

OXFORD
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institute of
public care

Market Shaping

Institute of Public Care Commissioning Cycle

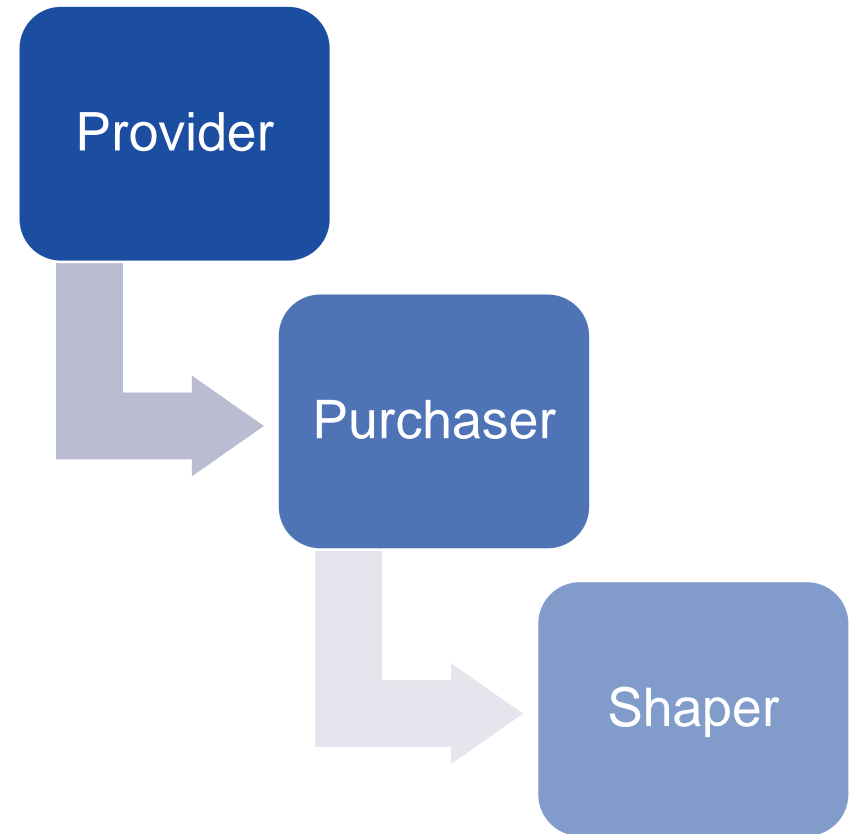


A duty towards care markets

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

The market should be:

- Sustainable
- Diverse
- And focus on quality

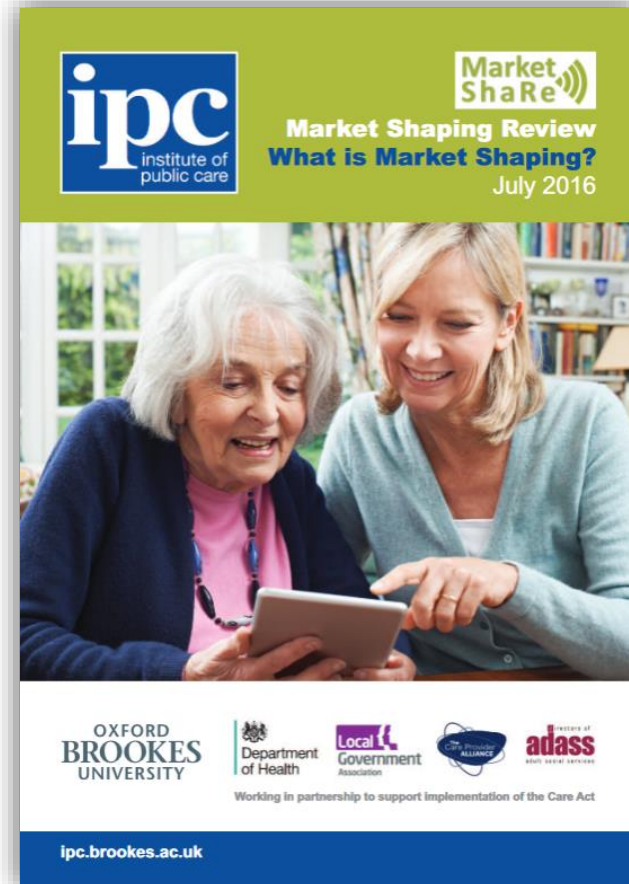


The 'sufficiency duty' in children's services

- 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'

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.”

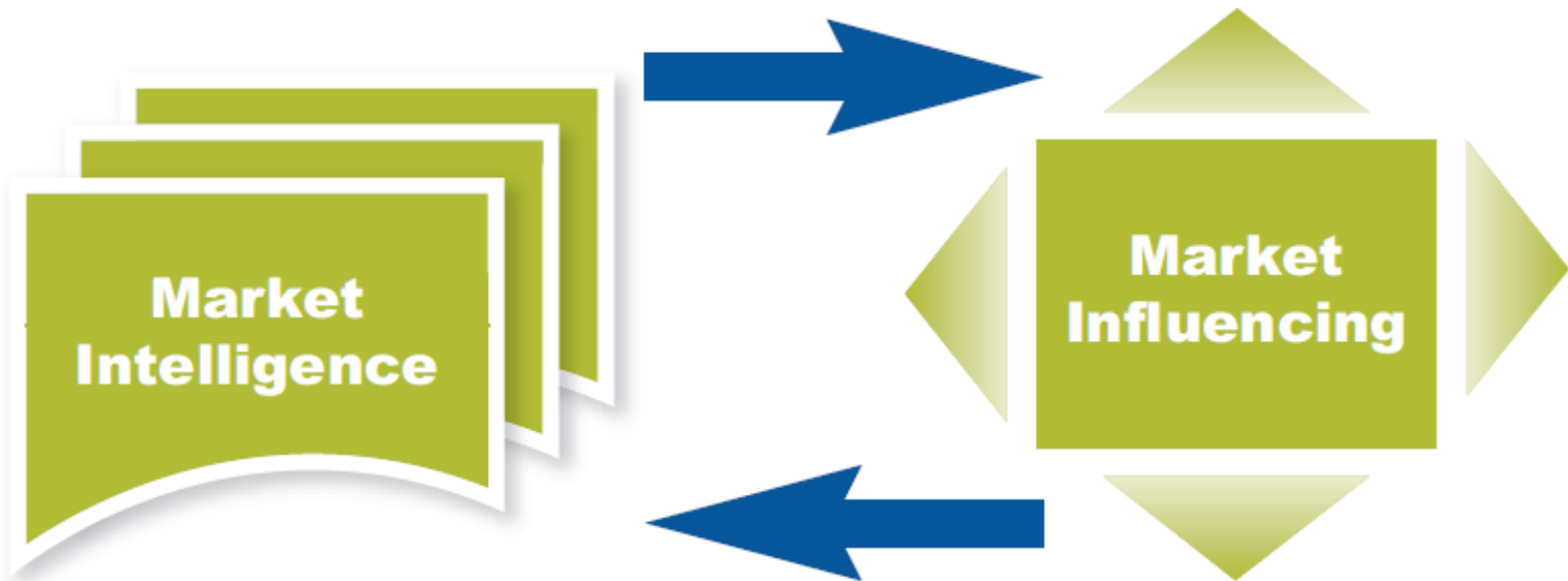
Care and Support Statutory Guidance, Section 4.6



Who shapes the market?



Key components of market shaping



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 several 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?

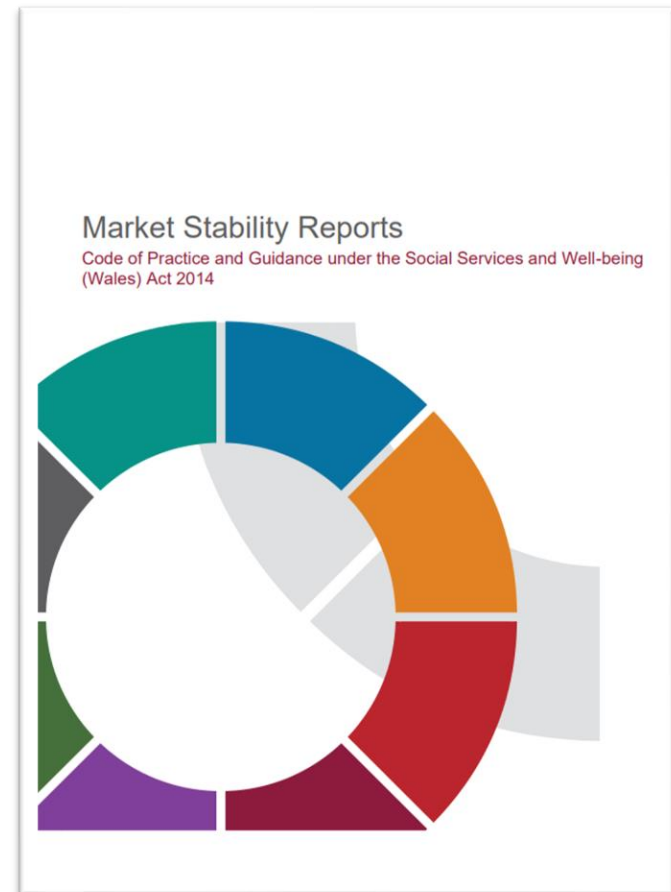


Market stability report

Aim:

- Assess the market and the services available for individuals requiring care and support, and their carers
- Inform action and improve outcomes for people

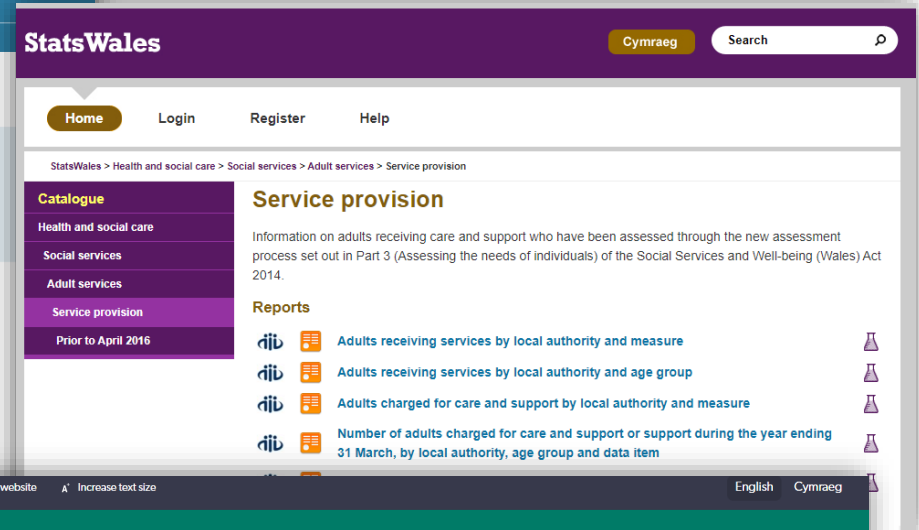
Considers the **sufficiency and stability** of local care and support services, and the overall market



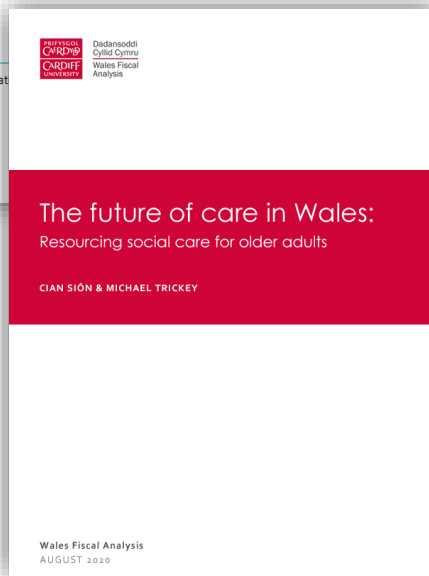
Other sources of intelligence



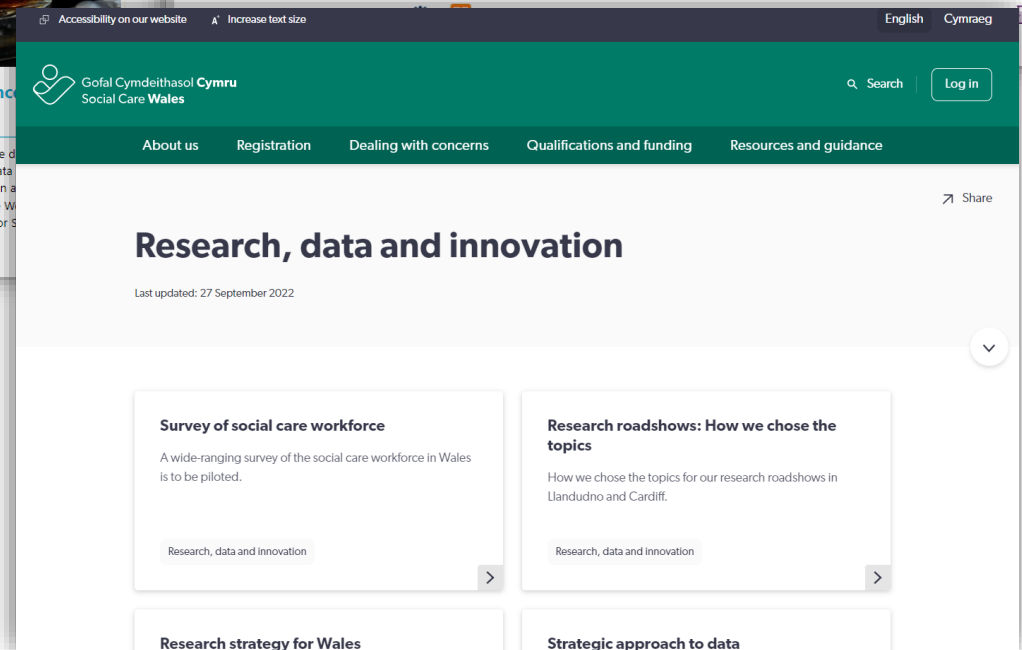
The screenshot shows the NHS Digital Health and Care Wales website. The header includes the NHS logo, the text 'Iechyd a Gofal Digidol Cymru Digital Health and Care Wales', and navigation links for 'Feedback form', 'Job Vacancies', and 'Cymraeg'. A search bar is present. The main navigation menu includes 'Home', 'About us', 'News', 'Systems and services', 'Information services', 'Providing the infrastructure', 'Join our team', and 'Contact us'. The breadcrumb trail reads 'Home > Information services > Health Intelligence'. The page title is 'Health Intelligence'. The main content area states: 'The Health Intelligence Hub is the single point of access for our health and care intelligence products and data.' Below this, there is a section for 'Open access data' with images of medical professionals and a 'Health' search bar.



The screenshot shows the StatsWales website. The header includes the 'StatsWales' logo, a 'Cymraeg' button, and a search bar. The main navigation menu includes 'Home', 'Login', 'Register', and 'Help'. The breadcrumb trail reads 'StatsWales > Health and social care > Social services > Adult services > Service provision'. The page title is 'Service provision'. The main content area includes a 'Catalogue' section with links to 'Health and social care', 'Social services', 'Adult services', 'Service provision', and 'Prior to April 2016'. The 'Service provision' section includes a description: 'Information on adults receiving care and support who have been assessed through the new assessment process set out in Part 3 (Assessing the needs of individuals) of the Social Services and Well-being (Wales) Act 2014.' Below this, there is a 'Reports' section with links to 'Adults receiving services by local authority and measure', 'Adults receiving services by local authority and age group', 'Adults charged for care and support by local authority and measure', and 'Number of adults charged for care and support or support during the year ending 31 March, by local authority, age group and data item'.



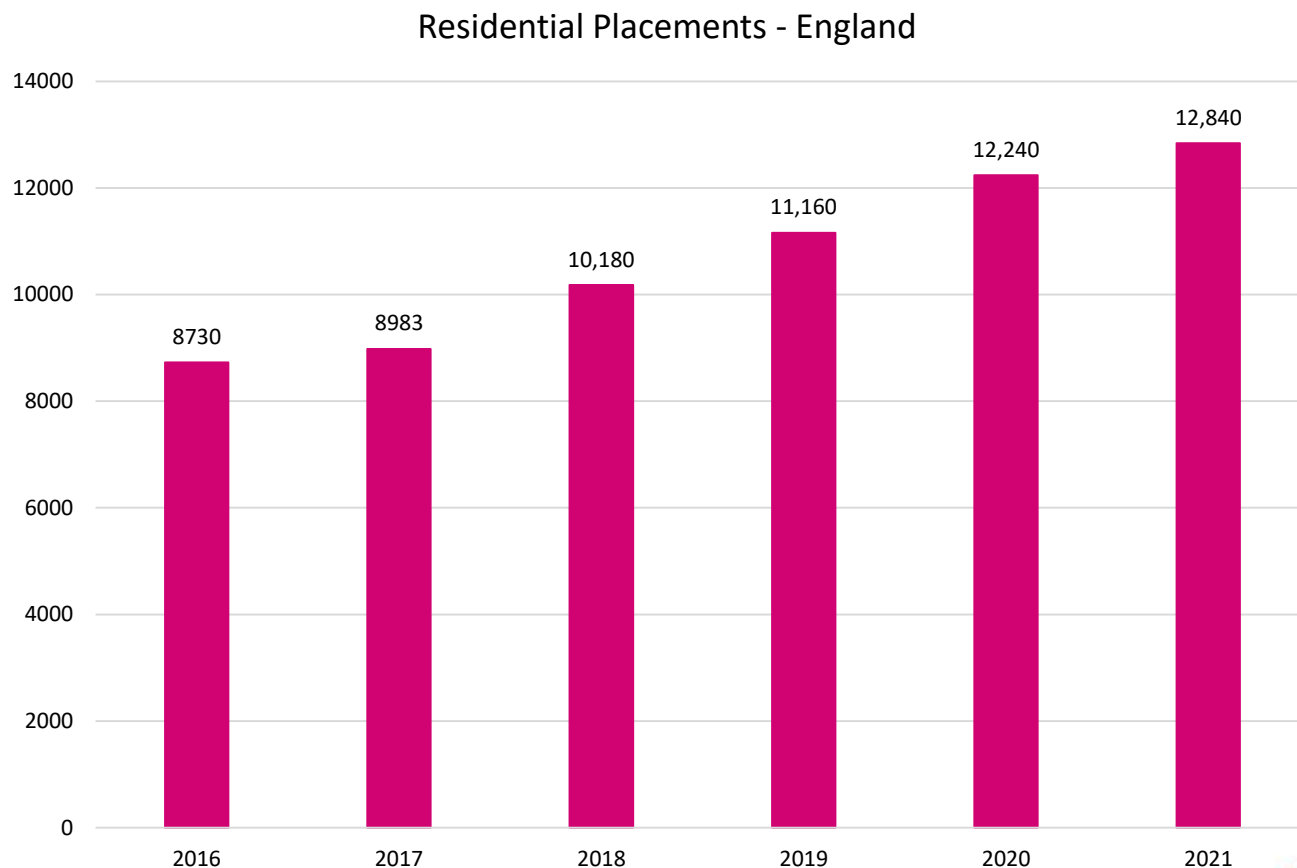
The image shows the cover of a report titled 'The future of care in Wales: Resourcing social care for older adults'. The cover is white with a red header. The header contains the text 'The future of care in Wales: Resourcing social care for older adults' and the authors 'CIAN SIÓN & MICHAEL TRICKEY'. The footer contains the text 'Wales Fiscal Analysis AUGUST 2020'.



The screenshot shows the Gofal Cymdeithasol Cymru Social Care Wales website. The header includes the logo, the text 'Gofal Cymdeithasol Cymru Social Care Wales', and navigation links for 'About us', 'Registration', 'Dealing with concerns', 'Qualifications and funding', and 'Resources and guidance'. A search bar and a 'Log in' button are also present. The main content area is titled 'Research, data and innovation' and includes the text 'Last updated: 27 September 2022'. Below this, there are two main sections: 'Survey of social care workforce' and 'Research roadshows: How we chose the topics'. The 'Survey of social care workforce' section includes the text 'A wide-ranging survey of the social care workforce in Wales is to be piloted.' and a link to 'Research, data and innovation'. The 'Research roadshows: How we chose the topics' section includes the text 'How we chose the topics for our research roadshows in Llandudno and Cardiff.' and a link to 'Research, data and innovation'.

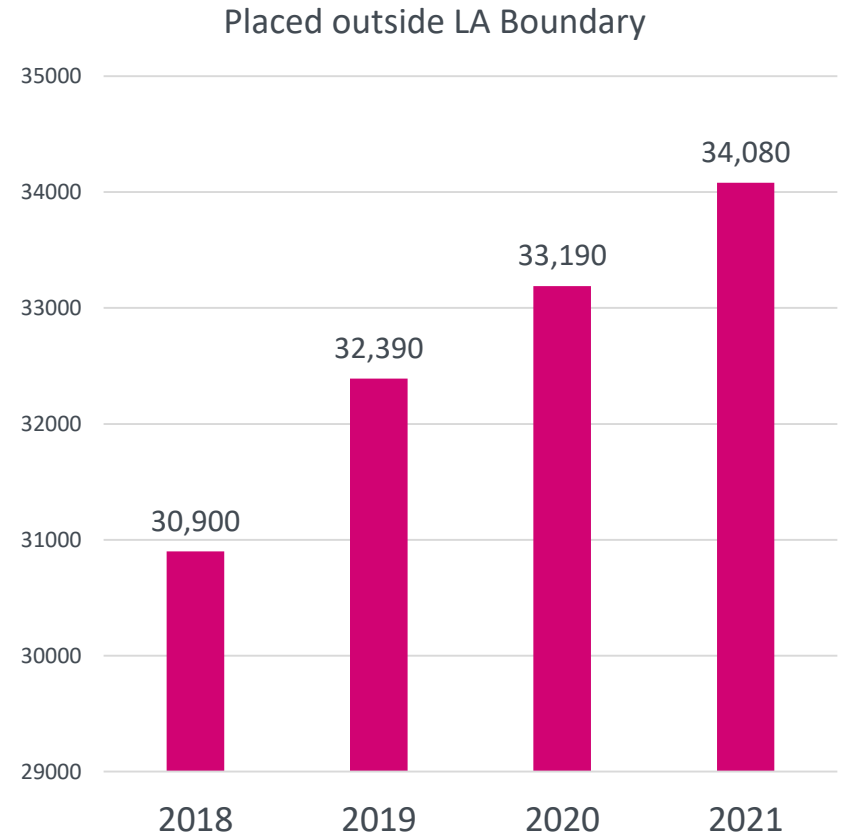
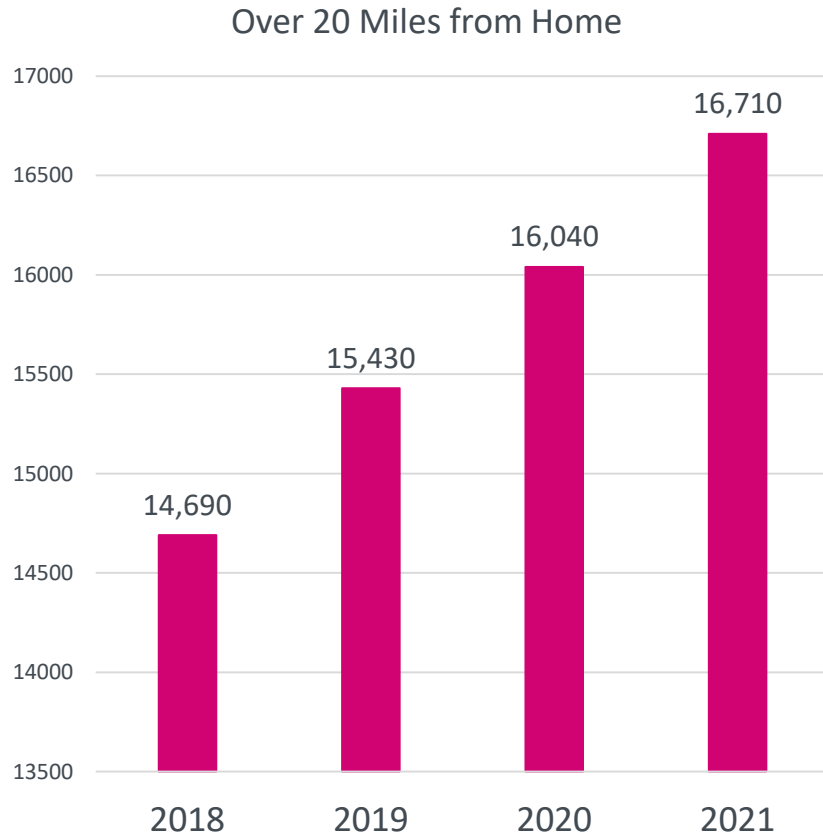
Residential placements rising rapidly

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



Source: National Statistics Children looked after in England including adoption

Children being placed further from home



Source: National Statistics Children looked after in England including adoption

Other headlines from the CMA report



Children's social care market study

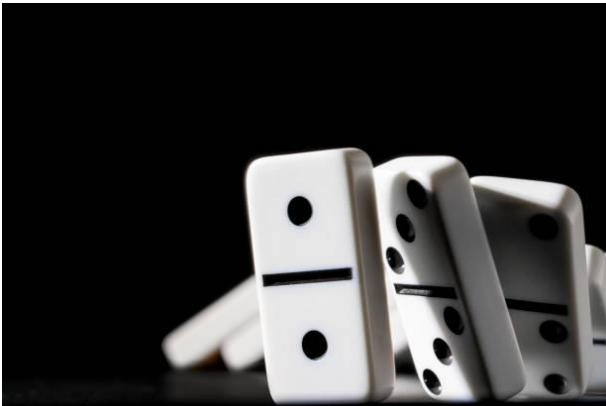
Final report

“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 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**?

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



The elements that make up the cost of care

LAND

All things supplied by nature and used in the production of goods/services

i.e. farmland, forests, rivers, lakes, seas or minerals

LABOUR

All human effort which goes into the production of goods/services

CAPITAL

Anything made by man and used to produce goods/services

- **Fixed** stock of fixed assets i.e. buildings, factories, warehouses, vehicles
- **Social** owned by the community in general i.e. roads, water, sewerage
- **Working** manmade raw materials and partially finished goods

ENTERPRISE

Initiative involved in organising land, labour and capital and which bares the risks involved

Lets Agree to Agree toolkit – Residential Care in Wales

Step 1: Agree what you need to agree, who needs to agree it, what information do you need and how will you agree it?

Step 2: Gather the data and intelligence

Step 3: Make a set of decisions!



Market sustainability and contingency planning



Making sure that health and care provider markets are sustainable is a key task for health and care commissioners.

The LGA have compiled helpful resources to support commissioners to help local markets to become more sustainable which can be found [here](#).

Exercise 1: What are the characteristics of your local market?

- Focus on one provider group, eg care homes
- Discuss and identify current strengths and weaknesses in your area (e.g. levels of expertise, geographical spread, financial sustainability, cultural issues, service models)



Exercise 2: What are the characteristics of your local market/s?

In your target population groups:

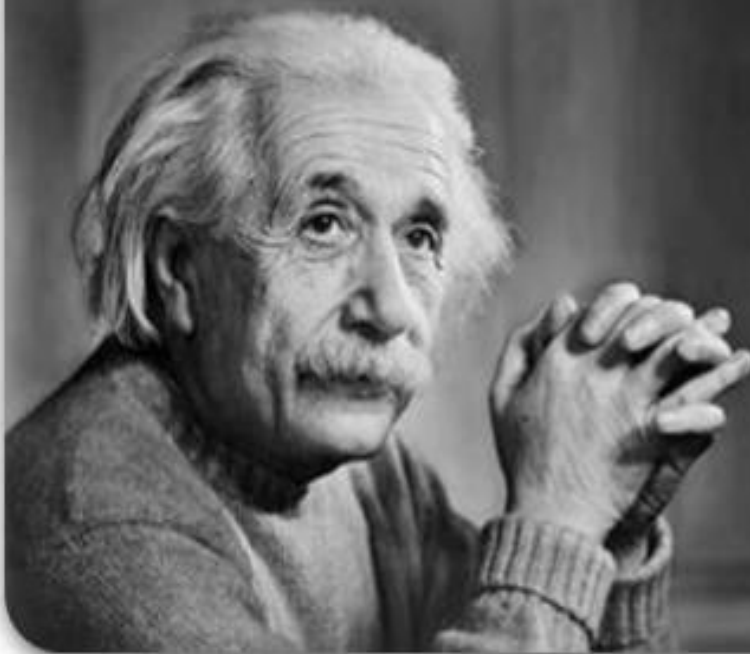
- Thinking about your target groups list a mix of three types of key provider services
- Against each identify a strength and a weakness (e.g. levels of expertise, geographical spread, financial sustainability, cultural issues, service models)
- What would a sustainable, diverse, quality market look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



Market Position Statements

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

– Albert Einstein



Components of a strong MPS

Developing
the MPS

Understanding
demand

Current
market
overview

Local
authority
vision for
the care
market

Signalling
local
authority
engagement
with the
market

Process

Content

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

Market influencing – core activities

- Signal to the market types of services needed now and in the 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

Stimulating micro enterprises in Somerset

- Support via Community Catalysts
- Nurturing small community enterprises
- Offering older people a wider choice of local care options
- Support conditions for micros to thrive:
 - Code of conduct
 - Best practice and quality
 - Link with civic institutions (GPs, Parish councils)

Example: stimulating micro enterprises in Somerset

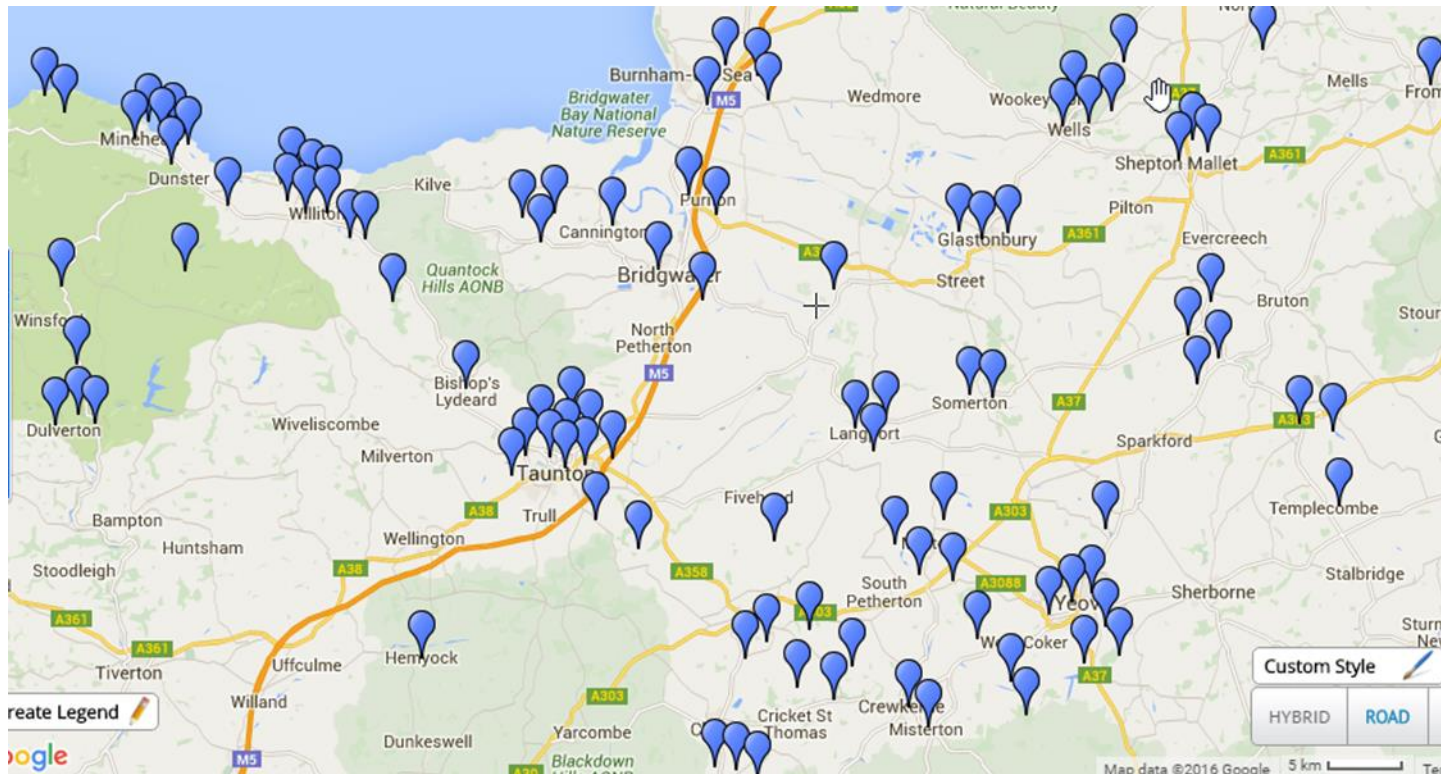
- Traditional homecare services struggling
- Lack of capacity, particularly in rural areas
- Low take up of direct payments
- Tap into local creatively and enterprise



Vanessa's story: how community enterprise helped us get a good life

Jane's story: How micro-providers helped Jane find her Jam!

The result: innovative, personal, local, flexible support for marginalised communities, value for money

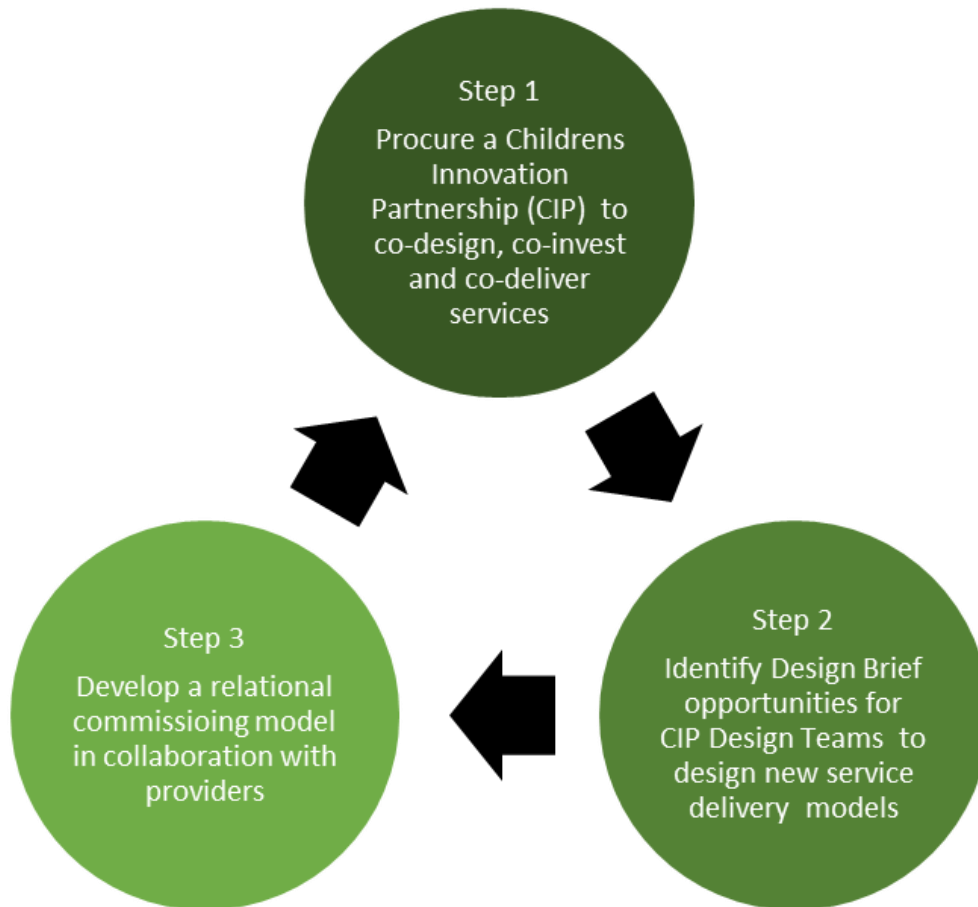


More people
choose
direct
payments

£719,867
annual
saving

The 'ripple effect' – local jobs, local money staying local, community confidence and resilience...

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 development 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

Reflections from Module 2



- What have been the main things you have heard today?
- What has struck you most about the discussions?
- What might this mean for you, your teams and organisation?
- How might you take some of this forward?

Useful links

- IPC (2017) [Market Shaping in Adult Social Care](#)
- IPC (2016) [What is Market Shaping?](#)
- IPC (2016) [Place-based market shaping: co-ordinating health and social care](#)
- IPC (2016) [Market shaping to support individual purchasing of care](#)
- IPC (2015) [Market Shaping Toolkit for SME providers](#)
- IPC: [Market position statement guidance](#) and [MPS database](#)
- Community Catalysts in Somerset presented at the [Care Markets and Quality Forum](#) September 2017

Useful links

- ADSS Responsive and Sustainable Markets

<https://www.adass.org.uk/media/7286/2019-06-18-overview-of-the-social-care-market-briefing.pdf>

- LGA – Market Sustainability

<https://www.local.gov.uk/our-support/our-improvement-offer/care-and-health-improvement/commissioning-and-market-shaping/contingency>

- Working with care providers to understand costs: A guide for adult social care commissioners (CIPFA, LGA, ADASS, DHSC, CPA 2017)

<https://www.basw.co.uk/resources/working-care-providers-understand-costs>

- Care homes market study: Final report (CMA 2017)

<https://www.gov.uk/cma-cases/care-homes-market-study>

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