

Market Shaping Plan

Adult Social Care Market

2025 – 2027



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1. Introduction

The London Borough of Tower Hamlets is committed to ensuring that local residents can access high-quality, diverse, and sustainable adult social care services that promote independence, choice, and well-being. This Market Shaping Plan sets out how the Council will work collaboratively with residents, care providers, stakeholders, and partners to develop and support a vibrant care market that meets current and future needs.

This Market Shaping Plan should be considered alongside our [Market Position Statement](#), [Market Sustainability Plan](#) and [Fair Cost of Care information](#), as well as our information on [Provider Failure](#).

2. Strategic Context

The **Care Act 2014** places a clear **market shaping duty** on local authorities in England. This duty is primarily set out in **Section 5** of the Act, which focuses on "**Promoting diversity and quality in provision of services.**"

Key Responsibilities under Section 5 of the Care Act 2014

Local authorities must promote the efficient and effective operation of a care and support services market with the goal of ensuring that:

- People have a variety of providers to choose from, offering a range of services.
- High-quality services are available.
- Individuals have sufficient information to make informed decisions about how to meet their care and support needs.

In fulfilling this duty, the local authority must consider:

- The need to provide accessible information about care providers and the types of services they offer.
- The importance of being aware of current and future demand for care services and how providers can meet this.
- The need to support adults with care needs and carers who wish to work, study, or train.
- The importance of ensuring the sustainability of the market, even in challenging conditions.
- The value of continuous improvement, innovation, and efficient service delivery.

- The need to support a skilled and properly supported workforce to ensure high-quality care.

This plan is underpinned by:

- [The Council's Strategic Plan](#)
- Adult Social Care Vision and Strategy – [Improving Care Together](#)
- Tower Hamlets Health and Wellbeing Strategy
- The Tower Hamlets Together Plan

3. Vision and Objectives

Our vision is a care market that:

- Offers personalised, flexible, and innovative support
- Supports self-directed care, including Direct Payments
- Ensures continuity and quality across care pathways
- Enables prevention, early intervention, and community resilience
- Values and develops the care workforce

Our objectives for market shaping are:

- Market sustainability - ensuring a stable, diverse and financially viable care market that meets current and future needs.
- Shaping the Market - influencing and supporting the development of services that reflect local needs, promote innovations and encourage a range of high-quality providers.
- Engaging with the Market - building strong, ongoing partnerships with providers, residents and partners to ensure services are responsive, person centred and effective.
- Workforce Development - strengthening the workforce with improved recruitment, retention, and training.
- Quality and Innovation - promoting continuous improvement and encouraging creative approaches that drive up standards, improve service user experiences

and deliver better outcomes - stimulating innovation through digital tools, data, and new models of care.

- Personalisation and Choice - empowering people who draw on care and support and their carers to make informed decisions about their care and support and ensure services are tailored to their needs and goals.
- Cultural Competence and Equity – ensuring our services are appropriate for our local population and their needs and ensuring equality of access and outcomes.
- Integrated Working – supporting our market to work in integrated ways, reducing duplication and creating seamless pathways of care and support
- Data and Market Intelligence – making available data and intelligence to support providers to respond to local needs and develop service offerings
- Diversity in the market – encouraging a wide and varied offer to meet a wide range of care needs and preferences.
- Co-produce solutions - with people who draw on care and support, families, and carers and the care provider market

4. Core Pillars of the Plan

A. Intelligence-led Commissioning

- Develop a robust Market Position Statement to inform providers of current and future needs.
- Use data and insights to forecast demand and shape service development.
- Map provider capabilities and gaps in real time to guide investment.

B. Market Diversification and Innovation

- Encourage new entrants and social enterprises into the market, especially for under-served groups (e.g., working-age adults, people with complex needs).
- Promote digital and tech-enabled care, such as remote monitoring, predictive analytics, and assistive technologies.
- Fund and scale innovative models, like micro-providers, community-led care, and housing-with-care.

C. Provider Sustainability and Resilience

- Work collaboratively with providers to ensure cost-effective and fair fee structures.
- Support business continuity planning and capacity building.

- Offer grants, training, and toolkits to help providers innovate and grow.

D. Workforce Development

- Partner with education and training bodies to build a career pathway in adult social care.
- Invest in leadership, digital skills, and wellbeing.
- Trial new employment models, such as shared roles across health and care, and flexible contracts.

E. Integrated Partnerships

- Align with Integrated Care Systems (ICSs) to improve transitions between health and social care.
- Promote pooled budgets and shared commissioning models.
- Engage with housing, voluntary sector, and public health to take a whole-system approach.

F. Co-Production and User-Led Design

- Involve people with lived experience in shaping services and monitoring quality.
- Invest in peer-led initiatives and community navigators.
- Measure success by quality-of-life outcomes, not just process metrics.

5. Key Enablers

- **Digital Infrastructure:** Ensure providers have access to digital tools, connectivity, and data-sharing systems.
- **Regulatory Alignment:** Influence national policy and work with regulators to reduce burdens and support innovation.
- **Sustainable Funding:** Make the case for long-term investment and support value-based commissioning.

6. Metrics for Success

- Growth in range and availability of care options
- Improved provider sustainability and reduced market exits

- Increased use of tech-enabled care
- Better outcomes for people (e.g., independence, satisfaction, reduced isolation)
- Workforce retention and satisfaction rates
- Reduced reliance on high-cost crisis care

7. Current Market Overview

Key market characteristics. More information can be found in our Market Position Statement and Market Sustainability Plan:

- Tower Hamlets is a densely populated, ethnically diverse borough in East London.
- It has a young population overall, but a growing number of older adults, especially those with complex health needs.
- High levels of poverty and health inequality impact demand for social care and support.
- There is a diverse care provider market, but sustainability is an issue.
- Home care is the largest part of the market, supporting older adults, disabled adults, and people with long-term conditions to live independently at home.
- Residential and nursing care is available but often accessed outside of the borough due to limited local capacity.
- A range of supported living services exists for people with learning disabilities, autism, and mental health needs.
- Day opportunities, community outreach, and prevention services are delivered by a mix of providers, including the voluntary and community sector (VCS)
- There is a strong voluntary and community sector but it's under strain

8. Challenges and Opportunities

Challenges:

Workforce Pressures

- Recruitment and retention difficulties, especially in home care and specialist roles.
- Low pay, lack of career progression, and high cost of living in East London.
- Impact of Brexit and post-COVID shifts on the local labour market.

Financial Sustainability

- Rising provider costs (inflation, energy, staff costs) vs. constrained public sector budgets.
- Market vulnerability—some smaller providers may face exit risk, affecting continuity of care.
- Limited economies of scale for smaller, community-led or niche providers.

Increasing Demand and Complexity

- Growing number of older adults, many with multiple long-term conditions.
- Increasing numbers of people with learning disabilities, autism, and mental health needs living longer and requiring lifelong care.
- Rising numbers of people with limited informal support networks, especially among migrant and single-person households.

Cultural and Language Needs

- Tower Hamlets has one of the most ethnically diverse populations in the UK.
- Need for culturally competent care, especially in home care and dementia support.
- A need for tailored services for underrepresented groups, such as community language speaking care workers and culturally appropriate services.

Integration and System Navigation

- Fragmentation between services and unclear referral pathways can hinder care delivery and continuity.

Digital Exclusion and Tech Challenges

- Many providers lack the infrastructure, digital literacy, or investment capacity to innovate.

Opportunities:

Integrated Neighbourhood Teams (INTs)

- The move toward INTs creates opportunities for multi-agency collaboration, joint commissioning, and wraparound support models.
- Providers can co-locate with health and community services to offer more holistic care.

Innovation in Prevention and Wellbeing

- Shift toward prevention, early intervention, and strengths-based care creates space for VCS and social enterprises.
- Opportunity to grow community-based models, day support, peer networks, and wellbeing services.

Digital Transformation

- Opportunities to access funding to support provider digital upskilling, care tech trials, and data-sharing platforms.

Workforce Development Partnerships

- Collaboration with Care Providers Voice, Skills for Care, local colleges, and anchor institutions (e.g. NHS trusts) to develop pipelines for care staff.
- Potential to explore apprenticeships, career pathways, and East London-wide workforce solutions.

Growing Demand for Personalised Services

- Rising interest in Direct Payments, personal budgets, and self-directed support.
- Scope for providers to offer bespoke, culturally tailored, and flexible services that respond to individual needs.

9. Action Plan (2025–2027)

The action plan below details the actions the Council will take over the next two years to deliver against our market shaping objectives.

Objective	Ambition	Actions	Timeline	Lead/Partners
Market sustainability	<i>Ensuring a stable, diverse and financially viable care market that meets current and future needs.</i>	Develop a spot purchasing agreement to support transparency and market sustainability for non-commissioned service providers	Q2 2025	Adult Social Care, Integrated Commissioning
		Work with the Integrated Care Board re Market Management opportunities	Ongoing	Integrated Commissioning
		Implement a new Brokerage governance framework for monitoring and approval of SPOT purchases	Q2 2025	Adult Social Care, Integrated Commissioning
		Implementation of the market sustainability plan	Q4 2024	Integrated Commissioning
		Implementation of Fair cost of care	Q4 2025	Integrated Commissioning, Finance
Shaping the Market	<i>Influencing and supporting the development of services that reflect local needs, promote innovations and encourage a range of high-quality providers.</i>	Produce a market shaping plan, setting out actions to shape the care provider market and VCS in Tower Hamlets	Q1 2025/26	Integrated Commissioning

Engaging with the Market	<i>Building strong, ongoing partnerships with providers, residents and partners to ensure services are responsive, person-centred and effective.</i>	Strengthen communication and maintain ongoing contact with the care market	Ongoing	Integrated Commissioning
		Develop an Annual Providers Conference	Q3 2025/26	Integrated Commissioning, Care Providers
		Continue to facilitate regular provider forums	Ongoing	Integrated Commissioning
Workforce Development	<i>Strengthening the workforce with improved recruitment, retention, and training.</i>	Work with Care Providers Voice to develop a support offer for the care provider market and its workforce	Q1 2025/26	Integrated Commissioning, CPV
		Implement actions from the Mayor's programme to support migrant care workers	Q4 2026	Integrated Commissioning
Quality and Innovation	<i>Promoting continuous improvement and encouraging creative approaches that drive up standards, improve service user experiences and deliver better outcomes - stimulating innovation through digital tools, data, and new models of care.</i>	Go live with the refreshed application process that ensures non-commissioned service providers are assessed and approved through a consistent quality assured process.	Q1 2025/26	Integrated Commissioning
		Fund pilot projects for tech-enabled care		
		Support quality improvement through contract management Strengthening our approach so council officers are confident in identifying early signs of quality, safety or financial viability concerns with providers.	Q4 2025	LBTH QA Team, Digital Team

Personalisation and Choice	<i>Empowering people who draw on care and support and their carers to make informed decisions about their care and support and ensure services are tailored to their needs and goals.</i>	Continue to develop the Community Directory within the Tower Hamlets Connect Digital Portal.	Q4 2025/26	Integrated Commissioning, VCS
		Increase the number of providers who promote their services on the portal.		
		Implement the Joy platform to support community connectors and front-line workers to match residents to local services	Q2 2026/27	Public Health, Integrated Commissioning, VCS
		Promote uptake of Direct Payments	Q1 2026	Adult Social Care, VCS
		Co-design new options with service users		
		Develop and promote a Personal Assistant (PA) Finder and establish a rolling recruitment approach to ensure a steady pool of PAs	Q4 2025/26	Integrated Commissioning, Adult Social Care
Cultural Competence and Equity	<i>Ensuring our services are appropriate for our local population and their needs and ensuring equality of access and outcomes.</i>	Commission culturally appropriate services Work with communities to identify gaps and shape offers Identify gaps in provision (e.g. for working-age adults, complex needs) and tender accordingly	Ongoing	LBTH, Healthwatch, Community Orgs

Integrated Working	<i>Supporting our market to work in integrated ways, reducing duplication and creating seamless pathways of care and support</i>	Ensure care providers have opportunities to engage with the work to develop Integrated Neighbourhood Teams	Q2 2026	LBTH, ICB, NHS Providers
Data and Market Intelligence	<i>Making available data and intelligence to support providers to respond to local needs and develop service offerings</i>	Update the market position statement annually Develop and publish a refreshed Market Position Statement (MPS) with clear demand forecasts	Ongoing	Integrated Commissioning, Finance
		Improve data sharing across systems Develop local care dashboards and forecasting tools	Q4 2026	LBTH Data & Insights, ICS
Diversity in the market	<i>Encouraging a wide and varied offer to meet a wide range of care needs and preferences.</i>	Fund community-led prevention initiatives Expand access to early help and wellbeing services	Q3 2025	Public Health, VCS
		Add something about the next iteration of the mayors grant programme??		
Co-produce solutions	<i>Work with people who draw on care and support, families, and carers and the care provider market</i>	Review processes for identifying unmet needs and collaborate with providers to shape solutions that can respond to gaps in provision		Integrated Commissioning Adult Social Care

10. Monitoring and Governance

Progress will be overseen by Directorate Leadership Team within the Health and Adult Social Care directorate.