



# Market Shaping Review Cross-Local Authority and Regional Working in Market Shaping July 2016



OXFORD  
**BROOKES**  
UNIVERSITY



Working in partnership to support implementation of the Care Act

# 1 Introduction

---

This paper has been prepared as part of the Market Shaping Review undertaken by the [Institute of Public Care \(IPC\)](#) at Oxford Brookes University, working in collaboration with the [Care Provider Alliance](#), for the Department of Health ([DH](#)), the Local Government Association ([LGA](#)) and the Association of Directors of Adult Social Services ([ADASS](#)).

The Review aimed to support local authorities to help them discharge their market shaping duties by identifying, analysing and disseminating best practice. During spring 2016 IPC worked with the sector to identify what works best in market shaping, where and why, and then refreshed or supplemented existing tools and guidance. The Review was informed by responses to questionnaires and by a series of interviews with commissioners to obtain case studies, as well as visits to a number of regional forums and three national market shaping workshops. Thank you to all who participated.



Other Market Shaping Review products are listed below:

- [What is market shaping?](#) – an introduction to market shaping, including guidance on who shapes the market and key actions they should be taking
- [Market position statement database](#) – a fully searchable database of all published market position statements in England
- [Market position statement guidance](#) – guidance to help you (re)develop an effective MPS, with real examples, and a checklist to help you assess the quality of your MPS
- [Market shaping for individual purchasers of care](#) – a paper to help you think through what market shaping means in terms of people with personal budgets, direct payments, and self-funders who buy their own care and support
- [Place-based market shaping: co-ordinating health and social care](#) – a paper, aimed at health and social care commissioners, that explores the importance of developing a place-based approach to shaping the care market

This paper is for local authority commissioners to help them think through when and how to take a joint approach. The paper explores when a cross local authority or regional approach makes most sense, and what supports successful joint working as well as potential difficulties. Practice examples and case studies (in the Appendix) illustrate some of the approaches which have been taken to address these issues.

## 2 When Does a Cross-Local Authority or Regional Approach Make Sense?

---

Joint working has generally been a feature of commissioning development and guidance, but has largely focussed on integrated health and social care within a local authority area rather than across a wider geographic range. Less guidance has been offered about cross-local authority and regional working, but this can be equally important in achieving effective market shaping.

Five situations are explored below when a cross-local authority or regional approach to market shaping should be considered.

### 2.1 Key providers working across an area or region

---

It is clear that many providers work across groups of local authorities at sub-regional or regional level. Commissioners working together to understand market share, costs and other issues provides an opportunity to shape the market more effectively, and avoid unhelpful competition for scarce resources. This has the potential to lead to joint approaches and negotiation with, for example, a large provider that operates across an area or region.

#### Case study

**South West Region Learning Disabilities:** long-standing regional discussions have identified that several large learning disability providers operate across a number of authority areas. The authorities expect that a shared approach can have a significant impact on shaping the market in these services.

The Care Act 2014 places new duties on local authorities to facilitate and shape their market, including mitigating risks, for adult care and support. A key tool to do so is engagement with local providers on the development of a market position statement (MPS). Several commissioners reported that developing a joint MPS across more than one local authority area had proved positive. For example, Bournemouth, Poole and Dorset developed an MPS for the care of adults 'Helping People to Help Themselves'. An [MPS database](#) of published market position statements and MPS guidance, including a checklist to help you assess the quality of your MPS, is available as part of the Market Shaping Review.

## 2.2 Neighbouring authorities with a range of common commissioning interests

---

Some local authorities are combining formally at corporate or service level and therefore deal collectively with their local market across a significant range of service areas. For example, the Tri-Borough partnership between the London Boroughs of Kensington and Chelsea, Westminster, and Hammersmith and Fulham, which developed a Tri-Borough MPS for adult care and support. The current examples are in concentrated urban settings, but the emergence of new collaborations in response to national government's devolution offer is likely to see this approach extending to more varied geographies.

Other authorities identify and work from natural common boundaries and interests without formally combining functions, but similarly dealing together with their local market.

### Case study

**West London Alliance:** This is an alliance of seven councils in West London which work together at corporate level under the two main themes of: Growth, jobs and skills; and Commissioning for people, which includes an adults' services programme. Its work includes a sub-regional MPS.

## 2.3 New service models and organisations

---

Commissioners working together may identify a new model of service delivery that they want to promote that creates better co-ordination between related activities. In two-tier local authority areas, joint work with district councils is highly relevant to promoting the most effective housing support, wider community-based early intervention and a comprehensive information and advice service.

### Case study

**Dorset Accessible Homes Service:** Dorset County Council and the District Councils within its boundary combined a range of resources, including the Disabled Facilities Grant budgets, to tender for a comprehensive housing support service.

### Case study

**Hampshire County Council and Southampton City Council:** The two councils have developed a domestic abuse initiative, with other partners, that works through a third sector organisation to improve identification and assessment of perpetrators and implement an improved programme of interventions.

Local authorities may also collaborate to create new delivery organisations for their own services, which adds to the flexibility and competition in the local market for services they need to purchase.

### Case study

**Tri-Curo:** Dorset County Council, Bournemouth Borough Council and Poole Borough Council have combined a number of their services to create a Local Authority Trading Company with the aim of ensuring a sustainable future for provider services and enable more services to be delivered to more people across the Pan-Dorset area.

## 2.4 Maximising commissioning resources

---

With current pressures on resources, cross local authority working can maximise the use of staff time, specific skills or information to improve effectiveness in market shaping.

### Case study

**Log On to Care:** Authorities across the Thames Valley area have combined to fund the development of an online resource for providers that offers useful and up to date information on any aspects of training, funding or general information for the sector.

Where commissioners want to be able to have high expectations of providers in meeting appropriate quality standards, they can share resources to create systems for providers to access support in achieving improvement. This can be part of wider shared workforce development where providers are likely to be drawing on over-lapping populations.

**Case study**

**Proud to Care:** This is joint campaign between Bournemouth and Poole Borough Councils to raise the profile of the home care workforce and improve recruitment.

Common specifications, standards and contract documentation simplify processes for commissioners and providers. Shared procurement portals are also a useful tool, not only for streamlining procurement activity but also for wider engagement with the provider market.

**Case study**

**North East Procurement Organisation (NEPO):** NEPO is a longstanding collaboration of local authorities in the North East that has made a major contribution to both stimulating North East businesses and helping local authorities to make savings.

There are also opportunities for more effective market shaping from local government devolution agreements, including combining commissioning functions across councils, sub-regional market engagement and MPS development.

**Case study**

**Liverpool City Region (LCR):** LCR is currently developing a Market Place and data warehouse that will provide intelligence and oversight of the sub-regional market.

## 2.5 Encouraging a market response to service shortfall

---

Joint work on market analysis and commissioning may be particularly beneficial where new providers need to be attracted to deliver specific services, such as accommodation of adults with complex needs. Suitable providers may be more willing to work with a partnership across a wider area where a number of projects could be delivered. This may also provide the opportunity for sharing risk in a number of ways, including in the development of new models of care, to increase confidence.

# 3 What Supports Successful Cross-Local Authority Working and What Potential Difficulties need to be Addressed?

---

At a general level, it can be argued that the current policy direction for local authorities and their partners and the context of severe financial pressures are both a driver and a support to more cross-authority and regional working. Achieving future goals for delivery may require sectors to collaborate, commission together and target their limited resources on choice, control and personalised outcomes. Learning from and sharing with each other and listening to experts with experience will support effective joint work.

From this starting point the focus is not on whether to work together but on how to do it: ensuring that the conditions for success are maximised by building the support factors and dealing with the potential obstacles wherever possible.

## 3.1 What supports success?

---

Some of the building blocks for successful cross-authority working might be described as 'hard' issues i.e. common geographic or service positions such as:

- Shared boundaries
- Providers working across the area
- Common service goals
- Political support

Other supports might be 'soft' ones relating to particular circumstances or personalities:

- Good relationships between key players
- Grasping an opportunity in the context of change
- Willingness to share information
- Sufficient trust to agree lead roles
- Good communications arrangements

Other key checkpoints for successful cross-authority working that were identified in the Market Shaping Review are:

- Don't under-estimate the challenges; clear leadership, accountability, roles and responsibilities from the outset are keys to success.
- Ensure strategy is sufficiently aligned across the partners.
- Focus on what works for you and use small projects and pilots as a means of building confidence in cross-authority work.
- Put strong, recognised leadership in place.
- Ensure 'buy-in' at senior level in each organisation.
- It's sometimes easier to work together on a new service or approach if all parties are starting with a more or less blank page rather than with existing services / contracts to modify, so recognise and allow for your different starting points.
- Pay attention to creating good governance arrangements and documenting them when driving the work forward, so there is a strong structure for joint action and decisions.
- Alongside this, agree the performance management arrangements.

## 3.2 Potential difficulties to address

---

Some of the difficulties to address will be the absence of some of the favourable conditions outlined above. Other difficulties will arise from differences of outlook, process or approach which might include:

- Differences of political control which are reflected in different strategic direction.
- Varied sizes of organisation, so that some may feel a sense of threat to autonomy.
- Different ranking of priorities and therefore the need to negotiate these.
- Differences in organisational culture; not always easy to spot in advance, but which need identifying and resolving when they emerge.
- Concerns about loss of individual authorities' control and identity if common approaches are used.
- Different decision-making timeframes that can delay progress, so need to be aligned at least for the joint project.
- Agreeing and trusting who will arrange the contract.

## 4 Useful Links and Further Reading

---

### **Department of Health (updated 2016) [Care and Support Statutory Guidance](https://www.gov.uk/guidance/care-and-support-statutory-guidance)**

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/guidance/care-and-support-statutory-guidance>

### **Health Services Management Centre (updated 2015) [Commissioning for better outcomes: a route map](https://www.adass.org.uk/policy-documents-commissioning-for-better-outcomes/)**

Co-produced with a wide range of local authorities, service providers and service users, these commissioning standards are designed to drive improvement, provide a framework for councils to self-assess their progress against best practice in commissioning and enable them to identify areas for further improvement. Particularly relevant is standard 8: Good commissioning demonstrates a whole system approach.

*"8.2 Commissioners work in partnership with other public services (including other Local Authorities), providers and community-based organisations to ensure the best use of resources, including ensuring that services can be de-commissioned, where appropriate, to reflect local needs and preferences.*

*"8.3 The Local Authority promotes **collaboration between different commissioning bodies, within and outside of the Local Authority boundaries**, to ensure a joint strategic approach, seamless services and a smooth transition for people between services and localities and different funding streams."*

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

### **Institute of Public Care (2015) [Market Shaping toolkit \(MaST\)](http://ipc.brookes.ac.uk/mast)**

The Market Shaping Toolkit supports both smaller care providers and local authorities to engage in market shaping, and to work together to develop innovative practice to meet local needs. It highlights good practice around the country in the way that local authorities and smaller care and support providers collaborate and provide innovative services. It offers a series of checklists and materials to encourage good quality market shaping activities.

- For local authorities the toolkit gives some new ideas and suggestions about who to engage with, why and how, in local care markets
- For providers the toolkit offers a stimulus and encouragement to ask local authorities 'Why are we not doing this?'

<http://ipc.brookes.ac.uk/mast>



**Think Local Act Personal People not process – Co-production in commissioning Co-production in commissioning and market shaping**

A web resource that gives the rationale, backed up by case studies, of the importance of coproduction with people with care and support needs, carers, family members, care providers, representatives of care workers, relevant voluntary, user and other support organisations and the public to find shared and agreed solutions in commissioning and market shaping.

<http://thinklocalactpersonal.org.uk/co-production-in-commissioning-tool/Co-production-in-commissioning-and-market-shaping/>

**Think Local, Act Personal (2012) Stronger partnerships for better outcomes: a protocol for market relations**

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 (2012) Be Bold: developing the market for small numbers of people who have very complex needs**

A resource that 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 and their health partners, providers, and people who use services and their families to work together to develop local, individualised services that increase choice and control. While the paper has a more specialist focus, the principles it discusses have wider relevance. It references the need for a whole systems approach and creating the right partnerships to pursue the goals required.

[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)

## 5 Appendix – Case Studies

---

### 5.1 Key providers working across an area or region

---

#### South West Region Learning Disabilities

Local authorities across the south west region are working together to develop better understanding of the learning disability provider market, and opportunities to co-ordinate their work in that market. Long-standing regional discussions have identified that several large providers operate across a number of local authority areas and they expect that a shared approach can have a significant impact on shaping the market in these services. Local authorities have shared placement data and spend which shows:

- Neither commissioners nor providers have a clear view of the market share individual providers have within or across local authorities
- There is sufficient variation in costs to offer scope for greater cost-efficiency from a shared approach while still allowing for personalised care

Next steps are to add NHS data to the process, to get a full overview of purchasing patterns, and agree a lead commissioner for each significant provider. It is hoped that by working up an agreed understanding of non-care costs that could be applied regionally, the region can form the base from which individual care costs can be negotiated locally. It would then be possible to consider whether this approach could be applied to other service user groups.

Obstacles that need to be overcome are concerns from smaller authorities about potential dominance of larger ones, political differences about the value of collaboration, and concern about risk of increased costs for some local authorities.

### 5.2 Neighbouring authorities with a range of common commissioning interests

---

#### West London Alliance

This is an [alliance](#) of seven councils in West London which work together at corporate level under the two main themes of: Growth, jobs and skills; and Commissioning for people, which includes an adults' programme. The adults' programme has a shared vision, and its early focus has been on

collaboration to address the two highest areas of expenditure: residential care and home care.

“Through working together the participant councils through the WLA supported programme have achieved significant financial savings or avoided upwards cost pressures. The programme uses a variety of procurement techniques and processes to make best use of the councils' collective purchasing power. These include:

- a restricted tender process to address the housing related support and home care markets, including best price negotiations as part of the process
- the purchase and development of a new adult social care management information system
- creation of an approved list for residential and nursing care home placements, underpinned by the new management information system
- supplier negotiations to reduce costs whilst also improving the supply chain and driving efficiencies for both supplier and purchaser”

The Alliance now has a regional MPS from which it expects the following added value and outcomes:

- Provide market with a credible document giving a clear message of the business/market opportunities across West London
- There needs to be a plan of action not just a document
- Dialogue with the market on the issues we cannot solve by ourselves
- Highlight the priorities and give a few development areas
- Our providers using our language, show providers our intentions and start to understand theirs
- Develop proposals from providers
- Attract new providers
- Cover self- funders
- Proposals for new models of care.

Learning from implementation concluded that this was a valuable approach, though quite protracted to achieve and not without difficulties, particularly around project management. However, it has also allowed for some economy of scale with fewer commissioners needed in each local authority.

### **Tri-Borough Market Position Statement**

The [Tri-Borough MPS](#) is a product of the more general partnership between the London Boroughs of Kensington and Chelsea, Westminster and Hammersmith and Fulham. It deals with the whole of adult social care and is based on full partnership between the boroughs across the whole commissioning cycle to produce:

- a clear statement of their person-centred approach to commissioning
- a set of shared priorities
- a joint commitment to working with providers
- a guide to how political or financial differences between boroughs may have an impact

The clear identification of a shared direction of travel addressed to providers which will almost certainly be working across more than one of the boroughs supports better service planning by providers. It should also make for more streamlined working across the whole system.

## 5.3 New Service Models and Organisations

---

### Dorset Accessible Homes Service

Dorset County Council and the District Councils within its boundaries combined a range of resources, including the Disabled Facilities Grant budgets, to tender for a comprehensive housing support service. [Dorset Accessible Homes Service](#) is provided by Milbrook Healthcare and covers:

- checking entitlement to financial help (e.g. disability benefits, money to help with repairs and adaptations)
- completing a free assessment with the person about their needs
- setting out housing options and supporting decision making
- 8 week free trial of telecare equipment
- helping with any work to be done on the home e.g. drawing up plans, getting estimates, liaising with others involved such as grants officers and occupational therapists
- additional services such as handyperson services, help with gardening, or return from hospital
- making the home energy efficient

It is effectively a single access point across the county council area to a co-ordinated range for services well beyond the traditional home improvement service. It wasn't easy to get in place as it required the agreement of the six individual District Councils as well as the County Council. It had also been hoped to include Community Equipment in the arrangements, but this wasn't possible at this stage. The service has been independently evaluated and this showed improved outcomes for the people using the service and significant reduction in costs.

### Nottinghamshire Help Yourself website

The Nottinghamshire Help Yourself website - [www.nottshelpyourself.org.uk](http://www.nottshelpyourself.org.uk) - is a partnership between health, the voluntary sector and Nottinghamshire County Council and District Councils to bring information and advice together in one central place - so people can find the information they need easily. It is a central directory of services available to all Nottinghamshire residents, not just recipients of health or social care support. It enables an individual to make contact with a service directly so is useful for self-funders and people who receive direct payments. The site has been widely promoted and signposts people to relevant information and services within their district as well as county-wide. There is also the hope to link in with other local authorities in the near future.

A key market shaping development of the site is [Provider Corner](#) which launched on the 1st April 2016. This is a section for all organisations listed on the site to access information to help develop their business such as the MPS and JSNA as well as monthly web statistics on the use of the site so providers are aware of potential gaps in services and what terms people are searching for. There is also a training section so providers can access relevant training for their staff as well as a provider forum where organisations can share good practice, so also supports the promotion of good quality care.

### **Tricuro**

Tricuro, a Local Authority Trading Company established by Dorset County Council, Bournemouth Borough Council and Poole Borough Council went live in July 2015 with local authority service provision in residential, nursing, respite, day care, shared lives, reablement and catering services transferred into it. The aim is to ensure a sustainable future for provider services and enable more services to be delivered to more people across the Pan-Dorset area. It also delivers savings for each local authority and meets the objectives of service change programmes to implement the Care Act (2014). This is a major intervention in the local market and, in addition to the benefits to the councils, is intended to:

- help fill a gap in domiciliary care capacity
- improve access to affordable residential care particularly for people with dementia or behaviour that challenges
- be available as a provider of last resort if other providers fail
- work in partnership with the third sector
- provide a one-stop shop to a wide range of care and support services in an otherwise fragmented and compartmentalised market

The relatively recent establishment of the organisation means that overall impact is not yet clear but a Benefits Realisation Review will be carried out in this financial year. This was an ambitious and complex project and a review report to Dorset County Council by its Scrutiny Committee identified strengths and lessons learned about the process itself.

### **Hampshire County Council and Southampton City Council Domestic Abuse Strategy**

As part of a wider Domestic Abuse Strategy, Hampshire County Council, Southampton City Council, Hampshire Constabulary and the Office of the Police and Crime Commissioner have worked together to develop a Hampshire-wide initiative that aims to better identify and assess perpetrators and implement an improved programme of interventions.

Its market shaping aspect is that it works through a third sector organisation, the Hampton Trust, to appoint a consortium of local organisations to implement the new scheme. This uses the longstanding experience of the Trust in working with domestic abuse perpetrators both in and outside the criminal justice system to mobilise other organisations in developing innovative approaches to delivering support and enabling all agencies to achieve a new way of addressing a complex issue. The project is being independently evaluated by Southampton University.

### **Cambridgeshire Older People's Accommodation Strategy**

This has been developed by a Programme Board comprising Cambridgeshire County Council, the District and City councils, Peterborough City Council (unitary authority), Cambridgeshire and Peterborough Clinical Commissioning Group (CCG), the local System Transformation Board, Cambridge University Hospitals, and Hinchingsbrooke Hospital. It responds to a rapidly expanding older population coupled with a reduction in public sector funding and a system of specialist and care accommodation for older people that seems to be at capacity, as well as workforce recruitment and retention problems. It recognises that:

- these pressures cannot be eased by continuing to meet needs in the same way
- services need to be economically viable for the provider and affordably by public services
- the approach to accommodation for older people therefore needs to be transformed

The overarching aim of the strategy is to help older people to make positive choices about where they live to maximise their independence for as long as possible and to reduce the requirement for long term institutional care. The Strategy seeks to achieve this by:

- addressing current issues to help manage demand in the health, social care and housing systems in the short term
- increase choice and affordability for those requiring specialist care. In particular, through the development of extra care sheltered housing and related services
- influencing and developing a choice of good accommodation options for older people (general needs and specialist support)
- supporting people to remain in their own homes by maximising the benefits of Disabled Facilities Grants and technology to support people with disabilities to remain in their own homes
- intervening in the Care Home market to increase affordable capacity in the medium and longer term

The Programme Board is accountable to the Cambridgeshire Executive Partnership Board and aligns its work on the strategy to other partnership programmes and projects commissioned by the Partnership Board. Lead roles in the Action Plan for implementation are distributed across the various agencies that are members of the Programme Board. The Strategy will be reviewed annually to check that it is working and to update in the light of any new information from research, modelling and changes in policy and legislation.

## 5.4 Maximising commissioning resources

---

### **Log On to Care: the home of social care e-learning**

The [www.logontocare.org.uk](http://www.logontocare.org.uk) website is an online resource for care providers (including personal assistants and their employers) funded by consortium of local authorities centred on the Thames Valley.

“The Log on to Care web site represents a wide ranging partnership of Social Care organisations who have worked together to create this Employer based facility across the Thames Valley area. The purpose of the site is to provide useful and up to date information on any aspects of training, funding or general information for the sector.”

It provides:

- eLearning courses developed in partnership with subject specialists, Local Authorities, Personal Assistants, Individual Employers, Skills for Care, NHS and Social Care Institute for Excellence. There are over 200 eLearning modules available across a wide range of subjects.
- Information relevant to each area represented by the consortium.
- Social Care News.

Commissioners, by supporting this resource, both demonstrate the expectations they have of providers and support their achievement.

### **‘Proud to Care’**

This is a joint campaign by Bournemouth Borough Council and the Borough of Poole that aims to celebrate the work of home care workers, improve public perception, provide a better understanding of homecare work and boost recruitment of more suitable home carers and for workers to feel proud of their job. It included:

- press releases by both authorities
- a “Tweetathon” on one day by a home care worker, providing the public with regular Tweets throughout their shift highlighting the highs and lows of a typical day as a home care worker
- a website hosted by Bournemouth
- outlines the campaign
- provides information about events
- offers “day in the life” descriptions of a variety of home care roles
- links to provider websites

It shapes the market by addressing the need for a fully-staffed and well-motivated workforce.

### **ADASS East of England**

ADASS Eastern Region has produced shared Standard Terms and Conditions of Contract and shared Service Specifications.

### **North East Procurement Organisation (NEPO)**

NEPO is a longstanding collaboration of local authorities in the North East that has made a major contribution to both stimulating North East businesses and helping local authorities to make savings. Its key objectives of NEPO are:

- To deliver significant savings to the north east public sector through collaborative procurement.
- To support and develop the region's supply base, making it better able to win public sector contracts.
- To act as a strategic, commercial, efficient and technology enabled body that is able to mobilise the procurement and commissioning talent of north east local authorities for the benefit of the region.

It is an active player in market shaping in the region. It provides a location for Soft Market Testing, with the views of providers on the development of new services often being sought through the NEPO portal. This is a good tool for engaging and consulting with appropriate providers as it collates all responses and is accessed by all commissioned and interested providers.