Council will pay for services will be driven by the market, via a mini competition process. A Moderation process will ensure that there is sufficient funding available to provide services that support assessed eligible needs.. The Court when making its judgement did not amend the Council budget, so it still has a reduced cash envelope to work to. But fundamentally, the price that will be paid to providers will be determined by the market and that is why the Council believes that consultation and implementation of the framework agreements can continue. Whether the eligibility criteria changes or not, the Council will still need a mechanism to purchase services from providers.</p>
Applying for the framework	How do providers apply to be on the framework?	<p>Providers will be asked to complete an application form and submit it electronically. The application form will ask various questions about the company as well as information about the services it provides. Some of the questions which will relate to the quality of services will be scored. The framework opportunity will be advertised on Find it in Birmingham (http://www.finditinbirmingham.com). Find it in Birmingham is an online portal that advertises contracts and tenders from both public and private sectors. The Council will notify all providers known to them when the advert is live and where to find the framework application form.</p>

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Applying for the framework	I am currently contracted with the council and have a number of customers who are council funded. What happens if I do not apply for the framework?	Current customers would remain with you until a reassessment of their needs is undertaken by the council. A discussion would then take place as to whether the service should be taken over by a provider on the framework, taking into consideration the needs and circumstances of the individual customer. You would not be offered any new services once the framework has started.
Fees	How does the open book programme currently being undertaken by the Council inform fees both now and for the new contracts?	It has no impact on the new Framework Agreements. The open book approach relates to fees levels attached to the current contract agreements(for year 2011/12. The services for new customers as at the start of the new framework agreements and subsequently customers going through a support plan review, will be subject to the terms and conditions of the framework agreements.
Fees	The current draft of the framework agreement (dated 30 May 2011) does not set out any agreements for annual review of fees nor how 'fair fees' will be agreed. Given the agreement that the Council will establish a clear process for fee setting, this should be clearly set out within the contract.	There are no contracted rates within the framework agreement. The price the council will pay for services will be determined by the market via a mini tender process. Therefore there are no annual fee levels to be reviewed.
Fees	I am already contracted with the Council to deliver services. How logistically will a customer who has a set contracted rate move across to a fee set by a Personal Budget?	Where a customer has a service determined by a set council rate or fee, the council will continue to pay that amount until the customer undergoes a reassessment. At that stage, the customer's individual budget will be re/calculated. At the point of the new/revised service, its delivery will be under the terms and conditions of the framework agreement. A new individual placement agreement (care homes) or individual service order (home care) would be initiated to commence the new/revised service. However, any change in service provision will be discussed and agreed with the service user and/or their family as appropriate.

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Resource Allocation System (RAS)	What is the RAS and how does it work in Birmingham?	<p>The purpose of the Resource Allocation System (RAS) is to provide a clear and rational way to calculate how much money a person is likely to need to arrange appropriate support to meet their assessed eligible needs. The estimated individual budget is calculated through the RAS calculator and points allocated to questions within the SAQ.</p> <p>If there is a variation in the estimated budget and the cost of providing appropriate services which includes, if applicable, the sustainability of the carer, and there is no alternative support to the service user, then the individual budget would be moderated accordingly.</p>
Marketing	Can the council assist me with marketing my organisation's services?	<p>The Council will be launching a new Marketplace where providers can market their goods and services to all customers, including self funded customers. You would have control over the content of your advert using headers already defined, so customers can make comparisons between providers. Customers will also be able to leave feedback on your services. The council will use the Marketplace to provider information and advice to all customers about services and goods. The Marketplace will be live from Spring 2012 and providers will receive information about how to register.</p>
New ways of working	You have been telling providers that you will be using technology to support the new framework agreement. What does this mean and what implications does this have for providers?	<p>The council will be using an electronic system to manage the framework. This system will house information about the provider, for example company details, and will also be used to store any communications between the council and the provider. It will also use an electronic system to manage the mini tender process for the allocation of work. The electronic system will help the council to select which providers will receive the opportunity to bid for work using a criteria based upon quality and price.</p>
New ways of working	If Birmingham is moving to a computer based system will I still be able to talk to a real person?	<p>Yes. We will be implementing supplier relationship management model to work with providers directly. We will also be facilitating forums and events for providers to ensure regular communication channels.</p>
Personalisation	Is Personalisation affordable in the current financial climate?	<p>Yes. Personalisation is not primarily a money saving exercise, but research shows people will only spend their money, both their own</p>

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		resources and their Individual Budgets, on support that they consider to be better value for money and which meets their assessed eligible needs. Where the council is purchasing services on behalf of the customer, it will still seek to offer a choice of services to a customer, taking into consideration the indicative RAS amount to meet the customer's needs and subject to moderation.
Personalisation	Doesn't choice cost?	Choice is about having imaginative support planning together with the availability of a wide range of providers capable of meeting assessed eligible needs.. There are costs associated with choice for both providers and commissioners (e.g. transaction costs) but these are balanced by the benefits e.g. innovation and more effectively meeting citizens needs.
Personalisation	Personalisation may increase the risk of abuse because for example, it encourages the use of new types of services such as personal assistants, which are not necessarily regulated. How will we keep people safe in this new way of working?	The assessment and support plan processes already takes risk into account. The evidence (local and national) does not support the premise that personalisation increases risk.
Personalisation	What if customers cannot afford their choice of services following their allocation of money?	In agreeing the allocation of money to a customer (individual budget), there will have been a moderation process to ensure that the customer's needs can be met in the marketplace with the amount given. A cornerstone of personalisation is enabling customers to make an informed choice about what services are available to meet their needs, and tools such as the marketplace will offer information to the customer about what services and support is available.
Personalisation	I keep hearing about personal budgets. How does this impact on the amount providers will be paid?	The amount paid to providers will be driven and determined by the mini tendering process on an individual micro procurement basis.
Personalisation	There are clearly risks associated with Personalisation for providers?	Yes there are risks if providers don't adapt, but personalisation may also bring opportunities. Personalisation represents a big change for Adults and Communities, customers and providers. It is difficult to predict exactly how the marketplace will be affected. However, the Council is committed to working with providers and customers

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		to co-produce services that deliver outcomes for customers within the financial constraints of the current climate.
Personalisation	The Council is trying to enable customers to have choice, but who is going to help customers to make choices? Not everyone will be able to exercise choice on their own.	There will be services in the Marketplace to assist customers in making choices about the type of support to best meet their needs. There will be services that support customers to navigate the care system, for example support brokerage. Many third sector organisations offer information, advice and guidance and so are well placed to offer guidance if customers need it. In addition to this, the council will continue to manage the service on behalf of customers who do not have capacity to make choices for themselves.
Personalisation	Will customers be able to choose exactly what they want?	Customers will have a choice of services that meet their needs and that are within the budget allocated to them.