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DCMQC - Briefing Paper 2

Developing a Market Position Statement

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

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Developing a Market Position Statement

1 Introduction

This briefing paper has been produced following the ‘Developing Care Markets for Quality and Choice’ (DCMQC) programme. It outlines what is a market position statement (MPS) and how to develop one. Other papers in this series look at:

- The basics of market facilitation (Paper 1).
- Good practice examples (Paper 3)
- A checklist for testing your local MPS (Paper 4).
- Using a market position statement to help structure the care market (Paper 5).
- Intervening in the care market (Paper 6)

2 What is a market position statement?

Local authorities will need to consider how they are going to meet their requirements under the Care Act to ‘promote diversity and quality in the provision of services’. Good practice in market facilitation (see Paper 1), as the Care Act requires, suggests that commissioners develop a common and shared perspective of supply and demand for care services. The Act also talks about ensuring sufficiency of provision, of making sure the local care market is sustainable and fostering continuous improvement. Local authorities cannot deliver these outcomes without the active cooperation of providers and without clarity over their strategic approach. Whilst not a requirement in the Act, these functions are likely to be considerably helped by the development of an MPS which it is suggested should have following substantive characteristics:

- It should present a picture of demand and supply now, what that might look like in the future and how strategic commissioners will support and intervene in a local or regional market in order to deliver this vision.
- It should be a brief, analytical document that is clear about the distinction between description and analysis. If you are a provider you will come to your own judgements about where and in what amount to invest in a market. However, to do that you not only need to understand the direction the local authority is taking but also why is it going in that direction and based on what evidence.

- It should support its analysis by bringing together material from a range of sources such as JSNAs, surveys, contract monitoring, market reviews and statistics into a single document which presents the data that the market needs to know and use if providers are to develop effective business plans.
- It should cover all potential and actual users of services in the local area, not just those that receive local authority funding.
- It should be the start, not the end point, of a process of market facilitation. Consequently, an MPS is the basis for strategic commissioning and is a document to be published, reviewed and updated regularly.

3 Approach

Within most authorities the development of an MPS will be led by commissioning and / or procurement staff. In some, there may be one or more individuals charged specifically with leading relationships with the market. Regardless of whether it is an individual or a shared responsibility, the development of an MPS requires resources to pull material together, to consult with providers and consumers of care and to author a document.

In undertaking these tasks it is important that the authority, and those taking these activities forward, see the development of an MPS as a means to an end rather than as an end in itself. A good MPS should help the authority understand the state of its local care market, clarify its purchasing intentions and processes and act to deliver quality relationships with its providers of care and support. Consequently, plans need to be put in place for how the material the MPS contains will be shared with providers, how their views can be effectively sought and what routine process is needed for reviewing and updating the MPS in future.

4 Content

The table below outlines the typical content of a social care MPS.

Topic	Content of the Market Position Statement
A summary of the direction the local authority and its commissioning partners wish to take and the purpose of the document	<ul style="list-style-type: none"> ■ Summarises the key care and wellbeing outcomes to be achieved and any, and which, elements of policy, legislation and regulation will have an impact on the market. ■ Contains a summary of the key elements of the analysis presented in the individual sections below. <p><i>(This section should be written last of all and ideally be no more than one page).</i></p>

Topic	Content of the Market Position Statement
<p>The local authority's predictions of future demand, identifying key pressure points</p>	<ul style="list-style-type: none"> ■ An analysis of the current population and anticipated projections for the coming five to ten years for the relevant market sector and the impact any population change may have on future demand for services. <i>The MPS should distinguish between population change and likely demand for services. Some of this may be based on extrapolating past trends. It should also cover the whole population of potential service users, including those who fund services themselves and those funded by the local authority either in part or in total.</i> ■ Highlights particular aspects of demand now and in the future, for example, by geography (which wards have high density) and by nature of particular problems, eg, dementia, profound and multiple disabilities, etc and whether this is likely to increase, remain the same or diminish. This will include the rationale on which such estimates are being made. ■ As the Care Act unfolds the MPS could contain details about the number of assessments the local authority has completed and those receiving partial or full support from the authority. ■ An analysis of what the authority anticipates will be the impact of more service users purchasing or negotiating their own care, and the impact this might have on the market.
<p>The local authority's picture of the current state of supply covering strengths and weaknesses within the market</p>	<ul style="list-style-type: none"> ■ A review of current spend on services. ■ A quantitative picture of supply, looking at what services are provided, to whom, where and in what volume. Particular issues to look out for could be: does the current availability of service provision match likely future demand; are services located in the areas of highest need; do the services available offer genuine choice? ■ A qualitative picture of current supply indicating those areas where services appear not to be meeting required standards, users' requirements or outcomes. ■ Clarity about the role that providers can play in terms of prevention and how efficient and

Topic	Content of the Market Position Statement
	<p>effective the current market in preventative services and resources is.</p> <ul style="list-style-type: none"> ■ <i>This should not only cover the local authority’s perspective but should bring together consumer research. This may be based on reports, complaints, user surveys, mystery shopper exercises, etc. Providers will almost certainly be more interested in trends and patterns over time rather than simple snapshots. For example, presenting an analysis of the pattern of spend over the last five years; how has that changed, why and what does the authority think might happen in the future will be a lot more useful than simply showing total spend for a single year.</i>
<p>Identified models of practice the local authority and its partners will encourage</p>	<ul style="list-style-type: none"> ■ A review of how the commissioning organisation sees the supply side based on evidence about best approaches and methodologies. ■ An explanation of the desired models of care, why this would represent good practice and an analysis of what needs to change. ■ Suggestions as to how the market might deliver change. ■ A statement about whether commissioners will provide or directly purchase any services, whether it will seek framework agreements with providers and whether these will be based on outcomes, etc. ■ An explanation of where and how the local authority will seek to influence other key stakeholders, eg, CQC, service users, carers or government. ■ How the local authority and providers working together can improve the content and delivery of information to actual and potential users of care and support services.
<p>The likely future level of resourcing</p>	<ul style="list-style-type: none"> ■ Which areas of supply the local authority sees as a high priority, where it wishes to see services develop and those areas where it would be less likely to purchase or encourage service users to purchase in the future. ■ A description of likely future public care resourcing, and how this might drive the vision from the previous section.

Topic	Content of the Market Position Statement
	<ul style="list-style-type: none"> ■ If less funding is to be made available, an explanation about this and of the opportunities for the market to propose or be involved in ideas for service re-design and new delivery models. If particular service areas are vulnerable to funding reduction, an analysis of the likely service areas which might be de-commissioned or discouraged and how the authority will seek to achieve these changes.
The support the local authority will offer towards meeting the ideal model	<ul style="list-style-type: none"> ■ Opportunities to shape future thinking and any particular help that may be available to providers, eg, future contracts, land availability, help with planning consent, guaranteed or underwritten take up of services, training and development, business and management support.

5 Frequently asked questions

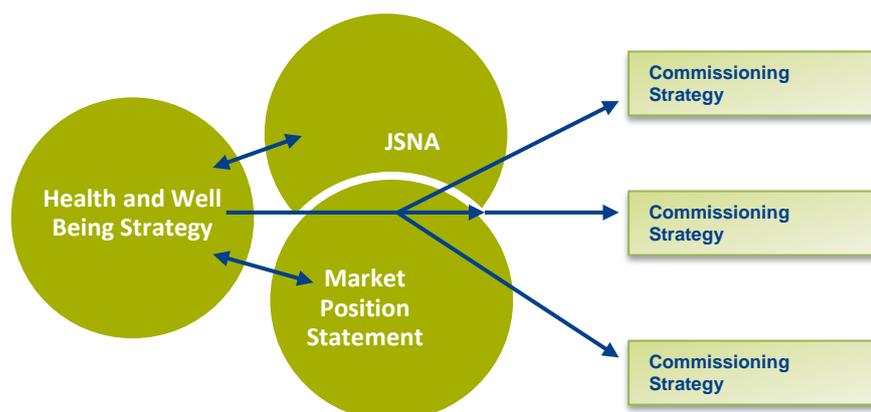
5.1 Should we co-produce the MPS with providers? If part of the purpose of a Market Position Statement is to ensure sufficiency of supply and efficiency within the care market then providers need to be involved in developing an MPS. However, it is also a statement from the local authority. Therefore, authorities should; seek to understand the kinds of information providers would find helpful; agree what data they might supply that would help develop the market; and share drafts. Once produced, the MPS should then act as a ‘calling card’ at the heart of the interaction between purchasers, providers and consumers.

5.2 Our providers stretch across more than one local authority boundary. Should we produce a joint MPS? In some instances it may make sense for authorities to work together in producing an MPS, particularly in areas of high cost specialisms. Alternatively, it may reflect local provider communities, eg, where a smaller unitary authority shares providers with a shire county. However, where there are differences, eg, in demand or in terms of the shape of future support or approach to best practice between authorities, these would need to be clearly identified.

5.3 How do we define a market or is this all adult care? This should be based around how providers define their market not just how the local authority sees it, eg, adult care. Therefore, if providers feel they serve a market defined by who their

consumers are, such as older people or people with learning disabilities etc, then a MPS could be produced for each of those market areas.

- 5.4 What is meant by ‘market facing’?** An MPS should be written for people who provide services in a particular market, whether state, private or voluntary sector. Therefore, it should aim to give its readers information they may not already know but which would be helpful in planning their future businesses, offer a clear picture of what gaps there are in the existing care market and identify what its consumers and potential consumers are saying about services.
- 5.5 What is meant by ‘whole’ populations?** In the past many social care strategies have often only looked at known and funded populations. If considering the whole market it is important to step beyond this. For example, we may know how many older people are being funded by the state in residential care but how many people are self-funding and what are the future implications for the market? Some authorities may not have ready access to such information. However, there is no harm in being clear in a MPS about what is not known now, but the authority would wish to know in the future.
- 5.6 How do market position statements fit with other documents?** A market position statement should not be a repetition of the JSNA or the Health and Wellbeing Strategy, but a concise, practical document that is focused on helping providers make good decisions about service and business development and lays out the local authority approach to the market in the future.



- The Health and Wellbeing Strategy outlines what partners will do together to improve health and wellbeing outcomes for all citizens.
- The JSNA identifies long-term patterns of need and demand.
- An MPS should draw on intelligence and intentions outlined in both documents, and elsewhere in order to deliver a clear, analytical view of supply and demand, what services may be required now and in the future to deliver the necessary outcomes and what part the local authority and the care market will play in ensuring the right services are available.
- Social care may then have much shorter commissioning strategies perhaps for particular aspects of service, such as older people with mental health needs, focusing on how the authority and its partners intend to use its own resources.

6 Conclusion

As suggested at the start of this paper, an MPS has little value in its own right. The test is how does the local authority use such a document, once developed? In the DCMQC programme it was argued that the MPS should be a calling card; an introductory document to wider discussions with the health and care sector about the services and approaches required now and in the future. Papers 4 and 5 take this discussion further by providing a checklist against which a local MPS can be tested and how such a document fits into the wider market facilitation approach.