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working for well run evidence-based public care

Department of Health

**Developing Care Markets for
Quality and Choice Programme**

**What is a Market Position
Statement?**

September 2012

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What is a Market Position Statement?

1 Introduction

This paper on Market Position Statements (MPS) has been produced as part of the 'Developing Markets for Quality and Choice' programme. The programme aims to develop the market facilitation capability of all Local Authorities with social care responsibilities in England, building on their current skills and expertise. Central to market facilitation is the development of a brief, analytical, Market Position Statement which lays the foundations of relationships between the local authority and the market as suggested in the White Paper¹.

2 What is a Market Position Statement

Central to the development and use of market intelligence has increasingly been the creation of the concept of a market position statement). A MPS should have five 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 but to do that you not only need to understand the direction the LA 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 the state funds.

¹ <http://caringforourfuture.dh.gov.uk/>

- It should be the start, not the end point, of a process of market facilitation. Therefore, the MPS is the basis for strategic commissioning and is a document to be published, reviewed and updated regularly.

The table below outlines the typical content of a Social Care MPS.

Topic	Developing a 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. ■ (This section should be written last of all and ideally be no more than one page).
The LA's predictions of future demand, identifying key pressure points	<ul style="list-style-type: none"> ■ An analysis of the current population and anticipated projections for the coming five - ten years for the relevant market sector and the impact any population change may have on future demand for services. ■ The analysis should cover the whole population of potential service users, including those who fund services themselves and those funded by the LA either in part or in total. Consumer perspectives should be represented 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 and whether this is likely to increase, remain the same or diminish. This will include the rationale on which such estimates are being made.
The LA's picture of the current state of supply covering strengths and weaknesses within the market	<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 profile 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

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	<p>meeting required standards or user's requirements or outcomes. These may be based on reports, of complaints, of user surveys mystery shopper exercises, etc.</p>
<p>Identified models of practice the LA and its partners will encourage</p>	<ul style="list-style-type: none"> ■ A review of how the commissioning organisation sees the supply side in terms of the latest evidence about the best approaches and methodologies. ■ An explanation of the desired models of care and an analysis of whether they are matched by current provision. ■ 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, whether these will be based on outcomes etc ■ An explanation of areas where the LA will seek to influence CQC, service users, carers, or government.
<p>The likely future level of resourcing</p>	<ul style="list-style-type: none"> ■ Which areas of supply the LA 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. ■ 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 LA will seek to achieve these changes.
<p>The support the LA will offer towards meeting the ideal model</p>	<ul style="list-style-type: none"> ■ 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. ■ Opportunities to shape future thinking and also

Topic	Developing a Market Position Statement
	any particular offers that may be 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.

3 Frequently Asked Questions

- 3.1** Can we co-produce the MPS with providers? From authorities that have already completed a MPS there has been some discussion about whether this should be a local authority document or a co-produced publication. What is important is that whilst the analysis of demand and supply can be a joint picture, the LA does need to be clear about its approach to facilitating the market; eg, what resources it may offer, what expectations it may have, what service model it will support in the future and what evidence has informed these decisions. In essence the MPS is about the public sector being clear about its plans.
- 3.2** Our providers stretch across more than one local authority boundary. Can we produce a joint MPS? In some instances it may make sense for authorities to work together in producing a MPS. This may provide mutual support to authors. It may also 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.
- 3.3** How do we define a market or is this all adult care? This should be relatively easy but needs to be based around the provider's definition of their market not how the LA defines its functions. Therefore, if providers feel they serve a market defined by who their consumers are, ie older people learning disability etc, then a MPS should be produced for each of those market areas. The concept of Adult Care is essentially a local authority concept.
- 3.4** What is meant by market facing? This is a document that 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 is it consumers and potential consumers are saying about services.

- 3.5** We already have plenty of information about demand why do we need to do more work? In understanding demand, too often a simplistic view is taken of just extrapolating population data and sometimes at a great and unanalysed length. This is not likely to help providers. There are a range of factors to be taken into account, eg, is the current trend rising or falling, are the numbers of consumers likely to be influenced by wealth or home ownership, are their factors in our population that could promote an unusually large increase or fall?
- 3.6** 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.
- 3.7** Do we need to have a view of the market given that in the future social care consumers will drive demand and supply? The idea that the whole of social care will be simply driven by those who receive care and hence there is no role for government other than to fund provision for those who are eligible is sometimes voiced but in reality poses several issues. The market facilitation process recognises the changing role of the LA and government in general to one where it seeks to influence, develop and encourage the market towards the provision of good quality care that meets the needs of both the individual and the state. The role is one that should be helpful to providers and consumers although it is a change from that of monopsony purchaser.
- 3.8** Do we still need commissioning strategies? The answer is yes but these potentially should be much shorter documents than in the past. In effect the JSNA should be a statement of demand, the MPS an approach to supply. The commissioning strategy is likely to become much more of an overarching document and one which will cover how the authority and its partners intend to use its own resources.

4 Testing the product

As part of the 'Developing Markets for Quality and Choice' programme each local authority has the opportunity to receive help with the development of their Market Position Statements. However, the following represents a checklist of issues and topics that an Authority may wish to use either to plan this work or to test their existing documents against.

4.1 Does our MPS answer these questions about demand...?

- What are the broad population trends and which sectors of that population will grow the fastest, eg, over 85's, older people with a learning disability.
- Are there geographical distinctions in the way populations are distributed, eg, particular areas with greater older people populations?
- What is the relationship between the whole population and people who currently receive a service? Is it possible to distinguish between populations that are known, those that we should know and those that are likely to remain unknown?
- Are there changes in demand that providers are experiencing and are these quantifiable, eg, changes in the frailty and age of people being admitted to care homes?
- Are there market sectors where there are particular problems in meeting need, eg, dementia, strokes, people with profound and multiple disabilities etc?
- How might past trends over time match the future trajectory of demand?
- What surveys of the general public and of service users have been conducted? Can these be brought together with material from inspection reports and national research into clear indications about future trends and desires?

4.2 Does our MPS answer these questions about supply...?

- What is the current distribution of services in relation to the population? What does service take up look like over time?
- Have you been able to identify those who fund their own care and support and if so what is the distribution between the state funded and the person funded service?
- Is this a stable market, a market that is growing or a market that is in decline and what are the consequences of any of these positions?
- What is considered to be the threshold of quality, how good is local performance as shown through complaints, CQC inspections etc?
- Are there services that we would currently see as over, or under supplied and why?
- Which services are financially vulnerable, which have grown and which diminished?

- Are there some providers who have a significant market share?

4.3 Finally...

- What sensitivity is there to price and what relationship has been established between price and service quality. Are there sectors of the market where people would be prepared to pay more for enhanced provision?
- Have we outlined what we would consider a good service to look like, in what volumes to match demand and explained why the Local Authority has come to that conclusion?
- Have we been clear about the likely future level of resourcing by the Local Authority both in terms of estimating likely future service purchase and the resources the Authority might offer to the sector, eg, training, etc,
- Is there a clear plan for how the MPS might be used and a process by which providers can respond to the Local Authorities market analysis?

Institute of Public Care – Market Analysis Centre