



# Market Shaping Review

## Place-based Market Shaping: Co-ordinating health and social care

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OXFORD  
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Working in partnership to support implementation of the Care Act

# 1 Introduction

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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
- [Cross-local authority and regional working on market shaping](#) – a paper that explores when and how to take a regional joint approach to market shaping

This paper is for health and social care commissioners who are looking to work together to develop a co-ordinated or place-based approach to market shaping. It explores the importance of developing a place-based approach to shaping the health and care market, looking at what this means for health and social care organisations. It maps the breadth of current relationships between commissioning agencies and examines their relative strengths and weaknesses. The paper highlights the role of programmes such as the Better Care Fund and Sustainability and Transformation Plans in understanding the requirements of local populations and provides a list of questions to consider for commissioners looking to develop place-based market shaping approaches to delivering co-ordinated care.

## 2 A Co-ordinated Approach to Health and Social Care

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The health and social care market is a complex system, based upon different organisational structures, separate budgets and legal frameworks, with differences in contracting and monitoring arrangements, and in the comparative use of in-house versus external provision. Whilst this has worked well in the past, in some cases it has led to a fragmented set of relationships between commissioners and provider organisations where efficiencies haven't been fully realised and where decisions are made in silos without considering the impact on other parts of the health and care system.

Primarily discussing NHS services, but something which can certainly be seen within social care as well, the Kings Fund describe this lack of join-up across commissioners and providers as the 'fortress mentality' where "*autonomy, competition and regulation feature prominently*"<sup>1</sup> and where potential efficiencies within the system – or the opportunity to manage increased demand – fail to be realised. In such cases, the range of relationships can be so complex that providers may have more than one link into their commissioning organisations. Whilst in others, particularly where providers contract with more than one local authority and/or clinical commissioning group (CCG) in a region, they may charge different rates to their nearest neighbours or commissioners for providing the same service.

The outcome of this is that ultimately people who use services experience care and support<sup>2</sup> across the health and social care system that is structured around the organisations that deliver it, rather than the needs of the individual; which can lead to duplication, missed opportunities and poor handovers between care professionals. Although there has been considerable progress in the number and level of co-ordinated and/or integrated services in recent years, in practice there is still much to be done. Developing whole-systems approaches to shaping the health and social care market is pivotal to ensuring that people can access the right care, at the right time, with greater co-ordination of planning and commissioning arrangements and budgets wherever possible.

In this paper we go on to discuss this in more detail, and look at how health and social care commissioners can develop a 'place-based approach' to market shaping, which brings together strategic leadership, analysis and planning arrangements to work with providers to develop co-ordinated care models.

<sup>1</sup> The Kings Fund (2015) Place-based systems of care: A way forward for the NHS in England

<sup>2</sup> National Collaboration for integrated care and support (2013) Integrated Care: our Shared Commitment

## 2.1 What is place-based market shaping and how can it work across different organisational structures?

*“Market shaping means the local authority collaborating closely with other relevant partners...to encourage and facilitate the whole market in its area for care, support and related services.”*

**Care and Support Statutory Guidance, Section 4.6**

The purpose of market shaping is to stimulate a diverse range of appropriate services, both in terms of the types of services and the types of provider organisation, and ensure the market as a whole remains vibrant and sustainable. In some circumstances this may be through direct purchasing activity, in others it may be through working across agencies or with providers and people who use services to design and develop services which can meet the needs of local people, including self-funders. Further guidance on what is market shaping is available as part of the Market Shaping Review.

### What do we mean by place-based?

The Kings Fund report [Place-based Systems of Care](#) argues that individual organisations alone cannot resolve the issues facing the sector in managing demand and improving the quality of care at a time of financial pressure on budgets. It calls for providers of NHS services in England to work together in ‘place-based’ whole systems of care, and commissioners to become more integrated and strategic in their approach to developing systems of care. In practice, this means working collaboratively to understand the impact of decisions taken in one organisation on the ability of others to meet need; and also to develop care models which extend beyond organisational and service boundaries. It is reliant on strong leadership and a real sense of ownership and vision around a common problem or issue.

In this paper, we extend this notion to argue that place-based systems of care are as much reliant on different parts of the NHS working together, as the NHS commissioners and providers working with their local authority partners and care and support providers to understand and shape the market so it can respond to the duality of challenges in demand and financial pressure.

Under statute, shaping the care market is the role of the local authority and its relevant partners. At this current point there is no reciprocal duty on CCGs to shape the health care market. Yet there is growing evidence<sup>3</sup> to suggest that the most effective way of ensuring sufficient services to meet demand is through co-ordinating health and social care commissioning approaches and developing place-based perspectives on how the health and care market operates, so that services which meet local needs can be developed.

<sup>3</sup> Options for integrated commissioning: Beyond Barker (June 2015) The Kings Fund

### Potential benefits of a place-based approach to market shaping:

- Building a coherent picture of demand and supply of services across a given area enabling more effective scenario mapping and contingency planning, so that commissioners can get a better understanding of the impact of policy or how shifts in different parts of the market impact on others.
- Exploring how networks of care work in order that commissioners can follow the individuals' journey through the system to understand how effective the health and/or care they receive is and where there are opportunities for greater co-ordination and integration to improve their experience and reduce duplication.
- Building relationships across health and social care organisations and the wider sector. Addressing 'silo thinking', improving integration in line with national policy and facilitating more creative joint solutions to complex problems.
- Reducing the duplication of effort by different stakeholders, either through decreasing repetition in planning and commissioning processes or by developing shared approaches to quality and performance monitoring requirements for providers.
- Clarifying fee structures across organisations and ensuring that procurement processes and contracting arrangements align so there is increased value for money.

## 2.2 Understanding your current market shaping arrangements

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Partnership arrangements between health and social care commissioners range from separate to integrated commissioning teams, through joint or delegated approaches in response to specific problems and issues. The tables below outline the range of current partnership arrangements in market shaping, and their relative strengths and weaknesses, including important factors in their successful implementation.

Separate CCG/local authority commissioning arrangements	
Description	Based on existing organisational structures, each agency has their own commissioning team. Separate arrangements may exist for all services, or just for some.
What benefits can this approach bring to market shaping?	<ul style="list-style-type: none"> <li>■ Clarity around budgets and where resources are being spent.</li> <li>■ Requires no organisational restructuring and maintains status quo.</li> <li>■ Each agency shoulders the responsibility for their own budgets, the models of care they commission and the risks that they are prepared to take.</li> <li>■ Allows for specialised, local services to be supported if they only meet the criteria of one of the organisations.</li> </ul>
What are the potential drawbacks with this approach?	<ul style="list-style-type: none"> <li>■ Market shaping and commissioning activity is sited in separate organisations.</li> <li>■ A fragmented approach to the use of providers and resources.</li> <li>■ Provider performance information not easily shared between agencies.</li> <li>■ Less leverage within the market to influence the shape of provision.</li> <li>■ Can lead to discrepancies in costs of services when commissioned separately by two different organisations; or the unnecessary duplication of services.</li> <li>■ Places additional burden on providers who deal with two separate contracts.</li> <li>■ In some cases, poor commissioning practice in one or other organisation may lead to additional costs being incurred in the other, or indeed cause unintended consequences in the provider market which places the quality of care at risk for both commissioning agencies.</li> </ul>
Factors that support success	<ul style="list-style-type: none"> <li>■ Good quality market intelligence on the range of provision and the level of demand.</li> <li>■ An analysis of where joint or more co-ordinated preventative approaches may benefit all agencies involved.</li> <li>■ Robust arrangements for sharing quality assurance and market monitoring arrangements through existing networks and partnership arrangements.</li> </ul>
Examples of the types of service where this approach may be appropriate	<ul style="list-style-type: none"> <li>■ Specific health services e.g. dental services.</li> <li>■ Specialist residential care settings.</li> <li>■ Advocacy or befriending services.</li> </ul>

Joint or co-ordinated commissioning arrangements for specific services	
Description	<p>Arrangements that are usually in place where there is a perceived benefit in working together to commission one or more services jointly. Partners do not share or integrate their commissioning functions, and do not (except in some limited areas) pool budgets or other resources. Projects are, in effect, time-limited partnerships by independent agencies. These arrangements may sit alongside separate arrangements for specialist services and can include work on specific projects such as the Better Care Fund, monitoring care providers, commissioning community based services etc.</p>
What benefits can this approach bring to market shaping?	<ul style="list-style-type: none"> <li>■ Most common method for commissioning joint or co-ordinated/ integrated services and therefore it is easier to share learning.</li> <li>■ Many people would suggest that in the current political environment, without a very clear commitment or requirement to fully merge commissioning organisations, it makes a great deal of sense to implement this model for specific service areas or for specific populations.</li> <li>■ Partners undertake work together, save some resources and can develop consistent messages to the wider market and their care providers.</li> <li>■ Where partner agencies have a range of different providers, it avoids the risk of over-engaging with any one provider.</li> </ul>
What are the potential drawbacks with this approach?	<ul style="list-style-type: none"> <li>■ Often time-limited and as a result doesn't support the ongoing activity required to shape the market in the longer term and encourage ongoing innovation.</li> <li>■ It can mean that opportunities to look at the care market as a whole are missed and may lead to duplication of effort across projects.</li> <li>■ With ongoing reorganisations resulting in high staff turnover in commissioning agencies, shared knowledge of the market and established relationships between commissioners and providers may not be sustained.</li> </ul>

<b>Joint or co-ordinated commissioning arrangements for specific services</b>	
<p>Factors that support success</p>	<ul style="list-style-type: none"> <li>■ A clear agreed focus for commissioning and agreement that there is the potential for greater impact through a joint approach.</li> <li>■ Clear leadership commitment to managing projects on a joint basis and committing staff resources to these projects.</li> <li>■ Specific leadership commitment on the type of commissioning approach to be taken by each project including the use of resources.</li> <li>■ Careful and specific project specification and the option not to engage if there are more than two partners.</li> <li>■ Shared work plans between partners to promote good communications and help identify joint project opportunities.</li> <li>■ Regular cycle of monitoring and review.</li> </ul>
<p>Examples of the types of service where this approach may be appropriate</p>	<ul style="list-style-type: none"> <li>■ Falls prevention services.</li> <li>■ Facilitated discharge services.</li> <li>■ Care/Nursing Home placements.</li> </ul>





Lead or delegated commissioning arrangements under NHS Act 2006 and Health and Social Care Act 2012	
Description	Where a CCG has handed over the commissioning responsibility for services to their local authority partner. It may, or may not, include pooling budgets depending on arrangements.
What benefits can this approach bring to market shaping?	<ul style="list-style-type: none"> <li>■ Supports the notion of a lead commissioner for specific services.</li> <li>■ It can mean that providers are only having to deal with one agency for tendering, monitoring and review purposes.</li> <li>■ Allows commissioners to exercise greater leverage.</li> </ul>
What are the potential drawbacks with this approach?	<ul style="list-style-type: none"> <li>■ It requires strong partnership working to be really effective and in times of financial constraints this may be difficult to resource.</li> <li>■ It provides an interim solution, but not one which can be sustainable without the proper governance arrangements.</li> </ul>
Factors that support success	<ul style="list-style-type: none"> <li>■ Good relationships between the two commissioning agencies which have agreed to operate in this way.</li> <li>■ Clear accountability into each agency so that the quality of commissioning and market shaping decisions can be reviewed and challenged if needed.</li> <li>■ Because of the change in relationship at a commissioning level, i.e. the lead commissioner may not know all of the services on offer, developing a good relationship with the providers in the market can help to establish what services are available and what might be needed.</li> <li>■ Regular cycle of monitoring and review.</li> </ul>
Examples of the types of service where this approach may be appropriate	<ul style="list-style-type: none"> <li>■ Learning disabilities</li> <li>■ Mental Health services</li> </ul>

Integrated commissioning teams	
Description	Where there are a range of joint commissioning posts between the CCG and local authority with responsibility for looking at the whole of the health and social care market in a given population or service area.
What benefits can this approach bring to market shaping?	<ul style="list-style-type: none"> <li>■ A consistent and coherent approach to commissioning services across health and social care.</li> <li>■ One point of contact for providers.</li> <li>■ Increased leverage for shaping local care markets through pooled budgets, and consistency of approach.</li> <li>■ Integrated monitoring and review arrangements can be used that result in a shared understanding of the effectiveness of current</li> </ul>
What are the potential drawbacks with this approach?	<ul style="list-style-type: none"> <li>■ Significant restructuring of existing commissioning arrangements which can lead to uncertainty in the market and a period of settling down.</li> <li>■ Agreeing approaches, ways of working and budgets will take time and the agencies which are combining often get bogged down in the detail without watching what the wider market is doing.</li> </ul>
Factors that support success	<ul style="list-style-type: none"> <li>■ Good clear leadership with robust governance arrangements.</li> <li>■ Long-term planning approaches which set out the direction and expectations for the care market in the immediate and longer term.</li> <li>■ Requires good management structures and an understanding of the skills and capacity required to commission health and social care services.</li> </ul>
Examples of the types of service where this approach may be appropriate	<ul style="list-style-type: none"> <li>■ Community based services.</li> <li>■ Older people's services.</li> </ul>

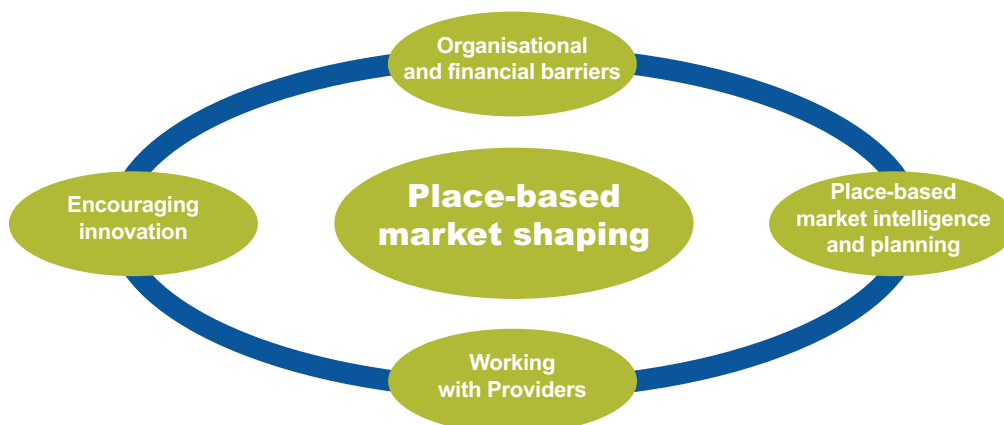
### 3 Place-based Market Shaping: Overcoming the Barriers

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Intuitively, place-based market shaping seems the logical progression of the traditional commissioning function and for many years local authorities and the NHS have worked collaboratively to develop services which have tried to address local needs. Yet, despite this, commissioners and providers still report difficulties in achieving a tangible shift in the way the whole care system operates with poor co-ordination of services resulting in blockages within the system or not enough provision to meet demand. For example, on 9th June 2016 the [National Health Executive](#) reported that delayed transfers are at record high owing to 'impossible demands' where pressures on social care were impacting on the level of demand within hospitals.

Although the concept of market shaping has been around for a number of years, in practice it has tended to focus on one service area at a time, or been concentrated on local authority or NHS services. Whilst segmenting the market is often a useful way of condensing a complicated landscape into something more manageable, a lack of joint market-shaping activity between health and social care can adversely impact the system as a whole if the success of one organisation or service area means that the demand for care is pushed onto another. So what prevents organisations from developing place-based market shaping approaches? There are four main barriers:

- Organisational and financial barriers between local authority and NHS operations, such as different contractual and monitoring arrangements, and organisational footprints, which need good relationships and partnership working to overcome.
- Separate – and often conflicting – information and data requirements across local authorities and the NHS which can take time to reconcile and make it more challenging to establish and develop collaborative approaches to gathering market intelligence.
- Cultural differences in the way organisations operate and the relationships they have with each other, and how they work with providers; from the way they define their care market through to reaching agreement on the mix and type of provision and how it could be structured in the future.
- Different approaches to encouraging innovation in the market and rewarding existing providers for offering good quality and effective services.

**Figure 1: Overcoming barriers to placed-based market shaping**

Addressing these issues requires some considerable commitment from the organisations involved. It also requires a cultural shift in how commissioners work, seeking to work across organisational boundaries to seek out new ways of supporting innovation and rewarding providers who can make the shift towards delivering seamless care. We discuss these in more detail below.

### 3.1 Organisational and financial barriers to market shaping

Overcoming the organisational and financial barriers which prevent good market shaping activity across local authorities and the NHS can be challenging. This may be for some of the reasons outlined above, but can also be as simple as getting the right people round the table to generate a comprehensive picture of the existing market and establishing a shared sense of purpose for the work. It can also be hampered by local politics and/or the financial flexibility of partner organisations to commit to significant changes in commissioning practice, but there are a number of opportunities open to commissioning organisations which can help with this, including:

- **Developing stronger partnership arrangements between health and social care commissioners.** As outlined in section 2, these range from joint or co-ordinated approaches in response to specific problems and issues, through to fully integrated commissioning teams looking at whole populations or segments of the care market. A key step in deciding which approach to take is through identifying a common issue across both local authority and NHS commissioners, which may be best addressed through more collaborative market shaping activities, and recognising the strengths and weaknesses of current arrangements (see section 2.2) to see which set of arrangements may suit your local needs best. Such decisions are often the result of strong strategic leadership which can clearly articulate the vision for local care and support.

- **Pooled Budgets** – Under the NHS Act 2006 and the Health and Social Care Act 2012, section 75 agreements have enabled local authorities and their NHS partners to pool budgets for a number of years. These flexibilities have enabled the development of co-ordinated networks of care across health, social care and public health and achieved economies of scale not previously obtainable under separate financial arrangements. Often the services which have been commissioned have related to specific needs, including mental health and learning disabilities, but increasingly organisations are looking at how they can pool resources and expertise to commission early intervention and prevention services and access the care and support available within the community through the voluntary sector.
- **Nationally driven, locally focused programmes** – For example, the Better Care Fund goes some way towards encouraging local areas to work collaboratively, requiring the NHS and local government in every area of England to create pooled health and social care budgets and to plan how to use those budgets to provide seamless health and social care services for their local populations. The fund provides the impetus for the NHS and local authorities to work together to develop and commission person-centred services and to shift resources into the community to help prevent conditions from escalating. Other recent initiatives include the devolution of health and social care in places such as Greater Manchester and Cornwall, where local authorities and health organisations have taken control of their budgets to develop place-based systems of care that support well-being and build resilience within local populations.

## 3.2 Place-based market intelligence and planning

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For place-based market shaping to be effective it is important the organisations involved develop a shared vision of what the market should look like; built on robust and detailed market intelligence that incorporates analyses of local population needs and expectations as well as the type, level and quantity of current services in a local area.

Over the years several initiatives have supported this, with local authorities sharing information and working together with health partners to develop Joint Strategic Needs Assessments (JSNA) and market position statements (MPS), as well as developing more coherent strategic planning processes through Health and Well-being Boards. However, it is important these documents and plans do not remain simply 'top-down' documents, but that commissioners and providers work together to understand how the information contained within them can influence and shape the type of provision required by local people.

Whatever approach taken to collecting and analysing the data, place-based market intelligence across health and social care systems should as a minimum include:

- Assessing the needs of the local population based on a combination of census data, prevalence rates and recorded or known patients/service users.
- Analysing the range and numbers of self-funders who access care, particularly those who may use preventative services which reduce demand on acute services.
- Capturing the patient/service user voice, their expectations and the types of services they want to see as well as their current experiences of the care they receive and how they move around the system.
- Understanding of strengths and weaknesses of main provider models (including their financial stability) across a range of service areas, including those which predominantly market themselves to self-funders.
- An analysis of how the care offer in one particular segment of the market fits with the other elements of the care system to understand the risks associated with significant changes in funding or policy, e.g. a reduction in residential care could lead to delayed transfers of care from hospital if other alternative mechanisms to support people to return to their own homes are not put in place.
- Scenarios to review the impact of any proposed changes within the care system.
- Evidence of what interventions work, as well as those that do not, or are not as effective.
- Financial and budgetary information, contracting approaches, and quality monitoring data etc.
- Clear statements on what good quality care looks like and what commissioners expect and want to see within the market.

What has proved more difficult for commissioners has been keeping these documents and analyses 'live' and relevant to a sector which can change rapidly and where planning processes across organisations may not be that well aligned. In these cases, good quality market intelligence requires strong strategic leadership and robust partnership governance arrangements in order to develop and maintain data and information on the health and social care market. Importantly, it also requires a cultural shift in how commissioners operate, from trying to track the absolute in terms of inputs and outputs, towards one which can look at the outcomes of interventions (or lack of interventions) in populations so that reasonable forecasts on how the market might behave can be made.

Again, the Better Care Fund has pushed local authorities and NHS organisations into looking at what types of care and support would best meet people's needs, through understanding care pathways and patient/service user experiences. But in practice the lessons learned here are still to be rolled out across other services and areas. The recently introduced Sustainability and Transformation Plans (STPs) push this one step further, and require local health and care systems to come together to create place-based, five-year plans built around the needs of local populations. The focus of the plans will include specialised services, and primary medical care from a local CCG perspective. They will also cover the integration of health with local authority services, including prevention and social care, and must reflect local health and well-being strategies.

## 3.3 Working with providers

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There are a variety of commissioner/provider relationships. At the one end there are the very formal contracting arrangements whereby all provision goes out to tender. At the other there are collaborative, partnership based approaches. These partnership approaches may include developing new models of care, integrating services or developing new provider vehicles and/or transferring in-house staff to an external agency. The success of these approaches usually comes down to how well commissioners and providers can work together, beyond the traditional barriers of the purchaser and contracted organisation, and is often dependent on either or both of two things:

1. Recognising that most – if not all – of the commissioning and contracting process is likely to have an impact on the market in some shape or form and therefore engaging and working with providers at every stage of the process.
2. Looking at ways of incentivising the market to respond to shifts in policy where needed, and being clear across commissioners and the wider market about what might need to stop being done, in order to free up resources to develop new models of care.

How well commissioners can do this will be dependent on understanding the structure of their local markets, and health and social care commissioners should as a minimum develop joint approaches to:

- Work closely with providers at the initial stages of any significant reconfiguration of the market.
- Identify and work in more depth with good quality providers that there is a strong evidence base for continuing to support; exploring how these providers may be able to build on their existing business models to develop more co-ordinated care services.
- Develop effective mechanisms for working with the market as a whole, recognising there may be players within the area that may not currently hold a local authority or NHS contract, but with the right support could offer care or preventative services.
- Map the service user/patient pathways through the care and support system and understand how they interface with different providers at different stages of their condition, using models and consultation approaches.
- Talk with providers to understand how long it takes for them to plan and implement new care models, what the barriers are to preventing the delivery of co-ordinated and integrated care, and work with them to overcome these. In some cases this may also mean being sensitive to the fact that the window of opportunity for a provider to invest in an integrated care model may be small and that decisions within the local authority and CCG need to be made relatively quickly.
- Review all the risk factors operating within the market and look at ways that risk can be shared across organisations so that providers feel supported to remodel their businesses where needed.
- Develop strong strategic leadership in commissioning, but also within the provider sector. Providers should be encouraged to work with commissioners to respond to national policy and build capacity and leadership locally to help build networks of co-ordinated care.

## 3.4 Encouraging innovation

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Encouraging innovation within a highly regulated market has always been a challenge, with many initiatives and steps forward in care a result of changes in policy, legislation or funding streams. The shift towards personal budgets and less emphasis on block contracts, combined with the need to increase financial efficiency, has made it harder for local authorities to directly influence care and support services; whilst the introduction of CCGs has made it more difficult to commission services across geographical boundaries. This, combined with financial savings targets has meant – for many providers – more uncertainty around the volume of supply and hence difficulty investing in new models of care for the longer term.

However, even in the context of a financially challenging environment, there are a number of ways commissioners can encourage innovation within the market and bring together providers to develop and deliver co-ordinated and integrated care, including:

- Encouraging providers to work collaboratively, to look outside their own area of expertise to explore how they fit within the wider network of care and support in an area.
- Reviewing whether or not there are additional sources of funding available to support providers, particularly smaller ones, to expand their care offer, through business development support packages, or pump-priming funds, and/or linking with other local authority areas such as leisure, transport, housing and education to explore what already exists and how services can be more effectively joined up.
- Exploring different contracting arrangements, such as outcomes based contracts which pay by results or alliance contracting where there is shared risk and reward arrangements across groups of providers who sign up to delivering services within a framework of principles and values, rather than a specific service model.
- Supporting providers, particularly the smaller ones, to understand the evidence base for new approaches to care and helping them understand what opportunities this may present.
- Providing training and support for smaller providers to help them understand the context for change, and build networks or consortia of care providers.
- Looking at workforce issues, and working with providers and training organisations to develop skills and capacity locally, particularly where a model of integration or co-ordinated care may take staff out of their normal comfort zone or operational experience.



## 4 Implementing Place-based Market Shaping

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So how do you ensure effective place-based market shaping for the health and social care market in a local area? The core components of place-based market shaping are:

- Strong governance arrangements between and within local authorities and CCGs, either through formalised organisational arrangements bringing together key functions for commissioning, or developing robust working relationships with partners and providers to understand and plan care and support in response to the strategic plans.
- A shared sense of purpose, or a common issue which needs to be addressed and has the ability to bring partners together to develop a joint solution.
- Robust strategic planning, using detailed market intelligence, to develop a shared overview of local demand, including population size and levels of need and how care and support works across organisational or geographical boundaries. Using this to map potential scenarios and shifts in the market to understand what models of care will improve local population outcomes.
- Building a 'case for change' and articulating a clear vision of co-ordinated care to providers, partners and patients/service users, their families and carers.
- Aligning the systems and processes that support place-based market shaping, such as quality assurance activities and commissioning and procurement cycles.
- Using the skills and experience within the sector to come together to develop solutions to complex problems and showing willingness to be innovative from the point of contracting through to the delivery of new models of care which can meet demand.
- Fully utilising all the approaches and mechanisms available to commissioners to shape the care market, including pooled budgets or delegated functions, different contracting arrangements and joint quality assurance approaches.
- Using evidence and research to help promote best practice and build consensus around what good models of care should look like.
- Working with providers to build on their existing models of care, redesign services and/or bring together a range of services to provide seamless support for local people.
- Working across organisational boundaries, including housing, police, leisure and education, to understand the complexities within the system and generate new ways of working together to address issues and challenges.

Implementing place-based market shaping will mean commissioners across agencies focusing on overcoming the four main barriers of:

- Organisational and financial arrangements.
- Separate market intelligence and planning.
- Cultural differences in the way organisations work with providers.
- Different approaches to encouraging innovation.

The series of questions below can form the basis of a plan for commissioners considering implementing a place-based approach to market shaping. For many, the questions will require discussions with partners and, indeed, potentially some work before they can be adequately answered, but are worth spending time reflecting on when looking to work collaboratively to develop a co-ordinated health and social care market.

Barrier	Questions to explore
<b>Organisational and financial arrangements</b>	<p>Do we have a shared sense of issues within our health and social care system that co-ordinated or integrated care might help to resolve?            If so, what are the key outcomes we want to achieve?            How might a place-based market shaping approach help us to deliver this?            What are the organisational barriers and challenges for us in adopting such an approach (e.g. different commissioning cycles, resources and capacity)?            What arrangements can we put in place to overcome some of these barriers to allow us to work collaboratively?            What are the risks associated with taking such an approach or leaving things as they are?            Is there sufficient buy-in from our strategic leadership teams to make this work when things become more challenging?            What governance arrangements can we put in place to support this work, and how can we resource the activity?</p>
<b>Market intelligence and planning</b>	<p>What markets are we focusing on (e.g. all, or housing with care or dementia; children's services; mental health services)?            What are the geographical boundaries of the services we are looking at?            What are our current population analyses, information and market intelligence activities telling us about demand, and the likely future demand for services?            What are the implications of these for our health and social care budgets and services?            How do we need to reshape the market in order to respond?            Do we have a good sense of what types of service (now and in the future) are likely to deliver the outcomes we want to achieve?            Based on this, can we develop a strong case for change or do we need to do more detailed analysis?</p>

Barrier	Questions to explore
<p style="text-align: center;"><b>Working with Providers</b></p>	<p>How do we currently work with providers and what are the range of relationships and contracting arrangements we hold with them?                      Are these fit for purpose or will they need to change?                      How sustainable are our providers, and how ready are they to make the shift towards delivering more co-ordinated or integrated care?                      What is the shape of our current workforce and how well placed are they to work in an integrated setting?                      Does the level of supply match current demand and will it continue to do so in the future?                      What might need to change?                      What resources do we bring together as partner organisations that can be used to support providers make the shift to delivering co-ordinated/integrated care?                      How can we use our provider market to help design a co-ordinated care system?</p>
<p style="text-align: center;"><b>Encouraging innovation</b></p>	<p>What are the challenges associated with delivering integrated health and social care (e.g. workforce, aligning budgets, joint commissioning arrangements, tendering issues, lack of good data on demand and spend)?                      What innovation already exists within the market to respond to these challenges?                      Where are the quick wins within the market which can have a significant impact without relying on whole scale system change?                      What do providers need from commissioners in order to be able to meet their requirements (e.g. time to turn their business model around, robust arrangements for any TUPE of staff, discussions around flexible models of delivering care)?                      What challenges are providers experiencing in relation to integrated services?                      How easy is it for them to respond and shape services accordingly?</p>

## 5 Useful Links and Further Reading

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### **Department of Health (updated 2016) 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**

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. "8.1 There is whole system approach to commissioning with joint and/ or integrated commissioning between health and social care apparent at every stage of the commissioning cycle."

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

### **The Kings Fund (November 2015) Place-based systems of care: A way forward for the NHS in England**

This paper proposes a new approach to tackling the dual challenges of growing financial and service pressures at a time of rising demand. It argues that NHS organisations need to move away from a 'fortress mentality' whereby they act to secure their own individual interests and future, and instead establish place-based 'systems of care' in which they collaborate with other NHS organisations and services to address the challenges and improve the health of the populations they serve.

<http://www.kingsfund.org.uk/publications/place-based-systems-care>

### **The Kings Fund (June 2015) Options for integrated commissioning: Beyond Barker**

This report explores the options for implementing the Barker Commission recommendation of a single ring-fenced budget and a single local commissioner. It assesses evidence of past joint commissioning attempts, studies the current policy framework and local innovations in integrated budgets and commissioning, and considers which organisation is best placed to take on the role of single local commissioner. The paper draws together findings from a body of work including a survey of existing joint arrangements, current evidence and examples, a seminar with pioneers of integration developments, and a national conference on integrated commissioning.

<http://www.kingsfund.org.uk/publications/options-integrated-commissioning>

### **National Collaboration for Integrated Care and Support (2013) Integrated Care and Support: Our Shared Commitment**

This framework document on integration, signed by 12 national partners, sets out how local areas can use existing structures such as Health and Wellbeing Boards to bring together local authorities, the NHS, care and support providers, education, housing services, public health and others to make further steps towards integration.

<https://www.gov.uk/government/publications/integrated-care>

### **NHS England Sustainability and Transformation Plans**

In December 2015, the NHS shared planning guidance 16/17 – 20/21 outlined a new approach to help ensure that health and care services are built around the needs of local populations. To do this, every health and care system in England will produce a multi-year Sustainability and Transformation Plan (STP), showing how local services will evolve and become sustainable over the next five years – ultimately delivering the Five Year Forward View vision of better health, better patient care and improved NHS efficiency.

<https://www.england.nhs.uk/ourwork/futurenhs/deliver-forward-view/stp/>