



Market Shaping Review **What is Market Shaping?**

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OXFORD
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Working in partnership to support implementation of the Care Act

Foreword

High-quality, personalised care and support can only be achieved where there is a vibrant, responsive market of service providers. The role of the local authority is critical to achieving this.

The Care Act (2014) introduced new duties for local authorities to facilitate and shape a diverse, sustainable and quality market, emphasising that local authorities have a responsibility for promoting the wellbeing of the whole local population, not just those whose care and support they currently fund.

One year on from implementation, these market shaping duties are still in their infancy, and local authorities have indicated that discharging them remains a significant area of concern.

We undertook the Market Shaping Review to help commissioners and providers work together, take stock of progress, and highlight good market shaping practice around the country. We asked the Institute of Public Care at Oxford Brookes University to identify, analyse and disseminate this best practice; updating existing guidance.

We hope that the suite of products the Market Shaping Review generated will give you some new ideas and provide a series of papers, checklists, and a database that will encourage good quality market shaping activities.



Working in partnership to support implementation of the Care Act

1 Introduction

The Care Act (2014) places new duties on local authorities to promote the efficient and effective operation of the local market for adult care and support as a whole. A key tool to fulfil this market shaping duty is engagement with local care and support providers on the development of a market position statement (MPS), and early support and guidance focused on market position statements.

However, discharging their new market shaping functions remains a significant area of concern for local authorities. Going beyond the production of an MPS, local authorities are keen to understand better how to use their MPS and what best practice in market shaping looks like, taking into account their local circumstances.

The Department of Health ([DH](#)), the Local Government Association ([LGA](#)) and the Association of Directors of Adult Social Services ([ADASS](#)) commissioned the [Institute of Public Care](#) (IPC) at Oxford Brookes University, working in collaboration with the [Care Provider Alliance](#), to undertake a Market Shaping Review. The Review aimed to support local authorities to help them discharge their market shaping duties by identifying, analysing and disseminating best practice.

During spring 2016 IPC worked with the sector to identify what works best in market shaping, where and why, and then refreshed or supplemented existing tools and guidance. This paper builds on the existing [Market Shaping Toolkit](#) for both smaller care providers and local authorities, and explains what market shaping is, who shapes the market and outlines the building blocks of effective market shaping. Other Market Shaping Review products (listed below) explore these ideas further or support local authorities to review and improve their market position statement(s):



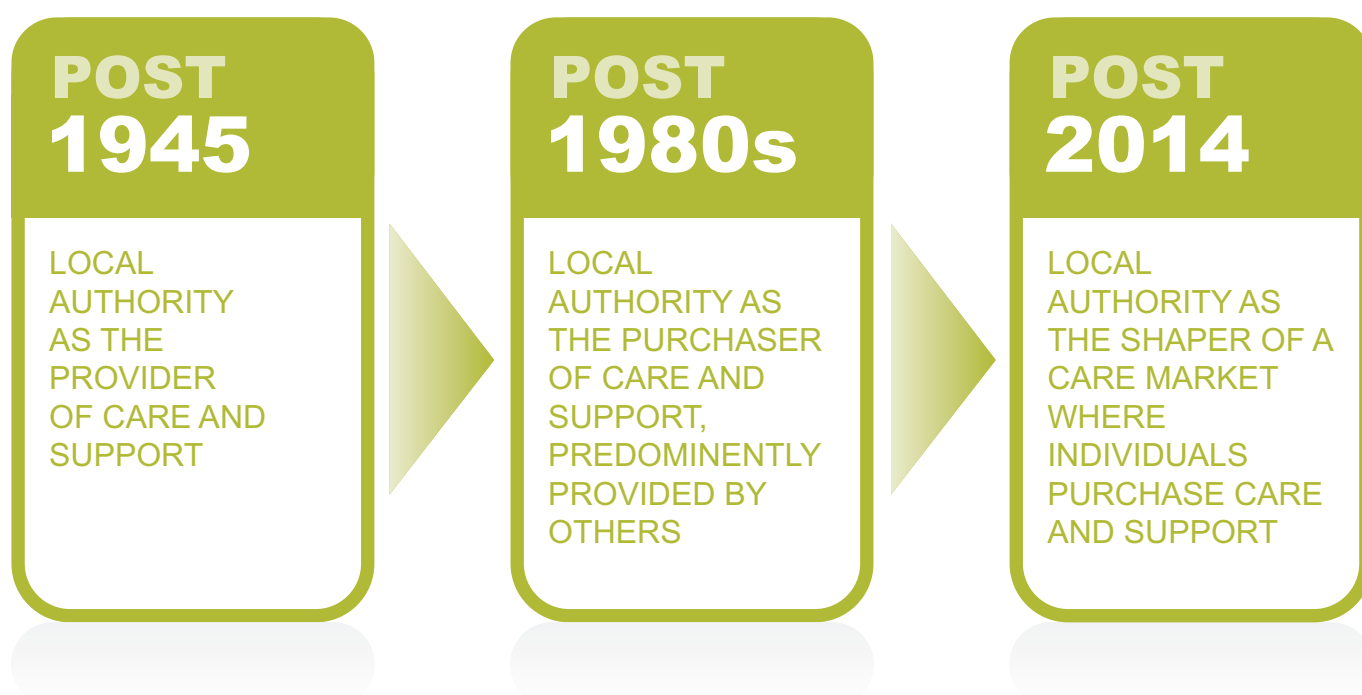
- [Market position statement database](#) – a fully searchable database of all published market position statements in England
- [Market position statement guidance](#) – guidance to help you (re)develop an effective MPS, with real examples, and a checklist to help you assess the quality of your MPS
- [Market shaping to support individual purchasing of care](#) – a paper to help you think through what market shaping means in terms of people with personal budgets, direct payments, and self-funders who buy their own care and support
- [Place-based market shaping: co-ordinating health and social care](#) – a paper, aimed at health and social care commissioners, that explores the importance of developing a place-based approach to shaping the care market
- [Cross-local authority and regional working on market shaping](#) – a paper that explores when and how to take a regional joint approach to market shaping

The Market Shaping Review has been informed by responses to questionnaires sent to local authorities and a wide range of care and support providers in England. It has also been informed by a series of interviews with commissioners to obtain case studies, as well as visits to a number of regional forums and three national market shaping workshops. Thank you to all who participated.

2 Context

Whilst market shaping predates the Care Act, the importance of such activities was highlighted in the Act as it introduced the concept of local authority responsibility for the whole market. Prior to the Care Act (2014), local authorities primarily concentrated on people whose care they have funded, either in whole or in part. Now they have a much wider responsibility to all who receive care and support regardless of how that care and support is paid for. As the diagram below illustrates, this represents a significant shift in the role of the local authority.

Figure 1: Historical change in the care and support market



Post the Care Act (2014), the local authority has been required to move from being an influence on the care market solely through its own purchasing to one where, with providers and people who use services, it seeks to shape, facilitate and support the whole care and support market. This requires a step change in approach for local authorities from a position of 'control' to one of influencing, coproduction and collaboration.

Although the local authority may still act as a purchaser of care and support, its overarching responsibility is to ensure there is a diverse, sustainable and quality care and support market operating in its area. There needs to be sufficient care and support available to enable choice for all those who need care and support, including carers.

"The ambition is for local authorities to influence and drive the pace of change for their whole market, leading to a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost-effective outcomes that promote the wellbeing of people who need care and support"

Care and Support Statutory Guidance, Section 4.2

This new role has called for a different understanding of the care and support market. Local authorities are now seeking to answer a wider set of questions:

- Is the range of care and support provision locally appropriate to meet needs and sufficient to meet anticipated demand?
- Who is developing, or wishes to develop, new forms of provision?
- What are people buying with their direct payments or own funds and what care and support would they like to access, but is not currently available?
- Is the local market able to deploy a workforce that is able to deliver sustainable, high quality care and support?
- Which providers have the potential to diversify or offer a more integrated and/or efficient service?
- And, crucially, which local care companies and organisations might be at risk and why?

3 What is Market Shaping?

“Market shaping means the local authority collaborating closely with other relevant partners...to encourage and facilitate the whole market in its area for care, support and related services.”

Care and Support Statutory Guidance, Section 4.6

The purpose of market shaping is to stimulate a diverse range of appropriate services, both in terms of the types of services and the types of provider organisation, and ensure the market as a whole remains vibrant and sustainable.

As the task and challenges contained within market shaping have widened in recent years, so the range of terms connected with the market has expanded. The diagram to the right shows a number of the most common market terms – all these come under the umbrella of market shaping activities. The range of terms used around market shaping can make it confusing for those involved. It is important that, if used, these terms are clearly defined to ensure that all those involved are confident that they are talking about the same activities.



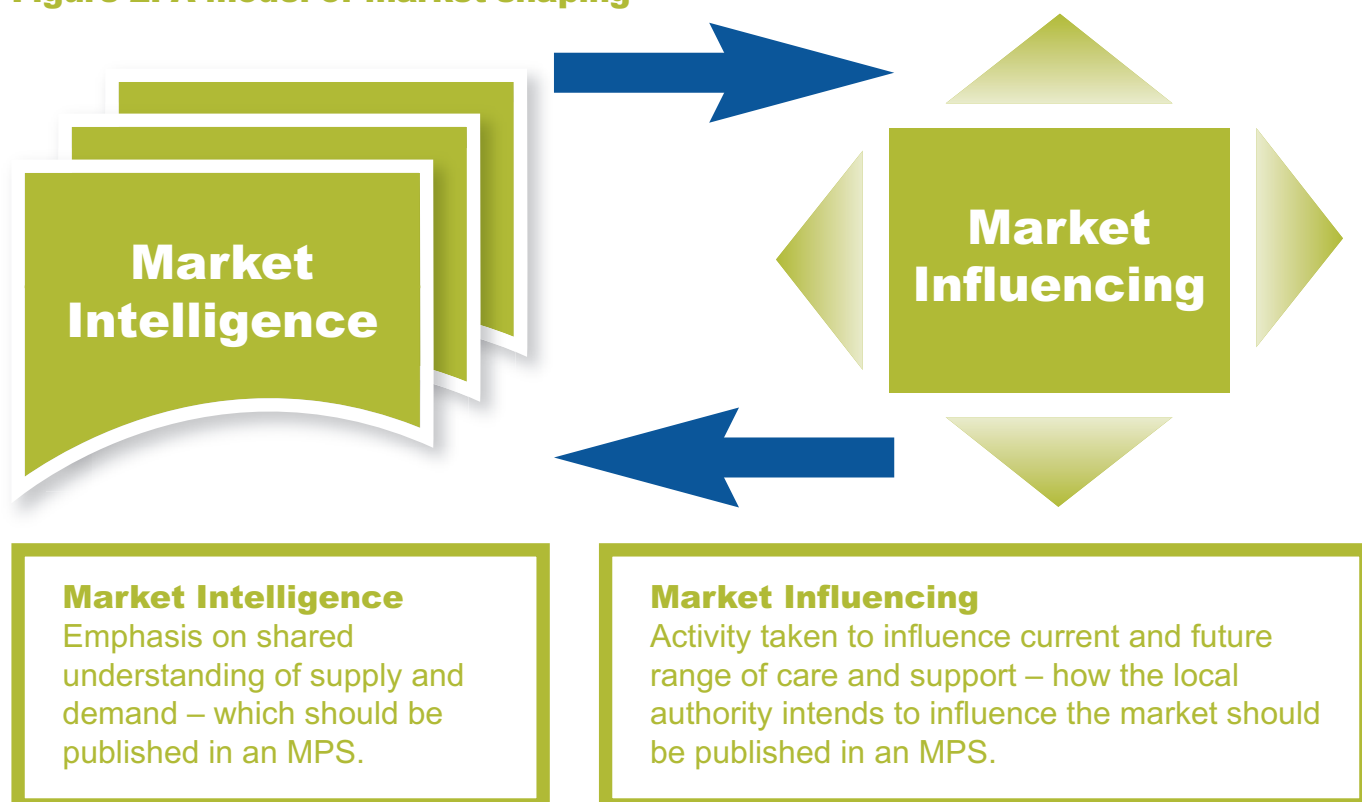
A common misconception is that market shaping is another word for market engagement. Whilst local authority engagement with care and support providers is an important part of market shaping, this paper sets out how market shaping is a wider task, involving a range of partners and stakeholders.

This wider market shaping task can broadly be summarised under two headings:

- **Market intelligence** – activities which seek to understand the market, including collection and analysis of data on provider stability to enable oversight of the ‘health’ of the market.
- **Market influencing** – a spectrum of activity that seeks to influence the current and future range of care and support available, based on your understanding of the market, including contingency planning or other interventions.

Market intelligence and market influencing are explored in more detail below.

Figure 2: A model of market shaping



A market position statement (MPS) is a document produced by local authorities, following a co-productive process with providers, people who use services and other partners, and aimed at a wide range of care providers, which summarises supply and demand in a local authority area or sub-region and signals business opportunities within the care market in that area. The MPS should be the basis for strategic commissioning and be published, reviewed and updated regularly. It is intended to be used by providers to plan for the future, informing business choices such as investment in capital or personnel.

Whilst it is not a mandatory document, we suggest that a local authority can start to fulfil its Care Act market shaping and provider failure duties by developing with providers and stakeholders a published MPS. In our model of market shaping above, we recommend that local authorities publish their market intelligence and plans for market influencing in an MPS. An [MPS database](#) of published market position statements and MPS guidance, including a checklist to help you assess the quality of your MPS, is available as part of the Market Shaping Review.

It is worth remembering that market shaping does not necessarily mean planned activities intended to positively shape the market. Inadvertent market shaping is arguably equally common through actions of the local authority and other stakeholders that have not considered the impact on the care and support market of those actions. Inadvertent market shaping might happen through, for example, cuts to a bus route used by the care and support workforce, planning consent for a new care home affecting the viability of a strategically planned extra care development, or even a poor procurement process

3.1 Market Intelligence

“The core activities of market shaping are to engage with stakeholders to develop understanding of supply and demand and articulate likely trends that reflect peoples’ evolving needs and aspirations...”

Care and Support Statutory Guidance, Section 4.7

Market intelligence involves the collection of data, and then the analysis of that data. The Care and Support Statutory Guidance contains an emphasis on the local authority leading a shared understanding of supply (the market) and demand (people’s needs and aspirations). It is likely that the local authority will not currently hold all the information it needs.

The data used to develop market intelligence may come from a number of sources, including providers, CQC, and people who use care and support services. Local authorities should start by asking themselves “What do we need to understand about the market?” and then “Where can we find this information?”





Information on its own does not constitute market intelligence. Local authorities should ask themselves and others:

- “What is this information telling us?”
- “Is there further information we need to understand what is going on?”
- and crucially “What does this mean for the local care and support market?”

Market intelligence will be used in a number of ways. For example, informing commissioning and procurement practice by establishing the nature, gaps in and quality of supply in different market segments and the aspirations of those providers. Good market intelligence will make an important contribution to the development of market oversight and contingency planning arrangements by local authorities.

3.2 Market Influencing

“The core activities of market shaping are... to signal to the market the types of services needed now and in the future..., encourage innovation, investment and continuous improvement... A local authority’s own commissioning practices are likely to have a significant influence on the market to achieve the desired outcomes, but other interventions may be needed...”

Care and Support Statutory Guidance, Section 4.7

Market influencing covers the spectrum of activities that the local authority undertakes that has an impact on the market. These vary from ensuring that the market has sufficient signals, intelligence and understanding to react effectively and meet demand – a process often referred to as market structuring or signalling - through to ‘market intervening’, which directly promotes desired interventions. For example, incentivising innovation by user-led or third sector providers possibly through grant funding, or offering access to training and development opportunities. Contingency planning, where the local authority plans what it will do in the event of provider failure, can be considered a form of market influencing.

What is Market Shaping?

Examples of the range of market influencing activities are shown in the diagram below.

Figure 3: Examples of market influencing activities



The term ‘market influencing’ recognises that the local authority has different degrees of influence over different segments of the market. The local authority can not control the market, rather it needs work alongside providers and engage in mature dialogue. Market influencing should take place through *“shared endeavours, with commissioners working alongside people with care and support needs, carers, family members, care providers, representatives of care workers, relevant voluntary, user and other support organisations and the public to find shared and agreed solutions”*¹.

Market influencing can take place through the distribution of information and advice. For example, there may be companionship services in a local area, which are aimed at self-funders and/or people with lower levels of need who do not meet eligibility thresholds, to reduce their social isolation and support their independence. The local authority is unlikely to purchase these services, but can be influential in ensuring that they can be publicised in information, advice and guidance services, and thereby can affect the reach and success of such services.

At the other end of the spectrum if the local authority changes its commissioning approach for domiciliary care and reduces the number of providers on its framework from 80 to 10 that will directly affect the feasibility and business models of all providers involved.

All these activities influence the market, yet the role of the local authority and other stakeholders can differ.

¹ Department of Health (updated 2016) Care and Support Statutory Guidance, section 4.51

3.2.1 Influencing innovation

The desire for providers to innovate is frequently expressed by both commissioners and providers, yet often neither party can point to innovative practice arising out of their interactions. Some conditions that foster innovation are suggested below (see [Fostering Innovation in Care and Support](#) in the [Market Shaping Toolkit](#) for further information and practice examples):

- Ensure terms and conditions are flexible enough to allow for changes in technology or service approach during the life of the procurement.
- Talk to providers about what is reasonable. Increased risk for the provider means an increased risk of provider failure.
- Directly fund innovation through seed or start up ‘innovation’ funding. Recognise that not every innovation will succeed.

4 Who is Responsible for Market Shaping?

“The Care Act places new duties on local authorities to promote the efficient and effective operation of the market for adult care and support as a whole. This can be considered a duty to facilitate the market, in the sense of using a wide range of approaches to encourage and shape it, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways.”

Care and Support Statutory Guidance, Section 4.2

Typically considered a social care or Director of Adult Social Services lead responsibility, the Care and Support Statutory [Guidance](#) is clear that the care and support market is a council-wide responsibility. The local authority should ensure that mechanisms are in place to coordinate the range of market shaping activities being conducted across the local authority.

This is important as many of the activities that shape the market are not held within a ‘social services’ department. Section 0 below explores who shapes the market for care and support in more detail. Local authority housing, for example, shares the duty under the Act to “*promote the efficient and effective operation of the market*” so that it “*meets the needs of all people*”.

As part of this duty to “***promote** the efficient and effective operation of the market*” the local authority should engage with other stakeholders to enable them to play their part in shaping the market in alignment with the local authority. This includes the importance of cooperation and integration with health commissioners. A paper on place-based market shaping: co-ordinating health and social care is available as part of the Market Shaping Review.

4.1 Who should lead market shaping in local authorities?

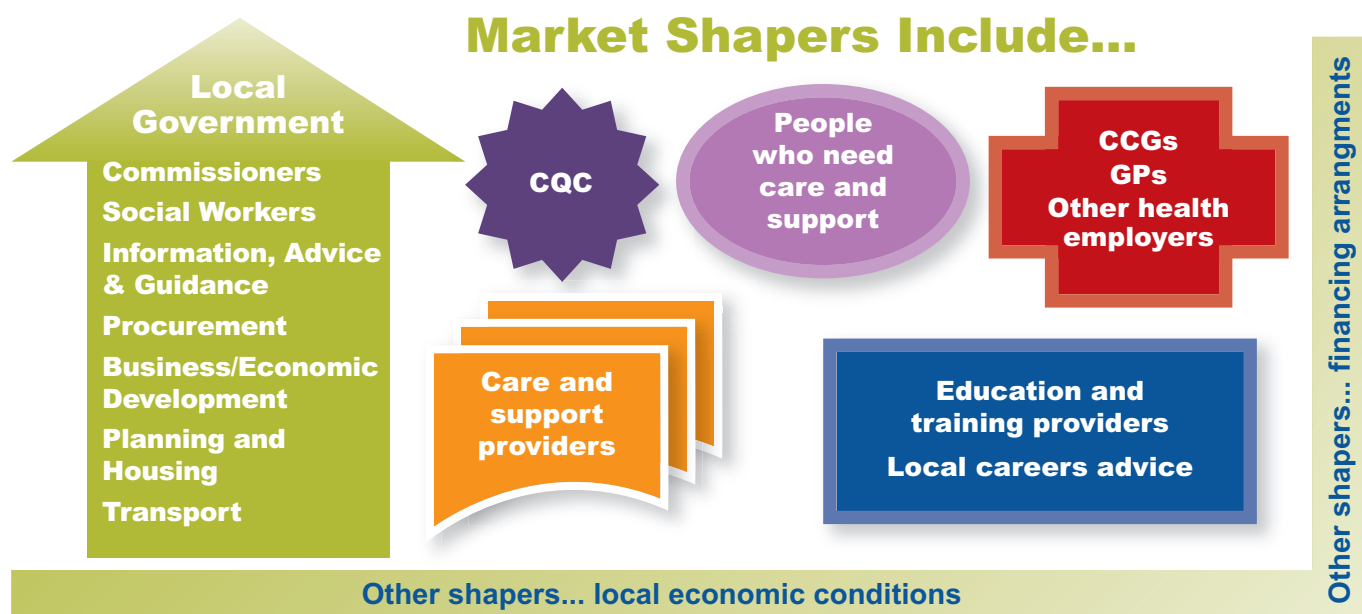
Market shaping is not solely a 'social services' duty, but a council wide, strategic task. Social services alone cannot effectively shape the market and it remains the responsibility of the local authority to determine who within the authority should lead on this strategic role. Given the need for cross stakeholder working with health and others, it is preferable that someone at a senior level takes this lead role for ensuring promotion of an efficient and sustainable market. Consideration should also be given as to the role that the Health and Wellbeing Board should play in exercising this duty.

5 Who Shapes the Market?

Market shaping takes place not only 'beyond' social care in the local authority, but also beyond the local authority itself. A strategic task, often spanning local authority departments and other partners, it is not just done by commissioners, but by a range of people inside social services departments, in other local authority departments, and by other stakeholders. Interested stakeholders will include Health & Wellbeing Boards and HealthWatch as well as care and support providers and people who use care and support services.

The diagram below presents a summary of market shapers across the local authority area. Specific ways these people or organisation can shape care outlined below.

Figure 4: Market shapers



5.1 Local government

Social care services within local government are the most obvious shapers of the social care and support market:

- Commissioners are clearly important shapers as they work to understand the care and support provision needed now and in the future, and act on that intelligence to ensure delivery of the required services.
- Social workers (and others) define the options available to people through assessment and can shape people's expectations and aspirations, influencing take up of different types of care and support provision. The outcomes desired by the person receiving an assessment should inform the shaping of the market.
- Information, advice and guidance services shape the market by their presentation of the options available to people, and through the scope and quality of information they provide enable choice for people who need care and support.

It is particularly important that social workers are included as part of the discussions and vision for market shaping in the local authority, and work with commissioners to establish a common strategic understanding of needs and consistent application of market shaping.

Other key market shapers within local authorities do exist and their contribution should be recognised and their impact understood. For instance Public Health can influence the health, wellbeing, resilience and aspirations of the local population, affecting demand. In addition to the functions shown in Figure 4 above there are a number of other local authority services that have relevance to the care market such as leisure services and training:

- What leisure provision is available to people who may not be able to access community leisure services?
- What training is available to help the range of council staff, both employed and contracted, who might need to interact with, and understand, somebody who has dementia?

The actions of neighbouring and nearby local authorities also can shape the care and support market within the local authority. For example, many London boroughs have little care home provision in borough due to prohibitive land values and place outside the local authority area. Many providers will cover more than one local authority area, and for effective market oversight, local authorities may find it beneficial to work together to operate market oversight arrangements. A paper on cross local authority and regional working on market shaping is available as part of the Market Shaping Review.

Key actions this market shaper can take:

- Promote understanding of the market shaping role everyone plays
- Explore the impact across the directorate of actions being taken
- Consider a care and support market lens during the development and execution of new policies, and the review of existing activities.

5.1.1 Procurement

Regardless of the strength of the commissioning approach, an ill thought through procurement process can produce results that do not meet the desired commissioning outcomes. Providers' criticisms of tendering arrangements have been well documented, particularly those by providers who straddle a number of local authorities, and smaller providers – see [Market Shaping Toolkit Annotated Bibliography](#). At its worst, poor procurement can lead to the loss of providers who are considered by local authority commissioners to be important in the local care and support market.

The '[Checklist for SME Procurement](#)' in the Market Shaping Toolkit provides a framework for conversations between commissioners and procurement staff around what is good procurement practice. Although specifically aimed to promote collaborative market shaping between local authorities and smaller providers, the principles can be usefully applied across the care and support market.

Key actions this market shaper can take:

- Work with social care commissioners to understand the desired outcomes of the procurement process, and discuss with them how these can best be achieved
- Work with commissioners and providers to produce compliant but simple and proportionate processes e.g. adequate tendering periods, sufficient time for suppliers to form consortia, flexible interview dates

5.1.2 Business and economic development

“Developing a diverse market in care and support services can boost employment and create opportunities for local economic growth, through for example, increasing employment opportunities for working-age people receiving care and carers, and developing the capacity of the care workforce. Local authorities should consider how their strategies related to care and support can be embedded in wider local growth strategies, for example, engaging care providers in local enterprise partnerships.”

Care and Support Statutory Guidance, Section 4.59

The MPS should provide data about the total size of the care and support market and the economic and employment impact it has on local communities. Economic development and regeneration functions have an important role to play in seeking to ensure that there is a balance of potential employers in an area. It is important that local authorities understand whether their care and support providers, and the overall care economy, is getting stronger or weaker. However, despite forming a large and vital part of the local community, business support and regeneration initiatives are seldom targeted at care businesses.

As [CQC illustrates](#), the vast majority of social care services are delivered by small providers sometimes working across just a few wards in a local authority or owners of a single care home. For many of these providers, simply meeting their regulatory requirements and managing the business on a day-to-day basis can often consume a disproportionate amount of resource. It is important in looking at what support the local authority provides to business, either directly or indirectly, that the care sector receives its fair proportion of help and assistance. Exactly what forms of help would be most welcome should be part of the discussions that take place between commissioners and providers.

Key actions this market shaper can take:

- Offer training to help care and support providers bid for contracts
- Signpost providers towards alternative sources of funding and support
- Identify a designated post, in conjunction with social care, to network with smaller providers
- Lead discussions around the potential for bulk purchasing

5.1.3 Planning and housing

The relationship between planners and providers of housing and care and support commissioners can have a wide and varied impact on the market. For example:

- Where care services are located and whether there is over or under supply in any given area can be influenced by the planning authority.
- Adult social care should be keen to be kept updated on who has outline planning permission for what sorts of care schemes and where.
- If planning applications are likely to go to appeal this can have a considerable financial impact on care providers and hence whether they might develop in any given locality.

Planners will rightly argue that they cannot refuse schemes vicariously; they need evidence to support or deny a planning application. Demand and supply intelligence from the MPS may form a key component of planning decisions.

The development of extra care housing and the use of sheltered housing should bring planners, housing authorities and housing providers together to agree how best to utilise existing housing stock and to stimulate the market for development. This might include:

What is Market Shaping?

- The authority making land and sites available for housing with care schemes.
- Assisting in the conversion of care homes.
- Helping to appraise sheltered housing stock as to which schemes can help to support care needs more.

However, planning is also about the wider environment in which people live. Assuming social care has the objective of supporting more people to live independently in the community, planners need to focus on what kind of living environments are being created. Out of town shopping centres, poor street signage, narrow pavements and inadequate street lighting for example, may all be factors that make people who need care and support feel that remaining in the community is difficult.

Key actions this market shaper can take:

- Work with social care commissioners to understand the desired models of care in the future, and as articulated in the MPS, and seek to incorporate these objectives in local plans or similar
- Consider social care as a key stakeholder in proposed developments and policies, and explicitly seek to enhance the health and wellbeing of people who need care and support. Engagement with social care should include local authority colleagues and providers

5.1.4 Transport

Access to services is important to both those who use care and support services and to those providing services. For example:

- The ability for friends and family to visit a loved one in a care home. Changes to bus services and/or parking arrangements can affect how often people are able to visit, having a direct impact on an individual's wellbeing.
- Similarly, changes to transport can affect staff's ability to work at a particular location. For rural care homes, or ones on a single bus route, changes to routes can mean that some members of the workforce are no longer able to get to work, and such changes are likely to reduce the workforce catchment available, undermining the viability of the care and support business.



Proposed changes to local transport services or arrangements should consider the potential impact of such changes to the care and support market and recipients of care. That is not to say that potential negative impact should prevent any changes taking place, but that the likely impact on the market should be understood and consideration of ways to mitigate any such impacts explored.

Key actions this market shaper can take:

- Consider social care as a key stakeholder in proposed changes and policies, and explicitly seek to enhance the health and wellbeing of people who need care and support. Engagement with social care should include the local population, local authority colleagues and providers

5.2 Health

There is no one-size-fits-all of shaping co-ordinated health and social care services in an area and the ability of the care offered to meet the needs of local people is often reliant on the strength of the partnership working across the local authority and their co-terminus CCG(s). Indeed, the relationships are often so complex that providers may have more than one link into their commissioning organisations and can have different contract arrangements, monitoring requirements and fee structures with the local authority to that of their NHS counterparts for essentially providing the same service. In other cases they may contract with numerous local authorities and/or CCGs in a region but at different rates depending on how far their geographical spread is.

A lack of joint or co-ordinated strategic planning across commissioners and providers in both health and social care can result in the duplication of services, or worse gaps in services, and can mean that local people have poor experiences of the care they receive.

Cooperation and integration between local authority and health commissioners is therefore vital. A paper on place-based market shaping: co-ordinating health and social care is available as part of the Market Shaping Review.



Key actions this market shaper can take:

- Build a coherent picture of demand and supply of services across a given area, looking not just at demand and supply but also using scenarios and risk analyses to understand the networks of care in an area and how changes in one part of the system can impact on others.
- Establish a common sense of purpose across the partners involved in delivering co-ordinated care and be clear about what the market should look like and how it could be best placed to meet local need.
- Address 'silo thinking' and facilitate more creative joint solutions to complex problems by establishing strong governance links and working arrangements between the key organisations involved.

5.3 Care Quality Commission (CQC)

As the regulator for health and social care services in England, CQC have an impact upon the market in social care in two main ways. Firstly, the financial 'health' of certain care and support providers is subject to monitoring by CQC. These are providers which, because of their size, geographic concentration or other factors, would be difficult for one or more local authorities to replace if the business were to fail and services cease, and therefore where national oversight is required. Should such a failure be likely CQC must inform any potentially affected local authorities.

However, it is important that local authorities have their own local arrangements for oversight and contingency planning, working with the CQC local link to avoid overlaps in information collection and analysis and to share intelligence and influencing plans.

Secondly, CQC regulate a wide range of social care services, including those commissioned by local authorities. They do this through the setting of fundamental standards of quality and safety and through the registration and inspection of provider services, paid for by the providers.

The activity of CQC can have a significant impact upon a local market – all inspection findings are made public and some are accompanied by 'star ratings' to quickly allow people to identify the best services in a given locality.

As part of their powers, CQC can ultimately close down services (after due legal process). Even if they do not go that far, the impact of their inspection findings (both positive and negative) can alter the dynamics of a local market. Poor inspection results for a raft of residential services, for example, can lead people to choose not to go to those services and opt either for a different locality or for a different type of service. In many local authorities, a poor inspection result can also lead to a suspension of local authority placements.

Awareness of the quality of services available in the local market is important market intelligence that needs to be used by the local authority and shared with both providers and service users. See the MPS Guidance for further information about how this can be used in Market Position Statement.

Key actions this market shaper can take:

- Continue establishment of local working arrangements with local authorities, including the mutual sharing and rationalisation of information requirements from providers
- Continue reviewing the relationship of provider failure with CQC regulation and inspection activities

5.4 Education, training and careers advice

Funding for further education is managed by the Skills Funding Agency, which funds skills training in colleges, private training providers and with employers, including apprenticeships. The Skills Funding Agency works with training providers, and increasingly employers, in an area to determine funding. The care and support market is reliant on a supply of skilled staff to meet demand, and changes in role demand in the future. There is a risk that training provision is driven by training providers and students, rather than based on the needs of employers or a strategic view of needs from the local authority.

As the local authority is responsible for ensuring a sustainable and diverse market, it is important that local authorities engage with the Skills Funding Agency to ensure that funding priorities reflect the identified needs of the area now and in the future. At present, there is often insufficient contact between local authorities and the Skills Funding Agency to be confident that this match is taking place.

Provision of training and education is, of course, predated by interest in care and support as a career by individuals themselves. Care and support has historically and unhelpfully had a low status as a career. The opportunities available to those entering care as a profession are expanding, and further work is needed to improve and publicise the potential career pathways for those entering care as a profession.

Key actions this market shaper can take:

- Work jointly with local authorities and providers to establish a shared understanding of workforce supply and demand which informs funding, marketing and other activities

5.5 People who need care and support and their families

The choices made by people who use care and support services, including carers, and their families determine many of the services that get purchased. Much work has been conducted by local authorities and others to improve information, advice and guidance for care and support in recognition of this. For further information see the paper market shaping for individual purchasers of care, which is available as part of the Market Shaping Review.

As such there are no 'key actions' recommended for this group, they are the reason the market exists.

5.6 Care and support providers

Providers have individual operating arrangements, different ownership and governance structures, different levels of debt and different visions for the future. Whilst the local authority and others will 'shape' those organisations, it is the providers themselves who are responsible for their own businesses and investment decisions.

Providers shouldn't be an afterthought in any debate about how to shape the market, but integral to it as they are 'the market'. They shape the market in the services they provide, who they provide to, where they operate and where they choose to invest and at what price. Local authority engagement with care and support providers is an essential part of market shaping. See [Good practice for SME engagement](#) in the Market Shaping Toolkit for more information, which outlines the actions both providers and local authorities can take.



6 Building Blocks for Effective Market Shaping

Market shaping is not a simple task, and the complexity of what is involved in a challenging time for the provision of care and support is still being understood.

We suggest that underpinning the market shaping actions suggested above for different market shapers are a set of five key behaviours or traits associated with successful market shaping, and these are summarised below.

Consistent

Funding may vary but the strategic direction pursued by the authority needs to be consistent over time.

Coordinated

Work with other local authorities and health where it makes sense to do so.

Coproduced

Build a shared understanding about the types of care needed to tackle demand, shared market issues and factors that make up cost and price

Considered

Promotion and development of evidence based care and support. Recognise and share 'what works'.

Costed

Take account of providers' business and operation models, and understand the actual cost inputs involved in delivering sustainable and quality care

Those involved in market shaping should use these to check their own behaviours as they engage with the market, or conduct activities that will shape the market:

How am I working in a way that is...	
Consistent	
Coordinated	
Coproduced	
Considered	
Costed	

7 Useful Links and Further Reading

Cordis Bright (2015) Market sustainability guidance and toolkit

This comprehensive new guidance and toolkit from Cordis Bright, produced following extensive consultation with the sector and with the input of an expert panel, suggests a robust but straightforward way that councils can engage in light touch market oversight to help local authorities come to a view about the sustainability of their local care markets and the providers within them, and therefore be in a better place to meet their new duties and promote and maintain the wellbeing of their local populations.

<http://www.cordisbright.co.uk/admin/resources/market-sustainability.zip>

Department of Health (updated 2016) Care and Support Statutory Guidance

Guidance on the implementation of the relevant elements of the Care Act which came into force in April 2015. The Care Act places new statutory duties on local authorities to facilitate and shape their market for adult care and support to ensure there is high-quality, personalised care and support available to meet the needs of all people in their area. The guidance also explains the role of market position statements to set out local authorities' strategies and ambitions and articulate future demand. The market position statement is a key tool of this approach to allow local providers to innovate and adapt services to better meet the needs of local communities and improve their wellbeing.

<https://www.gov.uk/guidance/care-and-support-statutory-guidance>

Health Services Management Centre (updated 2015) Commissioning for better outcomes: a route map

Co-produced with a wide range of local authorities, service providers and service users, these commissioning standards are designed to drive improvement, provide a framework for councils to self-assess their progress against best practice in commissioning and enable them to identify areas for further improvement.

<https://www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/>

Institute of Public Care (2015) Market Shaping toolkit (MaST)

The Market Shaping Toolkit supports both smaller care providers and local authorities to engage in market shaping, and to work together to develop innovative practice to meet local needs. It highlights good practice around the country in the way that local authorities and smaller care and support providers collaborate and provide innovative services. It offers a series of checklists and materials to encourage good quality market shaping activities.

- For local authorities the toolkit gives some new ideas and suggestions about who to engage with, why and how, in local care markets
- For providers the toolkit offers a stimulus and encouragement to ask local authorities 'Why are we not doing this?'

<http://ipc.brookes.ac.uk/mast>

Institute of Public Care (second edition 2015) Understanding the self-funding market in social care: a toolkit for commissioners

This toolkit has been produced to help local authorities ensure that they comply with the requirements of the Care Act, helping them understand their self-funder population so that they can facilitate and shape their local care market to meet the needs of the whole population. This version includes new information on estimating numbers as well as updated case studies.

http://ipc.brookes.ac.uk/publications/publication_824.html

Think Local Act Personal People not process – Co-production in commissioning Co-production in commissioning and market shaping

A web resource that gives the rationale, backed up by case studies, of the importance of coproduction with people with care and support needs, carers, family members, care providers, representatives of care workers, relevant voluntary, user and other support organisations and the public to find shared and agreed solutions in commissioning and market shaping.

<http://thinklocalactpersonal.org.uk/co-production-in-commissioning-tool/Co-production-in-commissioning-and-market-shaping/>

Think Local, Act Personal (2012) Stronger partnerships for better outcomes: a protocol for market relations

A document which sets out principles and good behaviours intended to enhance effective ways of working between people and family carers, service providers and local authority commissioners. The protocol recommends a co-productive approach to local commissioning of care and support which complements the earlier protocol, Making it Real. 'Stronger partnerships' suggests that the three perspectives of people, carers and families, service providers and commissioners need to be brought together to unlock the potential for creative, person-centred approaches that meet people's needs.

http://www.thinklocalactpersonal.org.uk/Browse/marketdevelopment/National_Market_Development_Forum/?parent=9098&child=9308

Think Local, Act Personal (2015) Top Tips: Commissioning for Market Diversity

This guide aims to help council commissioners focus on the work they need to do in developing a care and support market that reflects the diversity of their local population and offers choice to all. Top Tips offers examples and links to further information and a short series of questions that will help councils assess their progress in meeting market shaping duties and developing a diverse local market, as defined in the Care Act 2014.

http://www.thinklocalactpersonal.org.uk/_assets/Resources/NMDF/TLAPTopTips.pdf