

Market Development in Adult Social Care

PART 1: BACKGROUND

1. This report provides the Policy Overview Committee with information about the development of the adult social care market in Hillingdon to support personalisation. The Committee considered market development as part of its reviews of personalisation in 2009/10 and 2011/12 and this report will update the information provided at that time.

2. The report sets out the policy context behind the Council's market development role and outlines both the work that is currently in progress as well as future actions that will help to ensure vulnerable residents can access quality services to enable them to live full, independent lives in the community.

3. The report also considers a number of issues for further discussion concerning Hillingdon's voluntary sector as they prepare for the changes brought about by personalisation.

National Policy Context

4. The publication in July 2012 of the Government's Care and Support White Paper, *Caring for our future: reforming care and support* and the draft Care and Support Bill has set the framework for the radical modernisation of adult social care in England.

5. If enacted the provisions within the Care and Support Bill will require councils with adult social services responsibilities to make personal budgets available to all eligible residents. See [Figure 1](#) below.

Figure 1 - Types of Personal Budget

- **A 'full' Personal Budget** - where an eligible resident is paid the full monetary value of the personal budget. In Hillingdon this will be done through a pre-paid card;
- **A 'mixed' Personal Budget** – where an eligible resident has some of their needs met by services arranged and paid for by the Council and the remainder of the Council's contribution to meeting their eligible needs paid to them through a pre-paid card;
- **A 'managed' Personal Budget** – where the Council arranges and pays for services to meet the eligible needs of a resident.

6. Full personal budgets provide eligible residents with the greatest opportunities for choice and control over how their needs are met. A mixed personal budget can be a stepping stone to a service user moving to a fully self-managed budget once they have gained the necessary confidence.

7. The success of this new model of social care is dependent on there being a diverse market of providers offering quality services that eligible residents can purchase using their pre-paid cards.

8. Councils also need to be more proactive in managing the market due to the impact of demographic change and increasing demand on social care at a time of national austerity.

Local Authority Market Development Responsibilities

9. The draft Care and Support Bill contains provisions which require councils to ensure that eligible residents have access to a *variety of high quality providers* to choose from and also have access to *quality information* to enable them to make informed choices about the appropriate providers to address their needs.

10. The Bill will also require councils to:

- Ensure that it is aware of current and likely future demand for such services and to consider how providers might meet that demand
- Ensure the sustainability of the local market and address circumstances where it is not working effectively
- Foster continuous improvement in the quality, efficiency and effectiveness of the services provided by the market as encouraging innovation.

11. Development of the market place requires councils to engage in four key activities.

Market Development Activities	Typical actions
<i>Capturing and analysing market intelligence</i>	<ul style="list-style-type: none"> • The Council is well informed about the market; factors influencing demand and supply of a service • The Council has a clear vision of quality and the outcomes it needs to achieve

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Structuring the market	<ul style="list-style-type: none"> • The Council (and partners) uses data to seek to influence what the market is offering • The Council (and partners) is clear about the services it wants to purchase in the future, how it intends to spend its resources • An evidenced <i>market position statement</i> should be published for a given market to make this clear (See <u>Figure 2</u> below)
Intervening in the market place	<ul style="list-style-type: none"> • Purchasing services • Developing new services by offering financial incentives • Attracting new providers into a market that needs stimulating e.g. extra care housing • Enabling customer information to be accessible to providers • Offering training and information to providers • Insourcing/outsourcing services etc
Managing the market	<ul style="list-style-type: none"> • Once services have been purchased, making sure that providers meet the outcomes required for service users • Ensuring that providers continue to offer good quality services • Ensuring and encouraging continuous improvement • Monitoring value for money

Figure 2 - Market Position Statements (MPS)

An MPS is intended to bring together data from the Joint Strategic Needs Analysis (JSNA), commissioning strategies, and market and customer surveys into a single document to provide information that the care market is likely to find useful.

The expectation is that an MPS will convey clear messages to providers about:

- *Direction of travel* – a summary of the key care and wellbeing objectives for the local community and the key principles of policy, legislation and policy that will impact on the market
- *Future demand* – analysis of the current population and anticipated projections for the coming five, ten and fifteen years and the impact that future population change may have on future demand for social care, health and housing services
- *Current supply, identifying strengths and weaknesses* – a review of current spend, providing a clear, quantified picture of current supply, looking at what services are provided, to whom, where and in what volume. The qualitative picture of current supply would also be reflected, i.e. whether services were meeting the required standards or service user expectations.
- *Models of practice* – how the Council sees the supply side delivering in the future; the extent to which desired models of care are matched by current provision and how the market might deliver change
- *Future resourcing* – areas of supply the Council will see as a high priority, where it wishes to see services develop, and where it would be less likely to purchase or encourage service users to purchase in the future
- *Support for choice, innovation and development* - an analysis of what the Council anticipates will be the impact of more service users purchasing or negotiating their own care, and suggests what impact this might have on transaction costs

PART 2. EXPLORING KEY FACTORS IN MARKET DEVELOPMENT WITHIN HILLINGDON

12. There has already been a significant amount of work undertaken in Hillingdon in these areas. This section provides a number of examples within each of the key factors where the Council has taken action. Future plans are also explored.

a) Capturing and analysing market intelligence

13. The JSNA has been overhauled within the last 2 years providing an accessible and continuously updated record of need in the borough.

14. Data has been used to develop the Health and Wellbeing Strategy, an overarching strategy for adult social care as well as a set of more detailed, client-based strategies for disabilities, older people and carers.

15. With an eye on increasing the Council's ability to effectively develop and manage social care markets, a new method of combining the often separate fields of commissioning, procurement and contract management has been developed within the Council. Category Management has been introduced within the Children's Pathway project which combines these fields into a single focused function. The Children's Category Manager (as part of a small team) has the job of ensuring that:

- There is good quality data about Children's services – needs, demands and future projects
- There are clear strategies in place to deliver the Council's objectives
- Distinct markets are analysed (e.g. speech and language services) to look at patterns of spend, the Council's existing relationship with providers, areas where the market needs to be developed etc
- Procurement (or sourcing) strategies are developed to maximise the delivery of the Council's service objectives

16. This method of operating has many similarities with existing practice but the key difference is that the Council has often used its data to purchase services without analysis of the market in which it is operating and the behaviour/strategies being adopted by providers.

17. Category Management is in the process of being explored for all areas of social care commissioning.

b) Structuring the market

18. The Council is planning to develop better methods of engagement with providers. This will include ensuring that providers have an understanding of the Council's needs and priorities through the provision of **Market Position Statements** (MSPs).

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19. Hillingdon Council is in the process of working with the Institute of Public Care (IPC) based at Oxford Brookes University as part of a programme of support to authorities. The programme has been developed in partnership with the Association of Directors of Adult Social Services (with Corporate Director Linda Sanders acting as sponsor). The basis of the programme is to enable councils to shift from occupying a role of major procurer to one of facilitator of the whole social care market.

20. The Council's first action will be to develop an over-arching MPS for the whole social care market (including detailing how current patterns of spend on residential and nursing care will shift to a more community based provision of services). This will be the pre-cursor for a range of more tailored MPS focused on influencing the market to develop and provide the specific services the Council is looking to purchase in future e.g. more extra care housing for older people.

21. At the heart of the Category Management approach is an ongoing partnership and regular dialogue with key providers – looking to jointly create opportunities to shape services that are attractive for providers (therefore creating genuine competition) as well as meeting the needs of residents.

22. The Council will be looking to develop new markets such as a market for the provision of Personal Assistants (PAs), care and support in supported housing and outreach services for older people, people with disabilities and people with mental health needs.

23. Capacity building within the voluntary and community sector is a clear priority. This means facilitating access to the support that will assist voluntary and community organisations to charge for their services and/or to develop services to address a gap in provision identified through the support planning process.

24. Careplace has been developed as an online information system that enables residents to identify services and activities in and around Hillingdon that can address their needs. Providers upload their own information and update it. Residents can access it through their own computer or from one of the Council's 17 libraries.

25. For people with eligible social care needs they can be supported by support planners as part of the process of developing support plans to address their assessed needs. Careplace now includes a facility for users of services to upload reviews of services, which will strengthen the consumer power of residents. It will also increase the value of Careplace to both residents and providers.

c) Intervening in the market place

26. The most obvious method of intervening in the market place is to launch a competitive tender in order to purchase a service. This may involve seeking to develop new services, re-package existing services into a new model that is more likely to meet the needs of residents or more simply re-tender an existing service that is still required.

27. Hillingdon will continue to act within the West London Alliance (WLA) to intervene in the market, particularly within markets where larger buying power is needed to influence the actions of providers. Good examples here include adult home care, residential and nursing care for older people, fostering placements and complex residential services for people with learning disability. A range of initiatives have taken place under the WLA umbrella including:

- The establishment of a framework agreement for home care that has resulted in agreed quality standards and competitive prices
- The development of a consortium of 19 councils to provide economies of scale regarding the purchase of community equipment
- The creation of the accreditation scheme for residential care providers that have agreed to supply placements at agreed prices in return for preferential placements
- A framework agreement for housing-related support that the Council can purchase from as contracts for existing services expire.

28. Flexible contractual arrangements – Successful interventions in the market require using the right tools for the right job. Different contractual arrangements will be required, depending on the nature of the service or the market in which the service is being purchased. Some services can be best procured by using a framework with no guarantees of activity. Others may require more guaranteed outcomes for providers by offering a volume of work in return for a fixed, competitive price. Approved provider lists will also be appropriate in some areas – with no direct contractual obligation to the Council and offering no guarantees of activity but where service users (using their personal budgets) are sign posted to providers that have been tested for quality and best price.

29. Not all interventions in the market will involve purchasing however.

30. Remodelling services – The Council is working with three third sector providers of block residential homes for people with learning disabilities to convert them to supported living. A new “core and flexi” model of contracting with providers will mean that the Council contracts with a given provider for a set of core tasks within the home. This gives residents the opportunity to use pre-paid cards to purchase services from potentially different providers to address their personal needs.

31. Capacity Building – The Council has been working with Brunel University and Job Centre Plus in order to encourage local people to enter the home care market. Providers operating locally often find it difficult to recruit new staff. This initiative aims at tackling this directly in partnership rather than seeking to pressure providers to deal with this problem in isolation.

d) Managing market providers

32. Once the Council has purchased a service, the ongoing set of tasks begin of ensuring that the service is delivered to the specification, that it meets the needs of residents, that it continues to be delivered efficiently and provides value for money. Managing providers must be a partnership and not a “them and us” relationship if it is to offer the greatest value to all involved.

33. The Council’s method of contract management and monitoring has been fully reviewed this year with a new operating framework being put in place. Key elements include:

- Ongoing dialogue with providers – particularly those providing key services or those in high cost areas.
- A greater focus on performance assessments including customer and stakeholder assessments of a provider’s performance and a self assessment by the provider itself.

34. Inspection and quality assurance – The Council’s own inspection team undertake an ongoing programme of provider inspections to ensure continuous improvement as well as ensuring that core standards continue to be met.

35. A service user “outcomes framework” has been developed that will be built into all existing and new contracts to give greater focus to ensuring that residents benefit from Council funded services. Each service provider will have a core set of outcomes they are required to deliver which focuses not on process but on the improvements they have made to the life of a service-user e.g. greater independence, able to do more things for themselves, access to more training and development opportunities.

36. Payment by results – The Council is looking to develop a pilot project where a provider is incentivised to meet service user outcomes. Payments are linked to outcome delivery. This is likely to be focused on the homecare and residential care market.

37. Service user reviews on Careplace – A more democratic method of provider management may emerge from service users themselves. The opportunity for service users to upload reviews of their experience of a provider’s service can be a powerful mechanism for improving quality through

the power of market forces. However, the Council can and has remove providers where there are quality issues;

PART 3. OPPORTUNITIES AND CHALLENGES FOR THE VOLUNTARY SECTOR WITHIN HILLINGDON

38. Key issues that the Committee may want to explore:

- Developing data about what people think of voluntary sector services, how services could be improved, what services people may want to be developed in future.
- Using data from the Council including the JSNA to forecast possible trends or likely needs.
- Using dialogue with the Council to pick up on commissioning and purchasing intentions (e.g. at provider forums, MPS etc).
- Marketing services to people using their personal budgets.
- Developing charging mechanisms:
 - Having the governance structure in place to enable charging e.g. articles of association.
 - Developing business-like activities while retaining core voluntary sector focus.
- Considering methods of ensuring that vital local services can maintain competitiveness in the market by reducing overheads and back office costs e.g. by collaborating with other voluntary sector agencies, looking at internal processes to maximise efficiency etc.
- Ensuring that the added value of local voluntary sector organisations is demonstrated and promoted.
- Focusing on delivering and measuring outcomes for service users.
- Developing a focus on prevent dependency:
 - Ensuring that existing (and perhaps longer term) service users are helped wherever possible to reduce their reliance on the service, increase independence and even move-on from needing to use the service.
 - Creating capacity to attract and provide for new entrants to the service.