



TOP TIPS

Commissioning for market diversity

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 **think local
act personal**

 **Department
of Health**

adass
adult social services

**Local
Government
Association**

SUMMARY OF TOP TIPS: COMMISSIONING FOR MARKET DIVERSITY



Map what your current market offers.

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Define what a sufficiently diverse market means in your local area.

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Embed coproduction with people who use services and carers at every stage of the commissioning cycle.

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Ensure your Market Position Statement addresses issues of market diversity and what this means locally.

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Ensure services are publicised in a way that is accessible for all providers and people who use them.



Don't exclude providers with over-complicated or restrictive procurement practices and be open to innovative and collaborative contracting models.

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Be mindful of the impact of providers leaving the market on diversity and sustainability

.....



Work together with other commissioning agencies to join up the promotion of market diversity.

.....



Establish a clear strategy for the development and promotion of community micro-enterprise.

.....



Establish senior leadership support for promoting care market diversity that reflects the importance of social care within the wider local economy.

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For more information, visit www.thinklocalactpersonal.org.uk or follow us on Twitter @tlap1

CONTEXT

These tips are part of a range of support materials for councils and other interested stakeholders to assist with the implementation of section 5, part 1 of the Care Act (2014): the new duty to promote the efficient and effective operation of a “vibrant and responsive market of service providers”. They are also designed to supplement and strengthen the local approach to self-assessment and improvement using *Commissioning for Better Outcomes, a Route Map*,¹ launched in prototype form by the Department of Health, ADASS, the LGA and Think Local Act Personal in October 2014. In particular the tips focus on the key activities required in shaping a market that reflects the diversity of local needs and promotes genuine choice.

The Care Act states that a diverse market is one in which people using social care and support services and their carers have “a variety of high quality providers to choose from who (taken together) provide a variety of services”.² The statutory guidance to the Act goes on to say that this means the market should include a variety of different providers and different types of services, and that this should represent a genuine choice of service type, not simply a selection of providers offering similar services.³

1 www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/
2 www.legislation.gov.uk/ukpga/2014/23/section/5/enacted
3 www.gov.uk/government/uploads/system/uploads/attachment_data/file/366104/43380_23902777_Care_Act_Book.pdf

COMMISSIONING FOR BETTER OUTCOMES

The Commissioning for Better Outcomes framework of standards helps councils critically examine their commissioning practices in the context of new duties in the Act. Councils can assess themselves against the standards, evidencing their progress and developing action plans to make improvements. The framework as a whole reflects a level of ambition for commissioning well aligned with the aspiration for market shaping as described in the statutory guidance. The top tips in this document are designed to support councils assessing progress and developing improvement plans, particularly those relating to standard 10:

“Good commissioning promotes a diverse and sustainable market to deliver positive outcomes for citizens and communities.”

Commissioners may wish to use the tips and the prompts included here to inform their thinking about local evidence while conducting a self-assessment or as reference points for reviewing teams conducting interviews as part of a peer review undertaken through sector led improvement.

The starting point for this document is a recognition that promoting market diversity is fundamental to ensuring people and communities have meaningful choice and that this is an important factor contributing towards better outcomes.

In this context, promoting market diversity is characterised by an openness to new ways of doing things, encouragement for innovation and the 'shared endeavour' of commissioners, providers and people with care and support needs, carers and family members working collaboratively to find the best solutions. Market diversity should not be seen simply in terms of the numbers of providers, or even the variety of their size or sector, rather it relates to an informed local judgement of the sufficiency of choice needed to meet the full range of people's needs and promote individual and community wellbeing.

This guide helps to address four key questions:

- What does promoting market diversity and choice mean in the context of the Care Act and local commissioning?
- What is the case for a diverse market of care and support – why is this important?
- How would you know if your local market was sufficiently diverse?
- What interventions can/do commissioners make to promote a more diverse market?

The top tips provide pointers for commissioners to consider when determining their local approach. They are based on informed interpretation of available evidence and a number of interviews and focus groups with key stakeholders carried out as part of this work. Each tip is structured to provide information on why a particular task is important, and how commissioners might plan for further progress. Illustrative examples and links to further information are provided alongside a series of questions to prompt discussion and help with assessing the local position. They are not intended to be generically applied, rather they should inform planning that reflects local priorities, strengths and areas for improvement.

COMMON BARRIERS TO MARKET DIVERSITY

- Limited awareness of alternative or innovative forms of provision.
- Lack of systematic or in-depth knowledge about how local care markets operate for self-funders.
- A lack of transparency and trust between commissioners and providers.
- Overly restrictive local interpretation of EU procurement regulations.
- Disproportionate bureaucracy in procurement which disadvantages smaller providers and puts off potential new market entrants.
- A lack of support in some areas to enable providers to adapt to different ways of working, e.g. culture change, marketing, finance and human resources.
- A general lack confidence in the scope or potential of micro-enterprises, and/or knowledge about how to foster and support new micro-enterprise activity.

These barriers were identified through the focus groups and interviews conducted to inform this report.



TIP ONE MAP WHAT THE CURRENT MARKET OFFERS

Why do this?

It is essential to understand the resources and assets already available locally in order to determine the strengths that can be built on and the gaps that need addressing. This is part of the first stage of the market shaping cycle – the development of a common and shared perspective of supply and demand (often called Market Intelligence). Collecting comprehensive information about what the market offers can provide a baseline for determining whether the market is sufficiently diverse and help identify any areas where a lack of choice might be an issue.

“Continually engage with providers.”

– Focus Group

How?

Doing this well requires thinking beyond conventional provision, since a diverse market is likely to include a range of universal and community resources as well as formal care services. A process of mapping services and community assets can be a useful starting point. Some areas are making this part of their Joint Strategic Needs Assessment, re-conceived as a Joint Strategic Needs and Assets Assessment, which ensures that a process of asset mapping is aligned with existing statutory duties, rather than an add on. The information from mapping services and assets should be made publically available in accessible forms, potentially through the local Market Position Statement, which summarises supply and demand in a local authority area and signals business opportunities within the local market.⁴

These activities do not all need to be council led and there can be benefits from locating asset mapping as close to the community as possible. For example, in Thurrock, (see *case study, page 27*) the development of a diverse market has been facilitated in part through the proactive use of Local Area Coordination (LAC) and the active role of User Led Organisations (ULOs). *“This has led to (many) people assessed as needing social care support getting that support in pubs, allotment associations and other local groups; not through formal volunteering, but simply through connection.”*

⁴ See *Market Shaping Toolkit: Supporting implementation of the Care Act (2014)*
www.local.gov.uk/care-support-reform/-/journal_content/56/10180/6973868/ARTICLE

JOINT STRATEGIC NEEDS AND ASSETS ASSESSMENT IN WAKEFIELD

Wakefield piloted an asset based approach to Joint Strategic Needs Assessment (JSNA) in 2010-11 building on a strong record of investment in community development approaches. This was in response to the fact that despite the positive reception their initial JSNA received in 2008, multi-agency efforts to deliver 'needs based' programmes has failed to adequately improve health or tackle health inequalities. The pilot's methodology evolved from ideas put forward in the Improvement and Development Agency report A glass half-full, adapted to the local conditions of Eastmoor and Warwick. The pilots linked information drawn from mapping community assets to 'deficits' identified as part of the traditional JSNA approach. This helped to provide a rich picture and understanding of assets and needs and provided the opportunity for developing different approaches to commissioning that enable coproduction and building on community assets as the best ways to address needs.

For more information about Local Area Coordination see
<http://inclusiveneighbourhoods.co.uk>

What does good look like?

ASK:

- Do we have comprehensive information about local provision (including small businesses, community provision and microenterprises as well as mainstream and universal services)?
- Is our gap analysis coherent, clear and unambiguous?
- Do we have a picture of the wealth of assets available in the local area?





TIP TWO DEFINE WHAT A SUFFICIENTLY DIVERSE MARKET MEANS IN YOUR LOCAL AREA

Why do this?

A diverse market for care and support is one that offers people meaningful choice about how to use the resources available to them to meet their needs and aspirations. Because individual needs and preferences, individual capacity, and community assets vary depending on local circumstance, what the appropriate range of choices a market needs to offer will also vary from place to place. Developing a shared view on what this means in your area will be an important step towards agreeing what changes might be needed and how they will be implemented.

“It’s hard to know what you mean by a ‘diverse market’...what is it? Maybe this is something people in the council need to help define?”

– Focus Group

How?

Commissioners should work with providers and local people, including people who currently use services, to articulate a clear vision of what a diverse local market will look like if it is providing genuine choices that will meet the needs of people with care and support needs and carers. This should include utilising the mapping process of existing assets encompassing universal, community-based support in addition to formal care provision. (See *Tip 1, page 6*).

It is important that commissioners articulate what they understand by market diversity and explain clearly how this relates to particular services and groups of people. This understanding should be developed jointly with people with care and support needs, carers and providers, with ways of involving all of these groups in identifying and testing solutions where there are gaps in supply.

A diverse market does not necessarily mean a large number of providers operating in a particular market segment, particularly if the many providers are all offering the same or similar services. Equally, a diverse market does not mean there is an optimum balance of providers from different sectors or of different sizes and market coverage (e.g. national vs local) that can be applied to an area. Rather, a diverse market is one that offers people real choice and control over how their needs are met, something that can only be determined locally and through strong engagement. (See *tip 3, page 10*).



For example, in **Wiltshire**, (see case study, page 28) the council consulted people using council commissioned homecare services and found that, *“having control over who came in, what they did and how was vitally important, but having a wide choice of agencies to choose from was less so.”* Commissioners responded by consolidating their approach and contracting with only four homecare providers, one for each of four geographical zones. As part of this arrangement, the level of each provider’s contract is dependent on their meeting personal outcomes agreed with each individual, ensuring people have choice over how their support works day to day.

What does good look like?

ASK:

- Are there particular groups in the locality for which the current market doesn’t appropriately provide for and is addressing this an explicit aim of our market shaping activity?
- Do we know what has worked well for people using care and support services to date and why, and therefore what might work for others with similar needs?
- Do people with care and support needs who do choose not to take a direct payment have choice and control over their care without changing provider, for example through an Independent Service Fund or a payment by outcomes mechanism?



TIP THREE INVOLVE PEOPLE WHO USE SERVICES AND CARERS AT EVERY STAGE OF THE COMMISSIONING CYCLE

Why do this?

Shaping a diverse market that offers meaningful choice should be a shared endeavour. Matching people's individual needs and preferences to an appropriate range of high quality services and support can't be done without strong engagement throughout the commissioning process. By taking a co-productive approach that actively involves people with care and support needs and carers as equal partners throughout the commissioning cycle, you can be more confident that the market you shape will be the right one for them.

The Care Act encourages commissioners to consider the role of co-production in the commissioning and market shaping process.⁵

⁵ www.gov.uk/government/uploads/system/uploads/attachment_data/file/366104/43380_23902777_Care_Act_Book.pdf

Similarly, Commissioning for Better Outcomes states that:

*"Good commissioning starts from an understanding that people using services and their carers and communities are experts in their own lives and are therefore essential partners in the design and development of services. Good commissioning creates meaningful opportunities for leadership and engagement of people, including carers and the wider community, in decisions that impact on the use of resources and shape of services locally."*⁶

How?

By co-producing commissioning with a wide range of local people from different communities, councils can better understand demand in their area and ensure that commissioning and market shaping activities encourage the market to offer locally appropriate provision.

Co-production is about recognising that everyone has a vital contribution to make in order to improve quality of life for people and communities, and involves finding ways to make use of people's skills, assets and talents. This requires a different approach, where professionals and citizens share power and responsibility to design, plan and deliver support together. Doing this well requires the development of clear mechanisms for understanding the needs, aspirations and desires of people with care and support needs, carers and family members and making use of this understanding to shape local decision making throughout the commissioning cycle.

⁶ www.adass.org.uk/policy-documents-commissioning-for-better-outcomes

There is no single way to embed coproduction in the commissioning process, though you might want to consider using a structured approach like Working Together for Change, which combines a range of engagement activities with the analysis of person-centred information from reviews about what people say is working, not working and important for the future in services. This can mean seizing the opportunity of reviewing an existing service or range of services to embed coproduction in the process of deciding what needs to change and how.

Taking this approach can lead to positive and different outcomes, for example, Derby's work to transform daytime support for people with learning disabilities (see page 26). Derby City Council decided that they would firstly tell people clearly about what was 'non-negotiable'; and then get out of the way and leave the people who use existing services and those who provide those services to decide for themselves how things should change. This proved to be a successful approach: for example, when one service closed, 85 people took a direct payment and created support plans which deliver bespoke arrangements that support them to achieve their personal outcomes more effectively than being part of a large group in a building based service had been able to do.

"Start engaging a... range of service users and carers early on in the commissioning cycle; too often this happens late in the day."

– Focus Group

For more information, see:

- Co-production in commissioning toolkit
www.thinklocalactpersonal.org.uk/Browse/marketdevelopment
- Read about the Working Together for Change methodology:
www.groundswellpartnership.co.uk/WorkingTogetherforChange/citizen-ledchangeinpublicservices

What does good look like?

ASK:

- Is our Market Position Statement genuinely informed by the needs, aspirations and desires of people using services and carers through a co-productive approach, not simply through consultation?
- Does our authority actively promote user led organisations and peer support where they can demonstrably add value; and does it welcome input from users and carers into commissioning decisions?
- Do we have the means to continually respond to people who take part in co-production processes to ensure that people understand the impact of their involvement?



TIP FOUR: ENSURE YOUR MARKET POSITION STATEMENT ADDRESSES ISSUES OF MARKET DIVERSITY AND WHAT THIS MEANS LOCALLY

Why do this?

The market shaping guidance for the Care Act identifies the process of developing a market position statement (MPS) as central to the local authorities' role in signalling trends in demand, encouraging existing providers to innovate and setting out opportunities for new market entrants.

Market Position Statements should articulate how the council will encourage both new and existing providers, proactively support the development of community micro enterprises (see *tip nine*, page 22) and create opportunities for community and voluntary groups and small businesses to thrive. It should make a clear public statement which shows how providers of social care will be attracted, and encouraged to meet the needs and aspirations of local people now and in the future, however their care is funded and whatever their level of need.

"Keep using and reviewing the Market Position Statement with providers – make it a 'living document'."

– Focus Group



How?

The process of developing local MPS advocated in the statutory guidance includes a number of aspects particularly relevant to the promotion of market diversity, including:

- Identifying and addressing barriers to market entry for new providers
- Facilitating entry to the market through advice and information
- Streamlining the authority's own procurement processes (see *tip 6, page 16*)
- Promoting diversification of provider organisations.



The Market Shaping Toolkit (<http://ipc.brookes.ac.uk/services/mast.html>) which focuses particularly on SME and micro-provider involvement in market shaping and draws on councils' and providers' learning from developing MPS through the Developing Care Markets for Quality and Choice (DCMQC) Programme, similarly describes elements that should be included that relate to the promotion of market diversity:

- Including information for providers around business advice and support
- Including support available for providers to develop and innovate services
- Collate and share a 'Needed and Desired Services' list for micro-providers.

While most areas in England have now developed some version of an MPS, either for particular market segments, or for the social care market as a whole, this is an evolving discipline integral to the market shaping function and MPS should be iterative and subject to continual update and review. Councils should consider how best to include the vision for market diversity agreed with local stakeholders (see *tips 2 and 3, pages 8 and 10*) in their MPS, as well as how their development of further versions of MPS can explicitly incorporate this process.

What does good look like?

ASK:

- Are our commissioning intentions clear and specific and does our MPS include a statement on what market diversity means locally?
- Is our MPS helpful to new and existing providers? How do we know?
- Is the council sufficiently open to approaches from individuals and groups who want to respond to our commissioning intentions and opportunities identified in our MPS?



TIP FIVE: ENSURE SERVICES ARE PUBLICISED IN A WAY THAT IS ACCESSIBLE FOR ALL PROVIDERS AND PEOPLE WHO USE THEM

Why do this?

Reducing barriers to market entry for new providers including community and voluntary groups and small businesses is an important part of promoting a diverse market. Provider organisations of all types and all sizes need equal ease of entry to the market, and equal access to means to advertise services.

“The portal made finding what I needed much easier. It felt like I had a real choice.”

– Focus Group

How?

There is no single means for achieving this and different approaches will be more suitable in different localities. Some councils have found an e-portal or other online mechanism particularly useful. E-portals come in all shapes and sizes, from searchable registers of local care and support options through to those which incorporate access to support planning resources and procurement and budget monitoring functions. There are many examples of online tools which provide a platform for providers to advertise their wares and for people with care and support needs to shop for those services online.

Whatever the mechanism for sharing it, comprehensive information about what is available in the area will help people with care and support needs, carers, family members and those working with them to plan what support might best enable them to meet their needs and aspirations. Reflecting the broader view of the market advocated in tip 1, the best e-portals will incorporate access to information about a full range of support and universal services, in addition to registered care services.

Where a broad range of services is included, consideration should be given to the most appropriate and effective method of quality assurance and the role of user reviews. While this will require some moderation, the views of others who have accessed a service can be of particular value to people when making choices for themselves. Where there are registration requirements these should not be too restrictive, to ensure that smaller providers and micro-enterprises are not excluded.

Local authorities across **Yorkshire and Humber** have collaborated regionally to develop the Connect to Support platform for adult social care providing information and advice, assessments and screening, personal budget management, brokerage, care accounts and a transactional e-Marketplace. Connect to Support provides an 'open market' where people can choose and purchase care, or equipment that best suits their needs and identified outcomes directly. Connect to Support utilises the PCG Care Solutions platform and has been live in local authority areas across the region since 2012. There are currently some 580 provider stores across the Yorkshire & Humber region, containing over 4,500 individually priced products and services that are available to buy online, together with over 10,000 entries for local groups and activities. Whilst a common platform is utilised across the region, there is local configuration for each local authority enabling a balance between collaboration and meeting specific local needs.

What does good look like?

ASK:

- Do we regularly have new organisations, including community micro-enterprises, and small businesses entering the market?
- Do people who have care and support needs and their carers have access to clear information about a wide range of potential ways to achieve their outcomes and to manage their personal budget?
- Is there a simple means of assuring service quality and of making public statements about that quality assurance?





TIP SIX: DON'T EXCLUDE PROVIDERS WITH OVER-COMPLICATED OR RESTRICTIVE PROCUREMENT PRACTICES AND BE OPEN TO INNOVATIVE AND COLLABORATIVE CONTRACTING MODELS

Why do this?

Procurement methods can limit the capacity of the market to diversify by making entry to new and different types of organisations prohibitively difficult. For example, overcomplicated or inflexible procurement practice can unintentionally exclude small businesses and community organisations and preclude innovations in cross-organisational collaboration and new ways of working. A range of approaches to commissioning and contracting are required to promote a genuinely diverse market for care and support. This should include a focus on building local infrastructure to support personal budget recipients to access care and support directly through direct payments.

"Commissioners must start getting serious about creating the conditions that allow for consortia/collaboration."

– Focus Group

How?

It is important that commissioners consider the full range of procurement and contracting methods available and choose those which will promote the maximum choice and diversity in light of local conditions. The separation (and corporatisation in many instances) of adult social care procurement functions from commissioning can lead to mismatches between commissioning intentions and procurement methods unless these relationships are well managed. This can also fuel misunderstanding about what is possible under procurement regulations, where inflexible practices are most often the result of local interpretation rather than legal requirement. This was a key conclusion from TLAP's previous work on social care procurement, which found that the previous *"legal framework already allows for less formality than would sometimes be expected...in the area of social care."*⁷

⁷ Social Care Procurement: A briefing note on procurement, state aid and consultation matters relevant to the provision of social care services, TLAP 2011 www.thinklocalactpersonal.org.uk/Latest/Resource/?cid=9003

While important changes to EU procurement regulations (set out in the EU Procurement Directive 2014) were introduced in the UK through the Public Contracts Regulations 2015, these should not make taking a flexible approach more difficult. While the changes do away with Part A and Part B services (social care in the past fell under Part B and was subject to less prescriptive rules), social care services are exempted from the full directive through the establishment of a Light Touch Regime (LTR).

The LTR has a few mandatory rules (including the application of the existing rules on transparency, equal treatment, reasonable response times and proportionality) but within these parameters, councils are able to use any process they want to run the procurement. Importantly, the regulations encourage a flexible use of award criteria to encourage a long term approach to securing value to relational services, which can include the involvement and empowerment of people using services, innovation, quality and continuity. These criteria chime with the Care Act's aspirations for a commissioning focused on outcomes and wellbeing, promoting quality, viability, choice and co-production. In addition the regulations allow for the reserving of contracts for mutual and social enterprises.

Alongside the use of flexible and proportionate procurement processes, commissioners should also consider the important role of direct payments in enabling people to access a wide range of care and support services directly in the local market. In some instances this may be the best way to ensure that people have access to the broadest choice of bespoke service options, such as from local micro providers and social enterprises (see *tip 9, page 22*). Commissioners should seek to build an effective local infrastructure that enables people to micro-commission care and support services with their direct payments and pool their budgets where this will deliver better outcomes and value for money.⁸

⁸ See *Best practice in Direct Payments support: A guide for commissioners, TLAP 2012*
www.thinklocalactpersonal.org.uk/BCC/Latest/resourceOverview/?cid=9235

For example, **Dudley Council** have supported the development of a vibrant community micro-market using direct payments, in recognition that local authority commissioning and procurement practices have often placed barriers in the way of people accessing smaller, less conventional options. Dudley is aiming to effect a culture change to encourage take up of direct payments rather than council managed budgets to facilitate access. There are four direct payment support services in the area which provide support and manage the direct payment on someone's behalf. The council believes this approach is key to making positive changes for people who use services and for community micro-enterprises, as people can be active in their choices without restrictions.

What does good look like?

ASK:

- Do we have a variety of contract options openly available to encourage a broad range of provision, all of which are flexible and outcome based?
- Do these arrangements encourage providers to work together to make best use of complementary skills? Are we welcoming to new forms of collaborative arrangements between provider organisations, particularly those that respond imaginatively to the wishes of people who use services and carers?
- Are there arrangements in place to enable people to pool personal budgets?



TIP SEVEN: BE MINDFUL OF THE IMPACT OF PROVIDERS LEAVING THE MARKET ON DIVERSITY AND SUSTAINABILITY

Why do this?

Local authorities need to promote a market that is both sustainable and diverse. A market that relies on only one or a few providers is less likely to be either. Shaping a market that offers people with care and support needs many different ways to meet those needs also makes it more likely that the market will be able to cope with the exit of any provider. Conversely, a sustainable market is likely to encourage diversity as it will be more attractive to new providers who will feel confident to innovate and develop new services.

How?

Mapping assets and supply, including universal and community resources as well as formal care services (see *tip 1, page 6*), is the starting point for

understanding the sustainability of a care market. Commissioners who have a comprehensive understanding of their local market will be in a good position to assess whether that market could sustain the exit of a provider by utilising the capacity and capability of other providers to continue to meet people's needs.

Markets of any kind will naturally involve a degree of entry and exit of providers and this will be of limited concern where it results in maintained or higher service quality overall. However, it is possible that a succession of market exits may jeopardise the diversity and sustainability of the market. When considering the impact of a market exit on diversity and sustainability it is advisable to segment the local social care market into sub-markets (for example buildings-based and non-buildings-based, or urban and rural settings). By segmenting the market it is easier for a local authority to ensure they are taking a proportionate and efficient approach, with time and resource dedicated to responding to market exits targeted towards those areas of the market which are less sustainable.

“Involve the community in decisions regarding the future of how needs are met and the services available.”

– Focus Group

Cordis Bright have produced detailed guidance on how to take this approach to local market sustainability monitoring, including a toolkit with a series of indicators that can be used. This can be accessed at <http://ipc.brookes.ac.uk/services/mast.html>

Market Position Statements (*see tip 4, page 12*) also play a critical role: they should be used to direct new and existing providers towards sub-markets where there is particular need for more, new and innovative ways to meet need, in order to foster a more sustainable and diverse market. It is also important that the council is alert to the need to de-commission where there are issues of quality, or existing provision is no longer offering appropriate ways for people to achieve their personal outcomes. As far as possible, the reasons for any de-commissioning should be in the public domain, for example set out in the Market Position Statement.

For example, in **Warwickshire**, the Council published in its Market Position Statement for Older People that it would be re-tendering its advocacy services. This was partly in response to the broader range of areas that advocacy will touch upon following the introduction of the Care Act. The MPS also identified that the Council had a fragmented range of service contracts for specialist provision, such as Mental Health and Mental Capacity Advocacy. The Council subsequently worked with sub-regional partner local authorities to procure a series of Framework Agreements and block contracts to meet a range of outcomes. Under these contracts there is a requirement for referring agencies to identify specific outcomes prior to packages being sourced; this has re-focused the role of advocacy, ensuring that those accessing the service are clear on the purpose and role of the service, whilst continuing to deliver within budget. The procurement has resulted in a substantial number of new providers being appointed, which has increased the range and flexibility of advocacy services on offer.

What does good look like?

ASK:

- How do commissioners engage with providers to understand their business?
- Do providers feel there is sufficient market sustainability to risk new initiatives?
- Are commissioners regularly re-assessing the diversity and sustainability of the market in the light of entries and exits?





TIP EIGHT: WORK WITH OTHER COMMISSIONING AGENCIES TO FOSTER A JOINED-UP APPROACH TO THE PROMOTION OF MARKET DIVERSITY

“The council and the NHS together need to produce a coherent offer both for citizens and for proper community engagement.”

– Focus Group

Why do this?

The Care Act sets out clear obligations for cooperation across the system, stating that, *“Local authorities must carry out their care and support responsibilities with the aim of joining-up the services provided or other actions taken with those provided by the NHS and other health-related services.”* The statutory guidance for the Act is clear that this requirement

applies to all the local authority’s care and support functions, including, *“shaping and facilitating the market of providers.”* The Commissioning for Better Outcomes framework reiterates that councils should lead a “whole system approach to ensure the best use of all resources in a local area” and promote *“collaboration between different commissioning bodies within and outside of the Local Authority boundaries.”*⁹

Through the Better Care Fund, every area in the country has made a start on integrating health and social care commissioning. Through the integration Pioneers, Integrated Personal Commissioning and Vanguard (new models of care), a wide range of approaches to commissioning and delivering integrated care are now being tested. In this context, it stands to reason that any local approach to the promotion of market diversity will be strengthened where it is adopted system wide. While this is not without complexity, this is potentially an area where councils’ are further advanced in their thinking and in a good position to play a leadership role.

How?

As the drive towards integrated care gathers momentum, joint commissioning will become the norm for increasingly large parts of the social care market. The concepts of market shaping and the promotion of market diversity are understood and applied differently and less frequently in the NHS where commissioning is most often characterised by large block contracts with NHS providers. However, implementing the new models of care signalled in the Five Year Forward View and delivering

⁹ www.adass.org.uk/policy-documents-commissioning-for-better-outcomes p. 18.



Integrated Personal Commissioning, which combines NHS and social care funding at the level of the individual, will require a more facilitative approach to commissioning that extends the range of support options available. This presents an opportunity for a joined up approach to market shaping and the promotion of market diversity, including the stimulation of integrated models of care that deal with people's health and social care needs holistically.

Councils may in future want to consider:

- Creating joint market shaping functions and roles that operate across health and social care for identified populations
- Working collaboratively with health and housing to develop Market Position Statements for segments of the market that are jointly commissioned
- Establishing joint provider forums with other councils and with health where providers work across geographical and service boundaries.

What does good look like?

ASK:

- Do commissioners routinely meet with their colleagues from these other agencies and work together on issues of market diversity?
- If someone requires support from the NHS and/or housing as well as social care, is it possible for them to receive this seamlessly from the same provider, without two different arrangements being in place?
- How does the Health and Wellbeing Board support the promotion of market diversity and cross-agency working?



TIP NINE: ESTABLISH A CLEAR STRATEGY FOR THE DEVELOPMENT AND PROMOTION OF COMMUNITY MICRO-ENTERPRISES

Why do this?

Small-scale providers and micro-enterprises can form a vibrant and valuable part of local care markets through the close local connections they often have and by their ability to provide very bespoke support in response to individual requirements. However, commissioners may need to take a proactive stance to nurture and support this capacity since conventional commissioning approaches can inadvertently exclude or minimise their involvement.

How?

Community social care and health micro-enterprises can provide imaginative, cost effective ways to help people to get a good life; providing a range of social care, housing, leisure and health services or more informal support.

Community Catalysts (www.communitycatalysts.co.uk) has gathered compelling evidence of the benefits of tailored specialist support for community micro-enterprise. Typically over a four year period, a support co-ordinator employed by Community Catalysts to provide a range of intentional support to community entrepreneurs in a locality will deliver the following results:¹⁰

No. of would-be community entrepreneurs supported	No. of community enterprises successfully established and running	No of community enterprises closed over the period	No. of older or disabled people using community enterprises	No of jobs created	No of volunteering opportunities created
190	68	3	900	130	80

This equates to 36% of would-be entrepreneurs successfully establishing a community enterprise. At the end of the four-year period, 96% of the enterprises are typically still flourishing (a 4% failure rate compared with the Department for Business Innovation and Skills failure rate of 90% after 1 year), 900 disabled and older people can still benefit from the work of the community entrepreneurs and 130 jobs and 80 volunteering opportunities have typically been created (see the *Nottinghamshire case study* on page 31).

¹⁰ The statistics given here are averaged outcomes from current outsourcing work where Community Catalysts employ the support co-ordinator.

They are offered by a wide range of people and organisations in the community, including disabled and older people and family carers. They use business models on a continuum from fully commercial at one end to fully voluntary at the other. But community entrepreneurs often need help and guidance to get established, thrive, become sustainable and deliver good quality support. Commissioners seeking to support a diverse local market should consider investing in proactive support for community enterprise.

What does good look like?

ASK:

- Do we have good information about local community micro-enterprises and what support do they have to realise their potential?
- Do we provide a point of contact and effective help for local people with a good idea who are keen to set up an enterprise to help other local people?
- Do people taking direct payments and self-funders have good comprehensive information about all the supports and services available to them, including those provided by community micro-enterprises?

“The NHS also need to see the new opportunities and know about community micro-enterprises.”

– Focus Group





TIP TEN: ESTABLISH SENIOR LEADERSHIP SUPPORT FOR PROMOTING CARE MARKET DIVERSITY THAT REFLECTS THE IMPORTANCE OF SOCIAL CARE WITHIN THE WIDER LOCAL ECONOMY

Why do this?

A diverse market for social care sits within a wider local economy which comprises other universal or mainstream services, some of which (housing and homelessness, public transport, leisure and library services) are also to a greater or lesser extent a council responsibility; some are commissioned or provided by partner public agencies or regional bodies and others are within the private sector. Many of these services are accessed by people with social care needs and their carers. Social care market diversity is therefore a matter for the whole of the council and sometimes, where there are two-tier arrangements, of other local councils or regional structures. The effective promotion of market diversity should therefore be a concern of senior managers and elected leaders across public services.

How?

Commissioners should consider the full range of council activities in the wider local economy when assessing the diversity of the local care market. Conversely, they should consider how a vibrant local economy might specifically support a vibrant social care market. Commissioners should brief elected members and senior managers across departments and in partner organisations and promote the use of mainstream and universal services for people with care and support needs and carers to ensure these are genuinely accessible and appropriate to meet local need.

Commissioners should review all aspects of commissioning activity to ensure they are supportive of the development and maintenance of a diverse and vibrant local economy and market place. This may include reviewing and updating policies, procedures, standing orders and processes if they are found to be contrary to activity which promotes diversity and choice.

What does good look like?

ASK:

- Is the social care market and the promotion of choice and control a consideration for all council departments? If not, what are we doing to address this issue?
- Do elected members and senior managers from across the council actively promote market diversity in general, and in social care specifically?
- Is the local authority leading by example, demonstrating how other public services such as transport and leisure can play a role in achieving better wellbeing outcomes?

“Work across the council on place shaping to build community strengths and assets.”

– Focus Group



CASE STUDIES: DERBY COUNCIL – DAY SERVICES TRANSFORMATION

Derby has sought to improve the range of day opportunities for people with learning disabilities by handing power to providers and people who use services to redesign and deliver services themselves. Initially the commissioning team considered leading a process of closures, restructures or improvement, but ultimately opted for a more open and co-productive approach: setting out the parameters and then enabling people who use services and service providers to decide the best way forward.

This proved to be a successful formula. When one conventional day service closed for example, 85 people took direct payments and created support plans that are continuing to meet their personal outcomes outside of buildings-based services. Additionally, small groups of staff from the centre who were passionate about their work went on to set up their own community micro-enterprises and social interest companies, which has helped diversify the market place. The commissioners' role has changed significantly as a result: from directly contracting services to ensuring a range of high quality options are available to signpost people towards.

Eighteen months on, a co-produced review was conducted and submitted to the council's scrutiny committee. The review involved people who had previously been helped to attend college acting as peer reviewers directly reporting to the panel along with providers and current service users. Providers reported that they are now better connected, can see where their particular strengths lie and are able to diversify their offer to meet changes in need.

Approximately £400,000 has been saved from the learning disabilities budget, with a majority of people who use the service reporting improved personal outcomes. A small group of people with the most complex needs remain in 'traditional' building based services, but the plan is to use the same approach now to explore alternatives for this group. Derby consider it likely that this will lead to innovative approaches to reconfiguring services and resources for this group as well.

The Director of Prevention, Personalisation and Professional Standards, Brian Frisby said: *"We now have a virtuous circle of providers keenly looking for opportunities to develop new ideas, having recognised that delivering great outcomes for people makes good business sense."*

FOR FURTHER INFORMATION: Sarah Stuart, Market Development Manager, Derby City Council: sarah.stuart@derby.gov.uk; tel. 01332 641883

CASE STUDIES: LOCAL AREA COORDINATION AND USER LED ORGANISATIONS IN THURROCK

In Thurrock, a diverse social care market has developed in part through the council's proactive use of Local Area Coordination (LAC) and through engagement with community based groups, including local User Led Organisations (ULOs). Members of these groups have been deeply committed to working together to co-produce solutions to local problems, underpinned by trusting relationships with local commissioners.

"This has led to real change as people are now beginning to help their neighbours and communities, utilising pubs, allotments and local groups; not through formal volunteering, but simply through their passions and the increased connection within communities."

Tania Sitch, Thurrock's Strategic Lead for Prevention and Independence notes that some initial investment was needed as new daytime options were pump primed, but that *"further down the line savings are being made alongside improved outcomes for people who use services,"* with plans to release funds from in-house provision to enable people to make other choices. Tania believes that by working with people with care and support needs and providers to 'co-create' future options, providers have seen that at worst, *"day care doesn't stop social isolation, it just fills time,"* while at best, it can enhance and improve people's lives.

Thurrock's work has been underpinned by the principles of Asset Based Community Development (ABCD), articulated as meaning that, *"services need to organise themselves around the ways in which individuals and communities organise their lives if they want real commitment and inclusion in finding the right solutions."* The next step for Thurrock is to connect day care and carers' services to provide a seamless seven day a week service that meets everyone's needs.

Thurrock's work has been informed by 'Challenge Events' led by a local ULO. A notable success from these events has been the design of a new pathway that has more than halved the waiting times for aids and equipment locally. The current challenge is determining how the model that has worked so well in day services might be applied to domiciliary care, bringing all stakeholders together to co-produce future plans and begin to diversify the market. The local Personal Assistant (PA) market is another priority area for Thurrock. In early 2015 the council held two events: one for existing providers to help them diversify their offers, and one for potential providers – including charitable PA agencies and organisations not currently operating in the area – to encourage investment and thinking beyond local authority boundaries. The response from providers has been encouraging. Thurrock maintains that it is that only through establishing strong partnerships that solutions can be found meet the issues facing Adult Social Care and Health.

FOR FURTHER INFORMATION: Tania Sitch TSitch@thurrock.gov.uk

RELATED LINKS: Click for *Market Position Statement*. Click for *Peer Review*. LAC 14 month review available by request as PDF.

CASE STUDIES: WILTSHIRE'S HELP TO LIVE AT HOME SERVICE

Wiltshire's Help to Live at Home service delivers domiciliary care and support to the majority of council funded customers, making up around 34% of the market (with self-funders accounting for the balance.) The council has appointed four providers with long term contracts to deliver intermediate, reablement, preventive and long term care for all client groups.

The commissioners were keen to move away from time and task based contracts to create a model that would support providers to build and sustain a professional workforce, invest in excellent person-centred services and focus their care and support on delivering individual outcomes. The providers, paid by outcomes, have an incentive to use people's social capital and engage the voluntary and community sector to complement their care services since they are guaranteed the full value of the person's plan for an initial period even where their formal input is decreased.

Personal budget holders can purchase their care and support from other providers using direct payments at the same rate as the council. But where people opt for a managed personal budget, the default provider is Help to Live at Home unless they require specialist provision; under such circumstances the local authority spot purchases from a number of other providers. Wiltshire has a very active Care Partnership which they partly fund and use as a form of two way communication between commissioners and the provider sector. There is also a well-established Centre for Independent Living funded by the council, which provides support planning and brokerage for personal budget holders.

Whilst the consolidation of contracts around only four providers has reduced the choice available to managed personal budgets holders, in practice the decision has resulted in a stable, well used and well regarded Help to Live at Home service with high satisfaction levels and a good record of delivering individual outcomes. The Head of Commissioning for older people's services stated: *"We consulted people who used services and they said that having control over who came in, what they did and how was vitally important, but having a wide choice of agencies to choose from was less so."*

FOR FURTHER INFORMATION: Nicola Gregson, Head of Commissioning, Older People: Nicola.Gregson@wiltshire.gov.uk

RELATED LINKS: [Click to read the independent report into the service.](#)

CASE STUDIES: A REGIONAL APPROACH TO E-MARKET PLACE DEVELOPMENT IN YORKSHIRE AND HUMBER

Local authorities across Yorkshire and Humber have collaborated regionally to develop the Connect to Support platform for adult social care providing information and advice, assessments and screening, personal budget management, brokerage, care accounts and a transactional e-Marketplace.

Connect to Support utilises the PCG Care Solutions platform and has been live in local authority areas across the region since 2012. There are currently some 580 provider stores across the Yorkshire & Humber region, containing over 4,500 individually priced products and services that are available to buy online, together with over 10,000 entries for local groups and activities. Whilst a common platform is utilised across the region, there is local configuration for each local authority enabling a balance between collaboration and meeting specific local needs.

A key aim of the platform is to ensure that individuals with care and support needs – whether eligible for social care funding, or self-funders – have access to an ‘open market’ and are able to choose and purchase directly the care, or equipment that best suits their needs and identified outcomes. The provision of an open and diverse marketplace is a challenge. Traditional block contracts have previously led to a market focused on large-scale, conventional services. Whilst many smaller, community-based and micro enterprises exist, there have been limited ‘routes to market’ for these services and little attempt to facilitate communication directly with individuals with care and support needs. Furthermore, many individuals looking for care and support, don’t actually know what it ‘is’ they are looking for, and often resorted to more traditional services as they are unaware of other options.

The Connect to Support platform provides a transparent, and completely open marketplace. None of the local authorities in the region dictate which providers are able to promote their services on the platform and instead opt to have realistic terms and conditions that are appropriate for micro through to large-scale organisations. It is free for organisations to join the platform.

A unique micro commissioning module enables any party – whether this is the individual with care and support needs themselves, a family carer, the local authority, or third party organisation – to quickly and easily outline an individual’s care and support needs and agreed outcomes online. They are then able to submit this to multiple providers simultaneously who respond with a proposal and indicative costs within a given timescale. All interested parties can then review the provider submissions and quotations and go on to purchase online.

The platform enables commissioners to move from a focus on block contracts to a role of market facilitators rather than purchasers, including the development of micro-provider solutions and the creation of new enterprises and opportunities in local communities.

Analytics from the platform provide local authorities with a detailed picture of the market, both in terms of what services are available and potential gaps in provision, and in relation to what services people actually want and are buying. Local authorities are using this intelligence to carry out their market shaping role.

For providers, a unique and personal managed service from PCG Care Solutions supports them to market their organisation and services via the platform. This includes free support to produce content to describe their services and help to communicate their 'USP' directly. Providers are also able to utilise the back office functionality provided by the platform for administration, budget management and invoicing.

Via the platform, people are able to easily search for services and equipment and make use of innovative, interactive tools such as 'The Equipment House' or the 'Village,' aiding people to think about what equipment or support they may need. Through regular meetings held by the local authorities involved, people are also able to contribute to the ongoing development of the platform and market.

In addition to enabling a diverse marketplace, the platform also helps provide a safe marketplace through user ratings, links to CQC and Care Opinion ratings and by ensuring that all providers adhere to agreed terms and conditions.

Plans are already in place to further enhance the Connect to Support platform. This includes providing greater support to providers through marketing training and webinars, and the provision of template marketing material as well as working more closely with local authorities to carry out community and provider mapping activity with a particular focus on identifying alternative provision in communities, including natural and free support. Work is also underway to develop more interactive support planning tools, support for people to think more creatively about support options, including coming together with others to pool budgets.

FOR FURTHER INFORMATION: www.connecttosupport.org or contact info@publicconsultinggroup.co.uk

CASE STUDIES: NOTTINGHAMSHIRE'S DEVELOPMENT OF MICRO MARKETS

Nottinghamshire County Council (NCC) worked in partnership with Community Catalysts for over three years to develop a programme of community micro-enterprise support. NCC had recognised that small community social care and health enterprises faced a number of barriers, and needed specialist help and support in order to survive and thrive.

These barriers included:

- Complex legislative and regulatory requirements which are difficult to understand and satisfy.
- Local authority commissioning and procurement practices developed for more traditional provision and which often inadvertently place impassable barriers in the way of smaller less traditional services.
- A strong culture of risk-aversion which means that people with personal budgets are steered away from small services that 'look different'.
- Reductions in grant funding forcing community providers to look for new types of funding for their services, including directly charging people with personal budgets or direct payments who want to buy their service directly. Many small providers are unsure about how to do this in practice and are looking for practical tools, help and advice.
- Advice services which are unaware of the changes happening in social care and therefore are not thinking about ways in which they could adapt in response to the changes.

A co-ordinator employed by Community Catalysts was embedded within NCC. She:

- Established a local Steering Group with representatives from the community, business and the public sector to ensure system and culture change
- Found and helped already established community groups, organisations and local people to develop innovative services that people wanted and were of a high quality
- Managed a small-grants programme for new and developing community micro-enterprises
- Gave community micro-entrepreneurs the collective voice that they needed and enabled peer-to-peer support

NCC put in place longer-term 'legacy' support via Small Good Stuff: www.smallgoodstuff.co.uk

Over the period of the project, the co-ordinator responded to more than 275 enquiries and helped establish 64 enterprises providing a range of support and services to over 900 people.

The Adventure Service works with adults and young people with learning disabilities, autism and low self-esteem at its base in Mansfield Woodhouse and also in schools across Nottinghamshire. Terry Harris- Ellis who runs the community micro- enterprise has a passion and enthusiasm for outdoor life. He wanted to combine this passion with his experience of working in social care to enable young people with disabilities to develop independence and social skills. *"The support that we received from Community micro-enterprise co-ordinator enabled us to move from the idea of The Adventure Service to it actually becoming a reality. The co-ordinator supported us to better understand how direct payments and personal budgets work. She sign posted us to business courses, funding opportunities and appropriate insurance and was always available to provide information, guidance and reassurance. She has been able to source information and ask questions of people that I would not be able to talk to or in some cases didn't know existed. She has also introduced us to other providers in a similar position to ourselves to enable us to learn from each other's experiences, this has developed into a network of community micro providers."*

"...We have seen the development of 64 small micro-providers that has led to people having more choice and control in determining how their needs can be met. The feedback from citizens has been extremely positive and has maximised the benefits people have had from their personal budgets. The support provided is more personalised and is more responsive than traditional forms of assistance..."

Paul McKay, Service Director, Access and Public Protection. March 2014

RELATED LINKS: Detailed report on the Community Micro-enterprise Project in Nottinghamshire

www.communitycatalysts.co.uk/wp-content/uploads/2014/08/Nottinghamshire-Micro-enterprise-Project-Final-Report-July-2014.pdf

CASE STUDIES: WARWICKSHIRE'S COMMISSIONING OF ADVOCACY

Warwickshire set out the intention to re-tender advocacy services in its older people's services Market Position Statement. This was partly in response to new requirements in this area following the introduction of the Care Act and also because commissioners identified there was a fragmented range of service contracts for specialist provision, such as Mental Health and Mental Capacity Advocacy.

The Council subsequently worked with sub-regional partner local authorities to procure a series of Framework Agreements and block contracts to meet a range of outcomes. Under these contracts there is a requirement for referring agencies to identify specific outcomes prior to packages being sourced; this has re-focused the role of advocacy in Warwickshire, ensuring that those accessing the service are clear on the purpose and role of the service, whilst continuing to deliver within budget. The procurement has resulted in a substantial number of new providers being appointed, which has increased the range, diversity and flexibility of advocacy services on offer.

Since the procurement of the Framework Agreements, Lot One – 'Social Care and Support Generic Advocacy' – has now been renamed 'Care Act Advocacy,' with new updated referral pathways to cover Section 67 and Section 68 of The Care Act, following the introduction of new duties. The changes have been introduced and implemented with the co-operation of Providers. The big success is that due to the fact that the model of delivery was reshaped – the impact of The Care Act is more easily absorbed by both the council and providers. This is due to the fact that the new model is focused on clarity around outcomes and defined 'call-off's' from the Framework Agreements. Social workers and people with advocacy needs themselves define the outcome required in the referral, e.g.

- Support service user in assessment
- Support service user in support planning
- Support service user in understanding council process etc.
- Support people to have their view & choices considered within the care & support environment

The new service has resulted in an initial overall reduction in advocacy service referrals in the first year as previous inappropriate use has been removed. The predominant reason for this is that the sharper focus now required for each referral ensures that "general advocacy," under which service outcomes cannot be defined, has substantially reduced. The effect is improved overall value for money as advocacy is only commissioned where necessary; where it is commissioned there are now a clear set of Outcomes against which it can be measured.

FOR FURTHER INFORMATION: Edward Roberts, Market Manager, Strategic Commissioning. People Group, Warwickshire County Council, edwardroberts@warwickshire.gov.uk



Think Local Act Personal

Think Local Act Personal (TLAP) is a national strategic partnership of more than 50 organisations committed to supporting the continued implementation of personalisation and community-based health, care and support.

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