

# Market Shaping Toolkit

supporting local authority and SME care provider  
innovation and collaboration

working for well  
run evidence-based  
public care

OXFORD  
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## Foreword

The Care Act (2014) represents the most significant reform to the care and support system for a generation. The new duties for local authorities to facilitate and shape a diverse, sustainable and quality market has implications for everyone involved: people with care and support needs, carers, providers and commissioners. The Act

- emphasises that the local authority has a responsibility for **promoting the wellbeing of the whole local population**, not just those whose care that they currently fund.
- makes it clear that the local authority needs to move from being an influence on the care market solely through its own purchasing to one where, with providers, **it seeks to shape, facilitate and support the care market**.
- gives the local authority powers and duties in the case of provider failure to **ensure that continuity of care is maintained** for people that use care and support services.

Despite there being a number of large providers, the care market is still dominated by those who own one or two care homes or who provide care in the community within a fairly small geographical area. Whether run by voluntary organisations, individuals or small companies it is this that forms the bedrock of the care system across the country. Therefore, it is vital that local authorities have good engagement with these providers and vice versa if they are able to ensure that a sufficient supply of good quality care is available to those who need it, as the Care Act requires.

This toolkit has been designed to highlight good practice around the country in the way that local authorities and smaller care and support providers collaborate and provide innovative services. It does this through providing a series of checklists and materials that can encourage good quality market shaping activities.

For local authorities we hope this will give some new ideas and suggestions about who they engage with, why and how, in their local care markets. For providers, it should offer the stimulus and encouragement to say to the local authorities in their area 'why are we not doing this?'



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## About the Care and Support Reform Programme

The Local Government Association (LGA), Association of Directors of Adult Social Services (ADASS), Care Providers Alliance (CPA), and the Department of Health (DH) are working together through the [Care and Support Reform Programme](#) to ensure that councils, providers and other partners are successful in their implementation of the Care Act's provisions.

As part of this work, a joint programme office has been established to help bring the necessary changes to policy and practice into reality. This Market Shaping Toolkit has been developed to support local authorities and smaller care providers to work together in local social care and health systems to understand the Act's market shaping provisions and how to put them into effect. Co-production has been informed by input from practitioners and stakeholders from across the social care sector, as part of a wider package of support as illustrated in the diagram below:



## Introduction

The Care Act (2014) places new duties on local authorities to facilitate and shape their market for care and support: they must ensure that their markets are sustainable and diverse and offer continuously improving and innovative services. Key to fulfilling that duty effectively will be engagement with care and support providers, including both providers who are not regulated and providers who do not contract directly with the local authority, on the development of a market position statement.

The care market is made up of providers of all sizes but the majority of adult social care organisations are small and medium sized enterprises (SMEs)<sup>1</sup> including growing numbers of micro-providers with fewer than five employees. Effective engagement between local authorities and these smaller providers is essential, but SME providers and micro-providers often face significant barriers both to engaging in discussions with local authorities and to making a convincing business case to develop innovative practice.

The Department of Health, the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) commissioned the Institute of Public Care (IPC) at Oxford Brookes University, working in collaboration with the Care Provider Alliance, local authority commissioners, the United Kingdom Homecare Association (UKHCA), Care England and others, to develop this toolkit. A full list of organisations that helped in the production of this toolkit is given in the Appendix.

It is intended to help smaller businesses to engage with local authorities and to better understand and interpret local market position statements, helping smaller providers of care and support, including many local third sector, social enterprises, user-led and other community-based organisations to thrive and contribute to improving wellbeing.

The toolkit has been informed and shaped by responses to questionnaires sent to local authorities and a wide range of SME providers in England. It has also been informed by a series of interviews with providers and commissioners to obtain case studies, as well as visits to a number of provider forums and a regional commissioner event.

Following this introduction, which includes a brief discussion of market shaping, the toolkit has five distinct sections, each with a 'tool'. There is also an annotated bibliography to give quick and easy links to further relevant information. Some of the sections will be more useful to providers and some to local authorities. At the beginning of each section an overview of what is of interest to providers and local authorities is given. For ease of reading, areas of the toolkit applicable to providers are shown in blue, and for local authorities shown in green.

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<sup>1</sup> SMEs are defined by EU Recommendation 2003/361 as organisations with fewer than 250 employees, and a turnover of less than 50m Euro or balance sheet total of less than 43m Euro.

## What is Market Shaping?

The Care Act places a duty on local authorities to “*facilitate and shape their market for adult care and support as a whole... to influence and drive the pace of change for their whole market*”. The local authority should proactively work to enable a “*sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost-effective outcomes that promote the wellbeing of people who need care and support*”<sup>2</sup>.

Market shaping means the local authority collaborating closely with other relevant partners. At the heart of this market shaping task is engagement with the market and the stimulation of innovative services that meet local need. This extends beyond those providers funded by the local authority to all those operating within the local market. Working with all care providers, regardless of how their clients’ care is paid for, helps local authorities to understand what their local care market looks like and the pressures on it.

Market shaping is a key part of local authorities’ strategic commissioning activities – commissioning being all the activities that local authorities need to do to understand the market and ensure that the needs of the local population for care and support services are met. In this toolkit we have used the word procurement to refer to the process of buying care and support, including contracting with providers, rather than the wider activities of strategic commissioning.

For smaller providers, the local authority has a manifest impact on the shape of the care market and by extension on providers’ businesses, even for those that do not contract with the local authority. It is important for providers to engage with local authorities to understand their current thinking about their care market in order to appreciate the potential impact on their business. However, for the provider, ‘engagement’ should be more than the receipt of information from the local authority. Providers need to ensure that the local authority understands what the provider needs from it in order to be able to innovate to provide a high quality and locally appropriate service.

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<sup>2</sup> Department of Health (2014) Care and Support Statutory Guidance, p41

**Six to Fix: actions for local authorities and providers to develop a co-productive relationship**

Six to Fix for providers	Six to Fix for local authorities
<ol style="list-style-type: none"> <li>1. Adopt a common understanding about cost structures and the relationship between fair pricing, investment decisions and building market capacity</li> <li>2. A fair and proportionate balance of risks between local authorities and providers</li> <li>3. Effective and fair terms of delivery that contribute towards developing an effective partnership</li> </ol>	
<ol style="list-style-type: none"> <li>4. Be willing to develop an awareness of commissioners' policy objectives and priorities</li> <li>5. Ensure effective systems are established to account for finances</li> <li>6. Be willing to set the agenda and be proactive</li> </ol>	<ol style="list-style-type: none"> <li>4. Develop knowledge and understanding of providers' services and cost pressures</li> <li>5. Promote a sound commercial relationship with providers, taking account of the need for providers to operate efficiently</li> <li>6. Respect the independence of providers</li> </ol>



## Market Shaping Toolkit

supporting local authority and SME care provider innovation and collaboration

**Tool One:** Guide to care provider business

**Tool Two:** What is a market position statement and why is it important to providers?

**Tool Three:** Fostering innovation in care and support

**Tool Four:** Good practice for SME engagement

**Tool Five:** Checklist for SME procurement



## 1 Guide to Care Provider Business

### For Providers

You may find this section helpful to use as the basis of a discussion with local authorities, either individually or within a provider forum.

### For Local Authorities

You will find it helpful to see if you can answer the prompt questions in the tables in sections 1.1, 1.2 and 1.3 below. Use the case studies as inspiration for how you could improve practice. You may also wish to use these questions to structure conversations with providers.

Providers need to have confidence that local authorities understand their business. There is a genuine fear amongst some providers that some local authorities are focusing on lowering prices at the expense of providing safe, sustainable services. All too often, local authority and provider conversations do not transcend the nuts and bolts of pricing, safeguarding, inspection results, terms and conditions and 'sunk costs'<sup>3</sup> such as investment in refurbishment. An improved understanding by local authorities of the operating environment of care and support providers may go some way to achieving this, freeing up provider energy to engage in more productive conversations.

There are three key areas local authorities need to check they understand:

- How much do care services cost?
- How do we encourage market sustainability?
- How do we ensure a trained, quality workforce?

Each area is explored below, together with some prompt questions and case studies. Local authorities should not necessarily be seeking to 'monitor', but should understand the necessary costs and importance of these areas in facilitating and paying for sustainable, quality care. How can local authorities gain the confidence to answer these questions without creating a bureaucracy? These questions could be part of quality assurance measures, contract monitoring, provider self-assessment, looking at a rolling sample each year, or even the facilitation of peer challenge.

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<sup>3</sup> A sunk cost is a cost that has already been incurred and cannot be recovered Collins English Dictionary.

## 1.1 How much do care services cost?

*“In bidding processes, companies are making offers to supply adult social care at a rate that should be mathematically impossible if they are paying the minimum wage, making National Insurance contributions, putting in to a pension scheme and providing training. No local authority should make that deal: even just on the pragmatic basis that it will be their own residents who are on the receiving end of that low wage, their own housing benefit department making up the carer’s rent shortfall, their own health and children’s services that come under strain when poverty is rife. And these care workers are storing up poverty for their own retirement.”*

Social Enterprise UK (2012) *The Shadow State*

Standard 5.3 *“Providers share information about costs, profit margins and the terms and conditions of staff and local authorities share information about cost assumptions and the rationale for contract decisions”*. University of Birmingham/ADASS (2014) [Commissioning for Better Outcomes – A Route Map](#)<sup>4</sup>

The importance of service provision that is affordable to the provider as well as the service user and local authority cannot be overestimated<sup>5</sup>. Local authorities need to agree with providers how to judge a fair price for care. Tools, including the United Kingdom Home Care Association (UKHCA) Minimum Price for Home Care tool and the Paying for Care Calculator (see the [Annotated Bibliography](#)), provide a basis for understanding business costs and assessing viability.

Local authorities must ensure that the contract terms and price they negotiate allows the delivery of an effective, feasible and appropriate service: supported by appropriate evidence. Where councils undertake costing exercises and choose to deviate from the assumptions described in the tools available, particularly where this decreases the prices paid, they should have a clear rationale, supported by engagement with their local providers and robust evidence from their local employment market.

<sup>4</sup> <http://www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/>

<sup>5</sup> Department of Health (2014) Care and Support Statutory Guidance. Paragraph 4.31: *“When commissioning services, local authorities should assure themselves and have evidence that contract terms, conditions and fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the wellbeing of people who receive care and support, and allow for the service provider ability to meet statutory obligations to pay at least the national minimum wage and provide effective training and development of staff. It should also allow retention of staff commensurate with delivering services to the agreed quality, and encourage innovation and improvement. Local authorities should have regard to guidance on minimum fee levels necessary to provide this assurance, taking account of the local economic environment.”*

Wages make up the majority of providers' costs, but other core costs of the business will fluctuate beyond the control of the provider such as fuel costs, utilities and food. Over time, these have the potential to have significant impact on overheads too. Local authorities are invited to answer the questions in the table below and reflect on how well you understand your providers' costs.

Can local authorities answer these questions?	Yes	No	Don't know
Have we explored with SME providers how to judge a fair price for care?			
How do we know that all providers we contract with pay staff at least the minimum wage?			
Do we have a process in place to uplift fees if there are changes to the minimum or living wage?			
Do our fees and conditions encourage innovation and continuous improvement?			



**Myth:** Private providers are only interested in making a profit for personal gain. Any additional cash will go on that rather than improved services or conditions for staff.

**Reality:** The majority of providers, regardless of sector, will use profit to reinvest in the business. Private providers will need to use some of their profits to pay back their financial backers, charities will invest surplus to meet their charitable aims. Banks and other lenders take a risk when lending and need a minimum level of return if they are to take that risk. Any type of organisation (private or voluntary) may have to declare significant profit in order to stay cash neutral. A provider that does not invest in its business or fails to reward its staff adequately is unlikely to survive. Quality will fall through the lack of investment and staff will leave because of uncompetitive wage rates. Not generating a return on investment, or taking all the profit for personal gain, are both unsustainable business strategies.

## 1.2 How do we encourage market sustainability?

Standard 10.5 “Commissioners have clear plans in place to prevent and manage provider failure, as appropriate”.

University of Birmingham/ADASS (2014). [Commissioning for Better Outcomes – A Route Map](#)<sup>6</sup>

Under the Care Act local authorities have a temporary duty to meet the needs of service users when a provider is unable to continue to carry on the activity in question because of business failure. The local authority has to make sure people’s needs are met if there is a business failure in its area which results in services ceasing, recognising that many business failures present no threat to continuity of care, with the business sold on, and do not interrupt people’s care. The statutory guidance states that local authorities have a duty to understand the vulnerabilities in the market and ensure a ‘sufficiency of supply’.

Cordis Bright have developed guidance<sup>7</sup> and a toolkit to support local authorities to assess the overall sustainability of their care markets and identify where there is a need to monitor individual providers’ financial sustainability, including how to do this while minimising burdens on both providers and the local authority. Central to this approach is a good understanding of the totality of local provision, including small providers, both those that local authorities contract with directly and those that they don’t. By building up information about providers and forging good relationships with smaller providers in your area, local authorities will be in a better place to use the methodology set out by Cordis Bright.

LGiU are producing guidance to support local authorities to develop contingency plans to ensure they would be able to ensure there is continuity of care in the event that a provider’s business fails. A draft of this guidance is expected in summer 2015.

A business can fail for a range of reasons. For example, local authority actions, such as placement embargoes following a change in inspection result, might inadvertently bring about provider failure. Whilst closure will be appropriate in some circumstances, unplanned closure can create a shortfall in provision causing prices to rise and an increase in placements further afield. Local authorities should have a process for working with providers to enable improvement when there are problems, and be mindful of any unintended consequences of their actions.

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<sup>6</sup> <http://www.adass.org.uk/policy-documents-commissioning-for-better-outcome>

<sup>7</sup> The guidance is available here: <http://www.cordisbright.co.uk/care-act-guidance>

The way that the Care Quality Commission (CQC) regulates services in adult social care changed in October 2014, including awarding ratings on a four-point scale. CQC is developing a portal which will allow the two-way sharing of information between local authorities and CQC. Local authorities own information about providers as well as CQC data will be an important source of intelligence about the sustainability of the local market. Local authorities are invited to answer the questions in the table below and reflect on how well you can identify and foster sustainable providers.

Can local authorities answer these questions?	Yes	No	Don't know
Do we have a clear idea of the characteristics of a well-run care business?			
Do providers we contract with have robust business plans that are updated regularly and informed by our market position statement?			
Have we identified sub-markets (e.g. in particular areas, or provision for particular care needs) where the market could not withstand the failure of the largest provider(s)?			
Do we have an overview of what is collected from providers by the CQC, Clinical Commissioning Groups (CCGs), and the local authority? In the interests of efficiency, are we seeking to minimise duplication of effort by providers in completing this information for funders and inspectors?			

### Case Study

**Central Bedfordshire** providers were concerned that the council's performance monitoring approach might duplicate CQC assessments, adding to the providers' pressures. Working through their main provider forum, the Council was able to establish how their expectations could enable them to evidence how they meet CQC's required standards, rather than duplicating work. This included supporting providers in identifying areas for improvement. One example is work just concluding on the shared development of policies and procedures for medication management.

### 1.3 How do we ensure a trained, quality workforce?

*“A local authority must have regard to...the importance of fostering a workforce whose members are able to ensure the delivery of high quality services (because, for example, they have relevant skills and appropriate working conditions).”*

Care Act 2014, 5.2.f

Standard 12.2 *“Service contracts clearly specify the critical importance of a sufficient, skilled and motivated workforce and commissioners are confident and can evidence that fees and contracts allow providers to deliver staff terms and conditions that meet statutory obligations and reflect good practice including payment of at least the National Minimum Wage.”*

University of Birmingham/ADASS (2014). [Commissioning for Better Outcomes – A Route Map](#)<sup>8</sup>

As well as staff making up the majority of providers' costs, their training and retention is a key factor in ensuring a high-quality, personalised care and support market. The impact on a smaller provider if one or two staff need to go for training is proportionately far greater than for a larger provider. Therefore, flexibility of approach will be particularly important for smaller providers. In addition, staff paid at minimum wage are considered more likely to switch employers for marginal improvements in working conditions, or to leave for less stressful minimum wage jobs. Employing at minimum wage in the local care and support market can be a false economy when recruitment, retention, training and the added value of experience are taken into account. Local authorities are invited to answer the questions in the table below and reflect on how well you support a trained, quality local workforce.

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<sup>8</sup> <http://www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/>

### 1.3 How do we ensure a trained, quality workforce?

Can local authorities answer these questions?	Yes	No	Don't know
Do we have strategic oversight of the training provision available locally for care and support staff?			
Do we work with our providers to ensure there is suitable education and training provision across the care economy?			
Is there a budget for effective training and development of staff; both for the cost of training and the cost of staff time?			
Do local care and support wages encourage high staff retention, helping to ensure that services can be delivered to the agreed quality?			

#### Case Study

**Suffolk Brokerage**<sup>9</sup> are funded by Suffolk County Council, Skills for Care and other partners to ensure strategic oversight and delivery of Health and Social Care training across Suffolk. They:

- Seek and secure funding for all health and social care sector staff
- Ensure funding is offered equitably to all adult social care employers in the county to assist in the purchase of a variety of Health and Social Care training
- Offer a choice of quality assured and monitored training provision
- Provide information, advice and guidance, including enabling and supporting employers to meet relevant legislation

<sup>9</sup> <http://suffolkbrokerage.co.uk>

## 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](#)<sup>10</sup>

The Developing Care Markets for Quality and Choice (DCMQC)<sup>11</sup> programme produced a briefing paper for local authorities ‘[Developing a Market Position Statement](#)’<sup>12</sup> 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"> <li>■ Analysis of the current population, unmet demand and anticipated projections of future demand for services</li> <li>■ Specific population groups (e.g. older people, people with learning disabilities) and geographical spread of these populations</li> <li>■ Information from local providers about recent and potential future changes in demand (e.g. older people seeking care who are more frail than previously)</li> <li>■ The number of people being supported by the local authority and current spend by the local authority (or with partner commissioning agencies)</li> </ul>

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

<sup>11</sup> 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>.

<sup>12</sup> [http://ipc.brookes.ac.uk/services/documents/Developing\\_an\\_MPS.pdf](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"> <li>■ What services are available locally, where are they and who provides them</li> <li>■ Is the market growing, contracting or stable?</li> <li>■ What is purchased by self-funders?</li> <li>■ What is the rate of turnover among the care and support workforce locally?</li> <li>■ What is the quality of the local market, e.g. how good is local performance as shown through complaints, monitoring, CQC inspections, etc.</li> <li>■ Consumer research based on surveys, mystery shopper exercises, etc.</li> </ul>
What the local authority is doing	<ul style="list-style-type: none"> <li>■ Information that is available about services and to people who might be future service users, and where they might find it</li> <li>■ What services or models of care commissioners would like to see in their local area in the future</li> <li>■ Likely future resources for care and support and areas of supply the local authority sees as a high priority</li> <li>■ The support the local authority will offer providers, e.g. future contract opportunities, land availability, help with planning consent, training and development etc.</li> <li>■ Information about how providers can be involved in the review and development of future market position statements</li> </ul>

## 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"> <li>■ 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</li> <li>■ 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</li> <li>■ 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</li> </ul>
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"> <li>■ Current providers and those considering moving into an area or service niche will need an up to date picture of the market</li> <li>■ Consumer research will provide information about customer satisfaction and gaps in service provision</li> <li>■ Recruitment and retention of high quality staff will be essential to a successful business so knowledge of the local workforce will be important</li> </ul>

## 2.2 Why are market position statements important to providers?

Category	Why is this important to providers?
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"> <li>■ 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</li> <li>■ 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</li> <li>■ 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</li> </ul>

## 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 <a href="#">here</a> <sup>13</sup> . 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](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"> <li>■ Include a generic email address that will remain constant even if personnel change e.g. <a href="mailto:caremarket@xxx.gov.uk">caremarket@xxx.gov.uk</a></li> <li>■ Include a local CQC link contact</li> <li>■ Include information for providers around business advice and support</li> </ul>	
Include service specific information for SME providers	<ul style="list-style-type: none"> <li>■ Include support available for providers to develop and innovate services</li> <li>■ Set out clearly what your existing providers should be doing in the next 1-2 years</li> </ul>	
Include information about self-funders	<ul style="list-style-type: none"> <li>■ Include likely numbers of people reaching the cap when funding reforms are introduced</li> <li>■ Bring in self-funder service user and carer perspectives</li> <li>■ Highlight specific opportunities for providers with self-funders</li> <li>■ Include information for financial advice providers who will have a major role in shaping the market through advising people on financial decisions</li> </ul>	

## 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"> <li>■ Consider real time information options (e.g. Twitter and LinkedIn)</li> <li>■ Share the knowledge of advocacy and brokerage organisations around needed and desired services</li> <li>■ Collate and share a 'Needed and Desired Services' list for micro-providers (see case study below)</li> </ul>	
Advice for SME providers wanting to reach Direct Payment holders	<ul style="list-style-type: none"> <li>■ Include intelligence about areas where there are sufficient or a shortfall of providers</li> <li>■ Include information about Direct Payment support organisations (DPSOs)</li> </ul>	
Advice for SME providers about setting up an Individual Service Fund (ISFs) with the local authority	<ul style="list-style-type: none"> <li>■ Explain what ISFs are, how they work and what the expectations of a provider are (<a href="#">see TLAP's work on ISFs<sup>14</sup></a>)</li> </ul>	
Advice for SME providers about choice of accommodation	<ul style="list-style-type: none"> <li>■ Ensure providers know that the right to choice of accommodation exists</li> <li>■ Provide specific advice on how they can support service users in executing this right</li> </ul>	
Send the market position statement out to SME providers and forums for distribution	<ul style="list-style-type: none"> <li>■ For CQC registered services, send the market position statement to the owner in addition to the registered manager</li> </ul>	

14 <http://www.thinklocalactpersonal.org.uk/Browse/SDSandpersonalbudgets/>

**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.



### 3 Fostering Innovation in Care and Support

#### For Providers

This section suggests some conditions that foster innovation (some local authority-led, some provider-led), together with some examples of innovative practice. Use these as inspiration. Could something similar work in your area? Could you suggest these to your local authority through the engagement process?

#### For Local Authorities

This section suggests some conditions that foster innovation (some local authority-led, some provider-led), together with some examples of innovative practice. What do you do currently, or could you do to foster innovation? Use the case studies as inspiration. Could you discuss these with your SME providers?

Standard 10.2 “Commissioners actively encourage and promote investment and innovation in the market and ensure their tendering and procurement processes promote and accommodate the full range of care providers...”  
University of Birmingham/ADASS (2014) [Commissioning for Better Outcomes – A Route Map](#)<sup>15</sup>

The desire for providers to innovate is frequently expressed by both commissioners and providers, yet often neither party can point to innovative practice arising out their interactions. Some conditions that foster innovation are suggested below, together with examples of how these have worked.

Conditions that foster innovation	Case studies
<p><b>Build capacity</b></p> <ul style="list-style-type: none"> <li>■ Offer training for social enterprises, voluntary and community organisations, charities and small businesses to help them bid for contracts</li> <li>■ Identify a designated post to network with SMEs and micro-providers</li> <li>■ Link up with the local authority economic development team</li> </ul>	<p><b>Community Catalysts</b><sup>16</sup> works with local partners (currently over 30 local authorities, health organisations and voluntary and private sector organisations) to stimulate and support the development of high quality and sustainable local enterprises. The aim is to enable individuals and communities to use their abilities to provide a real choice of small scale, local, personalised and high quality social care and health services (in the broadest sense) for local people looking for support and services. One of the common elements is the appointment of a designated co-ordinator to act as a catalyst for change and to provide the appropriate support to existing and new community entrepreneurs (e.g. Dudley, Barking and Dagenham)</p> <p><b>East Sussex’s Guide for Micro-providers</b><sup>17</sup> offers a range of free training opportunities and bespoke training to be purchased, as well as a range of information on how to get support for their business, detailed listings of sources of funding, tools and resources, and key contacts.</p>

<sup>15</sup> <http://www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/>

<sup>16</sup> [www.communitycatalysts.co.uk](http://www.communitycatalysts.co.uk)

<sup>17</sup> <https://new.eastsussex.gov.uk/socialcare/providers/funding/microservices>

## Fostering Innovation in Care and Support

<p><b>Create space for Innovation</b></p> <ul style="list-style-type: none"> <li>■ Use early market engagement, and well-structured procurement processes to create space for innovative proposals</li> <li>■ Develop and run innovation workshops with providers, then harness and encourage supplier innovation</li> </ul>	<p><b>Empowering People Innovation Challenge Programme.</b> Leicestershire County Council is running an Empowering People Innovation Challenge Programme with the aim of assisting providers to develop new, more personalised ways of working together with people receiving services. The programme consists of the following elements:</p> <ul style="list-style-type: none"> <li>■ <a href="#">Bursary Funds</a><sup>18</sup></li> <li>■ <a href="#">Innovation Network</a><sup>19</sup> - successful projects supporting each other</li> <li>■ <a href="#">A 'toolkit' of resources to support providers</a><sup>20</sup></li> <li>■ Ongoing specialist advice and consultancy support for providers</li> <li>■ Sharing local innovations through national networks</li> </ul>
<p><b>Enable Risk Sharing (see also Tool 5)</b></p> <ul style="list-style-type: none"> <li>■ Request full cost recovery in bids, do not expect providers to subsidise the service.</li> <li>■ Talk to providers about what is reasonable. Increased risk for the provider means an increased risk of provider failure.</li> </ul>	<p><b>Social Impact Bonds</b><sup>21</sup>. It's All About Me (IAAM) uses a social impact bond to fund the recruitment of and support for parents adopting 'harder to place' children. The fund pays participating Voluntary Adoption Agencies (VAAs) to put up the up-front investment needed for the harder to place children to achieve a successful adoption. As it becomes clear that the process is working, the local authority repays the fund over several financial years and eventually pays the VAA about 50% more per child adopted than would come through the Inter-Agency Fee. The main savings to local authorities and the state are through saving the continued cost of children being in care should families not be found. Although IAAM costs more than the Inter Agency Fee, it is for children who would be unlikely to be found families through IAF. It uses a model the designers call "risk arbitrage" under which all parties – the funders and the provider VAAs – share the risks of not finding a family or the placement faltering in proportion to their ability to manage them. This enables the funders to invest as debt. Social returns are achieved at the rate of at least £2.6m for every £10,000 invested in the bond. Around 90% of these returns are cashable savings by the local authority, with wider benefits in the stable future lives of the children.</p>

18 [http://www.leics.gov.uk/index/social\\_services/asc\\_support/social\\_care\\_providers/support\\_for\\_social\\_care\\_providers/fundingsupport/innovation.htm#bursary](http://www.leics.gov.uk/index/social_services/asc_support/social_care_providers/support_for_social_care_providers/fundingsupport/innovation.htm#bursary)

19 [http://www.leics.gov.uk/index/social\\_services/asc\\_support/social\\_care\\_providers/support\\_for\\_social\\_care\\_providers/networkingsupport/innovation\\_network.htm](http://www.leics.gov.uk/index/social_services/asc_support/social_care_providers/support_for_social_care_providers/networkingsupport/innovation_network.htm)

20 [http://www.leics.gov.uk/index/social\\_services/asc\\_support/social\\_care\\_providers/support\\_for\\_social\\_care\\_providers/fundingsupport/innovation/innovation\\_toolkit.htm](http://www.leics.gov.uk/index/social_services/asc_support/social_care_providers/support_for_social_care_providers/fundingsupport/innovation/innovation_toolkit.htm)

21 [www.iaamadoption.org](http://www.iaamadoption.org)

## Fostering Innovation in Care and Support

	<p><b>Calderdale Council introduced a Risk Enablement Panel</b> in autumn 2014. This is a forum to support people to manage risk and be more creative with how their outcomes are met. The Panel consists of the person, their advocate as appropriate, the Social Worker, the provider who would be offering support and if relevant the nurse or therapist. A typical case is James (name changed) who was a profoundly physically disabled young man who had been in and out of the care system and transitioned to adult care. James had decided that he wanted to move out of shared, 'supported' living and into his own home. The nurse and therapist involved in his case were very alarmed by this and wanted the Social Worker to get involved. The Social Worker brought the case to Risk Panel who supported James' right to have his capacity to make decisions about how he wanted to live his life assumed. Further panel discussions supported James' decision to employ his own PAs, his particular choice of PAs, and the purchase of an ordinary car rather than an adapted vehicle. When he got his car, James arranged to go with his PAs on a camping tour of summer festivals in England which the Risk Panel again endorsed. This case highlighted how, by working with local authorities, providers of support can be creative and responsive in helping people live real lives of their choosing.</p>
<p><b>Design in the potential for innovation</b></p> <ul style="list-style-type: none"> <li>■ Ensure terms and conditions are flexible enough to allow for changes in technology or service approach during the life of the procurement</li> </ul>	<p><b>Salvere</b>, then a fledgling social enterprise, was commissioned by <b>Lancashire County Council</b> to provide support services to people receiving direct payments in 2012. The contract is comprised of two aspects, split 2:1 in value. The first is to provide advice around Direct Payments, the second is to innovate in the provision of support planning. The council pays a fixed amount for the delivery of the first aspect, with funding drawn down on a case by case basis for the other. From the beginning of the contract, quarterly meetings were held between Salvere's Chief Executive and the Council's Director and Head of Service to talk about the strategic perspective. Operational staff from Salvere and Lancashire met monthly for an Operational Steering Group to talk through the changes staff from both organisations would be making as part of the transformation in delivery. Working in this collaborative way has allowed for considerable scope for Salvere and Lancashire to test, learn and refine practice, process and operations – focusing on continuously improving quality and pace. Over 6,000 support plans have been developed in 2 years, with 88% returning a package that is less than the indicative budget. Reflecting the success of the partnership, the Council is now planning to restructure the funding of the contract to eliminate the transactional costs of drawing funding down on a case by case basis.</p>

## Fostering Innovation in Care and Support

<p><b>Directly fund innovation</b></p> <ul style="list-style-type: none"> <li>■ Seed/start up 'innovation' funding from state and independent bodies</li> <li>■ Make use of new EU procurement rules (see Section 5 – procurement need not 'get in the way' if someone has a good idea)</li> </ul>	<p><b>Hackney Healthy Ideas</b></p> <p>Healthy Ideas provides grants of up to £8,000 for projects which test concepts to tackle one of their two priority issues: Substance Misuse and Sexual Health. The aim is to attract new approaches to addressing these issues; the council will work with successful bidders to develop these concepts into practical activities which could be introduced in Hackney and elsewhere. Their approach explicitly recognises that not every innovation will succeed:</p> <p><i>“Your idea, proof of concept and associated articles will remain your intellectual property - Hackney Council will make no claims on the proposal or scheme you devise. We do not anticipate that all ideas will be successfully converted into effective activities - we are funding how these ideas are tested and (hopefully) proven, but if at the end of the process you feel the new approach would not work we don't consider it to be a failed project. We hope to attract radically new concepts, and recognise that some of these may not work in practice. We have designed the assessment criteria to balance our appetite for testing radical solutions with our responsibility to the taxpayer.”</i></p>
<p><b>Facilitate access to funding</b></p> <ul style="list-style-type: none"> <li>■ Signpost providers towards alternative sources of funding and support</li> <li>■ Provide explicit support, if appropriate, of projects if funding is sought from other bodies</li> </ul>	<p><b>VISTA and the VCS in Leicester City.</b> VISTA was elected by the local Voluntary and Community Sector (VCS) and customer representatives as the lead agency to take forward a major bid to the Big Lottery Fund “Fulfilling Lives: Ageing Better” programme. This shared initiative between the City Council and VISTA brought together a range of SME providers from the VCS at a stakeholder meeting. This set the scene; undertook an initial needs analysis to meet the Big Lottery requirements and then organised further stakeholder and customer engagement meetings which both assessed providers' appetites for taking the process forward and gathered customer views.</p> <p>Once past the initial application stage, this process had to be led by one organisation from the VCS and involve the wider sector in delivering the Big Lottery funded project. Leicester City Council (LCC) arranged an event at which local VCS groups and customer representatives could hear presentations from agencies as the basis for electing their chosen lead agency. VISTA was elected and then took the work forward with LCC and others as part of the governance structure, with LCC continuing to provide support in kind such as meeting venues and refreshments etc. The project had an excellent result with VISTA seeing through a successful bid for £5m which will deliver various services for older people through a range of SME providers in the city. In addition to the service benefit, the project consolidated and enhanced an already positive relationship between the council and the VCS and confirmed the reputation of LCC as an organisation which supports the VCS and shares its goals.</p>

## Fostering Innovation in Care and Support

### Explore alternative ways to allow greater participation of SMEs, including charities, in a prime contractor capacity

- Specifying consortia delivery for a contract
- Making contracts smaller
- Providing more support
- Longer commissioning timescales to allow consortia building

**Age Concern Newham** have led a consortium of eight organisations that provide health and social activities to older people in Newham. It was formed in 2007 in response to Newham Council's published intention to commission four health activity networks for older people linked to community forum areas, providing a range of services focusing on bettering health and improving outlook through positive activity. Age Concern identified a number of learning points during and after the commissioning process and suggested that organisations should consider the following:

- Can your consortium adapt to commissioners' demands?
- Does the consortium have a clear process for membership and what happens when members change?
- Does the consortium take care about what information it shares and how it is protected?
- Getting the contract is only the first part. Do you have robust processes in place to manage and monitor delivery and do they work for all partners?

Age Concern Newham states: *"The consortium members are all very different to each other. This is a huge strength as between us we offer access to many different communities and we can learn from each other's skills and traditions"*.

## Fostering Innovation in Care and Support

### Create capacity

- Providers could engage with their own trade associations, consider extending the range of services they offer, etc.
- Consider umbrella arrangements to foster SME engagement

**Devon Voluntary Action (DeVA)<sup>23</sup> – a mandated voice for the sector.** DeVA runs the Voluntary Voice programme through which representatives from organisations get their mandate to speak on behalf of the sector on various strategic partnerships. After attending any of these meetings, representatives prepare reports that are distributed to communities of interest and the issues arising are summarised and communicated back to strategic decision makers. This method of representation is used for the sector's voice on Devon County Council's Provider Engagement Network at:

- County Strategic Provider Group (which considers strategic issues about commissioning, procurement, quality, regulation and workforce development)
- Joint Strategic Commissioning and Procurement Sub Group (which undertakes market analysis, continuity of service, market shaping and commissioning processes)

DeVA also produced a 'Third Sector Overview of Devon 2014' that provided a profile of the voluntary sector in Devon and the contribution it makes to the economy. This is intended to be a useful source of information for both statutory agencies and the voluntary sector by providing background information and evidence to support the ongoing development of services.

## Fostering Innovation in Care and Support

### Share intelligence about gaps in the market, and encourage solutions

**Halton Borough Council** is employing the entrepreneurial talents of staff and customers to provide a radical alternative to the traditional model of social services day care. Using resources diverted from traditional bricks and mortar-based day care services, Halton is initiating start-up businesses. The approach is based on recognition that customers want to be valued and play a part in their community. Revenues generated by Halton's micro-businesses are used to pay permitted wages and profits are ploughed back into each venture to reduce the overall cost of the service from the baseline day services' budget. Halton is extending the range of business placements and expanding its citizen delivery portfolio to include a brewery, hairdressing salon, bicycle workshop and bowling green in addition to its catering and gardening businesses. In the long-term their ambition is to use enterprise to lift people out of benefits altogether.

**Nottinghamshire County Council**, working with a dedicated 'micro-market co-ordinator' from Community Catalysts, analysed the market and developed an outline strategic plan identifying target areas/priorities for micro-provider development. Funding grants of up to £1,000 were available from the Council to all new and developing micro-providers. Preference was given to enterprises offering new or innovative services, services to groups or communities currently under-provided for and to providers with strong links to their local community<sup>24</sup>.

**Lancashire, Wigan, Gloucestershire** and the **London Borough of Richmond** have all used the Working Together for Change<sup>25</sup> tool to collaboratively capture information about what is working and not working locally and what is needed in the future.

Taking the ideas and examples above, complete the table below to consider:

- **Providers:** Could something similar work in your area? Can you suggest it to your local authority through the engagement process?
- **Local authorities:** What do you do or could do to foster innovation?

24 For further information see <http://www.nottinghamshire.gov.uk/living/business/supporting-social-care-businesses/smallsocialcarebusinesses/> and Community Catalysts (2014) Nottinghamshire Micro-enterprise Project. Last accessed 16 April 2015 at [www.communitycatalysts.co.uk/wp-content/uploads/2014/08/Nottinghamshire-Micro-enterprise-Project-Final-Report-July-2014.pdf](http://www.communitycatalysts.co.uk/wp-content/uploads/2014/08/Nottinghamshire-Micro-enterprise-Project-Final-Report-July-2014.pdf)

25 DH (2009) Working together for change: using person-centred information for commissioning. Last accessed 16 April 2015 at [www.thinklocalactpersonal.org.uk/\\_library/WTFCC\\_Final.pdf](http://www.thinklocalactpersonal.org.uk/_library/WTFCC_Final.pdf)

## Fostering Innovation in Care and Support

Conditions that foster innovation	<b>Providers:</b> Could something similar work in your area? Can you suggest it to your local authority through the engagement process?	<b>Local authorities:</b> What more could you do to foster innovation?
Build capacity		
Promote Innovation		
Enable Risk Sharing		
Design in the potential for innovation		
Directly fund innovation		
Facilitate access to funding		



## Fostering Innovation in Care and Support

Conditions that foster innovation	Providers: Could something similar work in your area? Can you suggest it to your local authority through the engagement process?	Local authorities: What more could you do to foster innovation?
Explore alternative ways to allow greater participation of SMEs, including charities, in a prime contractor capacity		
Create capacity		
Share intelligence about gaps in the market, and encourage solutions		



**Myth:** If we have identified a potential safeguarding risk to delivering a new activity or intervention, that means we can't do it.

**Reality:** Doing anything has an inherent risk. If you think there may be a safeguarding risk don't automatically discount the activity or intervention, but speak to the safeguarding team in the local authority beforehand, and get advice about how to manage that risk.

## 4 Good Practice for SME Engagement

### For Providers

This section explores engagement between SME providers and local authorities. You may find it helpful to use it as the basis of a discussion with local authorities, either individually or within a provider forum. Section 4.1 suggests top tips for providers about engagement.

### For Local Authorities

This section explores engagement between SME providers and local authorities. How effective are your current engagement methods? Use the case studies as inspiration. Section 4.1 suggests top tips for local authorities about engagement. You will also find it helpful to complete the engagement self-assessment in section 4.2. You may wish to use the table in section 4.3 to structure conversations with providers that you do not fund.

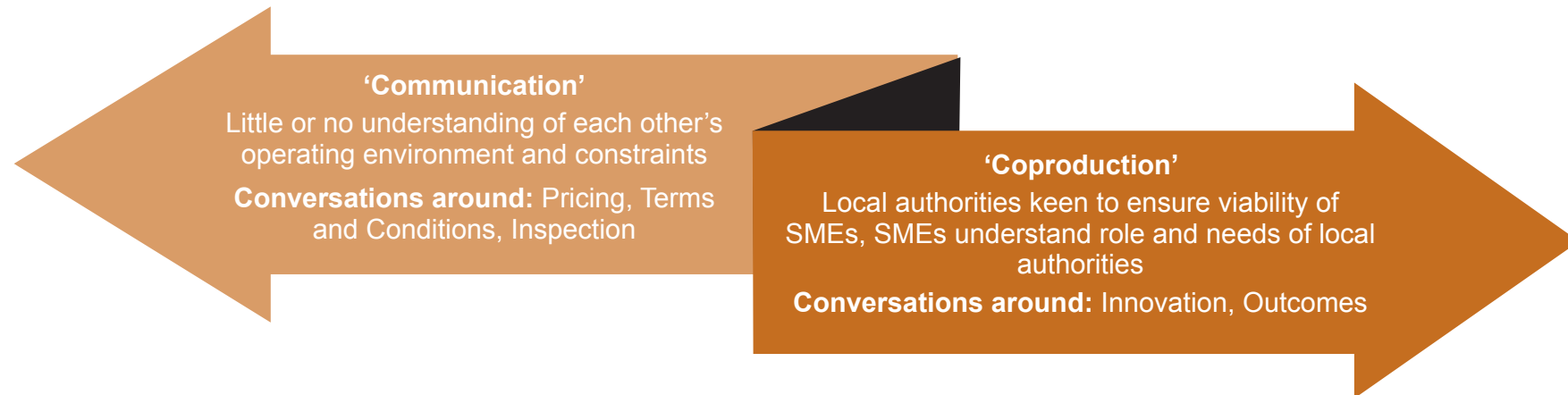
Standard 5 “*Good commissioning promotes positive engagement with all local providers of care and support. This means market shaping and commissioning should be shared endeavours.*”

University of Birmingham/ADASS (2014) [Commissioning for Better Outcomes – A Route Map](#)<sup>26</sup>

Engagement gives an opportunity for the local authority to alert potential providers to future trading opportunities and to secure their input and expertise on a range of issues from unmet service user needs to improving quality. It is also an opportunity to share information and experience on new guidance or regulations and to develop a common understanding around how these work. In practice, engagement can be considered as a spectrum ranging from communication between providers and local authorities, to working co-productively to improve services and provision for local people.

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

## Good Practice for SME Engagement



If trust between providers and local authorities in a particular area is problematic, it will take a concerted effort to start building it. Better communications and conversations are key, with both sides needing to be proactive in moving towards a co-productive approach, even when circumstances aren't straightforward, as the following two case studies illustrate<sup>27</sup>.

### Case Study: Local authorities

*"It can be very hard for both councils and community groups to move beyond past experience and previous mutual history. Yet if we cannot do this, and recognise that both sides are trying to (in most cases) really change, then it is difficult to see us ever getting to a better place.*

*"One council embarked on a programme over a six month period where they publicly acknowledged previous failings in a specific area. The cabinet member and the senior officer had some uncomfortable meetings, but once the tour was*

### Case Study: Providers

*"As a local resident and chair of the community forum for our neighbourhood, I and 11 other chairs of other local community forums across the borough, turned out on a Saturday recently for an Away Day at which we were due to negotiate and agree with the council (as our co-commissioners) overarching outcomes for the next two years for our community engagement work. The meeting was the first step in an agreed process as per our cabinet approved commissioning framework. We had asked the council to choose the date for the Away Day to accommodate their availability and had given over two months' notice. We had invited the three relevant cabinet members, all four of the new Commissioning Directors, and the relevant senior staff from the delivery side (again as per the commissioning framework). On the day, NOT ONE turned up!*

## Good Practice for SME Engagement

*done, it did indeed open a new preparedness of community groups to re-engage with the council and embark on important and ambitious new plans.”*

*“In the end we did not all simply get up and leave the meeting. We decided instead that we would press ahead with the day’s work, draft the outcomes anyway, and then write to the council, expressing our annoyance at how they had treated us but nonetheless sending them the outcomes and asking for a second meeting at which they could be agreed.”*

***“We have a Market Development Manager who forges relationships with Providers”***

**(East Midlands local authority)**

## 4.1 How to engage?

Some providers, particularly whose customers/clients are mainly funded by local authorities or CCGs, have seen freezes or cuts to rates paid for care in recent years. Reductions in public sector spending have not only had an impact on providers but also resulted in reductions in local authority staff. In many areas, neither commissioners nor providers have the capacity to engage that they had a few years ago.

Developing a strong market facilitation function, often as part of the commissioning role, can be a challenging cultural and operational shift for local authorities, even for those fully committed to making this happen. Achieving change is not just about 'pushing' the authority to act differently. It is also about SME providers being prepared to 'pull' power from their council and to help the council learn new norms of behaviour. If councils or SME providers settle for a poor relationship, that is the relationship they will get. The table below gives some 'top tips' on how to engage

Top tips for SME providers engaging with local authorities	Top tips for local authorities engaging with SME providers
<p><b>Get involved with the local authority(ies) with which you would like to work with at the earliest opportunity</b></p> <ul style="list-style-type: none"> <li>■ Help them to decide what they want to commission and demonstrate what the market can or could provide</li> <li>■ Attend events the public body hosts with the intention of getting to know the marketplace or helping stakeholders meet each other</li> <li>■ Shape the authority's approach to commissioning and procurement</li> </ul> <p><b>Develop relationships with local authority(ies)</b></p> <ul style="list-style-type: none"> <li>■ Discuss how you can get recognition for the social value work that you can offer, helping the local authority to meet its duties under the Public Service (Social Value) Act (2012)</li> <li>■ Find opportunities for working in partnership and testing out new ideas</li> <li>■ Suggest how you can evidence that your service delivers value for money and discuss your methodology with the commissioner</li> </ul>	<p><b>Make the engagement matter</b></p> <ul style="list-style-type: none"> <li>■ Be clear about the scope</li> <li>■ Who should attend?</li> <li>■ What role should wider social care infrastructure organisations (e.g. local VCS) play?</li> <li>■ How do you judge the effectiveness of the engagement?</li> </ul> <p><b>Create a safe space for engagement</b></p> <ul style="list-style-type: none"> <li>■ Acknowledge and seek to 'draw a line' under any poor relationships</li> <li>■ Address how the cost of provider engagement will be met: as part of a contract price or by attendance, or some other way?</li> <li>■ How will this work for providers not in local authority contracts?</li> <li>■ Consider the use of an external facilitator</li> <li>■ Ensure clarity about how each party will treat information discussed, especially around issues like future business plans and profitability</li> </ul>

## How to engage?



### MYTH busting!

**Myth:** As local authorities, we can't speak to providers when we are retendering for a service.

**Reality:** New EU procurement rules place an increased emphasis on consultation before and during the tender process to assess user need, help gain a better understanding of the feasibility of delivery, and understand the capacity of providers to deliver, as well as develop the market where necessary.

**Case Study: East Sussex County Council** started their work with micro-providers by engaging at a community level, both to find out what was needed in those communities and to identify small businesses that might be able to contribute to meeting those needs. The approach generated a lot of interest and many individuals, groups and businesses engaged with the council to gain advice and support.

## 4.2 Engagement self-assessment for local authorities

Local authorities engage with providers using a range of mechanisms; the examples listed in the table below should be familiar. However, how effectively these methods are used varies. How mature is the conversation between local authority and SME providers?

In this tool, local authorities are invited to assess themselves on the effectiveness of their engagement. Rank the effectiveness of the methods of engagement you use between 0 (poor practice) to 5 (positive practice); importantly think about how effective they are for your SME providers. Use examples of positive and less positive practice given to help you make your judgement. What needs to be done to improve the score? How do you think your providers would score your effectiveness? Should you ask them?

**This tool could be used as an opener at an engagement event between commissioners and providers**

SME engagement method	How would you assess the effectiveness of your engagement activities?					What needs to be done to improve the score?
	Less Positive Practice ←		→ Very Positive Practice			
Provider forum	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<ul style="list-style-type: none"> <li>Providers who attend the Forum are 'spoken at rather than spoken with'</li> <li>Forums are cancelled without mutual agreement</li> </ul>			<ul style="list-style-type: none"> <li>Opportunity to network</li> <li>Two way exchange of views between provider and local authority</li> <li>An opportunity for providers to influence future policy</li> </ul>		

### Engagement self-assessment for local authorities

	0	1	2	3	4	5	
Market position statement	<ul style="list-style-type: none"> <li>Market position statement doesn't actively encourage provider engagement</li> <li>Market position statement is written without provider consultation</li> <li>Market Position Statement doesn't mention providers and their perspective</li> </ul>		<ul style="list-style-type: none"> <li>Market position statement has been developed taking into account what providers have told us what would be useful for them</li> <li>Providers have approached us to have conversations about services they can provide in the future to help meet the vision in the Market Position Statement</li> </ul>				
'Meet the commissioner' events	<ul style="list-style-type: none"> <li>Insufficient time for providers to be able to ask questions</li> <li>Only aimed at providers the local authority currently contracts with or already has a relationship with</li> </ul>		<ul style="list-style-type: none"> <li>Small round table discussions allow for meaningful engagement</li> <li>Notes and resources available after the event</li> <li>Balance of input, questions and discussion</li> </ul>				
Briefing sessions	<ul style="list-style-type: none"> <li>Sessions are not aimed at SMEs</li> <li>They expect participants to have experience of dealing with local authority or health authority contracts</li> </ul>		<ul style="list-style-type: none"> <li>Sessions enable the authority to introduce the latest thinking</li> <li>Sessions are delivered in smaller groups so there is space to ask questions and get answers</li> </ul>				



## Engagement self-assessment for local authorities

	0	1	2	3	4	5	
Dedicated business support	<ul style="list-style-type: none"> <li>Business support is not specialised for care providers</li> <li>Training support is poor quality</li> </ul>		<ul style="list-style-type: none"> <li>The local authority provides free training to local SMEs, including those entering the market</li> <li>The local authority provides additional support for micro-providers setting up and seeking to become sustainable including funded training for staff and volunteers</li> </ul>				
Working with local provider representative organisations	<ul style="list-style-type: none"> <li>The representative organisation fails to take the time to understand the perspective of all providers</li> <li>Local chambers of commerce and local enterprise partnerships are not interested in the care sector and do not provide representation to the local authority about the sector</li> </ul>		<ul style="list-style-type: none"> <li>The relationship between the local authority enables the authority to alert providers to changes in commissioning intentions</li> <li>Providers elect representatives to work with commissioners to negotiate issues concerning costs</li> </ul>				
Social media e.g. webinars, online Q&As	<ul style="list-style-type: none"> <li>Consultations do not appear to be taken seriously, often being 'tickbox' exercises involving pre-set question</li> <li>Real concerns are not addressed</li> </ul>		<ul style="list-style-type: none"> <li>Some ability for discussion and debate</li> <li>Accessible to interested parties to access at a suitable time for them</li> </ul>				

## Engagement self-assessment for local authorities

	0	1	2	3	4	5	
Community based engagement	<ul style="list-style-type: none"> <li>Poorly advertised with only 'known' providers involved</li> <li>Little opportunity for attendees to share their experience and to network</li> </ul>		<ul style="list-style-type: none"> <li>Community contacts and organisations used to attract diverse mix of providers</li> <li>Collaborative style and content creates a demand for future events</li> </ul>				
Other – do you use any other methods of SME engagement?	0	1	2	3	4	5	

### 4.3 Working with SME providers across the whole care market

Local authorities now need to have an understanding of the whole care provider market, not just those providers they directly buy services from. Moreover, in order to prepare for the introduction of the funding cap, local authorities need to build a better and more comprehensive understanding of the self-funder market in their areas and so should be planning to step up engagement with their providers. This is also an opportunity for local authorities to understand more about successful providers that they don't fund and the provision that individuals choose to spend their own money on, including why they do so.

People taking direct payments have similar requirements to self-funders in terms of obtaining quality information, advice and guidance about wellbeing, service delivery and financial options. Accordingly, local authorities need to engage with providers that they do not directly contract with to ensure that there is a sustainable and diverse range of care and support providers for self-funders and direct payment holders to choose from.

In addition to developing better market intelligence and sharing local authority plans within the Market Position Statement, it is important to work with all providers to help them achieve efficiencies and to support them in delivering high quality services. The table below suggests a number of discussion areas about which you might wish to have conversations with providers. The engagement methods you use for the whole market need not differ from the methods of engagement identified above in section 4.2 above. An effective approach might be for local authorities to map what currently happens, even if only with providers they fund, and then consider what more could be done with the whole care market around these discussion areas.

## Working with SME providers across the whole care market

Discussion area	Key questions	What do we currently do to engage providers around this question?	How could we involve the whole care market to get a better answer?
<b>How service users find out what is available?</b>	How do we respond to need? What would people like to have bought if it were available?		
	What financial information, advice and guidance is used by service users? Are we happy with the quality of these services?		
<b>How can we work together to achieve efficiencies?</b>	How could the local authority take on oversight of the information providers submit to CQC, CCGs and other agencies and work to reduce duplication by providers?		
	Is there potential for providers to share HR arrangements?		
	How could providers, sharing training delivery, cut costs and improve standards?		

## Working with SME providers across the whole care market

Discussion area	Key questions	What do we currently do to engage providers around this question?	How could we involve the whole care market to get a better answer?
<b>How do we know we're delivering quality services?</b>	What sector specific business information would be useful for new/expanding providers?		
	Do staff have the skills they need for now and the future? What workforce planning is needed across the sector?		
	How can we best share practice innovation?		
	How do we assure quality?		

**Case Study: London Borough of Enfield** surveyed residential and nursing care home providers to better understand the self-funder market within the Borough. Additional follow up activity increased the response rates including sending introductory and reminder emails, contacting care managers by telephone and supporting providers to complete online surveys. Where data anomalies were found in the survey returns, accuracy was clarified with the individual provider. Survey respondents reported that it was helpful to have telephone contact in addition to emailed requests. Respondents were able to ask questions if unsure, some were busy so appreciated assistance with completing the survey during the telephone conversation and one provider felt the survey was intrusive but later willingly took part once the importance/relevance of the survey was explained.

## 5 Checklist for SME Procurement

### For Providers

You may find it useful to use the checklists as a starting point for discussions with the local authority around their procurement practice, for example, in a provider forum.

### For Local Authorities

There have been significant changes to the UK procurement regulations. This section will help frame conversations between commissioners and procurement staff around what is good procurement practice for SME providers. Use the case studies as inspiration for how you could improve practice. You will find it helpful to use the checklists below in section 5.2, 5.3 and 5.4 to challenge your existing procurement practice.

Standard 5.4 “*Commissioning, procurement and contracting processes are designed to promote a varied and diverse market and seek to reduce burdens on provider organisations.*”

University of Birmingham/ADASS (2014). [Commissioning for Better Outcomes – A Route Map](#)<sup>28</sup>

Much has been written about how complex procurement processes can impose disproportionate burdens on SME providers (see the annotated [bibliography](#)). Making the procurement process more accessible to SME providers is a key facet of good market shaping practice. Recent changes to legislation aim to help this and the checklist below is designed to pull together existing advice on good procurement so that local authorities can reflect on their practice.

### 5.1 All change? A recap on recent procurement changes and advice

The UK’s implementing regulations, the [Public Contracts Regulations 2015](#), took effect on 1 April 2015. These introduced a number of changes designed to make public procurement processes more accessible to SMEs. The changes contained within the EU Public Contracts Directive (2014) and UK Public Contracts Regulations (2015) are sufficiently significant for the need for training of procurement and commissioning staff to be recognised. Training materials are available at <https://www.gov.uk/transposing-eu-procurement-directives>.

<sup>28</sup> <http://www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/>

## Points to be aware of include:

- The Directive introduces a **new threshold** of £625,050 (€750,000).
- Recognising the administrative burden of bidding, a self-declaration form is being developed for providers to demonstrate that they prequalify, for example, that they do not satisfy any of the grounds for mandatory/discretionary exclusion and that they fulfil economic or technical selection criteria. The **European Single Procurement Document (ESPD)** is expected to cover most of the 'standard' PQQ questions (company information, accounts, technical ability etc.) and it is intended that suppliers will be able to re-use the same form where possible to further cut the administrative burden of bidding. Where information can be verified through accessing national databases, authorities are compelled to conduct follow up investigations themselves, thus reducing – at least initially – the burden on organisations. This reflects the abolition of pre-qualification questionnaires (PQQs) for tenders below the threshold as recommended by Lord Young in his report 'Growing Your Business' (2013).
- As a general rule, local authorities must not require organisations to have a **minimum annual turnover** of more than two times the estimated contract value.
- A new, fifth, award procedure has been introduced: the **innovation partnership procedure**. This gives the local authority flexibility to seek innovative approaches, whilst ensuring some protection for intellectual property rights, where there is no suitable existing 'product' on the market.
- However, local authorities are not obliged to follow one of the five award procedures for **Schedule 3 services** (which cover most care services) as long as they are compliant with principles of transparency, equal treatment of suppliers, non-discrimination & proportionality.



**MYTH  
busting!**

**Myth:** EU Procurement Rules say that we have to do it this way.

**Reality:** The threshold for EU Procurement Rules was £172,514 up to February 2015 – it is now £625,050. Contracts valued below this amount are only subject to the principles of proportionality, transparency and equal treatment under EU rules. However, local procurement rules may place further constraints.

Good practice indicates that services are more likely to be innovative and promote wellbeing when commissioning drives procurement activities rather than the other way around. Both functions should work with each other throughout the commissioning cycle, not just at the point of procurement. Commissioners should:

- Involve your procurement colleagues early in the commissioning process
- Draw on the expertise and support of procurement specialists
- Enable procurement colleagues to understand your market and your commissioning goals

## 5.2 Pre-tender phase checklist

Checklist for local authorities		Why?
	1. Are we engaging with providers?	New EU procurement rules place an increased emphasis on consultation before and during the tender process to assess user need, help gain a better understanding of the feasibility of delivery, and understand the capacity of providers to deliver, as well as develop the market where necessary.
	2. Have we considered the most appropriate way of funding the service?	A grant can be an effective way of funding a voluntary organisation to deliver local services – particularly if the service is niche, small scale and/or innovative. A service contract may be more appropriate where the commissioner wants a detailed specification fulfilled. Often this will where effective practice is well understood and the commissioner wants to get best value by comparing a range of bids.
	3. Do we know and use the options available beyond standard competitive procurement, avoiding full EU process when not needed?	It is important for procurement to understand the commissioning task to be able to recommend the procedure most suitable for the task, provider market and size of contract.
	4. Are we splitting larger contracts into smaller lots? (see case study below) If not, can we provide reasons for not doing so?	Authorities are being encouraged to think about SMEs from the outset in their tender processes and to consider whether contracts can be divided into lots and explain why they do not subdivide contracts on a case by case basis.

**Pre-tender phase checklist**

	Checklist for local authorities	Why?
	<p><b>5.</b> Have commissioners, procurement officers and SMEs worked together to produce compliant but simple and proportionate processes? E.g.</p> <ul style="list-style-type: none"> <li>■ Allow adequate tendering periods</li> <li>■ Allow sufficient time for suppliers to form consortia</li> <li>■ Offer flexible interview dates</li> </ul>	<p>Unlike large providers, SMEs rarely have a dedicated or specialist bid writing function or development capacity. Working together, commissioners, procurement officers and SMEs can agree a process that meets the needs of all parties in securing a timely, informed response.</p>
	<p><b>6.</b> Do we advertise our tender opportunities on Contracts Finder?</p>	<p>Local authorities must ensure that when they advertise a new procurement opportunity above £25,000<sup>14</sup>, that the advert is placed on the new national Contracts Finder portal. <a href="https://www.gov.uk/contracts-finder">https://www.gov.uk/contracts-finder</a>. This website must be used in addition to, or instead of any local or regional portals currently being used.</p>

**Case Study: Splitting larger contracts into smaller lots**

Salford City Council and CCG – redesigning the support accommodation pathway to better support mental health recovery

Salford's aspiration to provide excellent mental health services has seen, over the past two years, the redesign of a range of services which promote recovery, independence and successfully supports people to continue living in their own home and community. Salford commissions a range of mental health supported accommodation which contributes to this. The end of the existing contract offered an opportunity to review and redesign these services to match recent wider service developments and the strategic approach to supporting recovery. This led to services being grouped into three "lots" for the procurement process to ensure sufficient diversity of provision to meet as wide a range of needs as possible:

- short-term and step-down provision as a route to more independent living
- higher dependency (e.g. 24 hour) or more specialist (e.g. women only) support
- accommodation requiring further development to meet the Council's strategic aim to maximise contracted provision of self-contained accommodation, fostering independence and step down

Services needed to work together across the whole pathway so they were expected to work to an "alliance contract ethos" and drive collaboration, innovation and integration.



### 5.3 Tendering phase checklist

Checklist for local authorities		Why?
	<b>7.</b> Are we engaging with providers?	New EU procurement rules place an increased emphasis on consultation before and during the tender process to assess user need, help gain a better understanding of the feasibility of delivery, and understand the capacity of providers to deliver, as well as develop the market where necessary.
	<b>8.</b> Is our invitation to tender documentation clear, concise and jargon-free?	If a provider cannot fully understand what the commissioner wants, then they will not be able to offer a service that is fit for purpose.
	<b>9.</b> Are we using contract terms which are proportionate to the scale and complexity of the contract (standard ones wherever possible)?	One of the biggest concerns for SMEs is often the degree of monitoring required for a relatively small contract. The level of monitoring can exceed that of what would be expected if the service was delivered internally by the local authority, raising questions about fairness and proportionality.
	<b>10.</b> Have we explained the evaluation process to tenderers at the outset, including the criteria to be used and their relative importance?	Evaluation criteria are a strong indicator to providers of the nature of the response desired and relationship expected, and they will influence the nature and focus of the response. For example, if cost carries a high weighting then it is rarely worth a provider spending time on a low scoring 'innovation' criteria when it will increase costs.
	<b>11.</b> Are we including economic, environmental and social value criteria in all contracts?	The new Public Contracts Directive also makes clear that there is some scope for building into the specification equality issues (e.g. access issues for the disabled) and social/environmental issues (e.g. a requirement to conform to social or environmental labels).
	<b>12.</b> Do our evaluation criteria look at the 'best price-quality ratio'?	The new form of Most Economically Advantageous Tender (MEAT) in Public Contracts Regulations 2015 encourages evaluation of the bids offering the best price-quality ratio. It would allow an authority to award to the bidder submitting the lowest priced bid provided that that bidder meets minimum quality standards established by the authority. Greater interrogation by authorities of the lifetime cost of bids being offered should take place.

## Tendering phase checklist

	Checklist for local authorities	Why?
	<p><b>13.</b> Are we confident that the lowest price we accept is sustainable and lawful?</p>	<p>The Public Contracts Directive places a duty on the contracting authority to investigate tenders it considers abnormally low. The authority must reject the tender if the low price is the result of a breach of specified social and environmental law. See Section 1.1 and <a href="#">Annotated Bibliography</a> for further information around understanding cost.</p>

### Case Study: Including social value criteria

#### East Sussex County Council and the Commissioning Grants Prospectus

East Sussex wanted to promote the role of local communities and social capital (the non-financial value added by local knowledge, networks and action) in meeting care and support needs. They developed an outcomes-based Commissioning Grants Prospectus with the local NHS. The new grants-based commissioning process was implemented and evaluated during 2011 to capture the value added by social capital in delivering prevention, information, advice, advocacy and other support such as home to hospital schemes and carers' support. A local definition of social capital was created which was scored equally alongside cost and quality during the appraisal of proposals. The outcome was over £7m awarded to community-based organisations in one proportionate, competitive exercise that involved service users and carers. Independent evaluation confirmed that the process delivered a streamlined, accessible and unified approach that valued social capital appropriately and the process was mainstreamed into an annual commissioning cycle as a result.

## 5.4 Post contract checklist

Checklist for local authorities		Why?
	<b>14.</b> Are we engaging with providers?	New EU procurement rules place an increased emphasis on consultation before and during the tender process to assess user need, help gain a better understanding of the feasibility of delivery, and understand the capacity of providers to deliver, as well as develop the market where necessary. Unsuccessful providers may still be operating within the local authority area, and therefore the local authority should continue to engage with them as outlined in Section 4.3.
	<b>15.</b> Are we offering and providing feedback that is as helpful as possible and designed to promote future improvement?	Helpful and positive feedback is a powerful personalised market shaping tool.
	<b>16.</b> Are there arrangements in place to ensure that providers are paid in a timely manner?	Ensuring good cash flow is vital for the sustainability of most SME providers. Contracting authorities must ensure that all public contracts contain suitable provisions stating that valid undisputed invoices will be paid by the contracting authority within 30 days. Public contracts must also contain a condition requiring contractors to include similar provisions in their contracts and so on down the supply chain.

## Annotated Bibliography

### Understanding commissioning, personalisation and market facilitation

#### **Children's Partnership Social value and commissioning toolkit – guide for charities on social value and commissioning (February 2015)**

A toolkit developed for the Children's Partnership on commissioning and social value, which provides a succinct overview of the current commissioning landscape by highlighting key pieces of Government legislation and important reforms to EU procurement law which come into force in 2015. Some of the challenges most commonly encountered by charities when bidding for contracts are also explored along with some practical advice on how to potentially overcome them.

<http://thechildrenspartnership-knowledge.org.uk/1070>

#### **Department of Health Care and Support Statutory Guidance (October 2014)**

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

<https://www.gov.uk/government/publications/care-act-2014-statutory-guidance-for-implementation>

#### **University of Birmingham/ADASS Commissioning for Better Outcomes – a route map**

These Department of Health funded standards were co-produced with a wide range of local authorities, service providers and service users, overseen by a steering group coordinated by Think Local Act Personal (TLAP). They are designed to drive improvement, providing a framework for councils to self-assess their progress against best practice in commissioning and enable them to identify areas for further improvement. They will shape and inform a new LGA peer challenge programme offer available in Summer 2015. <http://www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/>

**Institute of Public Care [Implementing the Care Act \(website\)](#)**

The Department of Health commissioned the Institute of Public Care 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. A range of information related to the 'Developing Care Markets for Quality and Choice' (DCMQC) programme is available, including a regularly updated list of published market position statements. <http://ipc.brookes.ac.uk/dcmqc.html>

**East Riding of Yorkshire Council [Transforming services provider toolkit \(2011\)](#)**

A toolkit that aims to support providers to meet the demands of the personalised market. The document has been designed as a series of factsheets which provide practical information and experience, including case studies and lists of useful resources. The toolkit is divided into three areas: transforming adult social care; developing your organisation to deliver personalised services; and developing your workforce to deliver personalised services.

<http://www.scie-socialcareonline.org.uk/transforming-services-provider-toolkit/r/a11G00000017yjhIAA>

**National Association of Voluntary and Community Action (NAVCA) [Commissioning and the big society: the role of the community sector – a guide for commissioners, Commissioning and the community sector](#)**

Two guides from NAVCA which provide information for the sector, both related to children and families rather than adults. Both consider how to get involved with the commissioning process, so may be useful.

<http://www.navca.org.uk/publications/commbigsoc> and <http://www.navca.org.uk/news/view-article/kindleguide>

**Shared Lives Plus and Community Catalysts [Commissioning for provider diversity \(2013\)](#)**

A short guide and model for local authorities to help them commission in a way which gets better value for money through having a wide range of local services available using personalised commissioning, not just a few large contracts. The guide also seeks to encourage individuals receiving support through personal budgets to consider providing support themselves. <http://sharedlivesplus.invisionzone.com/index.php?/files/file/184-commissioning-for-provider-diversity/>

**Think Local, Act Personal [Stronger partnerships for better outcomes: a protocol for market relations \(July 2012\)](#)**

A document which sets out principles and good behaviours intended to enhance effective ways of working between people and family carers, service providers and local authority commissioners. The protocol recommends a co-productive approach to local commissioning of care and support which complements the earlier protocol, *Making it Real*. 'Stronger partnerships' suggests that the three perspectives of people, carers and families, service providers and commissioners need to be brought together to unlock the potential for creative, person-centred approaches that meet people's needs. [http://www.thinklocalactpersonal.org.uk/Browse/marketdevelopment/National\\_Market\\_Development\\_Forum/?parent=9098&child=9308](http://www.thinklocalactpersonal.org.uk/Browse/marketdevelopment/National_Market_Development_Forum/?parent=9098&child=9308)

**Think Local, Act Personal Be Bold: developing the market for the small numbers of people with very complex needs (December 2012)**

A report produced for the National Market Development Forum which formed part of TLAP's response to the Government's final report into the events at Winterbourne View Hospital. The paper is a practical, solution-focused resource which brings together the headlines on what is known about how to develop the adult social care market. It is intended to help adult social care commissioners, health partners, providers and people who use services and their families to develop local, individualised services together which increase choice and control. The document offers pointers on the actions commissioners and providers can take. For local people and families, it provides a framework for holding commissioners and providers to account. The paper looks primarily at learning disability but it addresses a range of generic themes. [http://www.thinklocalactpersonal.org.uk/Browse/marketdevelopment/National\\_Market\\_Development\\_Forum/?parent=9098&child=9412](http://www.thinklocalactpersonal.org.uk/Browse/marketdevelopment/National_Market_Development_Forum/?parent=9098&child=9412)

**Think Local, Act Personal Topics and Resources (website)**

Think Local, Act Personal (TLAP) have a range of resources including reports, tools and case studies, some developed by TLAP, others by a wide range of partners, group under different topics. Topics include: Market development and workforce; Co-production and Personalisation: What's Next?.

<http://www.thinklocalactpersonal.org.uk/Browse/>

**Engagement and innovation****Cabinet Office Centre for Social Action (website)**

A government project to support programmes which encourage people to create positive change through social action. The webpage sets out the conditions for inclusion within this programme e.g. projects must be not for profit. <https://www.gov.uk/government/publications/centre-for-social-action-funding>

**Institute of Public Care Promoting good provider forums (July 2011)**

A paper produced by IPC for the Welsh Government to assist national conversations taking place around promoting good social care Provider Forums in Wales. The paper draws upon a workshop held with the Fulfilled Lives, Supportive Communities Provider Forum and representatives of the Commissioning Executive and on previous IPC work on promoting constructive commissioner-provider relationships in Wales.

<http://ipc.brookes.ac.uk/publications/index.php?absid=803>

**Institute for Research and Innovation in Social Services (IRISS) Resources (website)**

The Scottish-based Institute for Research and Innovation in Social Services has a Resources section that covers a wide range of resources of different kinds focusing on innovation across adults' and children's services. As well as toolkits, how-to guides and innovative case studies, there are also useful explanations of new and emerging technologies and apps that SME providers might find useful.

<http://www.iriss.org.uk/resources>

**National Care Forum [Leading the way: the distinctive contribution of the not-for-profit sector in social care \(July 2012\)](#)**

Three papers (presented in a single document) prepared by IPC on behalf of the National Care Forum (NCF) which explore the distinctive contribution of the not-for-profit sector to social care. The first paper examines the importance to high-quality care of an effective and committed workforce, focusing on the contribution to good employment practice by not-for-profit organisations. The paper includes a series of short, illustrative case studies offering practical examples of NCF member organisations putting principles into practice in areas including recruitment, leadership training and career development, and flexible employment practices. The second paper considers how not-for-profit organisations can lead innovation in the design, delivery and funding of services, both in residential and community-based care. The paper identifies key characteristics and examples of successful practice from the not-for-profit sector. The third paper looks at social capital and added value and how these concepts are particular features of the approach of organisations in the not-for-profit sector. It gives a definition of social capital, its task of bringing people together, and the positive effect of collective communal action. The paper includes examples of the differences which have been made by members of the NCF. <http://ipc.brookes.ac.uk/publications/index.php?absid=744>

**National Market Development Forum [Building constructive market relations \(October 2010\)](#)**

A briefing paper developed by IPC for the National Market Development Forum which discusses the importance of mature and constructive partnership working in the social care market to ensure sufficient capacity and diversity of services, the innovative and flexible approaches to delivery demanded in the era of personalisation, and the financial risk-sharing that entails. The paper looks especially at the relationships between commissioners and providers, the existing tensions between them, and the likely impact on them of uncertainty in the market at a time of service reform and financial cuts. This paper is one of a series prepared for the National Market Development Forum. <http://ipc.brookes.ac.uk/publications/index.php?absid=655>

**NESTA [Social Action Innovation Fund \(website\)](#)**

Details of initiatives NESTA has helped to fund in social care. Some examples may offer useful context, such as 'North London Cares', a community network of voluntary carers, or the Age UK Integrated Care Pathway. A number of examples are offered. <http://www.nesta.org.uk/project/centre-social-action-innovation-fund/our-portfolio>

**Procurement****Communities Committee [Communities and Local Government Committee procurement guidelines \(2014\)](#)**

Review of local government procurement which summarises 29 conclusions and recommendations of the House of Commons Select Committee report on Local Government Procurement. <http://www.publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/193/19305.htm>

**Crown Commercial Service The Public Contracts Regulations 2015: Guidance on the new Light Touch Regime for Health, Social, Education and certain other service contracts (2015)**

This guidance gives an overview, key points and FAQs about the new Schedule 3 services light touch regime. The new light-touch regime (LTR) is a specific set of rules for certain service contracts that tend to be of lower interest to cross-border competition. Those service contracts include certain social, health and education services, defined by Common Procurement Vocabulary (CPV) codes. The list of services to which the Light Touch Regime applies is set out in Schedule 3 of the Public Contracts Regulations 2015 (Annex A).

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/409543/GUIDANCE\\_ON\\_THE\\_NEW\\_LIGHT\\_TOUCH\\_REGIME\\_FOR\\_HEALTH\\_SOCIAL\\_EDUCATION\\_AND\\_CERTAIN\\_OTHER\\_SERVICE\\_CONTRACTS.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/409543/GUIDANCE_ON_THE_NEW_LIGHT_TOUCH_REGIME_FOR_HEALTH_SOCIAL_EDUCATION_AND_CERTAIN_OTHER_SERVICE_CONTRACTS.pdf)

**Crown Commercial Service A brief guide to the EU Public Contracts Directive (2014) (February 2015)**

The public contracts directive covers procedures which must be followed before awarding a contract to suppliers when the value of a contract exceeds certain thresholds. The directive does have some exclusions. The rules are intended to facilitate free movement of supplies, services and works within the EU, to encourage competition and to ensure value for money.

<https://www.gov.uk/transposing-eu-procurement-directives>

**Crown Commercial Service Procurement Policy Note: Reforms to make public procurement more accessible to SMEs (February 2015)**

A brief commentary on a number of new reforms to make public procurement more accessible to businesses, in particular SMEs. The guidance refers to reforms implemented in Part 4 of the new Public Contracts Regulations 2015, which will primarily come into force on 26 February 2015.

<https://www.gov.uk/government/publications/procurement-policy-note-0315-reforms-to-make-public-procurement-more-accessible-to-smes>

**Crown Commercial Service Scope and remit of the Mystery Shopper scheme (updated January 2014)**

The mystery shopper scheme offers providers the opportunity to raise concerns about public procurement practice. The document provides advice and guidance on addressing any concerns and is intended to help reduce incidences of bad procurement. <https://www.gov.uk/government/publications/mystery-shopper-scope-and-remit>

**Crown Commercial Service Reform of the EU procurement rules – public sector: Briefing for Procurement Practitioners (2015)**

To help raise awareness of the new EU Procurement Directives, Cabinet Office arranged more than 200 face-to-face training sessions on the main changes in the directives for people working in the public sector. This is the slideset from the training sessions [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/361006/Final\\_Trainer\\_Slideset\\_-\\_EU\\_Procurement\\_Directives\\_Training.ppt](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/361006/Final_Trainer_Slideset_-_EU_Procurement_Directives_Training.ppt). A free e-learning resource to support continuous learning is also being developed with more details available at the [Crown Commercial Service Learning Hub](#).



**Department for Communities and Local Government [Communities Best Value statutory guidance \(2011\)](#)**

One page guidance for local government on procurement which sets out expectations of the way authorities should work with voluntary and community groups and small businesses when facing difficult funding decisions.

<https://www.gov.uk/government/publications/best-value-statutory-guidance--4>

**Local Government Association [LGA National Procurement Strategy for local government in England \(website\)](#)**

Website which brings together guidance documents, case study examples of good practice and other resources to enable local government to share with and learn from each other, as well as check their progress against the National Procurement Strategy. The website also includes a link to the national procurement strategy PDF. The strategy sets out a vision for local government procurement and encourages councils in England to engage with the delivery of outcomes in four areas: making savings; supporting local economies; leadership; modernising procurement. The last area refers explicitly to provider innovation and may be worth further reading. <http://www.local.gov.uk/web/lg-procurement>

**National Council for Voluntary Organisations [Ten procurement barriers affecting charities and social enterprises](#)**

List of issues which may arise during procurement processes and advice on how they might be addressed.

<http://blogs.ncvo.org.uk/wp-content/uploads/paul-winyard/ten-procurement-barriers-affecting-charities-and-social-enterprises-v2.docx>

**Examples of small business information, advice and training****Community Catalysts [Small Good Stuff \(website\)](#)**

Small Good Stuff is an accessible web [directory](#) established by Community Catalysts and gives micro-providers an opportunity to show people who need some support, the services that they can offer. Secondly Small Good Stuff offers micro-providers information, advice and a chance to link with others doing something similar. See [Resources for Providers](#) for more information. For a small annual fee micro-providers can access further support in the form of training materials, a practical guide to setting up an enterprise and policies and procedures.

<http://www.smallgoodstuff.co.uk/>

**East Sussex County Council [Guide for micro-providers of social care \(January 2013\)](#)**

Project launched in 2011 focusing on micro-providers offering care funded by personal budgets. The project offers information on a range of aspects of care provision, including the nature and range of support services sought across the county, support which can be offered by the local authority, business support which is available, guidance on advice and a directory of services. <https://new.eastsussex.gov.uk/socialcare/providers/funding/microservices/what/>

**Leicestershire County Council Leicestershire market development support for social care providers (website)**

Web page and supporting documents offering advice to providers, including contact information, guidance on provider forums and business support. [http://www.leics.gov.uk/index/social\\_services/asc\\_support/social\\_care\\_providers/support\\_for\\_social\\_care\\_providers/marketdevelopmentsupport.htm](http://www.leics.gov.uk/index/social_services/asc_support/social_care_providers/support_for_social_care_providers/marketdevelopmentsupport.htm)

**Manchester City Council Guide to commissioning in Manchester with the third sector (July 2010)**

Useful guide for the third sector which goes through a range of topics including commissioning and tendering. Links to PDF guides for commissioning and decommissioning, outlining basic 'principals' in a detailed document. [http://www.manchester.gov.uk/downloads/download/4053/guide\\_to\\_commissioning\\_in\\_manchester\\_with\\_third\\_sector](http://www.manchester.gov.uk/downloads/download/4053/guide_to_commissioning_in_manchester_with_third_sector)

**Nottinghamshire County Council Small social care business support (website)**

Website provided by the local authority offering practical advice to small (5 or fewer employees) social care providers, including business support, training, contacts and promotion.

<http://www.nottinghamshire.gov.uk/living/business/supporting-social-care-businesses/smallsocialcarebusinesses/>

**Suffolk Brokerage (website)**

<http://suffolkbrokerage.org/> are funded by Suffolk County Council, Skills for Care and other partners to ensure strategic oversight and delivery of Health and Social Care training across Suffolk. Further information about their offer is given in Section 1.3. Extra support services starting this year include:

- Support for business through a partnership with a local enterprise agency offering sector specific support to care providers on matters such as business planning, marketing, responding to market changes
- The organisation and support of annual young apprenticeship cohorts into the care sector working with local employers
- Promoting the care sector as a career of choice to local schools including the supporting of the local H&SC education leads forum
- Running a sector wide recruitment scheme which markets throughout Suffolk and works with any employers in the sector. The development of the care Careers Suffolk brand for this purpose. County wide advertising, recruitment interviews with potential applicants, a values based recruitment process, a DBS check and then the matching of the candidate to a job with a local employer.

**York City Council Shaping Care for York (website)**

The title of the local authority's Market Position Statement and the name given to a continuing dialogue. Two newsletters on the website offer summary information on policy, information on events and contacts. [http://www.york.gov.uk/info/200786/shaping\\_care\\_for\\_york/1395/shaping\\_care\\_for\\_york](http://www.york.gov.uk/info/200786/shaping_care_for_york/1395/shaping_care_for_york)

**Consortium of local authorities (Oxfordshire, Milton Keynes and Buckinghamshire, Slough, Windsor and Maidenhead, West Berkshire, Wokingham, Reading, Bracknell Forest and Central Bedfordshire) [Log on to care \(website\)](#)**

Employer based facility for the Thames Valley area. Intended to provide useful and up to date information on aspects of training, funding or general information for the social care sector. The site is supported and funded by the consortium of councils. They form the Strategic Steering group of the project that meet quarterly to review project progress. There are also 9 local User groups that support organisations across the patch deliver the E-learning training Modules. The site has been in operation for a number of years. <http://www.logontocare.org.uk/>

**Costing care services****UK Home Care Association [A minimum price for homecare \(November 2014\)](#)**

Analysis of fair pricing in homecare across England including comparison with the 'living wage'. <http://www.ukhca.co.uk/downloads.aspx?ID=434>

**Voluntary Organisations Disability Group [Care Funding Calculator](#)**

Protocol to provide a framework for constructive dialogue between commissioners and providers and to support good practice. The protocol includes reference to a new duty for local authorities to investigate tenders which may be costed too low to ensure fair competition. The protocol will help local authorities to have a better understanding of care businesses. <http://www.vodg.org.uk/uploads/Protocol-VODG-Oct-2008.pdf>

**William Laing [Calculating a fair market price for care - a toolkit for residential and nursing homes \(September 2008\)](#)**

Offers a transparent and evidence-based mechanism for working out what such fees should be, based on the costs borne by care homes in the financial year 2008/09.

<http://www.jrf.org.uk/sites/files/jrf/2252-care-financial-costs.pdf>

## Appendix: Organisations that Contributed to the Toolkit

### Steering Group

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 Sheila Scott, Care Provider Alliance  
 Christina Sell, Langton Care  
 Stephen Sloss, Salvere CIC  
 Laura Smith, Department of Health  
 Ian Turner, RNHA / Care Provider Alliance  
 Helen Wilcox, Woodford Homecare  
 Dominic Carter, UKHCA / Care Provider Alliance

### Case studies

Age Concern Newham and London Borough of Newham  
 Calderdale Council  
 Central Bedfordshire  
 Community Catalysts  
 Devon County Council  
 Devon Voluntary Action (DeVA)  
 East Sussex County Council  
 Gloucestershire County Council  
 Halton Borough Council  
 It's all About Me (IAAM)  
 Lancashire County Council  
 Leicester City Council  
 Leicestershire County Council  
 London Borough of Enfield  
 London Borough of Hackney  
 London Borough of Richmond

Nottinghamshire County Council  
 Salvere CIC  
 Salford City Council and CCG  
 Suffolk Brokerage  
 VISTA  
 Wigan Metropolitan Borough Council

### Other contributors

Bodster Equine Learning (Isle of Wight)  
 Derby Provider Forum  
 Home Instead Senior Care (Rugby)  
 HSN Care  
 London Commissioners Leads Network  
 Matrix SCM  
 Shared Lives Plus  
 Shropshire Partners in Care  
 York Providers Forum

This Market Shaping Toolkit is part of a suite of resources commissioned by the Department of Health in partnership with the Local Government Association, Association of Directors of Adult Social Services and the Care Providers Alliance to support those commissioning and providing care and support in implementing the Care Act 2014. To find out more, visit [www.local.gov.uk/care-support-reform](http://www.local.gov.uk/care-support-reform).