



# **Certificate in Commissioning and Purchasing for Public Care**

## **Surrey Children's Commissioning Programme**

### **Module 2 – Session 2**

# Working online – what we expect of each member

OXFORD  
BROOKES  
UNIVERSITY



Give yourself the space to learn and engage with the course



Respect and professional confidentiality



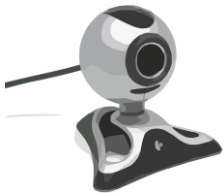
Raise your 'virtual hand' if you would like to contribute or ask a question



This is a learning environment – be present, join in and contribute



Be prepared to go into breakout rooms and self manage activities and contributions



Keep your camera on where possible



Mute your microphone when not contributing to reduce background noise



Be on time for the modules and from breaks

## Surrey's definition

### Our working definition of commissioning is:

Using the resources available, including the strengths and assets of residents and communities, to respond to need and enable sustainably better outcomes.

COMMUNITY VISION FOR SURREY



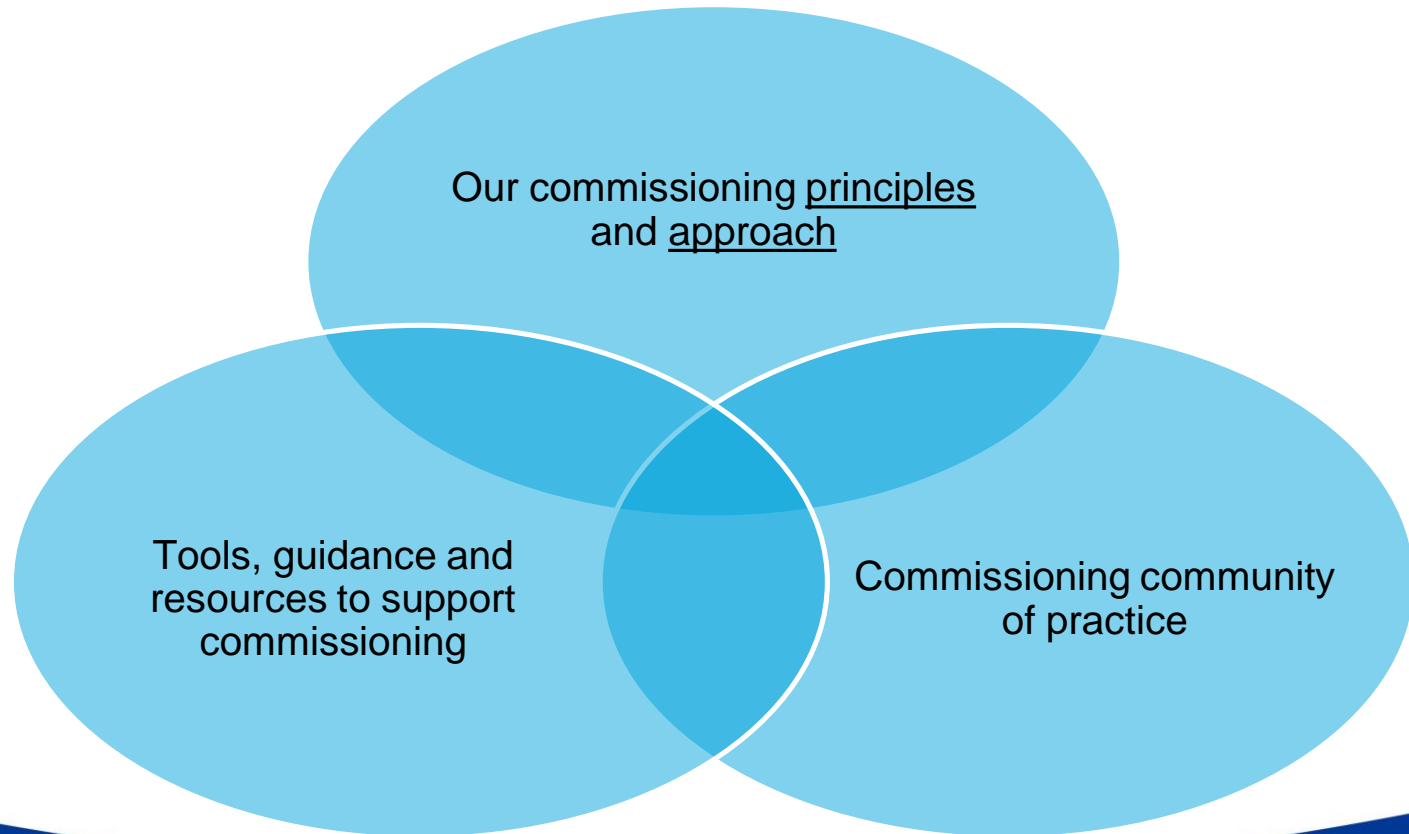
### Key definition: outcome

“A condition of well-being  
for children, adults,  
families or communities”

Mark Friedman

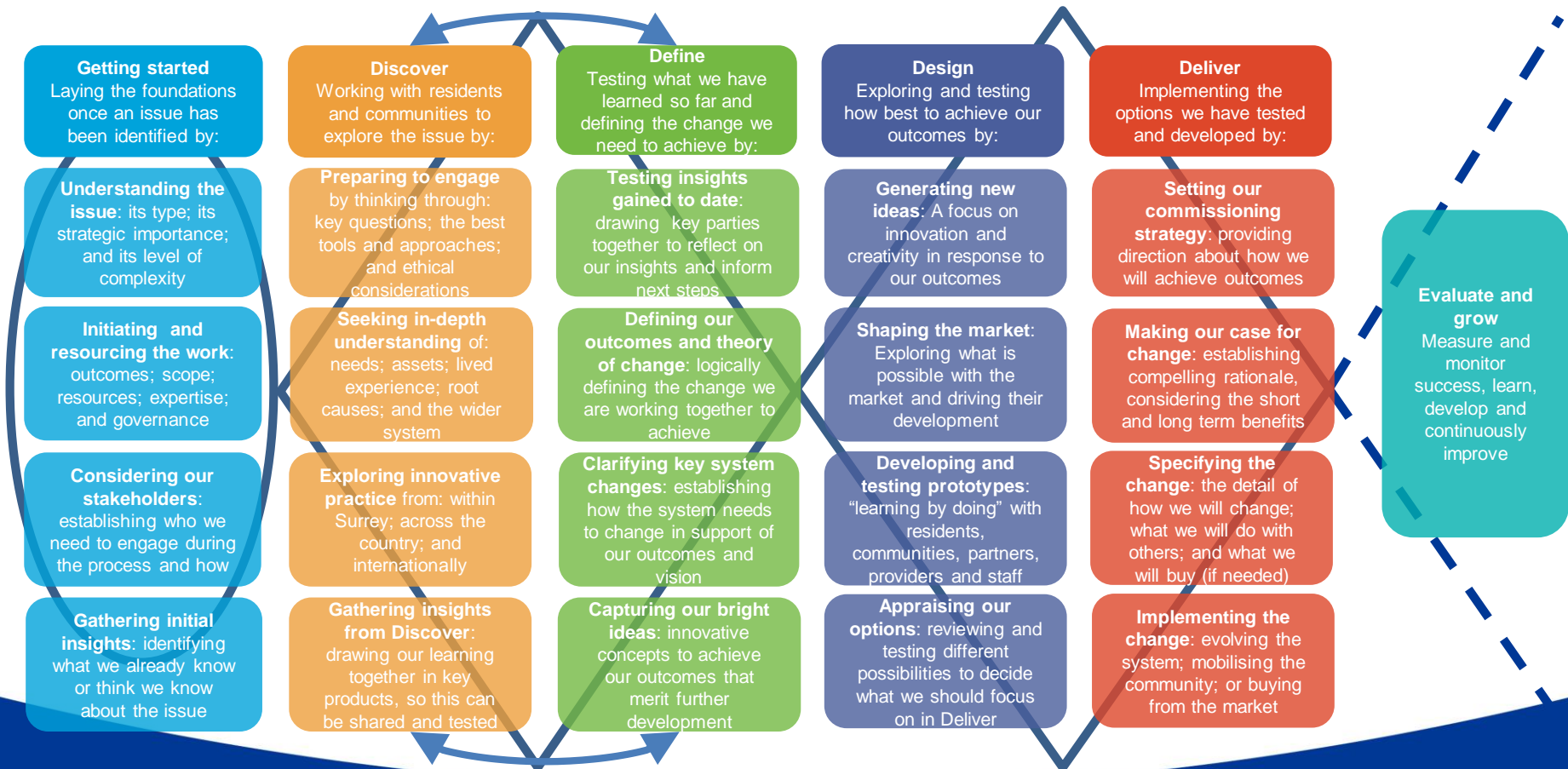
(Or you may prefer to  
think of an outcome as “a  
positive change in lives  
of residents and  
communities”)

# Surrey's Commissioning Framework





# Surrey's Commissioning Stages



## Surrey's 7 Commissioning Principles

Engage with  
residents and  
communities  
right from the  
start

Create a vision  
focussed on  
outcomes

Distinguish  
between simple  
and complex

Build  
relationships to  
achieve  
common goals

Draw on the  
right data,  
expertise and  
techniques to  
design solutions

Make a clear  
and compelling  
case

Think long-term

# Sessions will cover

- The national and local agenda
- What is commissioning and how well are we doing it?
- Needs and resource analysis cont'd
- Planning and options appraisal
- Accreditation – overview
- Market shaping - ✓
- Commissioning for outcomes
- Contract management and procurement
- Monitoring and review
- Person centred approach to commissioning
- Delivering change
- Commissioning skills



# Market Shaping

# Institute of Public Care Commissioning Cycle



© 2002 IPC Commissioning Cycle. All rights reserved.

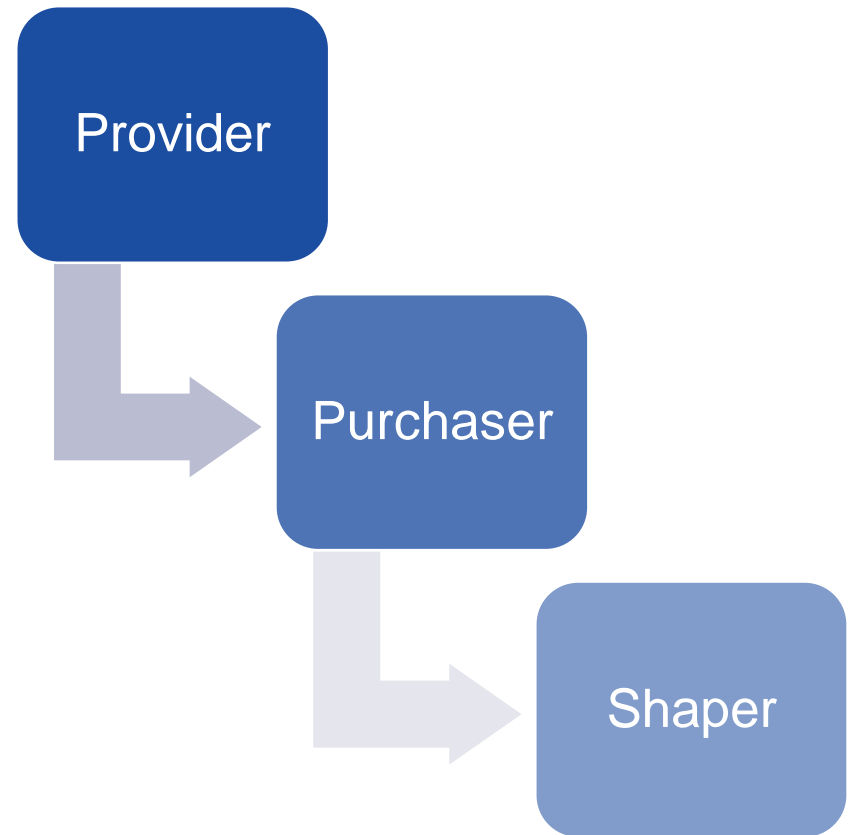
# The 'sufficiency duty' in children's services

- Statutory Guidance for Local Authorities on Services and Activities to Improve Young People's Wellbeing (2012)
- Statutory Guidance on Securing Sufficient Accommodation for Looked After Children (2010)
- Statutory Guidance for Local Authorities in carrying out their Childcare Sufficiency Duties (2010)
- Children and Families Act 2014 – including the local 'information and advice offer'

# A duty towards care markets

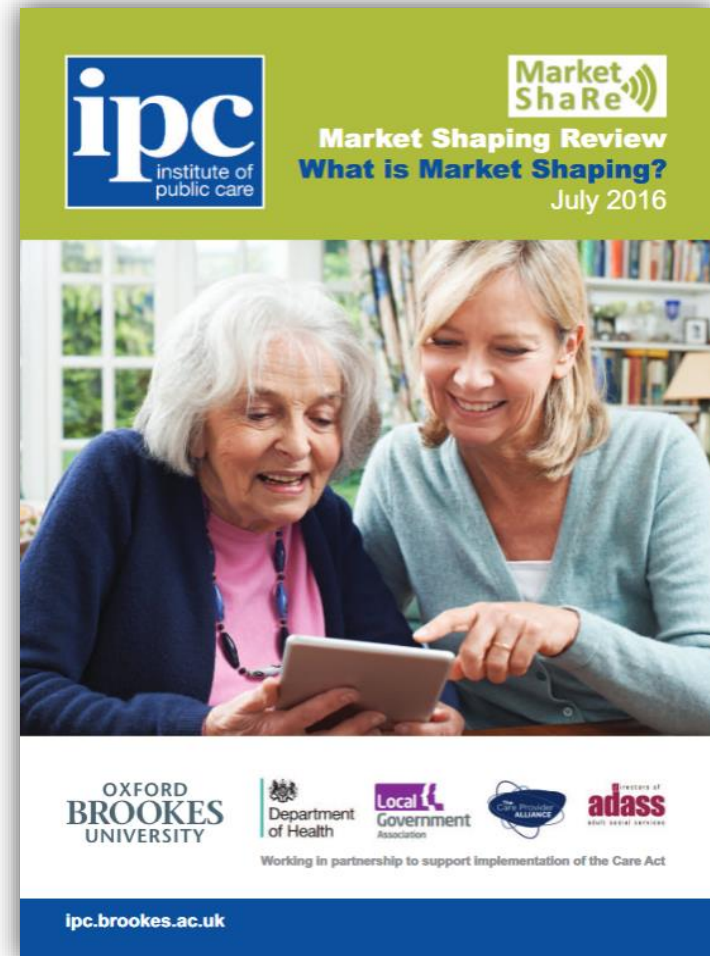
The Care Act (2014) places new duties on local authorities to promote the efficient and effective operation of the care market as a whole.

- Sustainable
- Diverse
- And focus on quality



# Market shaping review

- Guidance on market shaping
- MPS good practice and checklist
- MPS database
- Market shaping across councils
- Place-based market shaping
- Individual purchasing



# 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.

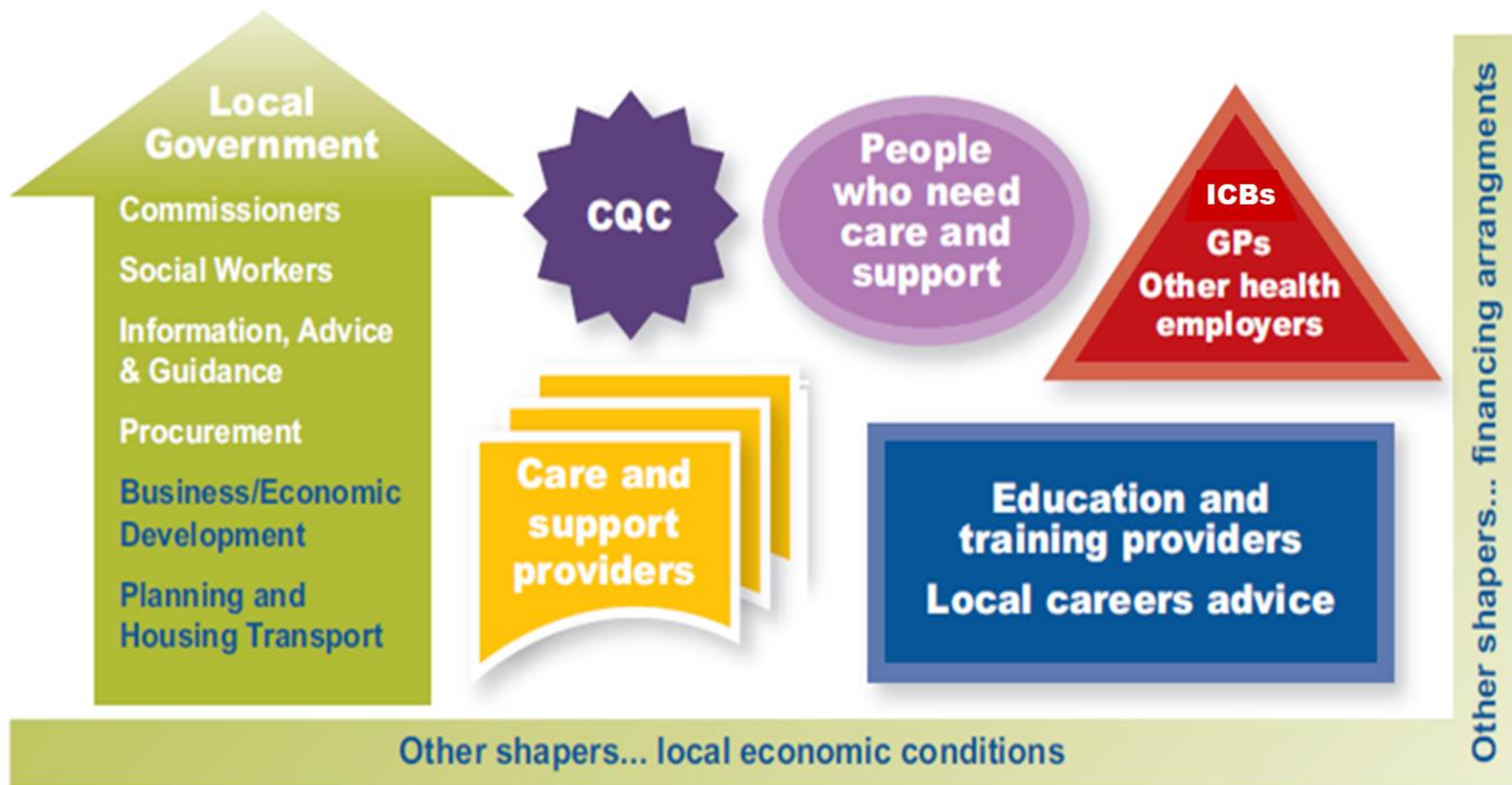


Care and Support Statutory  
Guidance, Section 4.6



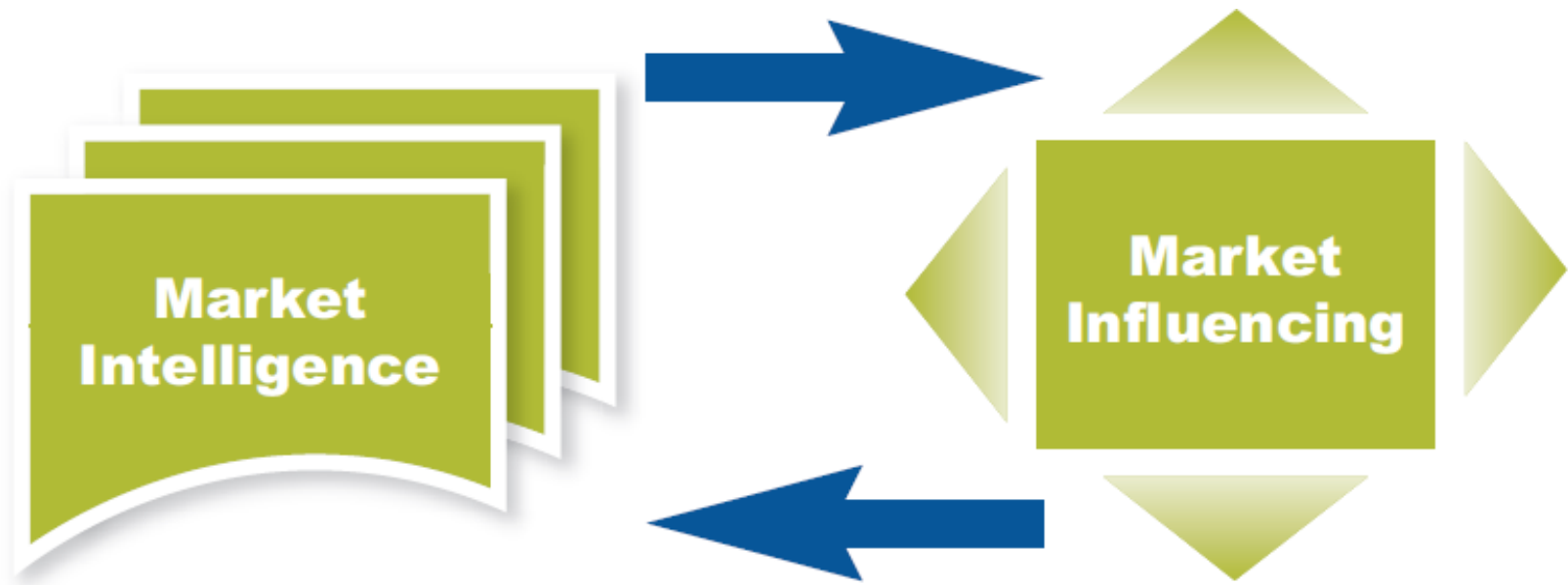


# Who shapes the market?



# Key components of market shaping

Market  
ShaRe 



Activities which seek to understand the market – published in an MPS

Activity taken to influence current and future range of supports/services - intensions published in an MPS

# 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...”

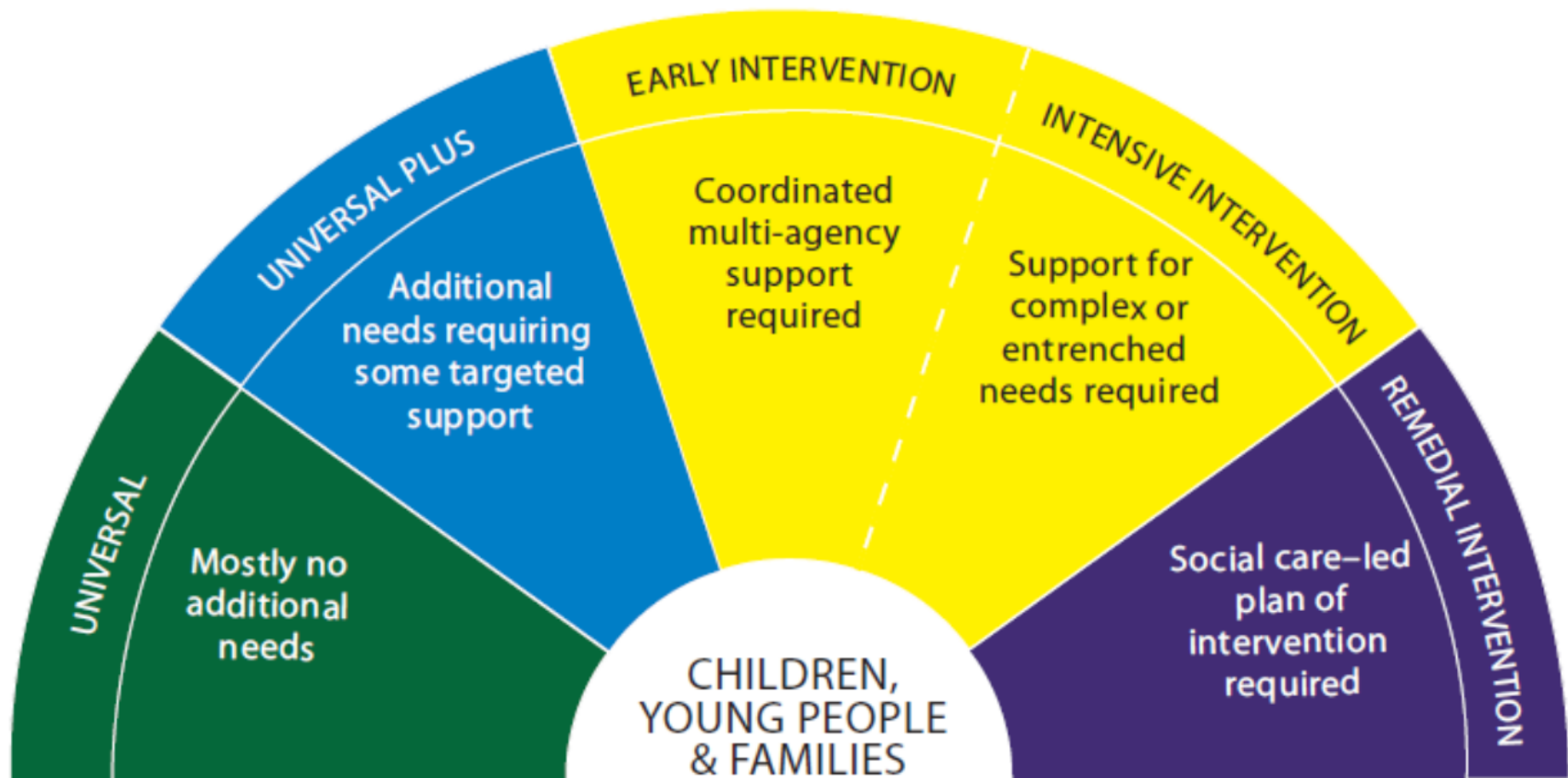
# Market intelligence

Market intelligence can (or should) 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
- Enabling providers to better understand their competitors, gaps in supply and opportunities
- Underpinning market oversight and contingency planning arrangements



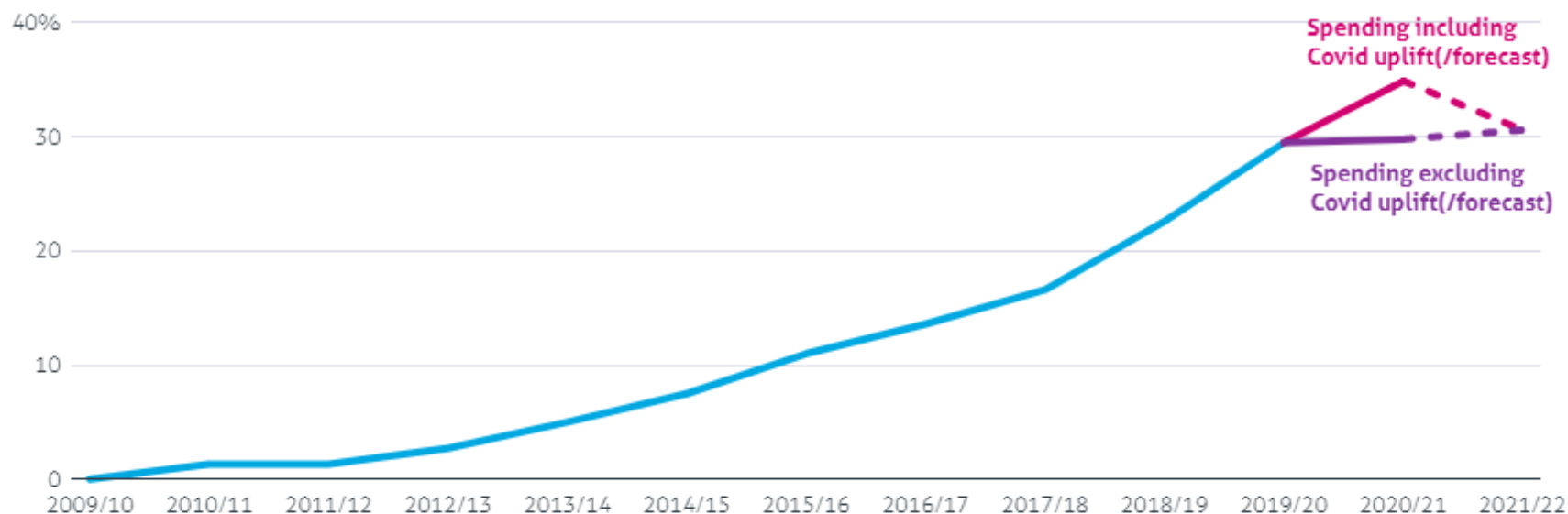
# What does the market look like?



# Overall spending in children's social care in England

Change in local authority spending on children's social care in England since 2009/10 (real terms)

IfG



Source: Institute for Government analysis of DfE, 'LA and school expenditure', 'S251 Outturn - Children and Young People's Services (National, Regional, LA levels)' table, 2009/10–2020/21; DLUHC, 'Local authority revenue expenditure and financing', 'Revenue outturn social care and public health services (R03) 2020–21' table; DLUHC, 'Local authority revenue expenditure and financing', 'Local authority revenue expenditure and financing England 2021 to 2022 budget, England' table; DLUHC, 'Local authority COVID-19 financial impact monitoring information' table, supported by CIPFA. • Notes: Details on forecasts and spend net of Covid can be found in the Methodology chapter. • Get the data • Embed • Download image

CC BY-NC

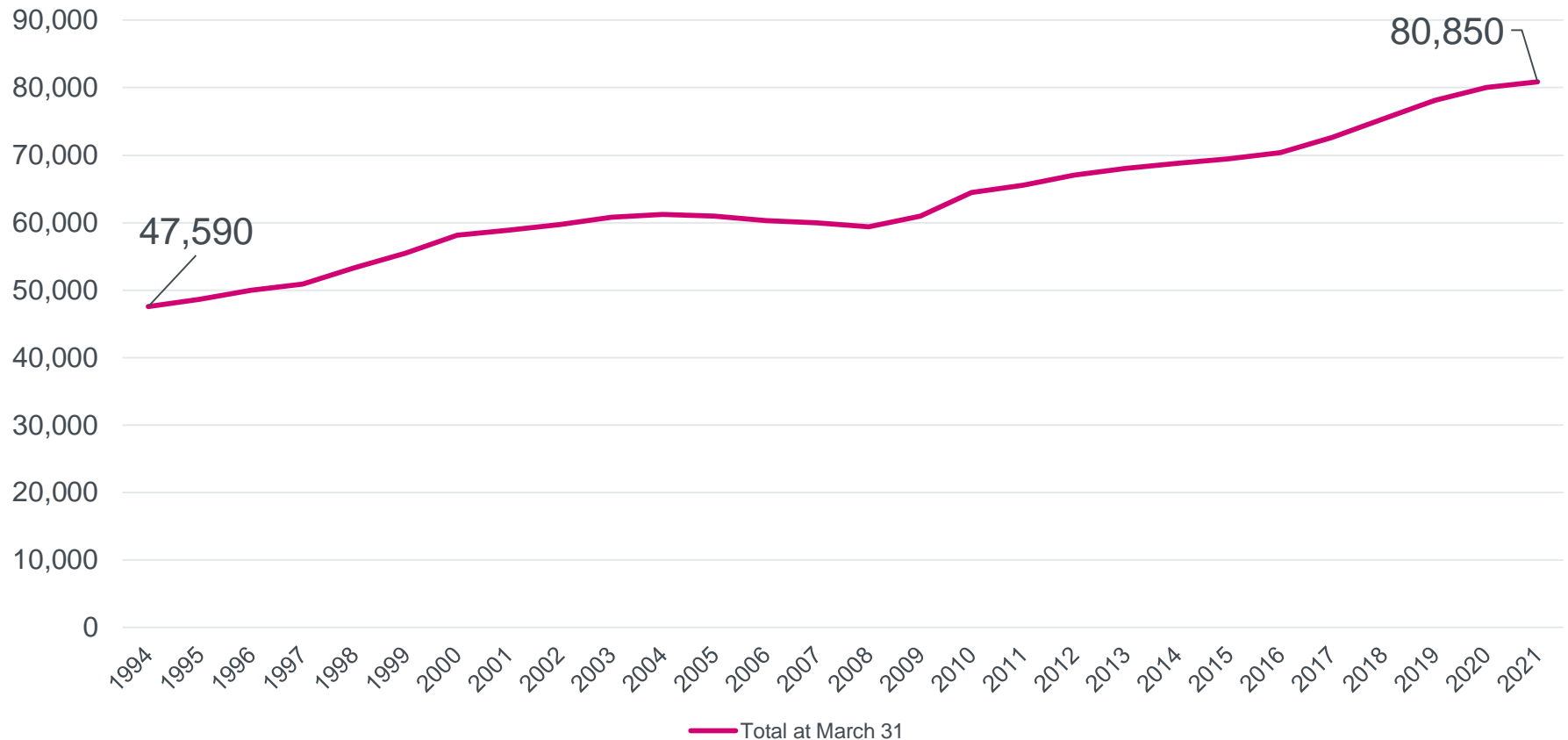


# Question

Has the number of children starting to be looked after in England increased or decreased since 2017?

# The total number of children looked after has increased

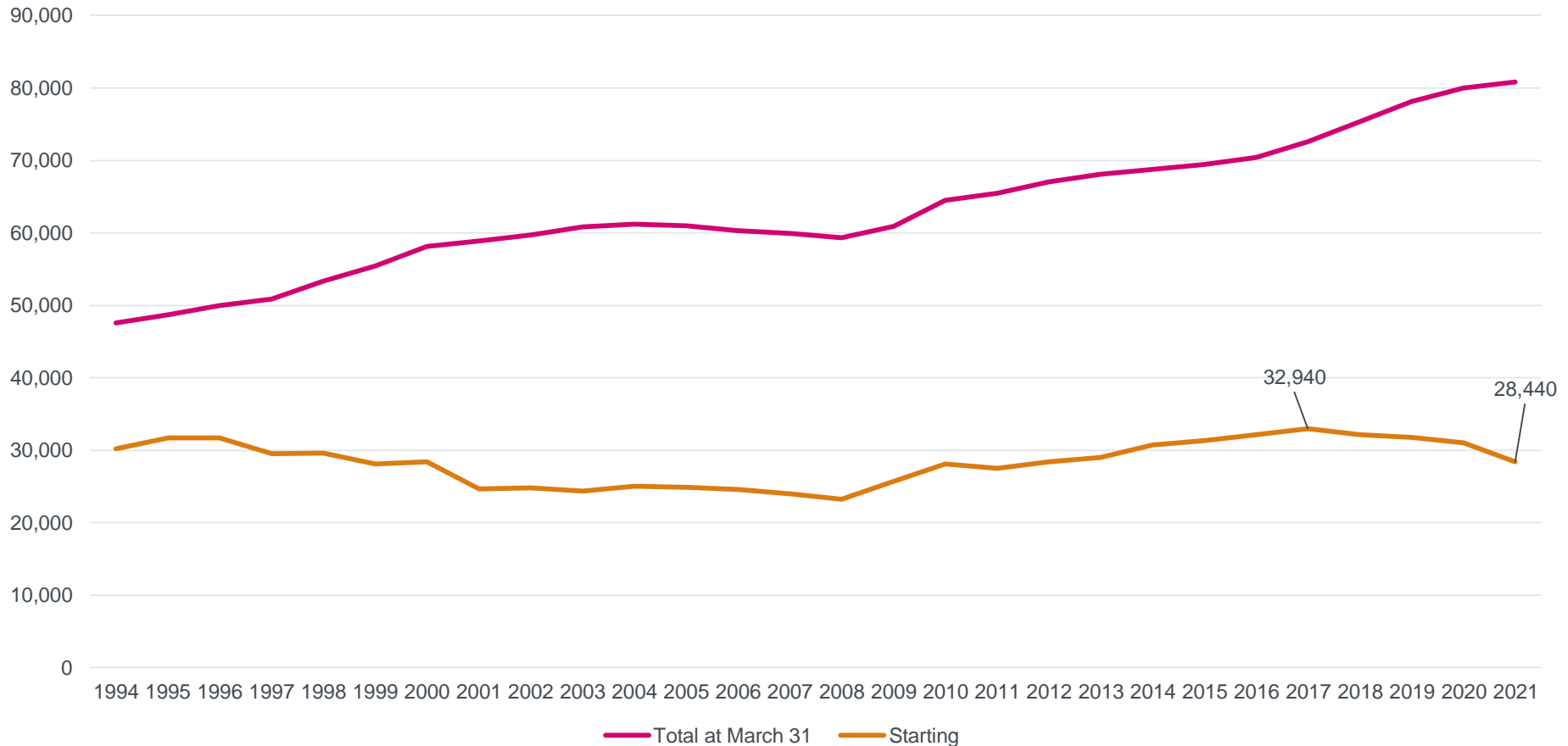
England long Term Trend



Source: National Statistics Children looked after in England including adoption

# But fewer children have been entering care

England long Term Trend



Source: National Statistics Children looked after in England including adoption

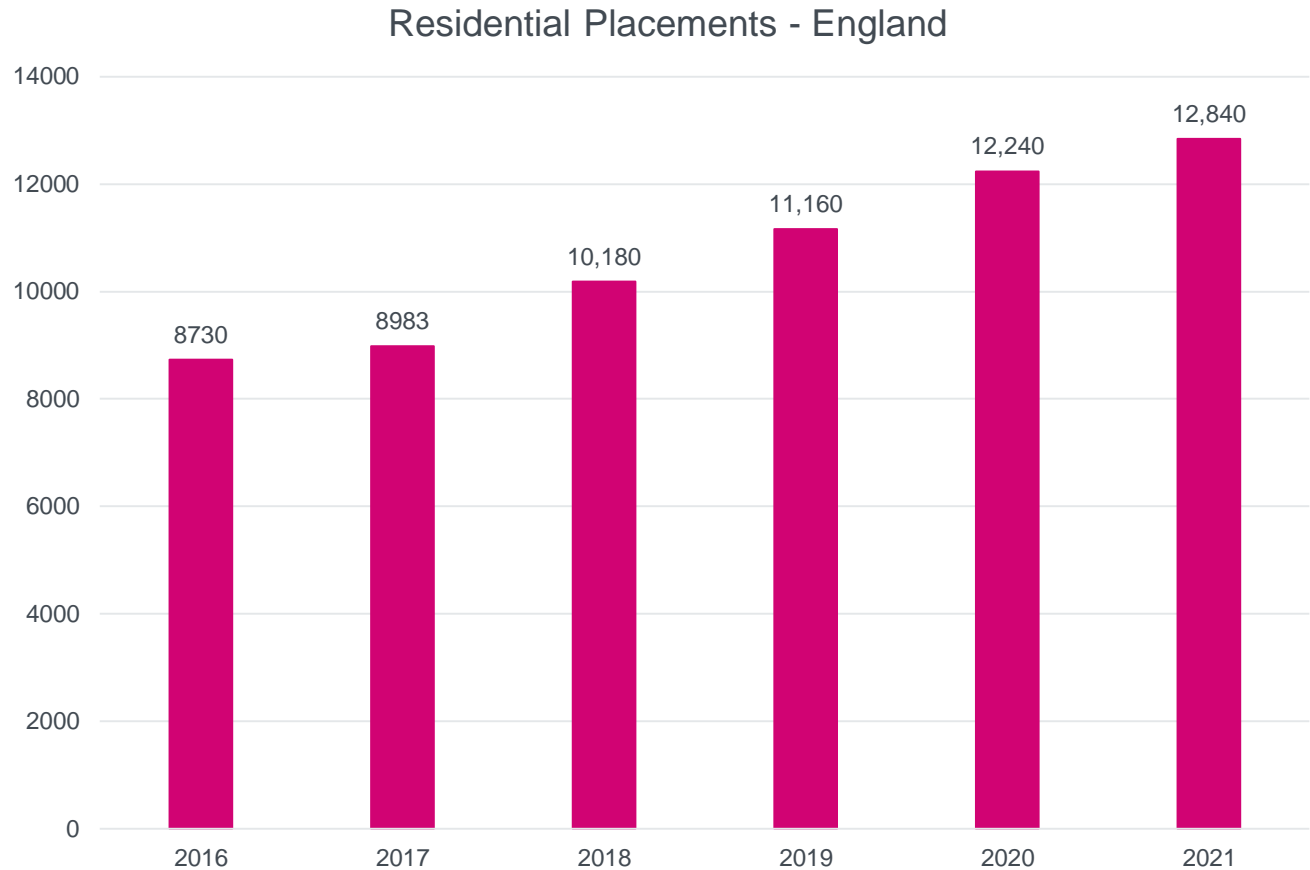
# Same pattern seen in most English regions...

| Region                   | Total Children Looked After |        |        |        |  | Children Starting to be looked after |        |        |        |  |
|--------------------------|-----------------------------|--------|--------|--------|--|--------------------------------------|--------|--------|--------|--|
|                          | 2018                        | 2019   | 2020   | 2021   |  | 2018                                 | 2019   | 2020   | 2021   |  |
| East Midlands            | 5,620                       | 5,850  | 6,100  | 6,400  |  | 2,390                                | 2,360  | 2,380  | 2,300  |  |
| East of England          | 6,530                       | 6,740  | 6,710  | 6,650  |  | 2,940                                | 2,930  | 2,600  | 2,210  |  |
| Inner London             | 4,260                       | 4,220  | 4,280  | 4,120  |  | 2,320                                | 2,340  | 2,190  | 1,820  |  |
| North East               | 5,040                       | 5,340  | 5,720  | 5,790  |  | 2,280                                | 2,410  | 2,420  | 2,120  |  |
| North West               | 14,050                      | 14,660 | 15,130 | 15,260 |  | 5,390                                | 5,150  | 4,980  | 4,450  |  |
| Outer London             | 5,620                       | 5,800  | 5,740  | 5,550  |  | 3,040                                | 3,140  | 2,990  | 2,430  |  |
| South East               | 9,990                       | 10,270 | 10,430 | 10,480 |  | 4,370                                | 4,360  | 4,380  | 4,420  |  |
| South West               | 6,010                       | 6,140  | 6,260  | 6,270  |  | 2,660                                | 2,470  | 2,580  | 2,330  |  |
| West Midlands            | 10,060                      | 10,560 | 10,680 | 11,120 |  | 3,640                                | 3,450  | 3,150  | 3,210  |  |
| Yorkshire and The Humber | 8,190                       | 8,570  | 8,970  | 9,210  |  | 3,170                                | 3,180  | 3,340  | 3,150  |  |
| England Total            | 75,370                      | 78,150 | 80,020 | 80,850 |  | 32,200                               | 31,790 | 31,010 | 28,440 |  |

Source: National Statistics Children looked after in England including adoption

# Residential placements rising rapidly

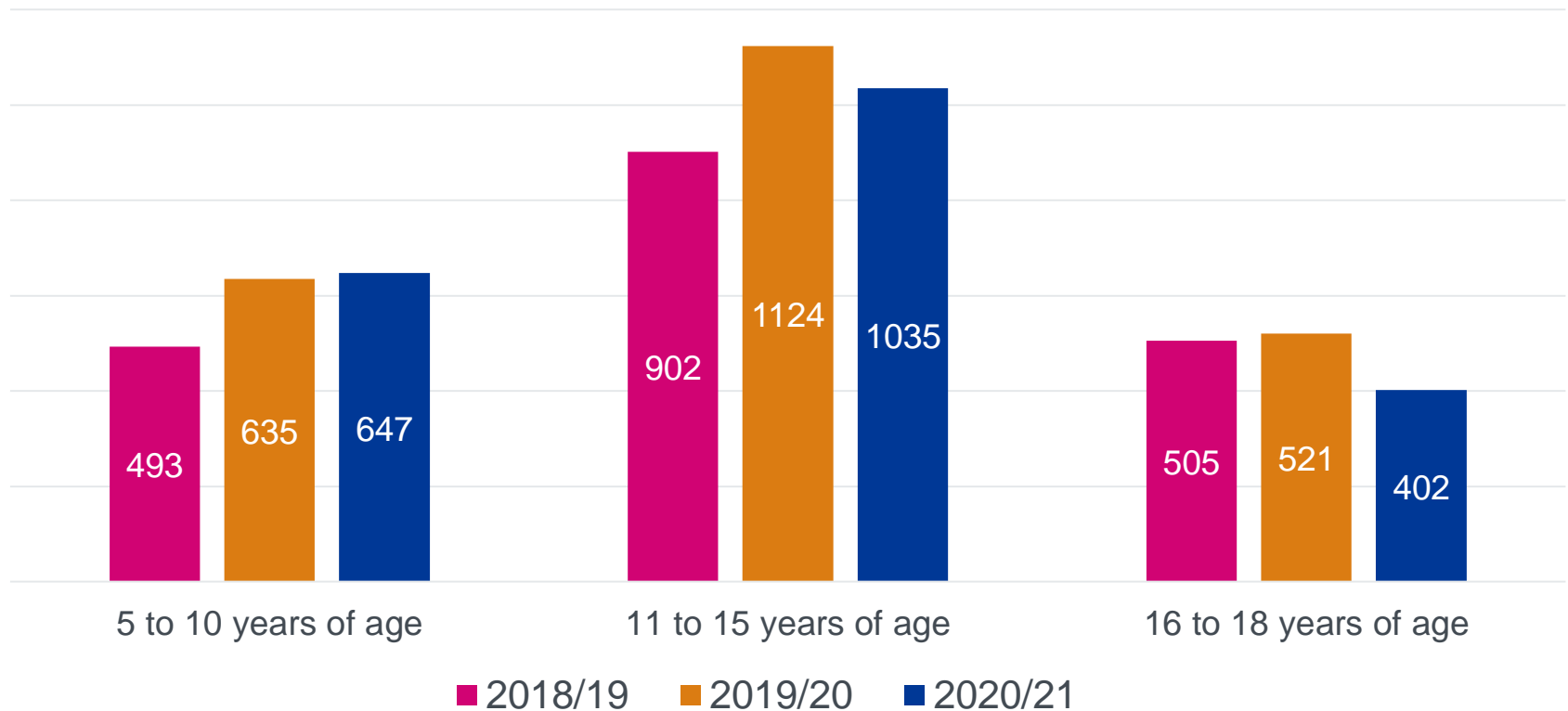
While children looked after increased by 15% **residential placements increased by 47%**



Source: National Statistics Children looked after in England including adoption

# Increase in younger children in residential?

Age of children in residential care - South West



Source: South West Market Position statement for Children's Residential Care, Fostering & Independent Special Schools



# Children In Care market

- There are 80,850 looked-after children in England, out of a total of just over **100,000 looked-after children** in England, Scotland and Wales.
- Over two thirds of looked-after children in England live in **foster care**, which is similar to the proportion of children living in foster care in Wales, and 16% live in **residential settings**, compared to 10% in Scotland and 7% in Wales.
- 13% of children in England live in other settings for example living with parents, placed for adoption or in community settings.
- The current annual cost for children's social care services is around **£5.7 billion** in England.

CMA Report October March 2022

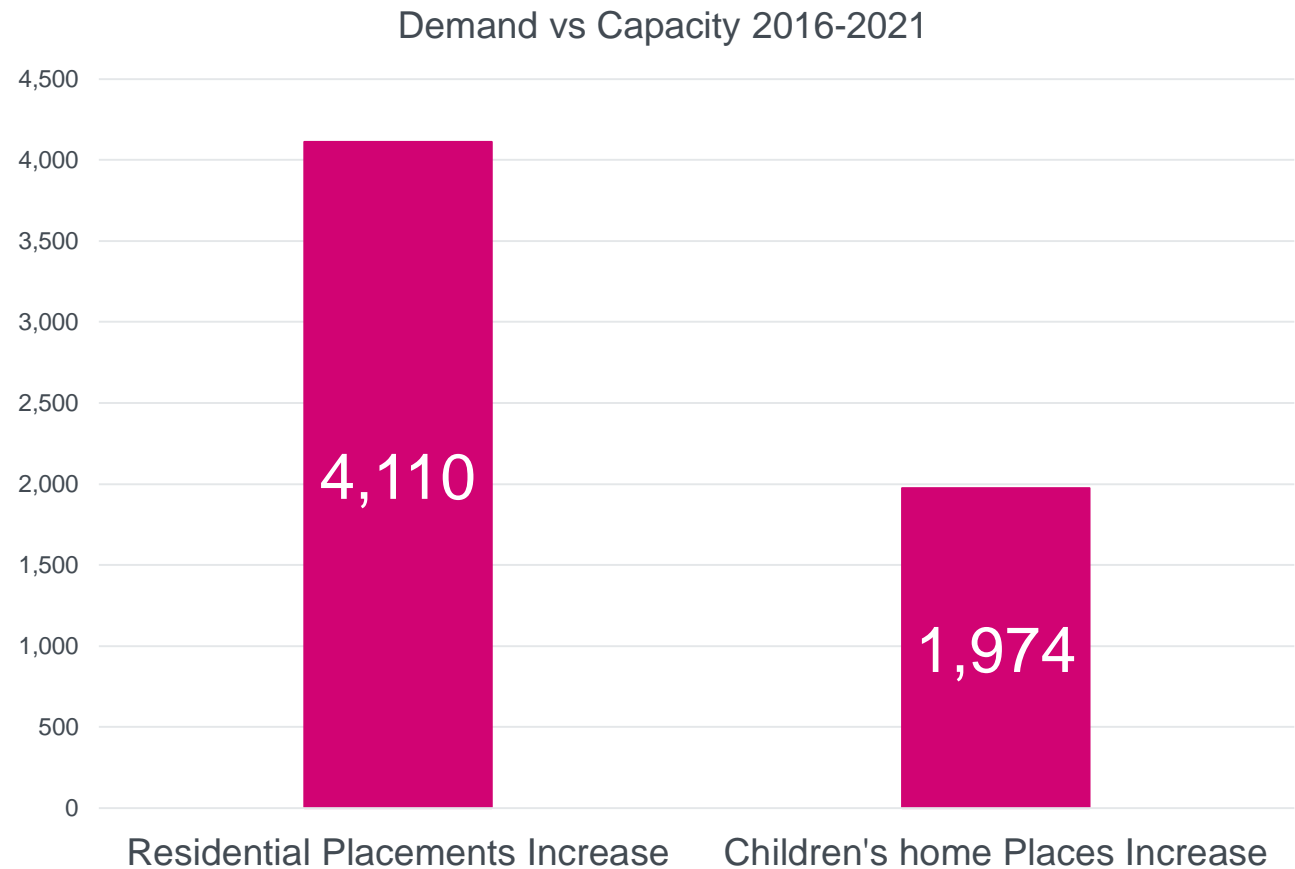
# Question

How has the number of registered children's home places changed in 2016?

# Capacity is growing, but not as fast as demand

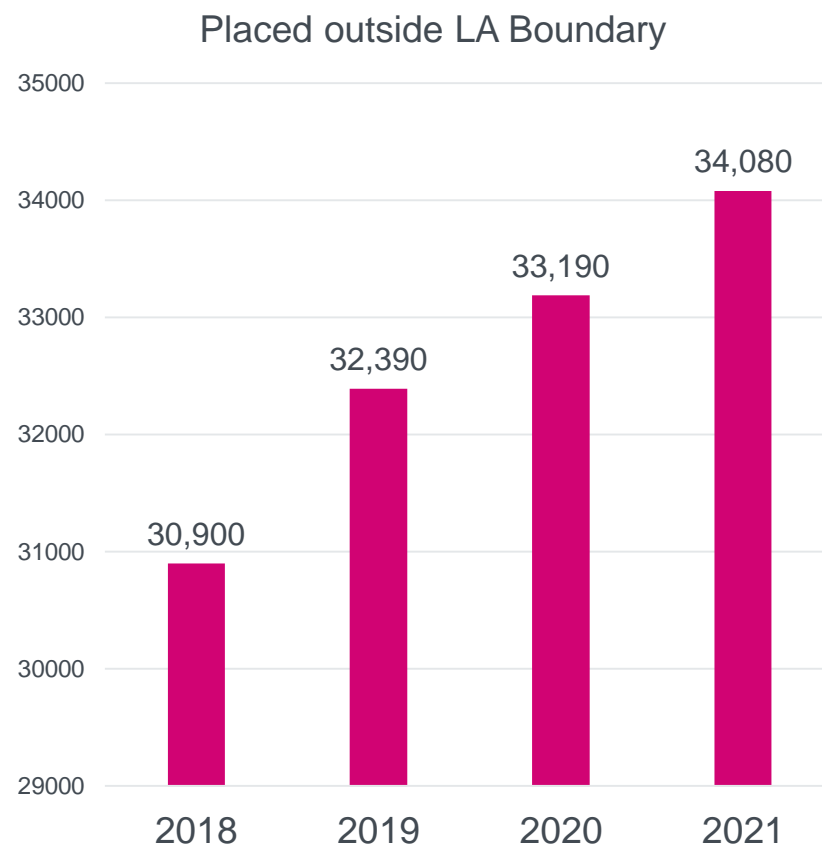
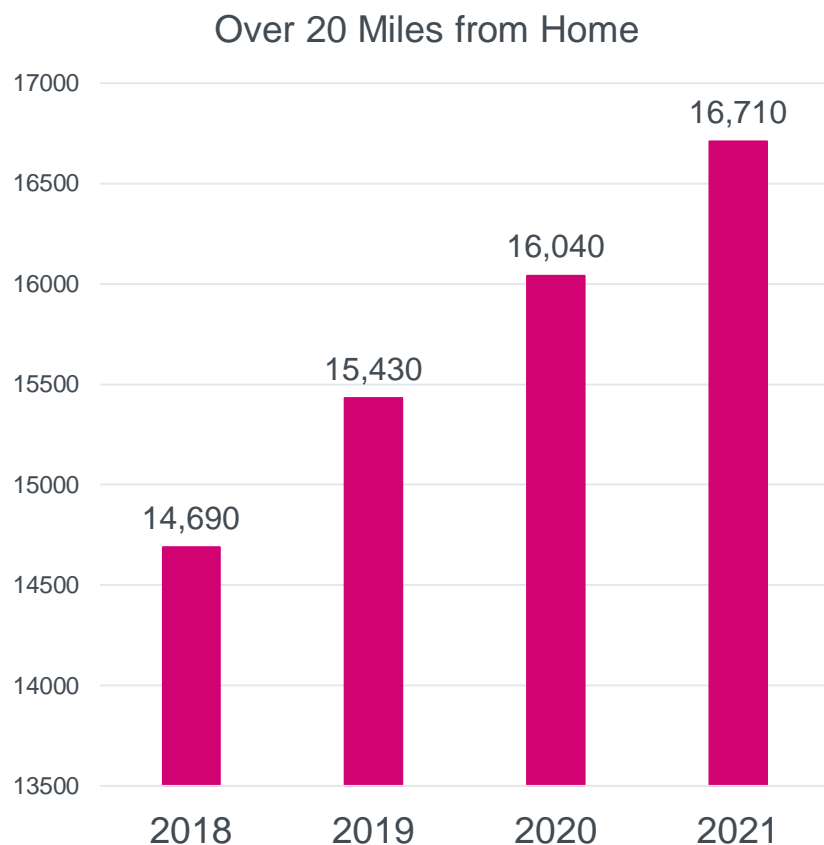
- Capacity has not keep pace with demand
- And growth is not spread evenly – ranging from 53% ↑ in the East Midlands to 10% ↑ in the South West

(England Average 26% 2016-21)



Source: Ofsted Provider data

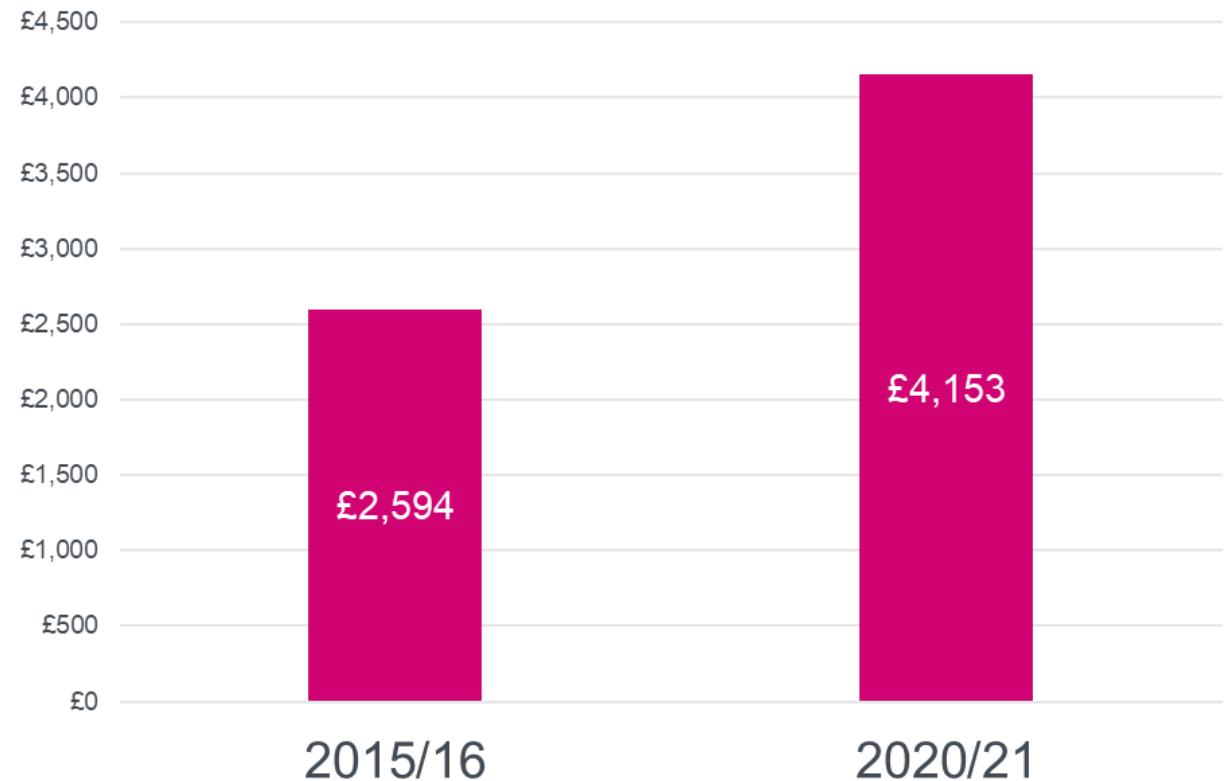
# Children being placed further from home



Source: National Statistics Children looked after in England including adoption

# Cost of placements has risen

- Weekly cost of private or voluntary children's home, PSSRU (excludes capital cost)
- CMA study found average increase of inflation plus 3.5%



Source PSSRU University of Kent  
unit costs of health and social care

# More data about residential care and fostering

- In England, local authorities use a significant amount of **private provision for children's homes**, with around 78% of places being provided by the private sector, which is similar to the position in Wales. In contrast local authorities in Scotland rely more heavily on local authority provision of children's homes places
- As well as shifting from local authority or voluntary sector to private provision in general across England, Scotland and Wales the **average size of children's homes has fallen**



# More data about residential care and fostering

- In fostering, local authorities maintain their own in-house fostering agencies, but also use independent provision in the form of Independent Fostering Agencies ('IFAs'). However, **the majority of fostering placements are provided by local authority foster carers in each of England, Scotland and Wales**

# Mounting concern

Unregistered  
provision

Rising costs

Profiteering?

Welsh Government  
commitment to  
eliminate private  
profit

Place for private  
sector?

Independent  
review of  
Children's Social  
Care

Competition &  
Markets Authority  
Study

## NEWS

Home Cost of Living War in Ukraine Coronavirus Climate UK World Business Politics Tech

UK England N. Ireland Scotland Alba Wales Cymru Isle of Man Guernsey Jersey Local News

# Complaints higher at children's homes run for profit

29 June

News > UK

## Major review calls for windfall tax on biggest private children's home providers

The Independent Review of Children's Social Care is calling for a 'radical reset' to improve the lives of children in care and their families.

Jemma Crew • Monday 23 May 2022 00:01



HOME WORLD UK COMPANIES TECH MARKETS CLIMATE OPINION WORK & CAREERS LIFE & ARTS HTSI

UK social care + Add to myFT

## Private children's home providers' prices and profits too high, says UK regulator

Competition and Markets Authority warns over inadequate supply and high debt levels among private equity-owned operators

News

Opinion

Sport

Culture

Lifestyle

UK World Climate crisis Newsletters Football Coronavirus Business Environment UK politics Education Science

Social care

This article is more than 4 months old

## Private children's home bosses in England criticised over huge profits

Head of industry association hits out at children's home owners 'getting rich off taxpayers' money'

# Other headlines from the CMA report



## Children's social care market study

Final report

“significant problems in how the placements market is functioning, particularly in England and Wales”

## Other headlines from the CMA report

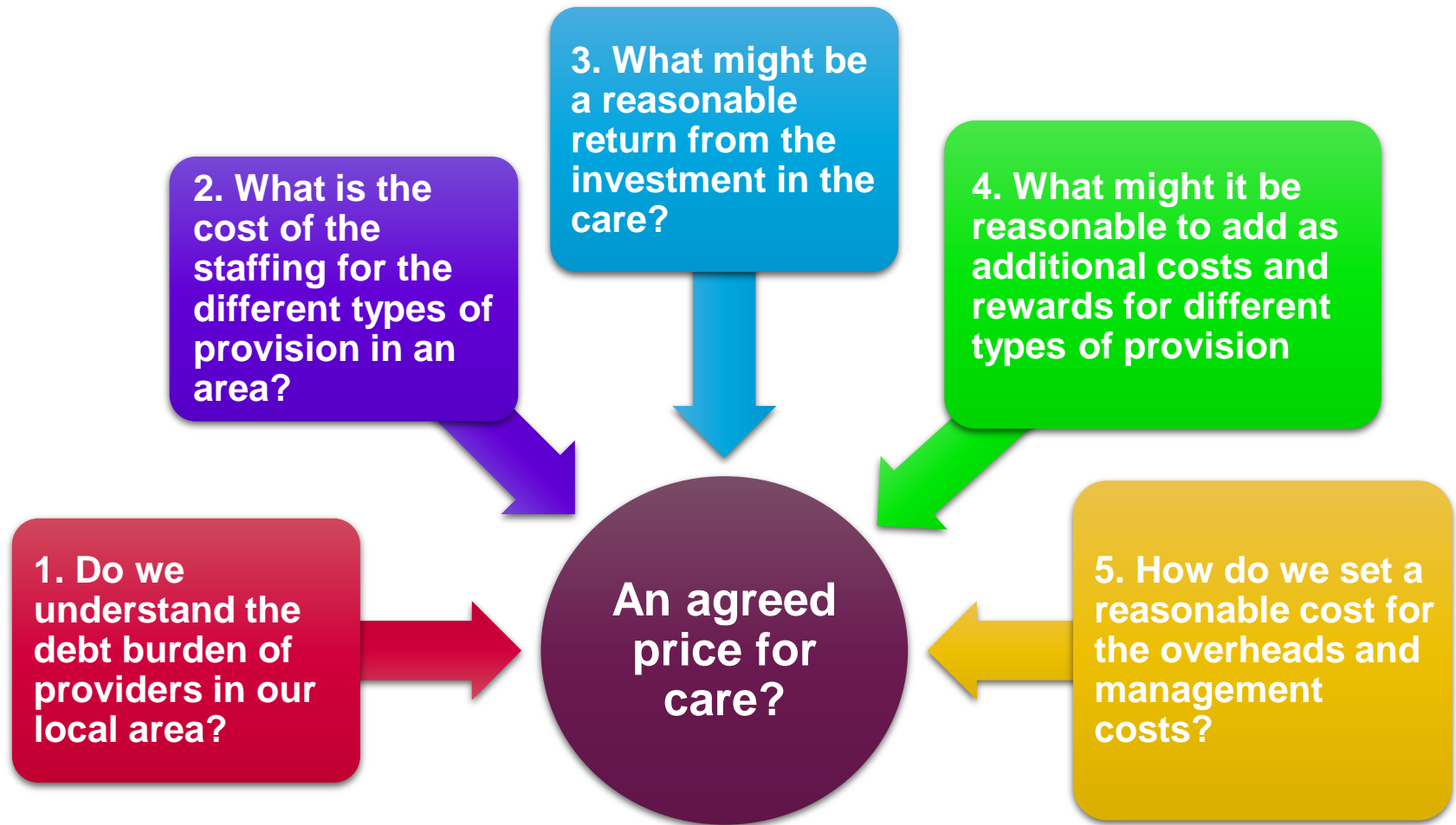
- a lack of placements of the right kind, in the right places
- The largest private providers are making materially higher profits, and charging materially higher prices, than we would expect if this market were functioning effectively;
- Operating profit margins averaging 22.6% from 2016-20
- But: the price of a place in the private sector, even allowing for profits, is not obviously higher than that paid by a local authority to provide an in-house place
- Some of the largest private providers are carrying very high levels of debt

# Understanding the cost of care in your local care

## Why might this be important?

- Ensuring we pay a fair price/ value for money
- Sustaining local markets
- Build partnerships with providers
- Understanding to help negotiations
- To justify the local price paid for by the council
- Assisting with market position statements
- Judicial Reviews require that the process to reach a decision on cost should be transparent
- **Statutory requirements – Market Sustainability and Fair Cost of Care Fund**

# Considerations



# Understandable and mitigating risks to care markets



- What do you know about your providers **sustainability and financial health**?
- What **information sources** do you use?
- Do you look at the **whole market** or just the providers you contract with?
- Do you understand what factors are impacting on their **viability** and why? (e.g. workforce supply)
- How are you / can you work with the market to **mitigate risks**?



# What are the characteristics of your local market/s?



In your target population groups:

- Thinking about your target groups list a mix of three types of key provider services
- Against each identify a strength and a weakness (e.g. levels of expertise, geographical spread, financial sustainability, cultural issues, service models)
- What would a 'good', 'inclusive' and 'sustainable' children's services market look like for your area?

# Target Population Groups

- **Group 1: Children in Care**

Susan, Jay, Tracey, Christine, Antonella

- **Group 2: Children with Challenging Behaviour's and Mental Health**

Freya, Penny, Mohammed, Zoe, Stephanie A, Adrian

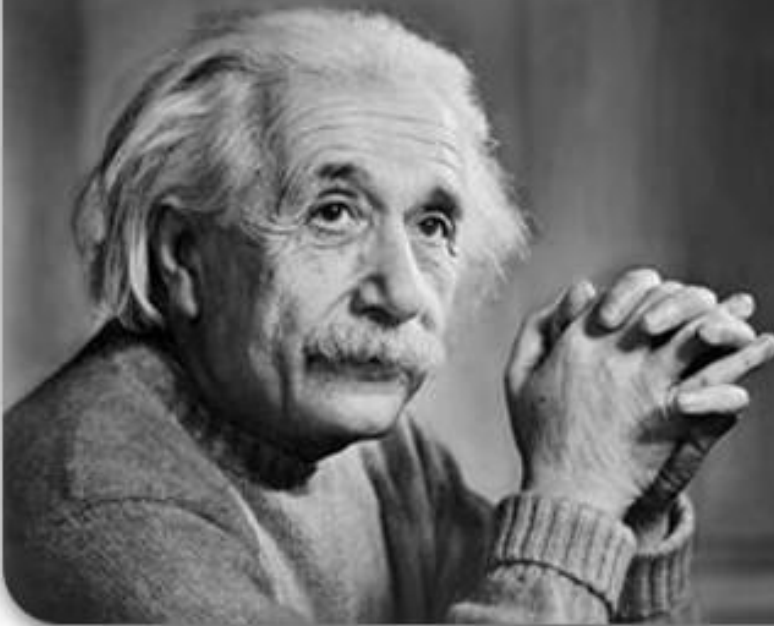
- **Group 3: Children with Additional Needs**

Simon, Alex, Stephanie C, Debbie

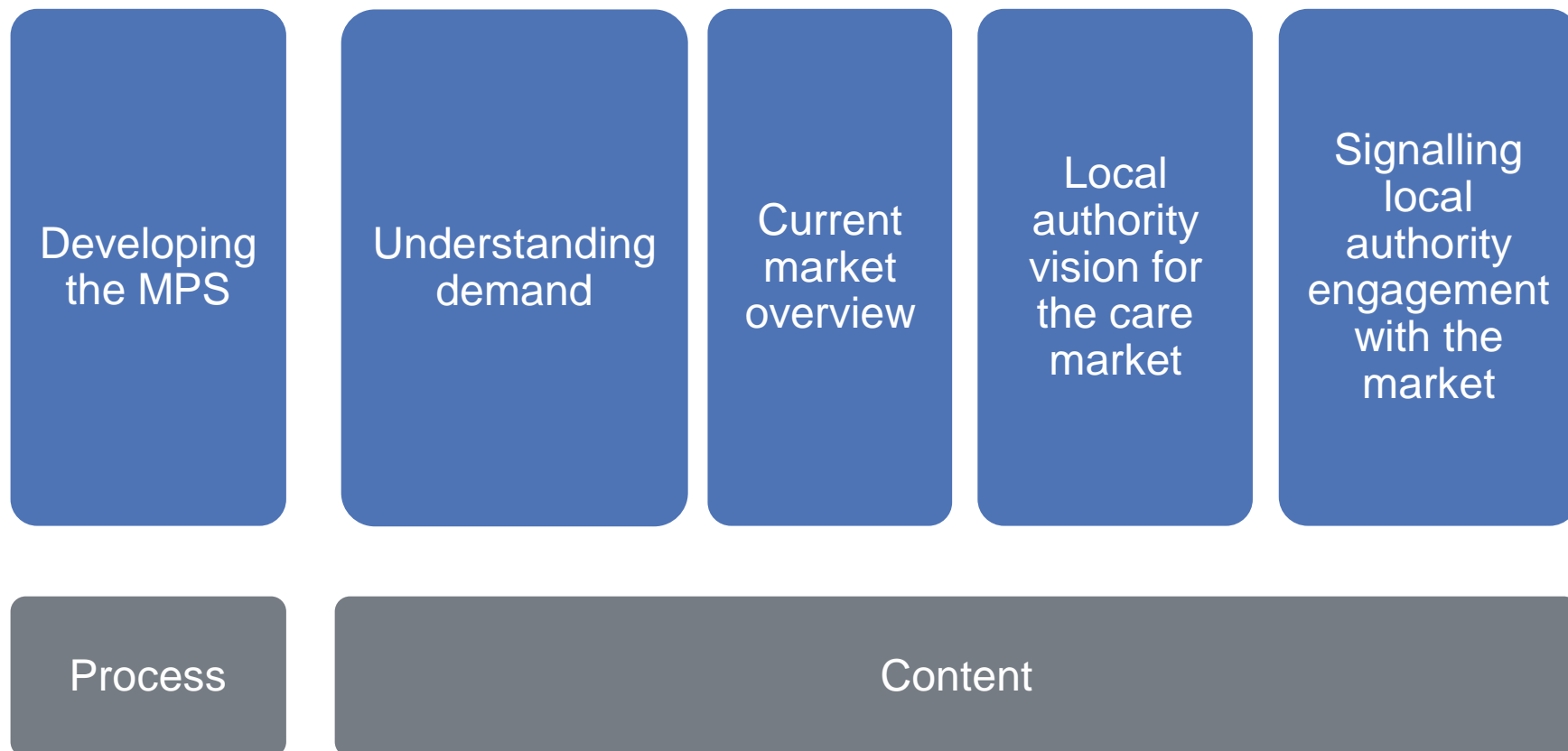
# Market Position Statements

If you can't explain it **simply**, you don't understand it well enough.

– Albert Einstein



# Components of a strong MPS



# Where to focus more attention

1. Market shaping should be owned at a senior level within the local authority and health partners
2. Update the MPS regularly
3. Think carefully about its scope
4. Work closely with providers and people accessing care and support, and carers
5. Provide clarity to service providers to assist their business planning

# Your market position statement(s)

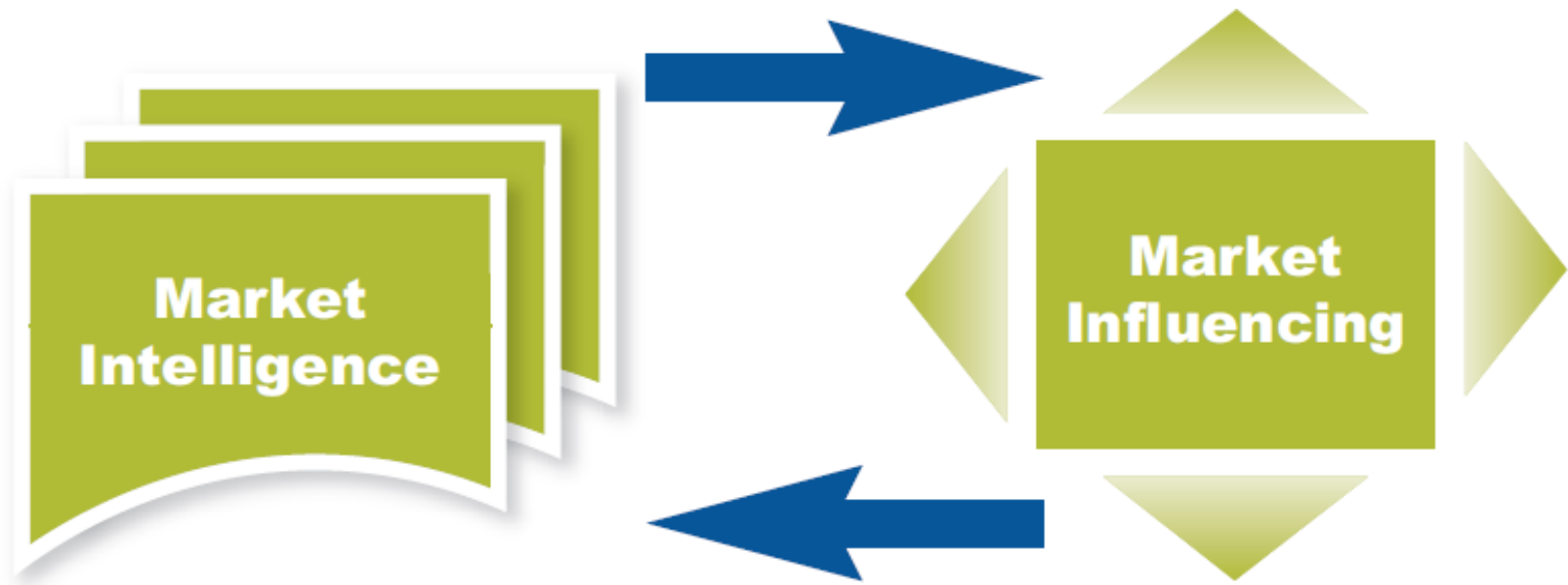
Think about what providers need to know:

- How could you use (or make better use of ) a market position statement in your area?
- How effective is what you have at informing providers what you are seeking from the market?
- How could your MPS be strengthened?

# Market Influencing

# Key components of market shaping

Market  
ShaRe 



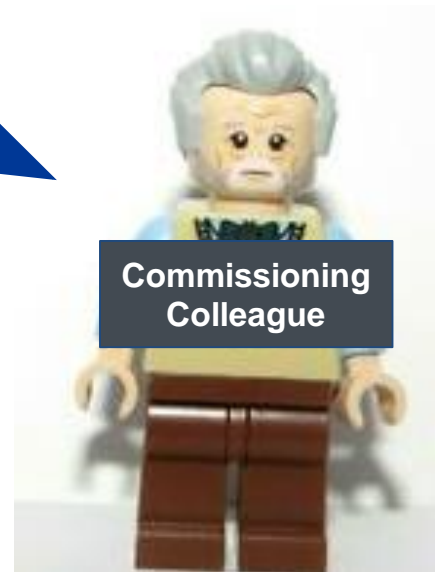
Activities which seek to understand the market – published in an MPS

Activity taken to influence current and future range of supports/services - intensions published in an MPS



# Market influencing – core activities

- Signal to the market types of services needed now and in future
- Encourage creativity and innovation
- Encourage re-investment and investment
- Promote continuous service improvements



# Some examples of market influencing activities



**Shared market and  
consumer  
research**

**Workforce  
Development e.g.  
training**

**Seed funding /  
Small Grants for  
innovation**

**Business Support**

**Performance  
Management /  
Quality Assurance  
activity**

**Jobs portal for  
approved  
providers, hosted  
by the authority**

**Dedicated housing  
for specialist  
workers**

**Lead providers for  
geographical areas**

**Meet the buyer  
events**

**Provider forums**

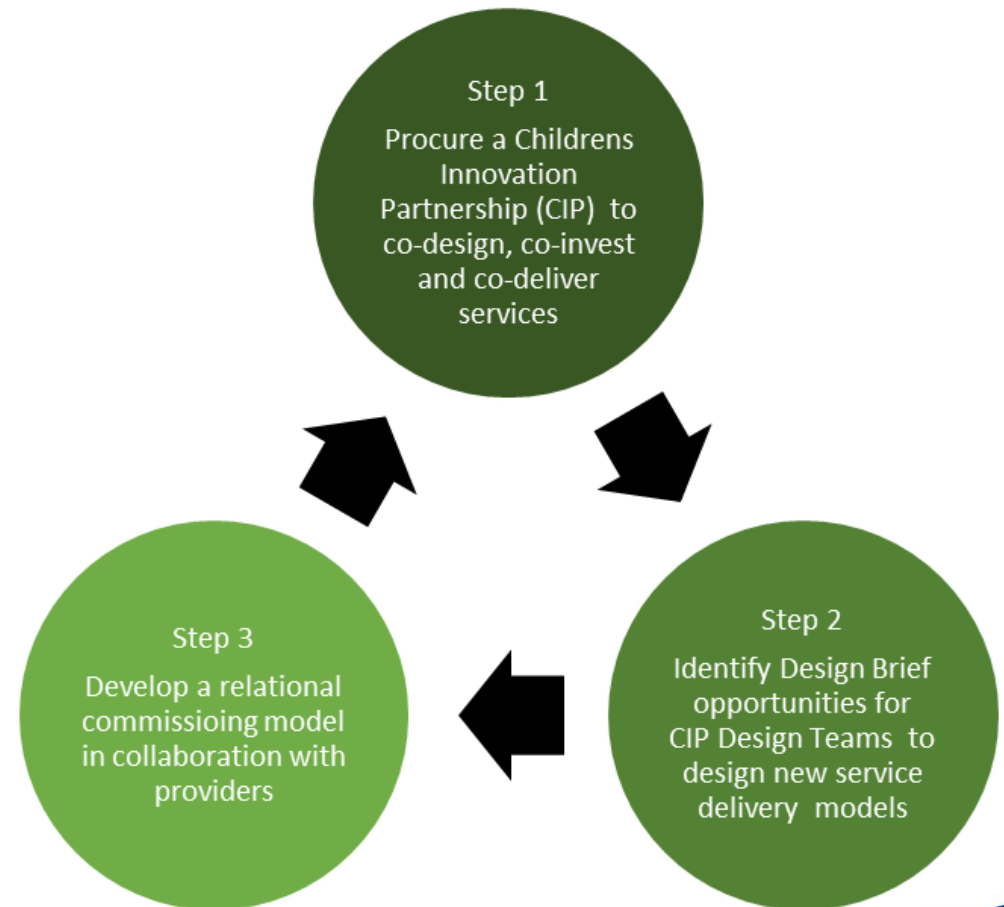
**Joint  
commissioning of  
residential spaces**

**YOUR  
ACTIVITIES &  
EXPERIENCES**

All these activities influence the market, yet the role of the commissioner and other stakeholders can differ

# Providers as Strategic Partners – Children Care Leicestershire

- Children's Innovation Partnership (CIP)
- Co-design & Systems Change
- Placements Relational Commissioning Model



# Barnardo's Strategic Partnership Model

**Definition:** A Strategic Partnership is a defined and agreed high level collaboration with a plan and direction and with a focus on system change[1], outcomes and impact.

## Principles:

1. CYP voice & influence
2. Shared values, trust & vision
3. Focus on systems change
4. Joint governance, accountability & risk sharing
5. Evidence & learning

# Barnardo's Strategic Partnership Model

## Pre-conditions:

- Aligned to corporate strategy core priorities
- Shared vision & values
- Commitment to joint risk sharing
- Barnardo's can provide capability & capacity in the local area
- Partner has experience of systems change & service design
- Co-funded partnership staff team

# Essex County Council



# What might determine your approach?

- Extent of knowledge about the market
- Aims – what are you trying to achieve and with whom?
- Market conditions, for example:
  - Stable
  - Underdeveloped
  - Sufficient / insufficient community involvement
  - Service quality (good or bad)
  - Accepting of or resistant to change





# What might determine your approach?

- Relationship with providers and between providers
- Costs of the market shaping activity or whether you can tailor the activity to make it cost effective?
- Political appetite for change





# Key Market Shaping Behaviours

## Consistent

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

## Coordinated

Work with other commissioners and partners where it makes sense to do so.

## Coproduced

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

## Considered

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

## Costed

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

# So what's your relationship like with your providers?

Tug of war?



Mature conversations?



# What promotes effective relationships?

- Early engagement with suppliers/providers – in developing MPS and market testing any new procurements.
- Flexibility about appropriate means of meeting agreed outcomes.
- Open channels of communication.
- Clarity about expectations.
- Commercial awareness.
- Transparency of decision making.
- Fair and proportionate specifications and contracts.



# Group discussion: Intervening in your local markets



- Revisit the weaknesses for the provider group you identified in the earlier discussion
- What are you currently doing to address them and where are the gaps?
- What are the actions you need to take?
- Present the top three actions back to your colleagues

# Target Population Groups

- **Group 1: Children in Care**

Susan, Jay, Tracey, Christine, Antonella

- **Group 2: Children with Challenging Behaviour's and Mental Health**

Freya, Penny, Mohammed, Zoe, Stephanie A, Adrian

- **Group 3: Children with Additional Needs**

Simon, Alex, Stephanie C, Debbie

# Taught Sessions: dates in your diaries/calendars

- Module 3: 23<sup>rd</sup> February & 2<sup>nd</sup> March
- Module 4: 9<sup>th</sup> & 16<sup>th</sup> March '23

All from 9.30 – 1.00

## Contact us



<https://ipc.brookes.ac.uk>



[ipc\\_courses@brookes.ac.uk](mailto:ipc_courses@brookes.ac.uk)



@IPC\_Brookes



01865 790312