

REPORT

NEXT-GENERATION SOCIAL CARE

THE ROLE OF E-MARKETPLACES IN EMPOWERING
CARE USERS AND TRANSFORMING SERVICES

Carys Roberts
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Institute for Public Policy Research

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SUMMARY

Many local authorities are developing social care ‘e-marketplaces’ to give individuals easier access to adult social care services. E-marketplaces allow self-funded adult social care users and holders of personal budgets (including direct payment recipients) to search for and purchase products and services, in line with their personal care plans, on Amazon- or eBay-style digital platforms. In this report we explore the potential for these virtual local marketplaces to become powerful tools for empowering service users and integrating informal care networks with formal care provision. In the context of broad challenges in social care, we examine how local authorities are developing e-marketplaces and the extent to which they are doing so with wider social care goals in mind. We explore the opportunities that e-marketplaces offer to improve the way in which care is arranged and delivered, and consider what more needs to happen to ensure that their development supports personalised care for empowered citizens.¹

There has been widespread take-up of e-marketplaces following the Care Act 2014, as local authorities seek to fulfil their new responsibilities to provide information and support to a broader section of the population. Our research suggests that over 25 per cent of local authorities in England have e-marketplaces with purchasing functionality, and many more have plans to implement one.² We have found many examples of innovative practice, and of local authorities exploring and testing the potential of e-marketplaces. For example, Hertfordshire county council has been exploring how people can manage their ongoing care through e-marketplaces, and in Yorkshire and Humber a multi-authority partnership has been formed to procure a regional e-marketplace.

In the course of our research we identified three major opportunities to improve personalised care that e-marketplaces present.

- **Improving access to the market for new and small providers**
E-marketplaces have the potential to offer smaller and unestablished providers a transparent, easy channel through which they can reach potential users and enter the market. By lowering barriers to entry, they may enable a more diverse market and a smoother journey to market for innovative products and services. Whereas traditional commissioning processes are opaque, inflexible and do not directly respond to users’ needs, an e-marketplace should support and encourage providers to offer more responsive and flexible services. For instance, under traditional commissioning systems care providers would promote domiciliary (non-medical, home) care services to local authority commissioners, but in an e-marketplace providers must advertise and sell their services in ways that are meaningful and appealing to individual users with diverse needs. This means that rather than services being advertised under the technical term ‘domiciliary care’, we see its constituent parts – such as meal preparation, cleaning and maintenance services – listed instead.

1 This report is informed both by a literature search and by a set of interviews with expert stakeholders conducted between January and March 2015. Our interviewees included representatives from third-sector organisations, e-marketplace/IT providers, local authorities, the Association of Directors of Adult Social Services (ADASS) and the Department of Health.

2 Based on our interviews with e-marketplace providers, an estimated 40 of the 152 local authorities with social care responsibilities in England have an e-marketplace, with more having a resource directory without purchasing functionality.

To fully realise this opportunity, local authorities must consider and work with a wide range of providers: proactive engagement can support smaller and less established providers through the process of joining the marketplace. Quality assurance methods – including kitemarking, gatekeeping and feedback, as well as the structure of fees that local authorities charge providers for use of the e-marketplace – should be designed in a way that does not make entering the market prohibitive for new and small providers.

- **Enabling user-commissioning**

Online platforms can make it easier for users to describe the kind of service they want, and for providers to respond with a tailored service and price, which puts the user in the role of commissioner and cuts out the middle-man. Digital services also have the potential to allow users to pool their resources, including personal budgets, to commission services as a group. Local authorities within the Yorkshire and Humber region have recently launched a user-commissioning function on their shared e-marketplace in order to make this possible.

For user-commissioning to succeed, an intuitive platform is required: one that abandons the language and structure of council commissioning, and is instead designed to be used by people with care needs. It also requires the many agencies that work with care users to create care plans to trust users' choices and their ability to define what it is they are looking for. Finally, group commissioning works when it is made easy for people to meet on the basis of shared interests rather than narrowly-defined needs; social networking functionality may aid this.

- **Integrating networks of informal and formal care**

E-marketplaces can support a mixed economy of informal and formal care by giving users information about the many kinds of service available that is categorised according to those kinds of service, rather than how the services are structured. If integrated with case management or schedule systems, e-marketplaces may also help to coordinate care around the user.

However, not all kinds of service that care users might engage with will work well on an e-marketplace. For example, organising 'services' that are based on long term relationships, such as interest groups or neighbourhood networks, might be better done on different platforms – such as the 'Casserole Club' app that connects people with elderly neighbours. Local authorities should work with service providers to establish which of them do and do not work well on an e-marketplace.

We also found that significant challenges remain in terms of implementing e-marketplaces to support better care. The development of e-marketplaces has been fragmented to date, and the degree of commitment to using them as tools for empowerment, integration and personalised care is not consistent across or even within all local authorities. While some view e-marketplaces as a means of radically transforming care services, others view them primarily as drivers of cost-savings.

External pressure from central government is also important. Many local authorities are implementing e-marketplaces to visibly and efficiently respond to their new responsibilities to provide universal information and guidance, set out in the Care Act 2014. However, although many e-marketplaces are being successfully used as directories, take-up of purchasing and other functionalities has been surprisingly slow. Furthermore, as large, one-off IT systems with high up-front costs, the basic architecture of e-marketplaces is hard to adapt or change after set-up. There is a danger that that poorly designed and managed e-marketplaces will entrench the weaknesses of the current care market – including unresponsiveness to user needs and demands, and competition that is too focussed on price – rather than support transformational change.

Building next-generation social care

Central government, local authorities and coordinating bodies each have a role to play to ensure that e-marketplaces successfully enable personalised and integrated care, and that they avoid entrenching the worst aspects of the current system. Our recommendations for each of them are underpinned by three broad conclusions that emerge from our research.

- **Digital services must be designed around the user experience and journey**
Users will use the channel through which it is easiest to find services. To manage demand effectively and enable personalisation, digital services need to be designed around the user journey, rather than around business needs. This means that users must be involved in the design of the system, either through feedback or iterative design methods. Current IT procurement practices encourage one-off purchases, and do not encourage local authorities to prioritise user involvement in service-design, or to prototype digital products.
- **Proactive offline activity is necessary for an e-marketplace to succeed**
Using a market-based approach to produce relational rather than transactional services requires proactive *offline* activity, particularly market facilitation. This includes encouraging and supporting small and innovative providers, differentiating requirements by type of service for gatekeeping purposes (so that barriers to entry are lowered for smaller-scale and more informal types of provision), and actively supporting users to come together and jointly commission services. Market-based approaches do not necessarily result in services being run by large, impersonal providers, although without active cultivation this can be the default.
- **Cultural changes, particularly around trusting users and adopting appropriate attitudes to risk, are prerequisites for success**
Simply making services available online will not be enough to facilitate diverse and integrated forms of care. A well-functioning, diverse e-marketplace requires advisors – including social workers and carers – to have trust in users’ decisions while being mindful of the risks of doing so, and to be willing to recommend and signpost services they may be unfamiliar with, such as community-based care. Excessively cautious attitudes to risk can also lead local authorities to set overly stringent requirements upon providers before they can access the e-marketplace, thereby stifling new and innovative providers.

Most local authority leaders, as well as social workers, support greater personalisation, greater community provision, and greater trust being placed in service users. Yet we also heard from people both inside and outside of local government that this vision is far from being achieved – systemic barriers remain, particularly at the middle-management level but right up to the central government departments that create incentives through policy and guidance. To tackle this culture, we need to make sure that teams are sharing risk appropriately and reconsider where blame lies when things go wrong. Frontline, management and e-marketplace staff must be given the attention and permission they need to exercise their own judgement in pursuit of better outcomes, rather than being cowed by concerns about compliance and liability.

We also question the IT procurement practices behind current e-marketplaces. In particular, local government digital procurement, characterised by large, one-off system purchases like e-marketplaces, contrasts to an increasingly large degree with central government’s ‘digital by default’ strategy, which is characterised by iterative design, the centrality of the user journey, and a shared common platform across government functions. The remit of the Government Digital Service, which has been at the helm of these reforms, was extended to local government in the pre-election 2015 budget. Not only might local authorities achieve better outcomes by rethinking what an ‘e-marketplace’ or digital platform looks like, they may also

in future find their current, expensive systems out of sync with the ways in which digital government is evolving.

If local authorities were to adopt truly iterative, design-based digital strategies, they might come up with very different e-marketplace solutions. One alternative solution would be to adapt a platform-based model with a number of integrated ‘apps’ for different services or needs. In practice this might look like Apple’s app store, with different modules for different activities and services – PA services, social networks, and time-banking for example – hosted on a common platform. The advantage of the platform model over an e-marketplace is that multiple, smaller developers can design modules at a lower cost, and each can be designed around the specific user experience rather than trying to make an e-marketplace that does anything and everything.

To make the most of the opportunities that e-marketplaces – and digital platforms more broadly – offer, we make the following specific recommendations.

1. Work across local authority boundaries

Currently, local authorities across the country are implementing e-marketplaces and grappling with the same challenges. Shared learning is facilitated on the IT side by the professional body Socitm,³ and on the social care side by the Association of Directors of Adult Social Services. While we found that many social service teams did look at other e-marketplaces before procuring their own, deeper collaboration may deliver greater benefits. For example, Yorkshire and Humber have successfully procured one regional e-marketplace covering 13 local authorities, allowing greater coordination and collaboration, as well as opportunities to try innovative functions such as user-commissioning. It has been found that, on average, e-marketplace providers will reduce fees by 33 per cent for 12 or more councils sharing a common implementation team and procuring the same functionalities.⁴ Further to this, people’s experiences of care are not limited by council boundaries, and regionally procured e-marketplaces reflect this better than individually procured sites.

Local authorities are independent and will want to develop partnerships that are appropriate to their needs. We recommend that as a practical, immediate step, local authorities prioritise regional collaboration and working groups to explore potential partnerships as well as coordinate across boundaries. Collaboration on shared vision and strategy should be pursued at the local authority and adult social services leadership level, but also at lower levels in order to enable those implementing e-marketplaces to share innovations and best practice. One priority area should be working to common standards on quality assurance, risk management and the gatekeeping of providers on the e-marketplace.

2. Work in close partnership with the Government Digital Service to embed local digital government

The March 2015 budget extended the remit of the Government Digital Service (GDS) to local government for the first time, bringing digital platforms for social care under its purview. Although details of how this will work in practice have not yet been laid out, it is important that rather than being imposed from above, the GDS works in partnership with – and respects the autonomy of – local authorities. The GDS can contribute its experience of leading transformational change in digital services; the service can also support better coordination across local authorities by developing and providing platforms with shared standards and protocols for multiple authorities. However, great digital services

3 Socitm is an IT professional body for people involved in the leadership and management of IT and digitally enabled services delivered for public benefit. See <http://www.socitm.net>

4 See http://www.local.gov.uk/documents/10180/11417/Procurement_category_management_projects.pdf/c1d088c1-5338-4b86-b2ab-84e7f36e7675

are much more than a website: they fundamentally change how services operate. Success requires support and contribution not only from IT and digital departments, but also the teams that work with services and local authorities as a whole. This is particularly true for care services, which are more complex and less transactional in nature than, for example, applying for a parking permit. The GDS can support major changes in how care is delivered, but social services teams must determine the nature and direction of those changes. In designing platforms for adult social care, the GDS should recognise and draw upon the relative strengths of care and digital teams.

For such a partnership to succeed, strong leadership in local authorities is required. There is a wealth of digital talent and ambition within local government, and informal collaboration across local authorities is already occurring.⁵ Yet care and digital teams have not yet become as central to the operations of local government as they need to be, and a hierarchical culture means that local authorities' digital officers often lack the authority to effect change. Strong leadership can enable these teams to play a central role in determining how public services, including adult social services, evolve.

3. Developing the workforce for next-generation social care

In the course of our research we repeatedly found evidence that offline activity, and the people who work in adult social care – from teams in procurement to market facilitation to the social workers who help people navigate the care system – are central to making e-marketplaces work. As well as investment in IT infrastructure, e-marketplaces require investment in the people that make them work.

– *Training staff to empower users*

Although most local authority leaders, managers and social workers support greater personalisation and community provision, there are gaps in support – particularly at the middle-management level. Long-term cultural change programmes and training can help achieve two goals. First, they explain the benefits of new models of care and embed the values of those models with staff. Second, they also give frontline workers the confidence and knowledge of their responsibilities that they need to be able to signpost less familiar and community-based services.

– *Develop digital in-house expertise through recruitment and training*

Whether digital platforms are commissioned or built in-house, local authorities shifting to 'digital by default' need teams (in both digital and service delivery) who understand what digital services can and should do. This means recruiting more people with strong digital skills across digital and service-delivery teams, but also providing training and support for professional development so that existing staff can fill this gap. This could be provided in collaboration with other, nearby authorities – for instance, by supporting network events such as LocalGovCamp that bring together digital teams from different authorities to learn from each other.

– *Bring providers and frontline workers together to prepare for e-marketplaces*

Frontline teams both within local authorities and outside of them – those in housing associations and advisory services, for example – need to be prepared for new responsibilities, including supporting e-marketplaces, as part of a broader shift from delivery to coordination of care services. At the same time, providers may need support to understand and join e-marketplaces. Events that bring different actors within the system together can be particularly helpful in terms of ensuring that each side understands not only the others but the overall vision of empowered care that underpins e-marketplaces and personalisation.

5 See <http://localgovdigital.info>

4. Care coordinators, based in the community, to teach digital skills

Many care users lack access to e-marketplaces or the skills to navigate them, which limits take-up. While this problem is likely to decline as the younger generations of today, accustomed to using digital services, become the care users of tomorrow, digital exclusion presents an immediate challenge for e-marketplaces. Local authorities can mitigate the impacts of digital exclusion by designing their digital services around the user journey, and to be intuitive, as well as by ensuring that other channels to care remain open. Nevertheless, some users will still struggle to access the services, and this requires a proactive approach.

IPPR has previously recommended an expansion of the local area coordinator programme that is currently operating in Derby, Cumbria, Middlesbrough and many authorities in Scotland (McNeil and Hunter 2014). Local area coordinators (LACs) are recruited from a range of backgrounds, have close links to local neighbourhoods and operate an 'open door' policy beyond the point of assessment, providing information, support, advocacy and advice to all, regardless of their support needs or their entitlements to funding.

As well as recommending that local authorities move from case management to care coordination, we recommend that part of an LAC's role should be to help care users access e-marketplaces to arrange their care. This would require LACs to receive training, which should be delivered in partnership with digital inclusion teams. Coordinators based in shop-front premises such as in a library could also use in-house computers to provide internet access points.

Government interactions with citizens are becoming increasingly and inevitably digital, and this will include social care. In examining the shift towards e-marketplaces we have sought to explore how this 'direction of travel' can be shaped to support more personalised care that empowers people as citizens rather than as service users. Digital platforms, including e-marketplaces, will be most successful where they support fundamental changes to how services are organized and delivered, rather than simply replicating current services online. At the same time, it is clear that digital services are not a panacea in themselves: the people who implement, work with and use them are central to achieving better care. As the Government Digital Service extends its remit to local government, and the Care Act comes into force, the time is ripe for local authorities to work collaboratively to ensure that digital platforms support new and better models of social care.

1. INTRODUCTION

The way we communicate, find information and carry out tasks in 2015 has changed fundamentally compared to how we did so 25 years ago. As the internet has evolved, so too has the ease with which we can find a local taxi service or hotel, or speak with someone on the other side of the world. More recently, the internet has been changing what it means to do things like these, by enabling new relationships and transactions. Rather than book a taxi, through Uber we can find someone nearby to give us a lift – thereby challenging the divide between formal and informal ‘work’. Though the internet emerged from government research, it has been the private sector that has led the way in terms of using the internet to push boundaries.

The UK government’s ambitious digital strategy (Cabinet Office 2013) aims to bring the public sector to the vanguard of web-driven change, by transforming how citizens interact with the state and how public services are delivered. The goal of the ‘digital by default’ strategy is to make digital services so good that people prefer to carry out transactions online rather than by phone, by post or in person, and that services ‘wrap around’ the individual for a seamless experience of government. In doing so it hopes to radically improve service delivery and reduce costs to the taxpayer.⁶ The Government Digital Service (GDS), which is leading the strategy, says:

‘We will also need to embed digital skills into our organisational DNA, developing a culture that puts people’s needs first so we plan and design our services around what users need to get done, not around the ways government want them to do it.’

Cabinet Office (2013)

The GDS and its transformative programme have not yet reached local government or social care, which falls under local authority control. However, in the March 2015 budget the chancellor announced that for the first time, the GDS’s remit would be expanded to include local government, signalling a new partnership between central and local government and the GDS to ‘enable more customer-focused, digitally-enabled and efficient local services’ (HMT 2015: 27). Yet having recognised the direction of travel, and the huge potential of digital services to deliver better outcomes more cheaply, local authorities have already begun their own journeys of digital transformation. For many authorities this has included the development of ‘e-marketplaces’, digital platforms similar to eBay and Amazon, with the aim of transforming the way in which adults with care needs (whether funded by themselves or by the state) can research, arrange and purchase their care. This report examines how and to what ends these e-marketplaces are being used by local authorities. It focusses on the opportunities that e-marketplaces offer in terms of empowering care users, and explores what needs to happen for digital platforms of this kind to achieve success in social care and in local government, given that three quarters of local authorities are concerned that they lack the capability to deliver digital transformation (Hawkins 2015).

⁶ The *Digital Efficiency Report* (Cabinet Office and GDS 2012: figure 5) estimates the total annual savings that could be achieved by shifting transactional services to digital channels at £1.7–£1.8 billion, including between £1.1 and £1.3 billion in direct savings to the public purse. This is a conservative estimate, and could be higher if take-up of digital services develops more quickly than it has historically.

What should 21st century care look like?

Social care faces unprecedented challenges in the form of rising demand coupled with extremely limited funding. Between 2010/11 and 2012/13, local authorities' spending on adult social care fell by 8 per cent in real terms (NAO 2014). At the same time, population growth, increased life-expectancy and rising numbers of people with long-term, complex conditions such as dementia mean that many more people now need care for years at a time. The Association of Directors of Adult Social Services (ADASS) predicts that the number of people with dementia will double over the next 30 years (Socitm 2015), and previous IPPR research shows that the number of older people in need of care will outstrip the number of adult children able to provide it by as soon as 2017 (McNeil and Hunter 2014). David Sparks, head of the Local Government Association, recently described social care as being in a 'ridiculous situation', with a predicted £1.1 billion shortfall in 2015/16 alone.⁷ Local authorities, which are responsible for care budgets, will have to make harder and more innovative decisions than ever before.

Given the scale of current and future challenges, the government cannot be the sole deliverer of high quality, personalised services to all who need them. Yet that is not to say that it does not have choices or opportunities. IPPR has argued for a reimagined and much more 'relational' role for the state in public services, and has made that argument not because of financial pressures but because it can deliver much better outcomes for citizens (Muir and Parker 2014). The relational approach to public services is based on approaching problems holistically through interconnected services, and recognising the centrality of deep relationships on the frontline. The growing complexity of social problems and public services, and the failures of the 'new public management' model of service delivery that has been the orthodoxy in recent decades, call for a broader conception of system governance that enables people to live full and independent lives. Particularly in social care, the new system must be based on mutual support – opportunities to offer assistance to others as well as to ask for help, recognising what people have to contribute as well as what they need from others or their 'acute needs'.

Within this vision is an expanded role for adult social care. Many people with complex, interrelated health and social care needs may require resource-intensive care – and we do not question the need for the state to ensure that everyone can access the care they need. Yet rather than intervening at an individual's crisis-point with a ready-made solution, we need to start from the needs of the user. In our vision, 'care' might mean formal residential care for a 90-year-old living with dementia, but it also means ensuring that 65-year-olds have the social networks they need to enable them to live independently. Managing the spectrum of care provision is challenging, but also most essential, when local authorities face budget cuts and stark choices about which services they can continue to offer.

How close is the current system to meeting these goals?

IPPR is not alone in calling for these kinds of changes. While the need for investment in preventative services in order to realise savings later is widely recognised, it is a challenging approach to implement at a time when care is becoming increasingly focussed on people with the most severe needs. Empowerment is also a familiar concept within social care. Personal budgets have been used in social care for as long as 20 years, aiming to give people with care needs who receive council funding the same control over their own budgets as those who self-fund. Personal budgets should be used to meet people's assessed needs, but within these boundaries people may choose to employ a care worker, buy services or equipment, or use it to travel to social activities. A personal budget can be taken as a cash payment or it can be

⁷ <http://www.theguardian.com/society/2015/jan/28/social-care-funding-ridiculous-situation-local-government-association>

managed in line with the budget-holder's wishes by, for instance, the council, a service provider or a carer (Muir and Quilter-Pinner 2015 forthcoming).

Personal budgets are perhaps the most radical of recent innovations that aim to empower citizens in relation to public services, and which are soon likely to shake-up the way in which health as well as care services are delivered (NHS England 2014). Direct payments, the form of personal budget that goes furthest in this regard, hand public money to the citizen so that they can directly purchase the care and support that they want. This represents a radical break with the orthodox model of public service provision, through which we pay our taxes and elect governments that decide how to spend the revenues on our behalf (Muir 2014).

Take-up of personal budgets varies between groups: 83 per cent of those with learning difficulties have taken them up, compared to 29 per cent of eligible people with mental health problems (Fox 2014: 14). Yet those who have taken them up, particularly in the form of direct payments, report more positive outcomes and enhanced wellbeing (Hatton and Waters 2013). In order to offer meaningful choice, a wide range of items and services need to be available for purchase. This has led local authorities to look for means of diversifying local care services, including the implementation of e-marketplaces.

Yet weaknesses within the social care market as it currently stands mean that even with personal budgets many citizens are far from empowered, as was demonstrated in our previous report *The generation strain* (McNeil and Hunter 2014). Council-run commissioning shapes the supply of services and the way in which the market develops: this limits the choices available to people regarding their care, as well as the extent to which providers are responsive to service-users' needs, even where personal budgets are widespread. The ineffectiveness of council-managed budgets compared to direct payments also gives cause for concern over the fact that councils are often registering users as personal budget holders without any kind of meaningful transfer of responsibility taking place – that is, with the choice of services still being made by the frontline workers (Hatton and Waters 2013). The fact that this occurs means that being allocated a personal budget does not guarantee that a person's experience of care will match their aspirations or their judgement of their own care needs. Procurement models reward price above quality – a fact most starkly illustrated by the closed-door auctions that some local authorities run on individual lots of care, which in almost all cases award contracts to the provider that offers the lowest price. Finally, the current system creates artificial and unhelpful barriers between formal provision and informal care services, despite the fact that both are essential to a sustainable and effective social care system.

These weaknesses in the care market as it currently stands mean that despite a widespread consensus on the need for more personalised, empowering care, the lived experience of people who have care needs – arising from disability, old age or illness – can fall far short of this ideal.

About this report

This report focusses on the use of e-marketplaces in adult social care in England. It does not seek to review the broader challenges facing social care, to assess the success of personal budgets, or to directly address how social care and health services can become better integrated. Rather, our research seeks to shine a light on how e-marketplaces are developing, in the context of these wider questions and in relation to our vision for a better kind of social care.

It is important to clarify what we do and do not mean by 'e-marketplaces'. E-marketplaces are digital platforms, developed by local authorities, that provide citizens with the means of finding out about and organising care services entirely online. This report is concerned only with marketplaces that create

direct connections between those offering a service or product and those using or seeking one ('business to consumer', or B2C), and not with marketplaces between commissioners and providers that exclude service users, or citizens, from decision-making (that is, 'business to business', or B2B, marketplaces). There are also many interesting digital innovations, such as time-banking sites and social networking sites for people with care needs, that seek to facilitate better outcomes for care users. While these offer both useful lessons and helpful points of comparison for e-marketplaces, we do not focus on their development in this report. Similarly, other technological developments such as assistive technology and online assessment only enter into our analysis as components of e-marketplaces.

The use of e-marketplaces is relatively new, and as such the risks and opportunities of using them have not been fully assessed. Where assessments have taken place, these have either focussed on the efficiency savings of B2B (council-to-provider) e-marketplaces (LGA 2014), or on directories for care users more generally (DoH et al 2014). This report explores the opportunities that e-marketplaces present to not only lower the costs of organising care, but to support the kind of care system that we advocate in *The generation strain* and *Many to Many*: an interconnected and holistic system of care with people and relationships at its centre (McNeil and Hunter 2014; Muir and Parker 2014).

This investigation of e-marketplaces consists of three elements. We have surveyed the academic literature as well as public documents from government and providers to gain an up-to-date understanding of e-marketplaces in adult social care. We have sought and drawn together a range of expert perspectives from stakeholders who are, either as individuals or part of organisations, closely involved in e-marketplaces, including staff of local authorities, IT providers and service provider groups.⁸ Lastly, we have looked at a group of case studies in closer detail in order to gain a deeper understanding of how e-marketplaces work in practice and how they might be improved.

In chapter 2 we look at how e-marketplaces have developed and what the key challenges have been. We are optimistic about the opportunities that e-marketplaces present, and in chapter 3 we investigate three of these opportunities in depth.

- How e-marketplaces could improve access to the market for innovative and diverse providers of adult social care.
- How e-marketplaces can enable user-commissioning at the individual and collective levels.
- How they might integrate, and help soften the divide between, formal care provision and informal provision either by voluntary sector organisations or by unpaid carers such as family members and friends.

In chapter 4 we set out principles and specific recommendations for how local authorities and central government can work together to develop more effective digital platforms for adult social care.

8 These interviews were conducted between January and March 2015, with Dominic Campbell of Futuregov; Sian Lockwood and Chris Clarke, Community Catalysts; Allie Webster, Worcestershire county council; Iain MacBeath, Hertfordshire county council; Andy Foster, Buckinghamshire county council; Tim Gollins, Think Local Act Personal; Carl Evans, Department of Health; Elena Georgiou, Cabinet Office; David Bowes, PCG Care Solutions; Cath Dillon, Participle; and Amanda Whittaker-Brown, Local Government Association.

2. E-MARKETPLACES

THE JOURNEY SO FAR, AND LOOKING AHEAD

In 2015, many local authorities have in place, or are in the process of implementing, e-marketplaces for social care users – but it was in 2009 that the charity In Control first brought them to market with shop4support.com.⁹ In Control calls for disabled people and others receiving social care services to be given greater control over the services they use,¹⁰ and the charity was pivotal in the movement towards personal budgets in the 2000s. These gave people in receipt of social care services the ability to control their own budget and design their own care packages for the first time. In our interview, co-founder of shop4support.com David Bowes explained that In Control devised the e-marketplace as a way to scale-up the success of their pilots of personal budgets for people with disabilities. In doing so they aimed to respond to three issues regarding how personal budgets could be implemented at the national level:

- how **individuals** receiving the payment could be enabled to find high quality services and products to buy
- how **providers** could be supported to shift from a wholesale market into a retail market, while managing the associated increase in administration
- how **local authorities** could change their role from service provider to that of market manager in a new world of personalised services.

A local authority managed e-marketplace, inspired by the new internet-based business models of Amazon or eBay, seemed a natural solution to these challenges. Shop4support.com ultimately attracted significant external investment, and is now part of Public Consulting Group (PCG). However, the early pioneers of e-marketplaces encountered significant resistance to their idea.

‘We had a bumpy ride. We underestimated the task in hand and pace of change; our original pitch was more innovative than we realised at the time. Lots of councils said, “That will never work”.’

David Bowes, managing director of PCG Care Solutions and co-founder of shop4support.com¹¹

Six years later, many councils are now implementing e-marketplaces. PCG Care Solutions counts among its clients the 13 local authorities in the Yorkshire and Humber region that have collectively implemented the shop4support platform. E-marketplaces are not limited to those with managed personal budgets: they are also open to people with direct payments, and to self-funders. Our research suggests that 25 per cent of local authorities now have an e-marketplace with purchasing functionality, and many more have plans to implement one.¹² However, both providers and councils acknowledge that e-marketplaces remain in their infancy, and have a long way to go before they are either widely implemented or fulfilling their potential as mechanisms for delivering meaningful choice and personalisation.

9 <https://www.shop4support.com> is now owned and run by PCG Care Solutions, and is independent from In Control.

10 <http://www.in-control.org.uk/about-us.aspx>

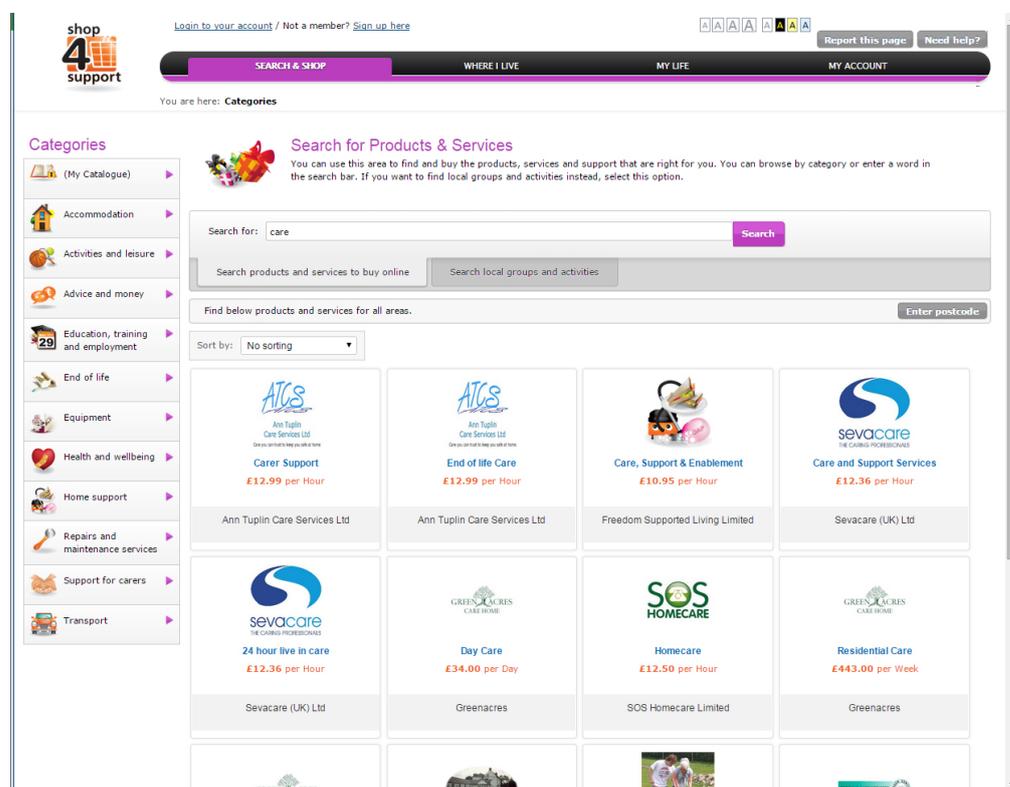
11 Interviewed by the author, 23 January 2015

12 In our interviews with e-marketplace providers it was volunteered that an estimated 40 of the 152 local authorities with social care responsibilities in England have an e-marketplace, with more having a resource directory without purchasing functionality.

2.1 What does an e-marketplace do, and what does it look like?

Figure 2.1

The shop4support.com platform, showing the results of a search for 'care' (accessed 18 May 2015)



Source: <https://www.shop4support.com/s4s/CatalogueProducts/Index/e07fef73-ba92-4fac-93a8-f365d5c841a1?search=care&Link=filtered>

E-marketplaces have a wide range of services and products on offer, and aim to support personalised care and prevent greater needs from arising further down the line. The webpage shown in figure 2.1 is typical: alongside end-of-life care and carer support are services including repairs and maintenance as well as activities and leisure. Prices and buying functionality are available where the provider has made them so, although on the sites we visited this was often patchy and only available in certain categories such as education and training. This is an important issue, because if users cannot be sure that everything they want is available, they are less likely to use the platform.

Many websites described as 'e-marketplaces' are in fact directories of services. While helpful for citizens looking for services, such directories perform the same function as paper directories, and do not take advantage of the functionalities that digital solutions can offer. On the spectrum between directories and the most developed e-marketplaces lie a number of different configurations. As part of a national framework designed to support local authorities in procuring and implementing e-marketplaces, the North East Procurement Organisation (NEPO) has devised four procurement lots that IT companies can bid for, which have a stepped structure whereby each lot from 1 to 4 includes additional functions (see table 2.1). These range from a simple self-service directory of providers (lot 1), to an advanced e-marketplace that offers payment functionality, complex reporting, integration with council systems and even social networking (lot 4). In between

are catalogue functions, quote requests and the ability for local authorities to gather data on popular search items in order to help them plan services.

Table 2.1

The North East Procurement Organisation (NEPO) framework for the provision of social care e-marketplaces: the functionality of each lot

	Lot 1	Lot 2	Lot 3	Lot 4
Provider directory with supplier registration and management system for social care content	X	X	X	X
Content can be freely accessed by the public	X	X	X	X
Provider content is managed by either the provider or the local authority	X	X	X	X
Full provider self-service including the facility to host or access catalogues which are visible to general public		X	X	X
Ability for service users or local authority brokers to request quotes (one to many / one to one) and facilitate further competitions		X	X	X
Basic reporting available on web analytics, searching information etc.		X	X	X
Catalogues available for goods, services		X	X	X
Booking processes for personal assistants and volunteers		X	X	X
Payment functionality			X	X
Advanced reporting on financial transactions			X	X
Social networking				X
Links to external systems including the option to integrate directly to case management systems				X
Resource allocation systems and financial systems as required				X

Source: Adapted from NEPO 2013

Many contractors are able to provide these lots. While most of these are commercial IT companies that provide cloud-based solutions to a range of sectors – examples of which include Cloudbuy (formerly @UKPlc), Quickheart and System Associates – others have been created specifically to provide e-marketplaces for care, such as shop4support.com (initiated by the disability campaigning charity In Control [see above]).

Within the NEPO framework, additional functions build on previous lots such that councils choose between increasingly complex systems rather than simply picking and choosing from a set of functions. In fact, they may wish to add functionality to the e-marketplace at a later date. For example, Hertfordshire county council started with a simple directory and added payment functionality later, delivered by Cloudbuy. The advantage of this modular approach is that systems can be developed at a manageable pace, but there is also a danger that they will be limited by having originally been designed to function as a directory rather than as a more advanced marketplace.

2.2 Why e-marketplaces?

From the conversations we had with stakeholders it became clear that local authorities are implementing e-marketplaces with various and often multiple motivations. Furthermore, local authorities – and different staff within those authorities that we spoke to – prioritised these motivations differently. Champions of wider social care goals recognise the contribution that e-marketplaces can make to empowering service users, integrating formal and informal care, and addressing problems in the care market. Yet our findings suggest that these

goals are not consistently central to why or how local authorities are developing e-marketplaces. From our interviews with local authority staff we were able to discern four broad motivations for implementing e-marketplaces.

- **Saving money**
Local authorities are under enormous pressure to make savings, and automating transactions to divert users away from costlier phone and face-to-face interactions is one means of doing so. E-marketplaces also allow for closed-loop procurement,¹³ which entails greater efficiencies.
- **Responding to new responsibilities introduced in the Care Act 2014**
This new legislation requires local authorities to provide information and advice to all potential service users, including self-funders. Many local authorities recognise e-marketplaces as a means of fulfilling this responsibility without increasing demand on phone and face-to-face services.
- **Belief in giving citizens greater choice and control**
The local authorities involved in our research saw e-marketplaces as one aspect of a wider agenda of giving service users greater choice and control over their own lives in a scalable way.
- **Responding to the trend towards digitalisation across society and government**
Leaders in the local authorities that we spoke to are aware that even if most services are not currently organised digitally, it is very likely that they will become so in future as the way we use services in all sectors evolves.

Which of these motivations takes priority affects how a local authority manages its e-marketplace and how it envisages the marketplace developing. For example, the Yorkshire and Humber region was looking for a solution that would prioritise user choice and personalisation, and so procured a system from PCG Care Solutions that is designed with those outcomes in mind. Hertfordshire county council, on the other hand, has implemented an e-marketplace as part of its multi-million-pound cost-saving partnership with Serco, and is focussing on the 'low-hanging fruit' of changing the channels that people use to carry out transactions with the council. Hertfordshire's e-marketplace has been developed by Cloudbuy, which in its promotional literature emphasises the potential cost-savings of e-marketplaces.¹⁴

While it is clear that there are multiple arguments for e-marketplaces, there is no single vision or motivation for their use across local authorities, or even within them. Although the rhetoric from partners and senior managers is often centred on advancing personalisation within social care, other representatives within the same councils placed greater emphasis on the need to reduce budgets and respond to Department of Health requirements as their main motivating factors. This reflects the different pressures on different functions within social care, and the ways in which incentives are structured within teams.

2.3 What makes a successful e-marketplace?

With first-year costs alone ranging from £50,000 for a single directory to £500,000 for a regional e-marketplace solution, councils need to be sure that e-marketplaces can deliver social and financial returns (East Riding of Yorkshire Council 2011). Yet despite the widespread take-up of e-marketplaces, and substantial investment by local authorities into digital infrastructure, in most cases it is too early to measure success, including any cost savings. The large variety of reasons why e-marketplaces are implemented also suggests that local evaluations of outcomes may be difficult to compare in future. Those e-marketplaces that have been in operation the longest,

¹³ 'Closed-loop procurement' allows the procurer to define and control each stage of the supply chain, such as price, product and quality. This minimises risk and creates an automated audit trail, as well as making payment processes more efficient.

¹⁴ See www.cloudbuy.com/solution.html

and so of which tentative evaluations can begin to be made, have been found to have had mixed or limited success (DoH et al 2014). Some early e-marketplaces, such as the one Kirklees council launched in 2012, are now processing spend from all target groups – self-funders, direct payment recipients and third-party managed budgets – as was hoped for. However, some other e-marketplaces that have been established for several years are still mostly being used as directories of services, with online transactions (rather than those carried out by phone or in person) measuring in the hundreds rather than the thousands.

Local authorities and service providers are both rightly optimistic about how e-marketplaces will develop in the coming years. Yet what became clear from our conversations was that while their capacity for transactions is almost unlimited, established e-marketplaces are not currently fulfilling this potential. We found a range of explanations for this, which we have grouped into four broad challenges described in greater detail in the four sections that follow:

- encouraging a strong marketplace
- growing the demand for an e-marketplace
- reaching people who lack digital access or skills
- creating an internal culture that supports e-marketplaces.

Local authorities will have to meet each of these challenges if they are to establish and develop successful e-marketplaces.

Encouraging a strong marketplace

Active engagement with providers is a necessary prerequisite for a diverse and thriving marketplace: this does not grow unprompted around the digital platform. All of the local authorities we spoke to had, before launching their e-marketplace, invested significant time in engaging with a wide range of suppliers in order to make it happen. There is a chicken-and-egg problem here, in that suppliers will only go through a burdensome process if they are confident that there will be demand in the marketplace for their product, and service-users will only use the marketplace if there is a range of suppliers that they want to use. This means that it is particularly important to make sure that the marketplace is thriving right from its launch.

Providers who are used to dealing with council commissioning processes may need support to switch from a B2B to a B2C retail business model. For example, they will need a merchant account to process transactions online, and will need to rethink how they provide information and market their products and services. Buckinghamshire county council has engaged with all providers – from voluntary organisations to handymen – through individual contact as well as conferences to help them migrate their processes to the new e-marketplace. Hertfordshire county council found that many suppliers were reluctant to undertake such a major shift in operations until they could see the benefit of doing so. In response, as well as demonstrating the advantages of the new system to suppliers, the council also put measures in place requiring all providers who wish to supply care services or products (online or offline) to be on the marketplace.

Different providers and suppliers are likely to need different types of support and encouragement; we will explore this in more detail in chapter 3. However, to take one example, we repeatedly heard that residential care providers were reluctant to appear on anything more detailed than a directory of services. This is partly because prospective residents might have complex care requirements, pricing structures for which are complicated and difficult to advertise online. Another issue is that prices for residential care are usually negotiated, and so are likely to differ for self-funded and state-funded users: this would mean that either care homes or local authorities would be likely to lose financially from advertising a single price.

While residential care providers can be allowed onto the marketplace in a directory service with no prices, there are already websites that capture quality information and contact details.¹⁵

Growing the demand for an e-marketplace

Ultimately, providers will join e-marketplaces when they see that there is demand for them to do so. Yet our interviewees felt that in many ways lack of demand for the e-marketplace was the greatest challenge. While councils have responded to this challenge in different ways, it is clear that in all cases, proactive offline activity is required to grow sufficient demand to sustain an e-marketplace.

Different groups of users will require different strategies to encourage them to use the e-marketplace. Those who receive personal budgets and direct payments could be supported and encouraged to use the e-marketplace at the point of assessment, when local authorities will spend time with the person to plan their care support. For personal budget holders without direct payments, the payment functionality of the marketplace will need to be compatible with a managed personal budget. As a consequence of the Care Act 2014, local authorities are now also more likely to come into contact with self-funders, as they have been given a right to information and guidance if they have care needs; this presents another opportunity to stimulate demand for the site. Though personal budget holders have thus far been the most-targeted group with regards to e-marketplaces, they represent a dwindling proportion of all people with care needs. In line with both the Care Act and the broader preventative agenda, e-marketplaces should be for everyone – regardless of how their care is funded or how severe their care needs are judged to be. By targeting their e-marketplaces beyond the users the council currently comes into contact with, local authorities can more effectively use the sites to support preventative care and maintain a sustainable level of demand.

As well as making sure that care users know about the e-marketplace, local authorities must embrace the government's 'digital by default' strategy if they are to grow demand. This means making digital services so good that they become people's first choice. In practice, this requires designing services for an easy customer journey, including using intuitive and accessible language rather than the professional or corporate language typically used by councils. This is particularly important for social care users who may be less used to using the internet (see below). Design should be built into the service from the outset – otherwise, potential users will turn away from the e-marketplace.

Reaching people who lack digital access or skills

A key concern for local authorities is that rates of digital exclusion are high among the groups that e-marketplaces are targeted at. Many people with care needs do not have access to the internet, and/or lack the digital skills or confidence to effectively use a transactional website. Age, disability and learning difficulties are reliable predictors of whether a person is likely to have access to the internet and the skills to use it (LITRG 2012). Even those users who do have internet access may be able to carry out some tasks online but not others. For example, Hertfordshire county council have found that while some elderly users are comfortable researching services and products online, possibly with assistance from a carer, they prefer to actually make the transaction by phone because it is a communication channel that they trust.

While digital exclusion does currently present a limit to how extensively e-marketplaces can be used, our interviewees offered a number of reasons to be optimistic about the future in this regard, as well as a number of actions that can be taken now. Perhaps most obviously, given the increasing extent to which the internet and digital services permeate our lives, we can expect future generations of people accessing care

15 See for example <http://www.carehome.co.uk/>

services to be much more confident about organising care online. The latest statistics on internet usage in the UK show that 61 per cent of people over the age of 75 have never used the internet, but this falls sharply to 24 per cent among the 65–74 age group (ONS 2014). Indeed, Iain MacBeath, director of health and community services at Hertfordshire county council, told us he predicts that the service users of tomorrow will *demand* to be able to arrange their care digitally, as more and more of what we do is arranged online. This argument is true not only of tomorrow's elderly but of other groups – including those with learning disabilities, who increasingly are able to access the internet in controlled and assisted ways. The proportion of disabled people who had never used the internet fell from 33 per cent to 30 per cent between 2013 and 2014 alone (ibid).

In this context, it is clear that even if not all service users are currently 'digitally included', we should build public services for those who are and who will be in the future, while at the same time pursuing proactive digital inclusion strategies and ensuring that multiple channels are available through which people can organise their care, to make sure that no-one falls through the gaps. Teams with responsibility for e-marketplaces should work closely with those working on digital inclusion to realise mutual gains: helping digitally excluded people to use an e-marketplace could be a good means of improving their digital literacy. Shop4support has found that assisting personal budget holders to use a marketplace on a trial basis – perhaps for one aspect of their support package – can lead to them becoming full adopters (shop4support 2010). Furthermore, in many cases younger and more digitally literate carers will be able to support service users' use of the internet and e-marketplaces.

Finally, digital services must be designed for usability by the target group; otherwise they will continue to use the channel that they find easiest. Social care tends to perform badly in terms of usability. In the 2014 iteration of its annual survey of local authority websites, Socitm found that only 33 per cent of councils met its standard for how easy it was made to 'find out about care homes for an elderly relative', and nearly 40 per cent of visitors looking for social care information on council websites did not find what they were looking for (Socitm 2015: 11).

To improve upon these numbers, users should be involved in the design and testing of services. Dominic Campbell of FutureGov told us that he sees digital exclusion as a fluid concept, and argued that 'we digitally exclude people by the way we do digital... we make it unusable'.¹⁶ New government digital services such as GOV.UK¹⁷ use iterative testing to make sure that their services can be used easily by their target groups. Similarly, FutureGov's Casserole Club¹⁸ integrates its app service with texting to make sure that older people can access the service using a channel that works for them. Although most councils pay lip service to the principle of user-based design, many of the sites we came across were not intuitive and included potentially confusing categorisations based on divisions of responsibilities within councils. For example, some sites have separate categories for 'information and advice', 'search and shop', 'directory' and 'accessing support', which have the potential to be confusing.

Creating an internal culture that supports e-marketplaces

Many of the stakeholders we spoke to discussed the challenges of creating an internal culture conducive to helping e-marketplaces succeed. This issue of culture-change is a broad one that affects more than just e-marketplaces, and it is part of the puzzle of how to move social care towards a more personalised system. Well-designed e-marketplaces should enable people to make decisions about their own

¹⁶ Interview with the author, 21 January 2015

¹⁷ <https://www.gov.uk/>

¹⁸ <https://www.casseroleclub.com/>

care, regardless of whether they are funded by the government; e-marketplaces are therefore closely tied to the personalisation and empowerment agenda in care. However, if staff do not support this agenda then they are unlikely to promote and work with e-marketplaces effectively.

We found that top managers, including council leaders and directors of social services, accept the need for a fundamental transformation of the care-delivery model, and that there are 'pockets of support' at lower levels – particularly among frontline workers who interact with users regularly. However, David Bowes, co-founder of shop4support.com, told us that 'there are large swathes [of local authority staff] that don't yet fully subscribe to the concept of personalisation and, by association, e-marketplaces'. The reasons for this are complex. At its heart are implicit assumptions about professional knowledge being superior to people's own knowledge of their conditions; unspoken fears about job losses; and fatigue as a result of ongoing and long-term transformation agendas. In addition to this, there is a culture-clash between corporate IT services and adult social services, who may have different and competing goals. Overcoming these challenges is not a simple task. Yet, as the consensus around personalisation grows and e-marketplaces become more widespread, doing so is becoming increasingly urgent.

Case Study: Hertfordshire's e-marketplace

Hertfordshire county council's e-marketplace emerged out of the council's partnership with the outsourcing company Serco, which was established with the aim of realising £25 million of savings across the council. In this context, the e-marketplace was introduced to increase efficiency in the care system by replacing costly phonecalls with online transactions, as well as to ensure that the council was meeting its obligations under the incoming Care Act. According to Iain MacBeath, the council's director of health and community services, there was also a recognition that moving to digital was what users wanted. Although older people are not typically seen as users of digital services, his experience was that 70-year-olds today will expect to be able to organise their care digitally when they need it.

The e-marketplace was introduced in three phases. Having started as a directory, transactions for some products and services were introduced, then integration with personal budget-holding. Hertfordshire's experience has been that the e-marketplace, despite its transactional capabilities, is predominantly used as a directory, with users preferring to make actual transactions by telephone. This means that despite a high number of visitors to the site, the number of transactions has been lower than was hoped for.

The council is taking a proactive approach to addressing this, working with users to identify those areas of the marketplace that have the most potential for development. For example, they found that although users would rather initially set up care services over the phone, they would be happy to coordinate and manage their care online provided that it is easy to do so. However, to date it has been a clunky process, and users have only been able to review the care that they received after the four-week period given to providers to generate and submit invoices. Hertfordshire county council are prioritising the improvement of the marketplace's functionality, so that users are better able to manage their own care accounts and budgets. However, the council also acknowledges that the e-marketplace will simply take time to bed in, though they are optimistic about the role it will eventually fill as it becomes more established and digital access becomes near-universal.

3. PERSONALISED CARE AND E-MARKETPLACES

THREE OPPORTUNITIES

In the course of our research we identified three major opportunities presented by e-marketplaces to improve personalised care:

- improving access to the market for new and small providers
- enabling user commissioning
- integrating networks of informal and formal care.

Through both our interviews and our review of the literature we explored how e-marketplaces address underlying problems in the care market, and what would need to happen for each of these three opportunities to be realised.

3.1 Improving access to the market for new and small providers

The Care Act 2014 says that local authorities have a duty to 'facilitate a vibrant, diverse and sustainable market of care and support provision' (DoH 2014: 15). Personal budgets, direct payments and self-directed support cannot produce meaningful choice unless there is also a wide range of options for users of services (Forder et al 2012). For care to be truly personalised, markets should provide choice regarding the *type* of service received, as well as the provider of the service. However, traditional commissioning processes and block contracts favour large, well-established providers offering a set service to everyone, rather than more personalised and varied services. E-marketplaces represent an opportunity to redress this balance by giving smaller and unestablished providers a transparent, easy-to-use channel through which they can reach potential users and enter the market. By lowering barriers to entry, e-marketplaces may create a more diverse market and allow a smoother journey to market for innovative products and services. Whereas traditional commissioning processes are opaque and do not directly respond to users' needs, a flexible e-marketplace provides opportunities and incentives for providers to respond to users' preferences. For instance, in traditional commissioning systems care providers would promote domiciliary (non-medical, home) care services to local authority commissioners, but in an e-marketplace providers must advertise and sell their services in ways that are meaningful and appealing to individual users with diverse needs. This means that rather than services being advertised under the technical term 'domiciliary care', we see its constituent parts – such as meal preparation, cleaning and maintenance services – listed instead. However, there is a concomitant risk that if e-marketplaces are designed without due consideration of how to lower barriers to entry for new and innovative providers, they could replicate and entrench the existing market as created by traditional commissioning processes.

So far, the success of e-marketplaces in encouraging diverse markets and providers of different sizes and types has been mixed. David Bowes, managing director of PCG care solutions and a co-founder of shop4support.com, told us that most providers recognise that small-to-medium-size providers stand to benefit most from e-marketplaces, as they enable them to take market share from large organisations which until recently provided the majority of care services through block contracts. It is likely that smaller providers will find it easier to adapt to the new environment than large providers which have only ever operated in one way. However, it is also clear that micro-providers and services,

from handyman services to neighbourhood interest groups, that are not necessarily labelled as ‘care services’ are yet to enjoy the full benefit of e-marketplaces. Barriers to entry often remain too high for very small providers, some of which may be sole traders – they may lack expertise in, or capacity for, marketing or obtaining quality assurance. Furthermore, preventative and community services that are not recognised as specific to the care sector, such as a cleaners or handymen, are unlikely to be aware of the marketplace as means of reaching customers.

Quality assurance and attitudes to risk

If they are to make good choices, it is vital that users of care services and products are offered sufficient information regarding quality, safety and financial security. Local authorities are faced with the challenge of finding a way to give users helpful information about the quality of a service or product without imposing unnecessary barriers that discourage new entrants to the market. For a diverse market, it is important that small providers are not excluded by costly and cumbersome quality assurance procedures, unless those procedures are considered essential. Yet at the same time councils are under increasing pressure to minimise risk to users after a number of scandals, such as the one at Winterbourne View hospital.¹⁹ Quality assurance procedures are therefore central to the twin challenges that local authorities face: enabling self-directed care and managing risk appropriately and proportionately.

There are a number of tools that e-marketplaces can use to provide information about quality.

- **Gatekeeping:** only allow approved and (locally or nationally) regulated providers to offer their services.
- **Regulator reports:** providers of care services (as traditionally understood) are regulated by the Care Quality Commission (CQC), and sheltered housing regulated by the Home and Communities Agency. Registered providers can include a CQC logo on their profile, and a link to the Commission’s reports.
- **Kitemarks:** these are often managed and awarded by the local authority.
- **User feedback:** narrative reviews and star ratings, as used by consumer platforms such as Uber or Amazon, and in the public sector by NHS Choices.
- **Community panels:** these involve a civilian panel drawing up criteria and considering evidence for which providers should be allowed onto the e-marketplace. One is currently in operation in Dudley.

Local authorities are approaching the issue in different ways according to their own assessments of risks and their local markets. Worcestershire’s ‘Your Life, Your Choice’ marketplace will feature quality assurance developed in partnership with providers and the Community Catalysts organisation,²⁰ which represents and works with micro-providers. Their approach is one of trusting community feedback more than regulation to protect users from abuse, so the platform will feature star-ratings and feedback alongside council curated quality marks (see the case study on Worcestershire in the boxed text below). Providers entering the market can do so at three levels of quality assurance, with different compliance requirements set to be appropriate to the level of risk and responsibility involved in the delivery of each service. Stakeholders at Hertfordshire county council whom we spoke to, on the other hand, expressed concern that providers could use such a public feedback facility to place false reviews slating their competitors; under its system, only users who have purchased a particular service or product can post feedback on it.

19 A BBC Panorama investigation which aired in 2011 exposed physical and psychological abuse of people with learning difficulties and challenging behaviour at the privately-run Winterbourne View hospital in South Gloucestershire. The abuse had been ongoing for some years, despite concerns having been raised with local social services and the Care Quality Commission.
<http://www.bbc.co.uk/programmes/b011pwt6>

20 <http://www.communitycatalysts.co.uk/>

User feedback may have an important role to play in e-marketplaces, and has benefits that local authorities should balance against its perceived risks. Recent research has found that people with long-term conditions are most likely to make care decisions based on the perceived reputation of providers, recommendations from people they trust, and the subjective satisfaction of other users. Clear verbal and written information from peers is preferred to star ratings, and users do not necessarily find kitemarks or aggregated quality measures informative (Turnpenny and Beadle-Brown 2014). However, the Department of Health has, through its experience with NHS Choices, found that user feedback works best when lots of users engage with the feedback mechanism – and this can be hard to sustain.²¹ Lack of engagement means it can be hard for buyers on any online purchasing platform, including e-marketplaces, to get a balanced and trustworthy view, and some providers may receive no feedback at all. This suggests that substantial offline work may be needed to encourage users to engage with feedback mechanisms, and that user feedback will probably be most effective when combined with other ‘backup’ quality assurance procedures. Nevertheless, NHS Choices provides a precedent for the inclusion of user feedback in quality information, and an indication of how useful it can be, even for acute services.

The market for care varies widely across the country, meaning it is likely that local authorities will want to retain the ability to produce local quality assurance systems. Given the range of responses to this issue, local authorities stand to benefit from learning about each other’s approaches to the problem, and potentially sharing solutions across regions. While no local authority or local authority partner that we spoke to felt they had ‘cracked’ this issue, it is clear that involving users themselves in producing quality assurance systems which they trust and find useful will result in stronger systems.

At the heart of the issue of quality assurance is the attitude that everyone responsible for adult social care has towards risk and liability. The purpose of quality assurance is (or should be) threefold: to provide a level of information that enables the market to function well; to protect the public; and to limit public sector liability. However, without commitment to all three, public sector liability and job-loss fears can dominate. This is unsurprising given the unforgiving environment among both the media and central government, in which all liability lies with local governments, whose role is becoming increasingly challenging. The process of embedding effective quality assurance systems into e-marketplaces therefore requires collaboration across local authorities, and leadership at all levels right up to central government. It also requires us to challenge any assumptions that our current systems are the best they can be, and that deviations are risky. Sian Lockwood, CEO of Community Catalysts, told us:

‘Winterbourne View was inspected regularly and thoroughly; it’s amazing that people think regulation is safe and micro-providers aren’t. Ultimately, people are safe if they are connected to their communities.’

Yet often the smallest, community based providers are the ones that face the biggest barriers in terms of quality assurance processes. Current systems risk locking out high-quality, personal services in favour of those able to reach an unnecessarily high safeguarding bar.

Facilitating and enabling the market

The second of our key findings in this area is that online platforms will do little to grow the market without market-facilitating activity by local authorities. A number of people that we spoke to identified a gap between rhetoric and practice: often, while users are designated as personal budget holders with all the choice that that entails, their choices are in fact limited by shortlists of approved services selected

21 Author interview with Carl Evans of the Department of Health, 25 February 2015

by social workers, and a homogenous market. This problem may be compounded if users are led to believe, wrongly, that e-marketplaces include all available options.

Action is required in a number of areas if the genuine choice that e-marketplaces promise is to be delivered. First, those who help users to select products and services need to become confident in helping those users find the services that are right for them, rather than simply directing those users to the services that the broker or social worker has always used. Many of the most innovative providers are non-traditional, and substantial offline work and cultural change among staff may be required to ensure a diverse supply rather than a replication of the existing market. Carers, paid brokers, frontline social workers and charities with advisory functions all assist users in making choices, and they are key to this process. Worcestershire county council has held networking events at which social workers can meet providers in order to better understand the options that are available to users. Events like this could be used to bring a wider range of stakeholders into the discussion, and to provide information about the advantages of using a range of providers from the e-marketplace.

It is also vital that a diverse range of providers are made aware of e-marketplaces, and why and how they should use them. For example, traditional service providers may be reluctant to switch to an immediate payment model rather than slower invoicing.²² Small providers may not recognise the benefits of being on an e-marketplace, or know how to market themselves effectively. Buckinghamshire county council has held provider conferences as part of its market facilitation activity, and Hertfordshire has made it compulsory for providers with local authority contracts to have a seller account. The Community Catalysts organisation is represented at the steering-group level of Worcestershire's e-marketplace to make sure that it is built with micro-providers' needs in mind. We found that most local authorities also recognise the need to support providers in identifying gaps in the market, and had produced market position statements to illustrate trends in demographics and usage for providers.

The question of how to make sure that non-traditional services are represented is also yet to be answered. For example, handyman may be instrumental in ensuring that service users remain independent in their own homes, and since they are accustomed to retail transactions they could easily adapt to an e-marketplace model. However, they are unlikely to think of themselves as 'social care providers', or to know about the e-marketplace. None of the local authorities we spoke to felt that they had fully solved this problem. One common idea was that the branding of the website should be distinct from council branding, so that providers do not view it as a site for council services only. Another idea was for adult social care teams to partner with local economy teams in order to encourage non-traditional services to access the e-marketplace.

Finally, most local authorities are aiming to make e-marketplaces financially sustainable by charging providers either a one-off registration fee or a subscription charge. Yet any fee structure needs to be differentiated if informal and micro-providers are to be encouraged to advertise on the site. Upfront investment by local authorities, however unpalatable it might be for balance sheets, could help to lower or remove initial barriers to providers entering the e-marketplace. Such a move, which is very important at the beginning, would allow for sustainable charges to be brought in at a later date. Any plan would need to be clearly explained to providers so that they do not face unexpected charges down the

²² Most providers will be used to receiving payment by sending an invoice to either the council or the service user. By contrast, most e-marketplaces involve immediate card payment, or the use of personal budget credits. This means that providers need the internal capacity to process payments of this kind, like any other non-care retailer selling online.

line. Pay-as-you-go charges are likely to be more successful than upfront fees for providers, which may present a barrier to entering the marketplace.

Case study: Worcestershire

Worcestershire county council's e-marketplace, 'Your Life, Your Choice',²³ went live in April 2015 as part of the council's long-term goal of coordinating rather than providing care.

The team behind the implementation of the e-marketplace was primarily motivated by a desire for greater personalisation in care; the council's personalisation lead also heads the steering group for the e-marketplace. However, the potential for the project to deliver cost savings is also well-recognised.

The council has made working with micro-providers a priority through its partnership with Community Catalysts, a social enterprise which has been stimulating and supporting micro-providers of all types of care. A Community Catalysts employee sits on the steering group for the marketplace so that the voice of micro-providers is represented at the highest level of decision-making. She has also coordinated events for micro-providers to meet with members of the council team, including frontline social workers.

Both service providers and users have been consulted along the way, and there have been multiple opportunities for feedback which have had tangible effects. For example, the council once thought that micro-providers offered only low-level care support, so had planned to create a separate section of the site for micros. However, through consultation it became apparent that this was not the case – that in fact, providers of all sizes and types offer high-level, formal care. Therefore, the marketplace now does not categorise separate providers by size, or list them on separate pages of the website.

Engaging with providers also helped the team to design gatekeeping arrangements for the e-marketplace. There will be three tiers of access, so that the smallest burden falls on low-level services and greatest burden on intensive services. Providers will need to submit policies that are subject to varying degrees of verification, and will be sent reminders to renew their policies. Providers that already have contracts with the council will be given a quality mark to show that they have already gone through the process. Star-ratings and written feedback will feature alongside council-curated quality marks, so that users can make informed decisions about purchases.

The council is working with all types of providers to make sure that they are prepared for a new way of working with the council and citizens. One idea that they are investigating is for providers to be able to embed YouTube videos on the site, to give people who are looking for services more information about what their offer is really like. This would be a low-cost way for micro-providers to better promote their services, and might help to overcome a lack of trust in online transactions, particularly for new and innovative forms of care.

While many providers in Worcestershire initially objected to e-marketplaces, thanks to the council's proactive efforts many are now keen to become part of the marketplace, and to reap the benefits of doing so. Similarly, social workers have been brought on board by the dialogue that was established between them and providers.

3.2 Enabling user commissioning

In consumer marketplaces, we are often used to selecting from services and products that are specified and offered by sellers. Meanwhile, traditional care commissioning involves someone specifying and buying services on behalf of the end-user. Online platforms offer the potential to improve on both methods by enabling users themselves to describe the kind of service they want, and allowing providers to respond with a tailored service and price – thereby shifting the role of commissioner to the user, and cutting out the middle-man.

Local authorities already have user-specific commissioning – that is, systems that enable providers to bid for 'lots' of care for one person. However, these

²³ <https://ylc.worcestershire.gov.uk/>

systems – which critics have likened to ‘auctioning your granny’ – cut the individual who receives the care out of the process, offering the individual no control or even oversight over their own care (Taylor 2014). While in theory this could help tailor services to the individual, in reality it too often ends in competition based solely on price.

User-commissioning has the potential to overcome the lack of responsiveness in the care market, and to help providers identify gaps in provision. It also offers greater scope for citizens to build reciprocal relationships with each other. In our report, *The generation strain* (McNeil and Hunter 2014), we proposed that users of community care should be allowed and enabled to share their budgets in order to meet their care needs collectively. The user-commissioning that we envision involves citizens, who themselves may or may not be users of traditional services, responding to the requests and needs of other citizens without the need for the state to act as a middle-man. Groups of individuals could come together to find solutions and opportunities that they can jointly afford. For example, a group of people with learning disabilities might pool their budgets to hire a cookery teacher, based on their mutual interest in the topic. At its best, user commissioning – rather than being restricted to services and products – would enable and encourage collaborative activity. Through digital platforms, different providers, developers and local authorities are beginning to imagine what this empowered commissioning process might look like.

Make it easy

User-commissioning is most likely to be effective if it is made easy for the user, who often will not be familiar with commissioning processes or language, or with IT. The commercial sector may offer useful models of intuitive user-commissioning. For example, the digital agency FutureGov²⁴ and Havering council are currently developing a product akin to a Kickstarter for care. Individuals and groups will be able to easily propose and support new ideas for activities and services. Community Catalysts favours a ‘post office noticeboard’ approach, presenting user commissioning in an informal and accessible way that users will understand. In their model, people would post ‘notes’ explaining their needs, which would simultaneously help users to find each other and ultimately commission together, help users to connect with providers who may be able to offer a solution, and provide commissioners with information on gaps in the market. Despite their differences, central to both of these proposals is the need to create an environment that is intuitive to use – not one that replicates council commissioning processes and language.

Supporting and trusting users to commission care

Shifting the right to commission services to the individual will require a substantial culture-shift among both frontline workers and managers in terms of the amount of trust they place in service users. While it is very important that user-commissioners are supported with appropriate guidance, the goal is to entrust and empower them to make good choices about their own care. This is particularly vital in user-commissioning, as opposed to other parts of the e-marketplace, as the services, activities and desired outcomes are defined by the user rather than providers or council managers.

This shift could be more radical than it first sounds. The New Economics Foundation’s evaluation of HACT’s up2us pilot project²⁵ (Stephens and Michaelson 2013) provides an illustration of how marked a departure it is from conventional approaches to care, and the resistance it can meet for that reason. The report features a case study of three men with mental health difficulties living in Knowsley, who shared the aim of getting fit and so tried to jointly commission gym equipment through a pilot online portal set

24 <http://wearefuturegov.com/>

25 <http://www.hact.org.uk/up2us>

up for user-commissioning and purchasing. Excessively cautious attitudes towards risk among employees of both the local council and their housing provider, and a lack of coordination, meant that the delivery of the equipment was stalled by 18 months. This is despite gym equipment being very common, and the fact that helping people with mental health difficulties lead normal lives was a stated goal among the care professionals involved (ibid).

There is also resistance to user-commissioning in e-marketplaces from commissioners, some of whom may consider it a threat to their positions (particularly given how cash-strapped many councils are). However, these commissioners could fulfill new roles as facilitators of the user-commissioning process (Community Catalysts and Shared Lives Plus 2013). Greater collaboration between agencies that work with individuals, as well as greater clarity and understanding among teams of how their role within councils will evolve over time, are needed to address this problem.

Helping people to meet

Pooling budgets for user-commissioning requires a group of individuals to share a particular goal or set of goals. However, what is clear from existing examples is that without support, many people who would benefit from pooling budgets will not come into contact. Furthermore, people define themselves according to their interests, rather than as a bundle of needs to be met. Therefore, for group activity to be sustainable, groupings should be based on interests rather than needs. One means of achieving this might be to add social networking functionalities to the e-marketplace, as is suggested in lot 3 of the NEPO framework (see section 2.1). The HACT up2us pilots demonstrated that, with appropriate support and safeguarding, this can be safe for all groups, including young people with learning difficulties (Stephens and Michaelson 2013). Proximity is also important, as offline meetings will strengthen relationships started online.

Case study: Yorkshire and Humber's 'Get a quote'

Local authorities in Yorkshire and Humber recently launched 'Get a Quote', a user-commissioning module integrated in to their regional e-marketplace platform²⁶ which is based on the shop4support.com platform. Using this module, any party can quickly and easily outline an individual's care and support needs and agreed outcomes, including local authority staff, a third-party broker and the user themselves. Multiple providers can then respond with a proposal and indicative costs. The whole transaction process can then be monitored by all interested parties, providing transparency and a full audit trail that eliminates duplication. At the same time, the user is involved and in control at all stages, from defining desired outcomes to selecting a provider. It has been deliberately designed so that it can cover an individual's specific need or outcome, the entirety of an individual's support plan, or a group of individuals' requirements.

'This approach enables the individual to meet their support needs in a more efficient, effective and personalised way. It shifts much of the administrative burden away from us, creating a "mini- competition" among providers encouraging them to be more creative and tailor their responses towards an individual's needs, as well as pricing the package competitively. [...]

We are still in the early stages of implementing this. However, we have already started to see innovative and person-focused support packages being created at a lower cost and without so much effort. A full evaluation of the system will take place in due course.'

Dianne Green, head of wellbeing and early intervention, Kirklees council

Adapted from TLAP (2015)

26 <https://www.connecttosupport.org/s4s/WhereLive/Council?pageld=901>

3.3 Integrating networks of informal and formal care

The social care sector is increasingly coming to recognise the role and importance of a mixed economy in delivering care outcomes. The value of informal care and support for adults has been put at between £55 billion and £97 billion, while local authority expenditure on care was only £19.1 billion in 2012/13 (NAO 2014: figure 2).²⁷ ‘Voluntary care sector services supported by UK fundraising’ also contributed £2.9 billion of care services in 2010/11 (ibid), and social enterprises are increasingly offering paid-for services. Particularly in the context of public sector cuts, it is only through a mixed economy of care that high-quality provision can continue to be offered.

More profoundly, a mix of providers is essential to a landscape of care in which people have meaningful choices, and are seen as assets to their communities rather than burdens. ‘Informal care’ as a term covers a diverse range of activity, from the friendly neighbour who picks up essentials for an elderly person and does not even see themselves as providing a service, to volunteer services arranged by large providers such as Age UK that may offer people trips to the theatre as well as intensive care services. The lines between different kinds of informal care are becoming increasingly blurred as digital innovations like Casserole Club and time-banking sites enable small-scale, neighbourly volunteering – and even more so if those who are traditionally considered users of services are also seen to be potential providers (a day activity club run by people with learning difficulties, for instance).

E-marketplaces present several opportunities for supporting a mixed economy and ensuring that care remains coordinated and joined up around the user. For example, the more sophisticated e-marketplaces are integrated with back-end case-management systems, and allow users to manage their care timetabling. This should support councils as well as individuals to assess whether their needs are being met, and to better manage their budgets. Being able to view both paid-for and un-paid-for services in one marketplace, including services to support independent living like home maintenance, should help to ensure that users are aware of the many different types of ‘care’ that they can purchase to suit their own needs. This allows users to find the care that suits them and potentially get better value for money, for themselves and the state, by choosing to have some of their care be provided by community-based solutions. E-marketplaces also make it easier for carers to find support, and in doing so helps to make sure they can keep offering vital care.

However, on the topic of how digital platforms can best achieve an integrated mixed economy of care, there were also several points on which our interviewees from local authorities, e-marketplace providers and the third sector disagreed. While most e-marketplaces display all types of care in search results, there are inherent tensions in placing paid-for and un-paid-for services side by side. Informal services usually involve a gift element that councils will wish to preserve, but if they are priced much lower than private sector alternatives then they may face unmanageable demand, or have the effect of driving down wages in the social care sector. On the other hand, categorising services by whether or not the provider is profit-making may create false boundaries that do not reflect people’s experiences of care. In reality, this may need to be dealt with on a case-by-case basis. Some types of informal care, such as those that involve long-term mutual relationships, may be substantively different from paid-for services and therefore inappropriate for a transactional marketplace setting, whereas others, such as re-ablement services, may be more comparable to paid-for alternatives.

²⁷ The figures for the value of informal care and support vary depending on whether the replacement cost covers all informal care (as in the higher estimate), or only that which the state would be likely to replace were it not provided informally (as in the lower).

A further disagreement arose between our interviewees on the issue of whether all services and initiatives that aim to integrate formal and informal care should be included on e-marketplaces, with the additional complexity that this entails, or whether it would be better to offer them through separate digital platforms or apps. For example, preventative initiatives are likely to be targeted at people who do not recognise themselves as needing a care service, and so would be unlikely to look for a such service on the e-marketplace. Furthermore, many preventative initiatives break with the old assumption that e-marketplaces continue to be based on – the assumption that there is a care *giver* and a care *user*, and the two are distinct. Time-banking and social networking are based on mutual support that recognises people’s strengths and assets as citizens: they may therefore be incompatible with a marketplace in which, essentially, one person gives and another receives. Similarly, neighbourhood networks for older people, as are operated in Leeds and which IPPR advocates (see McNeil and Hunter 2014), are based on mutual support and friendship rather than one person commissioning another to provide a service (Lawton et al 2014). Sian Lockwood at Community Catalysts, a social enterprise which works with a number of community-based micro-providers, told us that they ‘haven’t come across an e-marketplace that in the end was able to cope with the range of services our providers offer’.²⁸

One example of such a new platform is Circle,²⁹ a social network for the over-50s. It was developed by Participle, with the aim of strengthening social connections and capital in order to support older people to live flourishing lives, and in doing so to help prevent loneliness and associated health problems. Participle did not find that their offer was easily replicable on an e-marketplace as it is not a ‘service’. They attract members by basing their activities on shared interests rather than shared needs. People do not want to see themselves as needy, and consequently Circle does not look or feel like a traditional service (Cottam and Dillon 2014). While there may be benefits to signposting this kind of ‘service’ on an e-marketplace, offering them as options alongside other services and products may not actually be desirable, and needs to be tested.

There are opportunities to better integrate informal and formal care through e-marketplaces, but substantial offline effort is required to realise them. Informal care providers may need more and different support to get onto e-marketplaces. For example, the most informal organisations are unlikely to join if it is conditional on paying a charge to use the website. Disclosure and barring service (DBS) checks and quality marks, as explored above, can also present serious barriers to entry. In the course of our interviews FutureGov, who run Casserole Club, told us that the majority of those who volunteer for that initiative drop out at the point of getting a DBS check, although the process is constantly being made simpler and easier. Furthermore, Community Catalysts said that user-led groups in particular can struggle with the language of the business processes involved in advertising on an e-marketplace, and so may not be able to engage with them. Frontline staff also need to be prepared and willing to direct users to informal services that they may be unfamiliar with, and to use their judgement as well as the user’s own opinion in assessing risk. Although we heard that in general frontline workers are not threatened by the growth of informal, asset-based community care, they should be reassured that services without costs do not necessarily pose more risks – either to users or to their own careers.

28 Interview with the author, 30 January 2015

29 <http://www.circlecentral.com/>

Case Study: FutureGov's approach to digital government

FutureGov works with local authorities with the aim of improving public services through the use of elegantly designed technology. All of FutureGov's solutions begin with understanding the needs of the user, and are built to effect change both within and outside of local government.

FutureGov hope to make organising social care as easy as booking a holiday online, by wrapping a seamless experience around the functions of local government. They found in focus groups that while users did not understand information and directory websites, they would be checking Facebook on their phones. They draw inspiration from consumer technology rather than enterprise technology, in order to be more in-step with how people consume and behave. For example, their 'recommendations' functions work in a similar way to those on Netflix, making recommendations based on what similar users chose.

Many of FutureGov's products fulfill a similar function to elements of an e-marketplace. For example, Lantern³⁰ is a web tool that allows people to find recommended services that are suitable for them by filling in a short questionnaire. It is intuitive to use: users do not need to know what they are looking for, but can tell their story to find out. Scout³¹ is a children's services directory which can be searched by location and returns tailored services, including formal and informal offers. A new product currently in development can be used like a Kickstarter for caring services, so that users can come together and collaboratively commission services.

FutureGov's model is different to an e-marketplace in that individual solutions are built for different challenges, rather than integrating all functions into one website. This has the advantage of being significantly cheaper to build, tailor and maintain. Individual apps can also easily be adapted to new areas or types of service once the infrastructure has been created – Scout, for example, could easily be adapted for adult services.

Another advantage of this approach is that it encourages a mixed economy of care. A solution such as Casserole Club is intuitive for care users, but also makes it very easy to volunteer on a small scale, thereby opening up new community connections and expanding the volunteering base. Casserole Club is based on building relationships, and is difficult to fit into a transaction-based environment alongside more formal meals services. FutureGov's approach does not attempt to fit the two together in one category, but instead designs solutions around how the services are understood by users.

30 <http://www.thisislantern.com/>

31 <http://wearefuturegov.com/2014/04/scout-an-easy-way-to-find-local-services-that-help-with-your-finances/>

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

In our exploration of how e-marketplaces have developed and the opportunities they present, several recurring themes emerged.

- **Digital services must be designed around the user's experience and journey**
Users will use the channel through which it is easiest to find services. To effectively manage demand and enable personalisation, digital services need to be designed around the user journey rather than business needs. This means that users must be involved in the design of the system, either through feedback or iterative design methods. However, current local authority IT procurement practices do not prioritise this, or the prototyping of digital products, and instead encourage one-off purchases.
- **Proactive offline activity is necessary for an e-marketplace to succeed**
Using a market-based approach to produce relational rather than transactional services requires proactive offline activity, such as market facilitation. This includes encouraging and supporting small and innovative providers, differentiating requirements by type of service for gatekeeping purposes so that barriers to entry are lowered for smaller and more informal providers, and actively supporting users to come together and jointly commission services. Market-based approaches do not necessarily result in services being run by large, impersonal providers, but without active cultivation this can be the default.
- **Cultural changes, particularly around trusting users and adopting appropriate attitudes to risk, are prerequisites for success.**
Greater efforts need to be made to effect culture change in local government before radical personalised care models can be rolled out. Simply making services available online will not be enough to facilitate diverse and integrated forms of care. A diverse and well-functioning e-marketplace requires advisors – including social workers and carers – to have trust in users' decisions while being mindful of the risks of doing so, and to be willing to recommend and signpost services they may be unfamiliar with, such as community-based care. Excessively cautious attitudes to risk can also lead local authorities to set overly stringent requirements for providers to demonstrate their safeguarding practices and quality of service before advertising on the e-marketplace, which can limit the transformational impact that e-marketplaces have on the care market.
The stakeholders whom we spoke to suggested that, although the sentiment is not universal, most local authority leaders as well as social workers support greater personalisation, trust in users and community provision. Yet we also heard from people inside and outside of local government that this vision is far from being achieved – systemic barriers remain, particularly at the middle management level but right up to central government departments that create incentives through policy and guidance. To change this culture, we need to make sure that teams are sharing risk appropriately, and reconsider where blame lies when things go wrong. Staff must be given the attention and permission they need to exercise their own judgement in pursuit of better outcomes, rather than being cowed by concerns about compliance and liability. E-marketplace managers also need to find a balance between providing useful information about quality and reliability, and ensuring that innovative and less established providers are not stifled by unnecessarily cautious gatekeeping and quality assurance processes.

These themes will be familiar to people working in and with local government, but we found that thinking about these issues when implementing new systems such as online transactional marketplaces is particularly vital from the beginning. The risk is that if these principles are not prioritised as they are set up, the e-marketplaces that emerge will reflect and entrench the existing market for care, including its weaknesses, rather than transforming and revitalising it.

The huge set-up costs of e-marketplaces, and the investment that local authorities are putting into their development (Hertfordshire county council's e-marketplace took two years to set up), also sit uncomfortably with another of our findings from this research. That is, e-marketplaces of the kind currently being implemented may not be the most effective form of digital investment. The NEPO procurement framework in chapter 2 envisages e-marketplaces as directories with increasingly complex functionalities such as payment, budget management and, eventually, social networking. Yet adopting a truly iterative, design-based digital strategy might well lead local authorities to come up with very different 'e-marketplace' solutions. These marketplaces are costly to set up and are therefore a risky investment; as bespoke solutions they are also costly to fix and adapt. An alternative solution is to adapt a platform-based model, with a number of integrated 'apps' for different services or needs. In practice this might look like Apple's app store, with different modules for different activities and services – PA services, social networks, and time-banking, for example – hosted on a common platform. The advantage of the platform model over an e-marketplace is that multiple, smaller developers can design modules at a lower cost, and each can be designed around the specific user experience rather than trying to make an e-marketplace that does anything and everything. Multiple local authorities could share a single platform, and its costs, while tailoring services to their local area.

We have not investigated this option in detail, as the aim of this report is to chart and explore the type of e-marketplace that is currently being developed by many local authorities. However, as people's digital experiences as consumers and as citizens move in this direction, and given that take-up of expensive e-marketplaces has grown sluggishly, it is important for local authorities to be open to, and to share, experiences of different models for bringing citizens and resources closer together and creating digital marketplaces. The remit of the Government Digital Service (GDS), which has been at the helm of the government's 'digital by default' strategy was extended to local government in the pre-election 2015 budget (HMT 2015). Local government digital procurement, characterised by large, one-off system purchases like e-marketplaces, contrasts to an increasingly large degree with that strategy, which is characterised by iterative design, the centrality of the user journey, and a shared common platform across government functions. Not only might local authorities achieve better outcomes by rethinking what an 'e-marketplace' or digital platform looks like, they may also in future find their current, expensive systems out of sync with the ways in which digital government is evolving. Local government will become digital in time: it should anticipate and shape that shift now in order to reap its benefits as soon as possible.

Each of the conclusions above play in to a much broader discussion that is taking place around how local authorities can and should work with each other and with the citizens they serve. Digital platforms, including e-marketplaces, will be most successful where they support fundamental changes to how services are organized and delivered, rather than simply replicating current services online. At the same time, it is clear that digital services are not a panacea in themselves: the people who implement, work with and use them are central to achieving better care.

4.2 Recommendations

Below we identify and explain some practical steps forward for those trying to lead change in social care, in response to the information we have gathered. We would like digital platforms to be recognised as having the potential to catalyse a new type of social care, but also for those who advocate them to be reflective about how they can best achieve social as well as financial aims.

To make the most of the opportunities that e-marketplaces – and digital platforms more broadly – present, we make the following specific recommendations.

1. Work across local authority boundaries

Local authorities across the country are currently implementing e-marketplaces and grappling with the same challenges. Shared learning is facilitated on the IT side by Socitm and on the social care side by ADASS, and we found that many social service teams look at other e-marketplaces before procuring their own. However, deeper collaboration may lead to greater benefits, Yorkshire and Humber have successfully procured a single regional e-marketplace that can be tailored to the individual needs of each of the 13 local authorities that it covers. Yet this also allows them to coordinate solutions to problems that they all face, such as how to ensure that advertised services are high-quality, and that care choices are displayed and explained in the most useful possible way. It means that they have the resources and capabilities to be more innovative: Yorkshire and Humber's will be one of the first e-marketplaces to have user-commissioning functionality. Furthermore, it has been found that if 12 or more councils share a common implementation team and procure the same functionalities, the fees paid to contractors can be reduced by up to 33 per cent.³² Finally, people's experiences of care are not limited by council boundaries, and regionally procured e-marketplaces reflect this better than individually procured sites.

Local authorities are independent and will want to develop partnerships that are appropriate to their needs. However, there is a long-running debate about whether local government sites should run from a single platform, as GOV.UK does. We recommend that, as a practical, immediate step, local authorities prioritise regional collaboration and working groups. These should seek to ensure that partnership possibilities like the one pursued in Yorkshire and Humber are explored and made viable through shared system-planning, and that, where marketplaces are individually developed, a coordinated approach is taken across boundaries.

Collaboration should happen at multiple levels of local government: at the leadership level on shared vision and strategy; and also at lower levels in order to enable those implementing e-marketplaces to share innovations and best practice. A priority area should be working to common standards on quality assurance, risk-management and the gatekeeping of providers on the e-marketplace, so that users are provided with useful information without setting up prohibitive barriers to entry for new and smaller providers.

2. Work in close partnership with the GDS to embed local digital government

The March 2015 budget extended the remit of the GDS to local government for the first time, bringing digital platforms for social care under its purview. Although details of how this will work in practice have not yet been laid out, it is important that rather than being imposed from above, the GDS works in partnership with – and respects the autonomy of – local authorities. The GDS can contribute its experience of leading transformational change in digital services; the service can also support better coordination across local authorities by developing and providing platforms with shared standards and

³² See http://www.local.gov.uk/documents/10180/11417/Procurement_category_management_projects.pdf/c1d088c1-5338-4b86-b2ab-84e7f36e7675

protocols for multiple authorities. However, great digital services are much more than a website: they fundamentally change how services operate. Success requires support and contribution not only from IT and digital departments, but also the teams that work with services and local authorities as a whole. This is particularly true for care services, which are more complex and less transactional in nature than, for example, applying for a parking permit. The GDS can support major changes in how care is delivered, but social services teams must determine the nature and direction of those changes. In designing platforms for adult social care, the GDS should recognise and draw upon the relative strengths of care and digital teams.

For such a partnership to succeed, **strong leadership** in local authorities is required. That there is a wealth of digital talent and ambition within local government is demonstrated by the ‘Think. Do. Share.’ approach of LocalGov Digital, a group of local government digital professionals sharing learning and collaborating on new user-centred digital projects.³³ Yet these efforts have not yet become central to the way in which local government operates, and a hierarchical culture means that local authorities’ digital officers often lack the authority to effect change. While there is a great deal of rhetoric from local government and the social care sector about ‘user-centricity’, without support across organisations, including from the top, digital officers can only create superficial services that mask the clunky processes beneath. Systems remain focused on business processes rather than becoming citizen-facing. Strong leadership can enable these teams to play a central role in how public services, including adult social services, evolve.

3. **Developing the workforce for next-generation social care**

In the course of our research we repeatedly found evidence that offline activity, and the people who work in adult social care – from teams in procurement to market facilitation to the social workers who help people to navigate the care system – are central to making e-marketplaces work. E-marketplaces, as part of the wider empowerment and personalisation agenda in care, require a culture of trust in citizens’ choices and their right to autonomy, as well as openness to change and to new and innovative services outside of the traditional public sector. If local authorities place overly strong requirements on providers before they are allowed to advertise on e-marketplaces or receive quality accreditation, then e-marketplaces will simply reflect and replicate the current care market – that is, one dominated by large providers that can more easily absorb these costs and navigate bureaucratic processes. Furthermore, if frontline workers consider it too risky to recommend, or allow personal budget holders to use, small, new or community services, then the person that requires care has limited meaningful choice. While many people within local government are trying to bring about this cultural shift, progress is slow because of both individual resistance to change and larger systemic features that maintain the status quo. As well as investment in IT infrastructure, the following forms of investment in the skills of the people who actually make e-marketplaces work are also needed.

– *Training staff to empower users*

Through our research we heard that although most local authority leaders, managers and social workers support greater personalisation and community provision, there are gaps in support – particularly at the middle management level. Long-term programmes of cultural change and training can help achieve two goals. First, they explain the benefits of new models of care and embed the values of those models among staff. Second, they also give frontline workers the confidence and knowledge of their responsibilities that they need to be able to signpost less familiar and community-based services.³⁴

33 See <http://localgovdigital.info>

34 The Think Local Act Personal partnership’s website provides a range of resources and case studies on how local authorities can develop their workforce in this area. See <http://www.thinklocalactpersonal.org.uk/>

- *Develop digital in-house expertise through recruitment and training*
Whether digital platforms are commissioned or built in-house, local authorities shifting to ‘digital by default’ need teams (in both digital and service delivery) who understand what digital services can and should do. This means recruiting more people with strong digital skills, but also providing training and support for professional development so that existing staff can fill this gap. This could be provided in collaboration with other, nearby authorities – for instance, by supporting network events such as LocalGovCamp that bring together digital teams from different authorities to learn from each other.
- *Bring providers and frontline workers together to prepare for e-marketplaces*
Frontline teams both within local authorities and outside of them – those in housing associations and advisory services, for example – need to be prepared for new responsibilities, including supporting e-marketplaces, as part of a broader shift from delivery to coordination of care services. At the same time, providers may need support to understand and join e-marketplaces. Events that bring different actors within the system together can be particularly helpful in terms of ensuring that each side understands not only the others but the overall vision of empowered care that underpins e-marketplaces and personalisation.

4. **Care coordinators, based in the community, to teach digital skills**

Many care users lack access to e-marketplaces or the skills to navigate them, which limits take-up. While this problem is likely to decline as the younger generations of today, accustomed to using digital services, become the care users of tomorrow, digital exclusion presents an immediate challenge. Local authorities can mitigate the impacts of digital exclusion by designing their digital services around the user journey, and to be intuitive, as well as by ensuring that other channels to care remain open. Nevertheless, many care users who stand to benefit from e-marketplaces will still struggle to access them. A proactive approach is required to reach these users and support their autonomy in choosing care, and to align e-marketplaces with broader digital inclusion goals.

IPPR has previously recommended the expansion of the local area coordinator programme, which originated in Western Australia and currently operates in Derby, Cumbria, Middlesbrough and most authorities in Scotland (McNeil and Hunter 2014).³⁵ Local area coordinators (LACs) are recruited from a range of backgrounds, have close links to local neighbourhoods, and operate an ‘open door’ policy, providing information, support, advocacy and advice to all regardless of their support needs or their entitlements to funding. Whereas the planning on an individual’s care typically happens at the point of assessment, which can be fleeting and bureaucratic, LACs are community-based and can be accessed after assessment. In Australia, coordinators are based in ‘shop-front’ premises designed to be accessible to everyone living in the areas that they serve, and this is considered a critical factor in their success.

As well as local authorities moving away from case-management and towards care coordination, we also recommend that part of an LAC’s role should be to help care users to access e-marketplaces to arrange their care. This would require training for coordinators, which should be delivered in partnership with digital inclusion teams. Coordinators based in shop-front premises – a library, for instance – could also use in-house computers to provide internet access points. Such an approach would enable care users who are less familiar with digital services to learn new skills, and to arrange their own care through the e-marketplace, with ongoing support from the coordinator.

35 See <http://inclusiveneighbourhoods.co.uk/>

Government interactions with citizens are becoming increasingly and inevitably digital, and this will include social care. As the GDS extends its remit to local government, and the Care Act 2014 comes into force, the time is ripe for local authorities to shape this 'direction of travel' to create a new and better model of care. Digital platforms, including e-marketplaces, will be most successful where, rather than replicating the current service online, they support fundamental changes to how the service is organised. They have the potential to support more diverse markets that can deliver meaningful choice for people who need care products and services. In developing their digital services, local authorities should be led not by procurement processes, but by a clear vision of what 21st-century care can and should be.

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