

2 What are Market Position Statements and why are they Important to Providers?

For Providers

This section provides an overview of what market position statements are and how they will be important for your business. Section 5.3 contains four key questions for providers about your local authority's market position statement(s).

For Local Authorities

This section will be a reminder of what market position statements are and why they should be useful to your providers. Section 5.4 makes some suggestions about how your next market position statement could be improved for an SME audience.

“Like my business plan, [the market position statement] provides statements of future direction and intentions - but also, how [commissioners] intend to fund and manage the future of social care in the area.”

Provider in North Staffordshire

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

A market position statement should provide you with a range of information relevant to your business and how it might develop. This information should be provided in a straightforward and easy to use format. It should tell you what is happening now, what is planned for the future and what commissioners' plans are. This information will enable you to work with local authority commissioners and to plan your business development.

2.1 What information should be in a market position statement?

Standard 5.1 “Commissioners develop relationships with all local care providers to enable the design and delivery of services that meet the care and support needs and outcomes that local people want.”

University of Birmingham/ADASS (2014). [Commissioning for Better Outcomes – A Route Map](#)¹⁰

The Developing Care Markets for Quality and Choice (DCMQC)¹¹ programme produced a briefing paper for local authorities ‘[Developing a Market Position Statement](#)’¹² that recommended what should be in an MPS and how to develop one. It recommended the following broad content:

Category	Content of the market position statement
Predictions of future demand	<ul style="list-style-type: none"> ■ Analysis of the current population, unmet demand and anticipated projections of future demand for services ■ Specific population groups (e.g. older people, people with learning disabilities) and geographical spread of these populations ■ Information from local providers about recent and potential future changes in demand (e.g. older people seeking care who are more frail than previously) ■ The number of people being supported by the local authority and current spend by the local authority (or with partner commissioning agencies)

¹⁰ <http://www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/>

¹¹ The Department of Health commissioned IPC to deliver a programme across England to support every local authority to create or develop a market position statement to support their market shaping activities <http://ipc.brookes.ac.uk/dcmqc.html>.

¹² http://ipc.brookes.ac.uk/services/documents/Developing_an_MPS.pdf

2.1 What information should be in a market position statement?

Category	Content of the market position statement
The current state of supply	<ul style="list-style-type: none"> ■ What services are available locally, where are they and who provides them ■ Is the market growing, contracting or stable? ■ What is purchased by self-funders? ■ What is the rate of turnover among the care and support workforce locally? ■ What is the quality of the local market, e.g. how good is local performance as shown through complaints, monitoring, CQC inspections, etc. ■ Consumer research based on surveys, mystery shopper exercises, etc.
What the local authority is doing	<ul style="list-style-type: none"> ■ Information that is available about services and to people who might be future service users, and where they might find it ■ What services or models of care commissioners would like to see in their local area in the future ■ Likely future resources for care and support and areas of supply the local authority sees as a high priority ■ The support the local authority will offer providers, e.g. future contract opportunities, land availability, help with planning consent, training and development etc. ■ Information about how providers can be involved in the review and development of future market position statements

2.2 Why are market position statements important to providers?

You may be able to use the information in a market position statement in the following ways:

Category	Why is this important to providers?
Predictions of future demand	<p><i>“It can help [us] advertise in areas where the demand may be higher”</i></p> <ul style="list-style-type: none"> ■ Up to date information about the local population who need care and support – who are they and where they live – will help with your business planning ■ Knowledge of likely future demand – how many more people are likely to need care and support – will allow you to plan for the future, including capital spending decisions ■ Self-funders and direct payment holders comprise a growing element of the care market and their involvement in the providers’ business will be important. Knowing the number of people paying for their own care will be an important aspect of business planning
The current state of supply	<p><i>“It gives you an idea about the current market and predicted trends”</i></p> <ul style="list-style-type: none"> ■ Current providers and those considering moving into an area or service niche will need an up to date picture of the market ■ Consumer research will provide information about customer satisfaction and gaps in service provision ■ Recruitment and retention of high quality staff will be essential to a successful business so knowledge of the local workforce will be important

2.2 Why are market position statements important to providers?

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What the local authority is doing	<p><i>“It can help in the planning of future services or the adapting of present services to respond to need”</i></p> <ul style="list-style-type: none"> ■ Allowing people to plan their care has become more important in recent years. Knowledge of the information available to service users will be of use to providers in positioning their business within the market ■ The market position statement should highlight market opportunities so you know, for instance, what commissioners will procure and when. It should also highlight whether the local authority is particularly interested in working with providers on any new commissioning or delivery models, for example, Individual Service Funds ■ Information about how the market position statement will be used or how you can contribute to future market position statements will help you engage with commissioners’ market shaping activities in the future

2.3 Key questions for providers

Key questions to ask yourself about a market position statement include:

Checklist for providers	If you can't yet tick the box...
Does your local authority have a market position statement that covers your part of the market?	If you're not sure if your local authority has a market position statement, it should be available on the local authority website. In addition to this, a list of the market position statements published online can be found here ¹³ . If they do not yet have one ask when they expect to.
Have you got a copy of the market position statement or know where to download one?	Local authorities and health providers also prepare a Joint Strategic Needs Assessment (JSNA) and a Health and Wellbeing strategy. The market position statement will complement these two documents but should be more concise. For more information about social care demand and provision locally it may be useful for you to look at these other documents as well.
Have you contributed to the development of the market position statement or given feedback on its content?	Statutory guidance states that local authorities should engage with providers when producing their market position statement and while many do, this is not universally the case. For the next edition of the market position statement ensure your perspective is heard and establish what would be useful for you to see. Contact your local authority and ask what the process is for being involved in the development of the next edition and whether a provider forum or other body can put in a request on behalf of the sector?
Has there been a discussion amongst your management team about its implications and the business opportunities of the market position statement?	Put it on the agenda. Regardless of whether you contract with them or not, the actions of the local authority, and the local operating context, will have an impact on your business. Looking at the implications and business opportunities in the market position statement is particularly important when doing business planning.

13 http://ipc.brookes.ac.uk/services/DCMQC_Published_MPSs.html

2.4 Key messages for local authorities: further improving the market position statement for SME providers

Market position statements have now been published by most local authorities across England. They should be published, reviewed and updated regularly. The next edition of your market position statement will probably benefit from feedback from SME care providers on areas where they would like further information. The table below contains feedback from SME providers to our survey about additional information they would find useful to have in a market position statement. Consider these areas when drafting your next market position statement and, of course, ask your own SME providers what they would like to see.

Feedback	Top tips for local authorities	Your notes
Include contact information for providers	<ul style="list-style-type: none"> ■ Include a generic email address that will remain constant even if personnel change e.g. caremarket@xxx.gov.uk ■ Include a local CQC link contact ■ Include information for providers around business advice and support 	
Include service specific information for SME providers	<ul style="list-style-type: none"> ■ Include support available for providers to develop and innovate services ■ Set out clearly what your existing providers should be doing in the next 1-2 years 	
Include information about self-funders	<ul style="list-style-type: none"> ■ Bring in self-funder service user and carer perspectives ■ Highlight specific opportunities for providers with self-funders ■ Include information for financial advice providers who will have a major role in shaping the market through advising people on financial decisions 	

2.4 Key messages for local authorities: further improving the market position statement for SME providers

Feedback	Top tips for local authorities	Your notes
Regularly update potential business opportunities	<ul style="list-style-type: none"> ■ Consider real time information options (e.g. Twitter and LinkedIn) ■ Share the knowledge of advocacy and brokerage organisations around needed and desired services ■ Collate and share a 'Needed and Desired Services' list for micro-providers (see case study below) 	
Advice for SME providers wanting to reach Direct Payment holders	<ul style="list-style-type: none"> ■ Include intelligence about areas where there are sufficient or a shortfall of providers ■ Include information about Direct Payment support organisations (DPSOs) 	
Advice for SME providers about setting up an Individual Service Fund (ISFs) with the local authority	<ul style="list-style-type: none"> ■ Explain what ISFs are, how they work and what the expectations of a provider are (see TLAP's work on ISFs¹⁴) 	
Advice for SME providers about choice of accommodation	<ul style="list-style-type: none"> ■ Ensure providers know that the right to choice of accommodation exists ■ Provide specific advice on how they can support service users in executing this right 	
Send the market position statement out to SME providers and forums for distribution	<ul style="list-style-type: none"> ■ For CQC registered services, send the market position statement to the owner in addition to the registered manager 	

**Case Study: Needed and Desired Services List
East Sussex County Council**

The Needed and Desired Services list brings together information gathered from ongoing discussions with adult social care commissioners and other key stakeholders and via a service user survey. It identifies gaps in services that micro-providers might be able to fill in particular localities. The outcomes of this research are shared with all micro-providers to inform any potential service development, though with careful caveats about ensuring that providers explore the potential fully before investing in a response. In order to spread knowledge about micro-providers among care managers and other operational staff, the market development team ran a “Dragon’s Den” style marketplace event. All micro-providers had a minute to put their particular offer across and this alerted staff to the alternative options available in the market, sharing information and developing awareness in a time-efficient way.