

National Market Development Forum

Developing Market Intelligence Discussion Paper 2

The National Market Development Forum (NMDF) involves leaders from local authorities, voluntary organisations, private service providers and national umbrella bodies. The NMDF has been funded through the Putting People First (PPF) Consortium as part of the PPF Delivery Programme.

Acknowledgment

The National Market Development Forum (NMDF), established in 2010 and resourced by the Putting People First Consortium, involves around fifty key individuals from a range of independent sector social care and housing providers and national umbrella bodies, as well as representatives from councils, government and CQC. Its purpose is to explore some of the challenges of market development in adult social care in the context of personalisation, and to propose practical ways in which partners can work together to address them in the future. The NMDF is supported by the Department of Health, the Association of Directors of Adult Social Services, the Local Government Association, and LGID (formerly IDeA). The Institute of Public Care (IPC) at Oxford Brookes University has acted as a facilitator of the Forum.

This is one in a series of papers developed by IPC for the Forum.

Disclaimer

The papers, prepared by IPC, do not seek to represent the views of any single organisation on the Forum, nor that of the Putting People First Consortium (The Department of Health, ADASS, LGA, and LGID). Equally, they do not represent the views of individual members of the Forum. Rather, they summarise the discussions and conclusions that arose during the course of the Forum's meetings. Where there was no consensus across the Forum about a particular issue, the papers have attempted to present a diverse range of views as objectively as possible.

National Market Development Forum

Developing Market Intelligence

Discussion Paper 2

Introduction

Historically, like many public sector bodies, local authorities (LAs) did little to either market their services or to understand the markets in which they operated. After all, people had little choice about where they were to get services from and therefore public care organisations became essentially reactive rather than proactive bodies. As purchasers and providers of care, LAs have in the past dominated most local markets. However, some local authorities are beginning to change, albeit for a variety of reasons:

- Authorities have a greater responsibility towards the whole of their local population, not just those people accessing support via the council, encompassing therefore people purchasing their own care. This means wider responsibility to ensure that sufficient provision is in place across the whole market.
- Care markets are becoming more diverse, needing to meet the needs of more self funders and more people with personal budgets. As individuals have greater control, so the local authority position vis a vis the market changes – from one of market control to one of market facilitation.
- Service users are looking for authoritative and reliable information about services so that they can make a good personal decision.
- Local authorities, particularly in terms of preventative social care increasingly need to engage in case finding – identifying and offering services to people as a means of avoiding higher intensity care and health services in the future.
- Providers are looking to the local authority to help them with information on need and current services to enable them to make sensible business and investment decisions.

All of the above calls for a greater focus on market intelligence as the basis for constructive relationships between the local authority, providers, service users/consumers and the public.

In terms of marketing provision, as the table below illustrates, even now there are wide disparities in the way that services are 'sold', and not all authorities have recognised the need to attract and enthuse potential service users:

Table 1 Two website pages ‘advertising’ an Extra Care Housing scheme

“Grateful”	“Promotional”
<p>Overview</p> <p>This site has a single page with a very small photo of the scheme. It simply lists what it sees as the ‘features’ of the scheme.</p>	<p>Overview</p> <p>This site has some thirteen pages available via drop down menus. It uses graphics, photographs, quotes from residents and news stories relating to the scheme.</p>
<p>Opening content</p> <p>“Sunnyside has 40 two bedroomed mixed tenure apartments. Each apartment has:</p> <ul style="list-style-type: none"> • Fitted Kitchen with electric hob, oven and fridge freezer • Bathroom with walk in shower • Lounge with BT and TV sockets and provision for digital TV • Double bedroom with access to bathroom • Single bedroom • Each apartment is designed to wheelchair standard <p>Within Sunnyside you will find:</p> <ul style="list-style-type: none"> • A comfortable lounge area • Restaurant which provides breakfasts, main meals and snacks • An activity room • Hair salon • Community Library and Customer Access Point“ 	<p>Opening content</p> <p>“This is the height of independent living for the over 60s. Superbly designed, comfortable bungalows and apartments set on a truly spacious, 24 acre site enjoying magnificent views of the city.</p> <p>When you've had the chance to see what an exciting and life-enhancing proposition our Village is, simply complete our Online Form to receive a copy of our DVD ‘Introduction to the Village’.</p> <p>You can:</p> <ul style="list-style-type: none"> • View the Village Facilities • Learn more about Extra Care • Find out more about the sales process • Receive a free DVD of the Village • Find out where we're located”

Market intelligence in a reformed market



The starting point for change in the market place is based on a higher level of knowledge for all key stakeholders about the factors that influence supply and demand.

What does the local authority need to know?

- Who provides what, where and at what price?
- What is the perceived quality of services provided?
- What is the relationship between activity, outcome and cost?
- What are the financial and business challenges facing different services and what are the key factors influencing success and viability
- What do providers know about demand and how can this information best be used?
- What does an overall model of good practice look like and what would it cost to achieve. How close / far away is existing provision from that model?
- What are the key drivers behind demand and how can these be stopped, lessened or deferred?
- What are people saying about current services and their priorities for the future and what approaches are successful in enabling people with support needs to drive changes in the market?

What do service users / public need to know?

- Who provides what, where and at what price?
- Are there good reviews (from a number of sources including other users) of the quality of service provision and does this have a strong user input?
- How can I get involved to ensure that the services that are available locally meet my aspirations for the future?
- What is meant by choice and control – and what choices might I have available to me in terms of choice of service, delivery or worker?
- What choices have other people made and how successful have they been in meeting their outcomes (including direct feedback from other users)?
- How flexible is the service I am being offered and does it remain under my control regardless of the purchase / payment mechanism?
- If you are a carer at the start of a caring role what degree, and what flexibility of, support will be available to you?
- Do I have enough money (either from my own pocket or via my council's personal budget) to buy the type of care I need, and what other personal or community resources might I need to draw upon?

What do providers need to know?

- What does future demand look like and how reliable is this projection?
- What is the future balance of the market likely to be between self funders, personal budget holders and those where the local authority intervenes more directly?
- What is the expected pace and scope of personal budget implementation and what impact will this have on the market?
- What are people (consumers) saying about current services and their aspirations for the future?

- Will there be consistency by the local authority towards price and support? What will the attitude be to transaction costs?
- Will the LA be clear about what it considers to be a reasonable margin of profit?
- What will the attitude of planning authorities be to the development of new care facilities?
- Will the LA support or incentivise innovation, and at what price?
- Will the LA incentivise quality, how and at what price?

Market position statements

Central to the use of improved market intelligence is the development by the local authority of a market position statement (MPS) which in effect represents the end product of market intelligence activity.

This process should bring together data from the JSNA, from commissioning strategies, from market and customer surveys into a single document. It should be market facing, ie, contain information the authority believes, and can substantiate, would be of benefit to care providers. However, as the table below illustrates this is not a repetition of a JSNA or a commissioning strategy but a document that is far more focused on delivering a specific product to benefit the market.

Table 2: The characteristics of JSNA, Commissioning Strategies and MPS

Local Authority Strategic Planning		
JSNA	Commissioning Strategies	Market Position Statements
<p>Defines demand across health, housing and social care. Essentially a broad based statement of current and future trends.</p> <p>May help to identify and target key populations, using predictive risk modelling.</p> <p>Looks at long term patterns of need and demand.</p>	<p>Normally based around groups of service users commissioning strategies should:</p> <ul style="list-style-type: none"> • Build on the view of demand presented by the JSNA. • Identify current practice and future use of public resources. • Look at the resources the LA has available and how these may be allocated or re-allocated in the future. 	<p>An analytical document that brings together material from the JSNA and commissioning strategies into a document which presents the data that the market needs to know if they are to plan their future role and function.</p> <p>Identifies the needs of different service user groups in the market e.g., older people, learning disability, etc and covers LA and privately funded users of care.</p> <p>Indicates how the local authority will support and intervene in local markets.</p>

Other characteristics of the MPS are that it should:

- Cover the whole market, not just the section that the LA funds.

- Indicate how the LA intends to behave towards the market in the future.
- Be a brief and analytical rather than descriptive document.
- Be evidence-informed in that each statement it makes has a rationale that underpins it, based on population estimates, market surveys, research etc.
- Take into account, and as relevant to the user group, consider the role of the wider local authority for example, housing, education, leisure services and the PCT. However, the document is aimed primarily at the social care market so it should only consider these other functions from the perspective of the impact it has on that market.
- Draw on commissioning strategies, the JSNA, policy reviews inspection reports etc, but differ from these documents by virtue of its brevity and the fact it is a document designed solely to inform and facilitate the social care market.

A MPS can be the basis of a constructive and creative ongoing dialogue between the local authority and its public, private and voluntary sector providers, and as such it can potentially play a significant role in helping all partners deliver better services to the user.

The content of a MPS

So what should a MPS contain? A potential outline is described below:

A summary of the direction the local authority and its partners wish to take and the purpose of the document.

- Summarises the key care and wellbeing objectives for the local community, the principles of policy, legislation and regulation that will have an impact on the market.
- Contains a summary of the key elements of the analysis presented in the individual sections below.

The LA's predictions of future demand, identifying key pressure points.

- An analysis of the current population and anticipated projections for the coming five, ten and fifteen years for the relevant market sector and the impact any population change may have on future demand for health, housing and care services.
- Offers an analysis concerned with the whole care and wellbeing market, including for example self funders and those funded by the LA either in part or in total. Consumer perspectives should be represented in here.
- 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. This will include the rationale on which such estimates are being made.
- Covers aspects of service demand that the LA thinks might diminish.

The LA's picture of the current state of supply covering both strengths and weaknesses within the market.

- A review of current spend and by whom on particular market sectors.
- A quantitative picture of current supply, looking at what services are provided, to whom, where and in what volume. Particular issues to look out for could be; does the profile of service provision match likely future demand, are services located in the areas of highest need in the case of learning disability what is the proportion of out of authority placements compared to in house and how does this bench mark against other authorities?
- A qualitative picture of current supply indicating those areas where services appear not to be meeting required standards or user's requirements or outcomes. This might include summaries of CQC reports, of complaints, of user surveys mystery shopper exercises, etc.

Identified models of practice the LA and its partners will encourage.

- A review of how the local authority sees the supply side delivering in the future in terms of the approaches and methodologies that might be used.
- An analysis of the extent to which desired models of care are matched by current provision, and whether they would require increased funding to deliver a different approach.
- Suggestions as to how might the market deliver change.
- A statement about whether the LA will continue to provide or directly purchase any services, whether it will seek framework agreements with providers or seek only to influence CQC, service users, carers, government in particular directions.

The likely future level of resourcing.

- Which areas of supply the LA will see 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 the vision and options for future resourcing, and how this matches with the shift in resources that may be desired by the previous section.
- If cuts are to be made an analysis of the likely targets, an analysis of the services which might be de-commissioned or discouraged and how will the LA seek to achieve changes.

The support the LA will offer towards providing choice as well as innovation and development.

- An analysis of what the authority anticipates will be the impact of more service users purchasing or negotiating their own care, and what impact might this have on transaction costs.
- Any particular offers available to providers, eg, outcome based contracts, land availability, help with planning consent, guaranteed or underwritten take up of

services, training and development, business and management support, if they develop certain types of provision.

Conclusion

This paper has looked at the need for better market intelligence and how the product from such intelligence could be brought together into a brief analytical document – A Market Position Statement. Local authorities developing a MPS should be mindful that the finished product should act as a calling card; a summary of and a statement of local authority intent towards the market. It should:

- Adopt a market facing/engagement approach.
- Analyse future demand, the current size, shape and performance of the market.
- Address how the quality and standards of service available to people can be driven forwards.
- Estimate the likely level of resources that will encourage this and the wider role the LA will play in helping to achieving this.

If the local authority is to be less of a direct purchaser of services and more of a 'guarantor' of supply then this will call for new skills and approaches. It may need to be more of a broker between providers and users, it may need to use its influence and resources to ensure that innovation and new development take place and it may need to protect and safeguard providers that are valuable but vulnerable in a harsher economic climate. Improved market intelligence for both the authority and the market is essential if these aspirations are to be achieved.