Commissioning Strategy - Provider Summary

About this service

The Council has a statutory duty to provide/commission a wide range of care and support services for adults with an assessed eligible care and support need and for children and young people with a disability.

The Council currently uses a range of contractual mechanisms to commission these services including framework contracts, spot purchasing and block contracts. The services covered by the Commissioning Strategy for Adult Social Care are described in more detail below.

Home Support (adults’ and children’s)

Home support services for adults and children provide care and support in the citizen’s home.

Care and Support (Supported Living)

The Council uses the term ‘supported living’ to describe those citizens who have an independent tenancy but where personal care and support is provided on site to enable them to live independently.

Adults Residential Care (with and without nursing)

Adult residential care is provided for those citizens who are over 18 and unable to live independently in their own home. Residential care is usually separated into two categories:

1. Care homes registered to provide personal care – these homes are able to provide personal care services similar to those provided by home support, but are delivered in a permanent care home setting.
2. Care homes registered to provide nursing care – these homes are able to provide personal care services but also have registered nurses to provide care for medical conditions or disabilities. Some nursing homes may also specialise in providing care for certain disabilities or conditions such as dementia.

The new contract for these services will run from 1 April 2018 until 31 March 2021 with a possible extension of a further 2 years, in 1 year blocks.

Background

Birmingham City Council wants to work with partners to create a great city to grow old in and to help people become healthier.

Through the Commissioning Strategy, the Council will translate this into actions that will support people to continue to live independently and in their own home for as long as possible, to help all residents access high quality and affordable social care, and to ensure that service users have choice and control over their own lives.
The Commissioning Strategy outlines the agreed approach to the purchasing and management of adult social care (as well as home support for children and young people with a disability) that will support us to achieve our vision and aims as set out below.

**Vision Statement**

*Our vision for Birmingham is to have a vibrant, diverse and sustainable local health and social care market which supports the achievement of better outcomes, increased independence and choice and control for adults.*

This vision is supported by three clear aims to:
1. Improve outcomes for those with health, care and support needs
2. Improve the quality of commissioned health and care services
3. Improve the resilience and sustainability of our health and social care system

**How did we review the current arrangements?**

Since summer 2016, the Council has been reviewing current practice in relation to the services described above. This included early engagement with the independent provider market, as well as a range of internal and external partners, to review both the original business case for the introduction of a framework approach and also best practice.

Between 5 April 2017 and 4 July 2017 the Council carried out internal and external consultation on the Draft Commissioning Strategy for Adult Social Care as approved by Cabinet in March 2017. Service users, family carers, care providers, staff, the wider public, health partners, neighbouring authorities, regulatory bodies and other key stakeholders were encouraged to share their views through a number of different channels.

The Council used this feedback to influence the final Commissioning Strategy for Adult Social Care as follows:

- The Council will implement the new fixed fees for home support (all ages), supported living (all ages), residential care (with and without nursing) for over 65’s to all care packages that are in place on 1 April 2018 and all new care packages from this date.

- The Council will temporarily pause implementation of a fixed fee for residential care (with and without nursing) for 18 – 64’s to allow further dialogue with care providers. A minimum fee will be set in the short term to ensure sustainability.

- As a result of significant feedback, particularly from care providers, the Council is no longer proposing to link the fees paid to care providers, to their quality rating.

- The Council will be extending the scope of care providers who will be able to participate in pilots relating to Individual Service Funds and the use of assistive technology in the delivery of care.

- The Council received significant feedback about the proposed fees and has increased the final fees to be included within the new contracts.

- The Birmingham Care Wage will be equivalent with the National Living Wage for all employees from 1 April 2018, regardless of age.
• The home support framework will allow any care provider to join regardless of location, subject to satisfying the necessary contract entry criteria.

The Council’s Cabinet approved the final Commissioning Strategy for Adult Social Care on 12 December 2017 and this summary provides an overview of the proposals. The full Cabinet Report and the final Commissioning Strategy can be found by using the following link:

https://birmingham.cmis.uk.com/birmingham/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/10029/Committee/2/Default.aspx

What will the new contract look like from 1 April 2018?

From the 1 April 2018, the Council will be entering into new contracting arrangements as follows:

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>Service Type</th>
<th>Allow New Providers in contract?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framework Agreement</td>
<td>• Home Support</td>
<td>No</td>
</tr>
<tr>
<td>Flexible Contracting Arrangement</td>
<td>• Care and Support (Supported Living)</td>
<td>Yes</td>
</tr>
<tr>
<td>(similar to a Dynamic Purchasing System)</td>
<td>• Residential care with nursing (all ages)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Residential care without nursing (all ages)</td>
<td></td>
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</tbody>
</table>

Quality of care

To drive up quality, the Council will not allow a care provider who is currently rated by the Care Quality Commission as Inadequate to enter the new contract.

All providers (that meet the entry criteria) will be given a quality rating which will be published. Each service being given an overall quality rating of either ‘Gold’, ‘Silver’, ‘Bronze’ or ‘Inadequate’.

The quality rating aims to capture a range of views (including those from service users) of the quality of services. These will be used to produce a rating that can inform care package allocation processes and support citizens to make informed choices.

Services will receive a minimum annual inspection from the Care Quality Commission or the Council or the NHS. The most recent full inspection outcome will be used as the basis of the provider’s overall quality rating. The assessment by the Council will focus on the quality of care against a set of core standards and the Council will publish its monitoring guides to allow providers to assess their current performance. Providers will be asked to submit this self-assessment at least once a year.

Allocation of care packages

Providers will be asked to confirm they have a vacancy and capacity to meet each citizen’s needs via an electronic system. The provider’s quality rating will then be used to allocate providers to deliver each care package. All packages will be allocated to the provider with
the highest quality rating. However citizen choice may be used and will be considered in line with statutory requirements.

**Fixed fees**
The Council will operate a fixed fee approach as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Revised Fees from 1 April 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Support – all ages*</td>
<td>£14.00/hour *</td>
</tr>
<tr>
<td>Care and Support (Supported Living) – all ages</td>
<td>£14.00/hour</td>
</tr>
<tr>
<td>Residential care (without nursing) – over 65’s</td>
<td>£500.00/week</td>
</tr>
<tr>
<td>Residential care (with nursing) – over 65’s</td>
<td>£575.00/week #</td>
</tr>
<tr>
<td>Residential care (without nursing) – under 65’s</td>
<td>Minimum fee of £500/week^, further engagement on a fee structure and an interim open book arrangement for new placements.</td>
</tr>
<tr>
<td>Residential care (with nursing) – under 65’s</td>
<td>Minimum fee of £575/week^, further engagement on a fee structure and an interim open book arrangement for new placements.</td>
</tr>
</tbody>
</table>

* an additional fee is applicable for the hospital Quick Discharge Service and Sensory Loss home support services.

# fees for residential care (with nursing) listed above exclude any relevant NHS Funded Nursing Care, should the necessary criteria be met.

^ this minimum fee of £500/week (without nursing) and £575/week (with nursing) will be increased on an annual basis.

These fixed fees will be applied to all existing care packages in place on 1 April 2018 (with the exception of residential care with and without nursing for under 65’s), which means that some care packages will be increased and some decreased. These fees will also apply to new care packages from 1 April 2018.

**Review of fixed fees**
The Council recognises underlying price pressures within the care sector, particularly those in relation to employee costs, which make up the largest proportion of the cost of delivering care. The Council is committed to ensuring the care sector remains viable, not only as it delivers care to some of our most vulnerable citizens, but also as a major employer across the region.

The Council proposes to review and increase the fixed fees on an annual basis to ensure that its fee structure continues to keep pace with cost pressures.

**Birmingham Care Wage and the National Living Wage**
The Council will revise the Birmingham Care Wage to align to the National Living Wage (£7.83/hour from 1 April 2018) which will also need to be paid to employee under 25’s through the Council’s fee structure and contracts.

**Top ups**
When a person needing care - or their family - have specifically requested accommodation that is more expensive or are getting a genuine upgrade in the services they are receiving, a Third Party Contribution (also known as top ups) is likely to be required.
**Geographic home support model**
The Council will establish a closed framework for home support across five geographical areas.

The proposal will classify the size of the home support provider based on their current weekly hours directly funded by the Council. There will be limits placed on the number of providers in each area and the size of these providers.

The Council proposes to contract with a maximum of 111 home support provider lots. There will be additional citywide services for Quick Discharge, Sensory Loss and Approved Premises – these will be in addition to the general home support providers.

**Residential care with and without nursing for under 65’s**
As part of the Council’s Vision and Strategy for Adult Social Care, there will be a renewed emphasis on reviewing the eligible care and support needs of service users funded by the Council, particularly those who are under 65 years old. The principles of this approach are to ensure:

- Care is closer to home and supports maintaining of family and community links.
- People are supported in their own home and supported to return home wherever possible.
- Care settings are the least restrictive and designed to support recovery, independence and progress.
- Resources are maximised through meeting needs in the most effective way and spending public money wisely.
- Systems and processes that enable joint working, assessment and review, as well as consideration of most appropriate funding.

To fully support this approach and to ensure that the necessary changes can be made by working with service users, families, professionals and care providers to reshape services for those under 65 years old, a complimentary commissioning approach will be necessary. This will be designed to ensure that there is a link between the price the Council pays for care and the needs of the service user, that services promote independence and choice and that the Council commissions the best quality services possible.

**Transition arrangements**
The Council is keen to stabilise the care being received by our citizens and we believe this is a collective responsibility which we should all take. Whilst we are working to transform the market and quality of services across Birmingham in a more structured way, we are keen to work with providers who share this ethos and are comfortable to work with us through this transition period constructively.

In cases where a provider is unsuccessful (for example does not meet the entry criteria or is rated as Inadequate) in joining the new contract but has existing care packages commissioned by the Council, the following will apply:

- **Home support** – any citizens currently supported will be contacted by the Council and advised of the outcome of the procurement exercise, alongside the quality rating. They will be offered a choice to either remain with the existing provider by taking up a Direct Payment, or choose for the Council to find them a new provider.
- **Care and Support (Supported Living)** – as these citizens will have an independent tenancy and the Council is only commissioning the care element, there may be an agreement in place between the care provider and the registered social landlord. In
these cases, the Council will consider a range of alternatives to secure high quality services which may include the use of an Individual Service Fund, Direct Payments or the provider agreeing to make service improvements within an agreed timescale. In all cases, any citizens currently supported will be contacted by the Council and advised of the outcome and the choices available to them, along with details of any action being taken by the Council.

- **Residential and Nursing care** – the provider will no longer receive any new placements from the Council and will be required by the Council to make the necessary improvements to the quality of the service within timescales agreed with the Council. Should the provider make the necessary improvements and are then able to meet the entry criteria, they will be allowed to join the new contract. For those providers that are unable to make the necessary improvements, the Council will commence dialogue with service users and their families to start considering moves to alternative, higher quality provision.

In cases where a provider chooses not to join the contract but has existing care packages commissioned by the Council, the provider will no longer receive any new placements from the Council with immediate effect. Current contracts do allow for placements to continue on their previous terms and conditions (including the existing price). The Council will commence dialogue with service users and their families to start considering moves to alternative contracted provision.

**Support Offer**
The Council is committed to ensuring that the care market is supported to make the necessary changes described in this strategy. All providers on the new contract will be entitled to a package of support from Birmingham City Council and its partners, to incentivise improved quality. This will include; a dedicated commissioning team; provision of marketing materials/logos that can be used to promote the service; a training and support programme aimed at driving up quality; development of a number of ‘care associations’ to act as Independent Quality Assessors (IQAs) and to develop the self-regulation model; and a series of programmes designed to drive up skills in the sector and encourage people to join the social care workforce.

**Systems and Processes**
The Council will require an information technology system to ensure efficient operation of the contractual arrangements and to ensure that the Council can promptly identify care providers, allocate care packages and enable care providers to start delivering care as quickly as possible.

The Council has developed a detailed set of system requirements that will allow operation of the contractual approach contained within the Commissioning Strategy. Tendering has commenced to identify potential IT providers that may be able to meet the Council’s requirements with Phase 1 functionality (micro-procurement) to be in place from October 2018.

**Other arrangements**
- **Open book accounting** – all providers will be required to submit an annual summary of their costs to the Council.
- **Electronic call monitoring** – all home support providers are required to have an electronic call monitoring system in place on 1 April 2018
- **Out of city Placements** - All new placements from 1 April 2018 that are outside of the Birmingham City Council boundary, will have regard to the cost of care in that
area. There will be no automatic fee increase provided to out of city providers. The quality rating of providers based outside of Birmingham will be based principally on the latest CQC inspection rating and any other intelligence and feedback available from local commissioners. These providers will not be required to comply with the Council’s Living Wage Policy.

- **Food Hygiene Rating** – All residential care providers both with and without nursing will have to achieve a food hygiene rating of 4 or 5 by 1 April 2019.

**Important Dates**

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 December 2017</td>
<td>Commencement of tender</td>
</tr>
<tr>
<td>22 January 2018 (12pm)</td>
<td>Tender closes</td>
</tr>
<tr>
<td>23 January – 16 February 2018</td>
<td>Tender Evaluation</td>
</tr>
<tr>
<td>16 February – 7 March 2018</td>
<td>Delegated authority reporting</td>
</tr>
<tr>
<td>9 March 2018</td>
<td>Award letters issued</td>
</tr>
<tr>
<td>10 – 20 March 2018</td>
<td>Stand still period</td>
</tr>
<tr>
<td>21 March 2018</td>
<td>Final contract award and issue of contracts to commence</td>
</tr>
<tr>
<td>1 April 2018</td>
<td>Contract commences</td>
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</tbody>
</table>

**Summary**

Please be reminded that if you currently provide these services to the Council and don’t tender/apply for the new contracts, the Council will no longer be able to do business with you and the arrangements set out in the Transition Arrangements section above will apply. It is therefore important that you carefully consider your options and make the necessary tender/application using the links below should you wish to carry on contracting with Birmingham City Council:

- [www.sproc.net](http://www.sproc.net) for home support providers and care homes with and without nursing for over 65’s

- [https://in-tendhost.co.uk/birminghamcc/aspx/Home](https://in-tendhost.co.uk/birminghamcc/aspx/Home) for care and support (supported living) providers and care homes with and without nursing for under 65’s

**Contacts**

For any general questions in relation to the Commissioning Strategy and how this will work, please email us at: [shapingthemarket@birmingham.gov.uk](mailto:shapingthemarket@birmingham.gov.uk)

For any questions in relation to the tendering/procurement process or documentation, please use the contact details provided in the tender portals listed above.