Market sustainability plan - Norfolk

Following an announcement in the government's Autumn Statement 2022, the planned adult social care charging reforms are now delayed to October 2025.

Section 1: Assessment of the current sustainability of local care markets

The Norfolk Context

The county of Norfolk has a population of just over 910,000 residents, with projected growth to one million by 2036. Norfolk has an ageing population. Currently 25% of Norfolk's residents are aged 65+ compared to 19% nationally. The number of people over 85 is expected to double to 60,000 by 2040.

Norfolk is the 5th largest county in England covering over 2000 square miles and over half of our population lives in rural areas and market towns. Linked to the rurality of the county, travel times for all methods of transport is longer (and in some regions not available) than England averages, affecting costs and workforce. The county has some stark differences within it with almost 130,000 living in communities that are in the 20% most deprived in England and yet parts of the county are amongst the most expensive places to live in the country.

The table below details challenges in different parts of Norfolk and the impact that these will have in developing and delivering the care and support needed. As an example, North Norfolk has the highest proportion of over 65-year-olds at 34% and the biggest decrease in the population of 15–64-year-olds. Coupled with the most expensive housing, it is not surprising that it is the most difficult area to secure social care. As at 15.01.22, 44% of the unmet need for home care is in North Norfolk. In contrast, Norwich is an area with the lowest percentage of the population aged over 65 and a growing population of 15–64-year-olds. It is therefore not surprising to see from the service maps included later in the document, there is a concentration of service provision within the Norwich locality as this is where it is easier to recruit the staff needed.

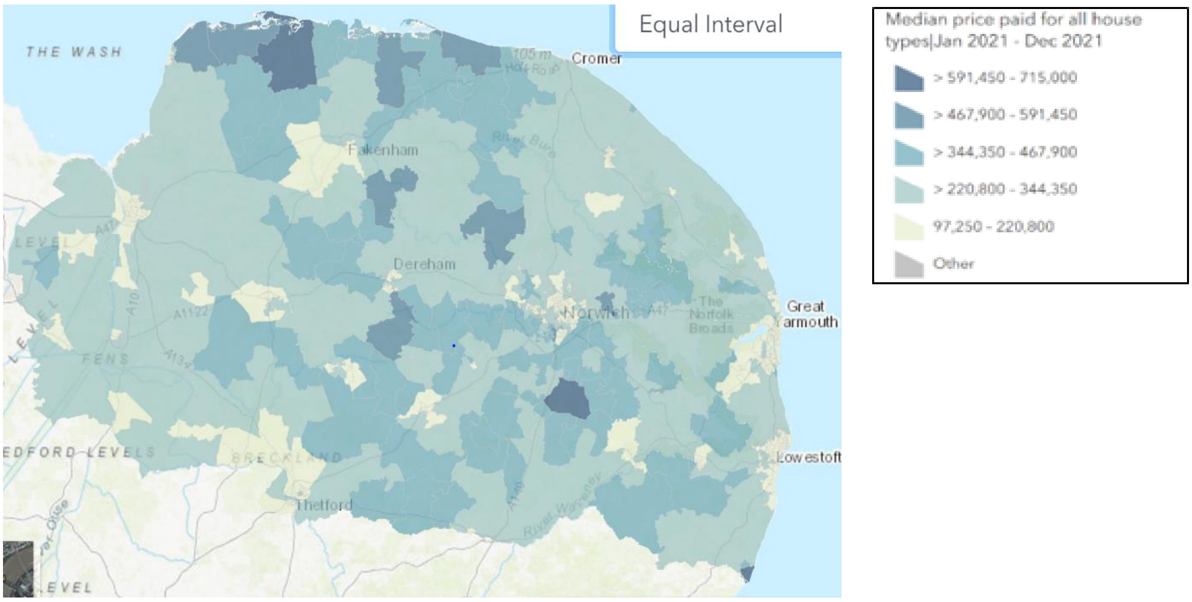
Table 1 – population data by Norfolk localities (source 2021 Census)

Area	% of population aged		Increase/(decrease) in population since 2011 census	
	65+	85+	65+	15-64 year olds
England			20.1%	3.6%
Breckland	25.6%	3.6%	25.8%	3.6%
Broadland	26.5%	3.8%	22.6%	0.6%
Great Yarmouth	25.3%	3.4%	17.8%	(1.7%)
Kings Lynn & West Norfolk	26.8%	3.5%	17.9%	(0.1%)
North Norfolk	34.0%	5.0%	17.8%	(5.6%)
Norwich	15.2%	2.3%	10.6%	8.6%
South Norfolk	24.4%	3.5%	30.1%	9.7%

Key challenges affecting both the residential and domiciliary care sectors

Sufficiency and retention of a skilled workforce: While many sectors have struggled with workforce shortages over the last year it has been difficult for the care sector to respond with adequate pay increases. Long standing challenges with the image of social care and an established perception of lower value of work, has reduced the number of people embarking on careers in care. The national picture is mirrored across Norfolk. Feedback from providers highlights that there has been a reduction in the actual workforce alongside an increase in demand for services particularly home care. Vacancies increased post pandemic as other sectors reopened and there is not equity between remuneration and responsibility compared to other parts of the economy. There are opportunities to work with health, but current disparity with pay, terms and conditions and branding makes it difficult for social care to compete.

Housing and land values: Disproportionately high-cost housing and land values in some areas of the county also have an impact and make it difficult to recruit and retain staff as they cannot afford to buy or rent in these areas. The map below details average property prices across Norfolk. Median price for all house types is detailed in the legend to the right of the map. This affects staffing availability for all types of care and operational costs for residential based care.



source: [Housing and households - Map explorer - Norfolk Insight]

The Norfolk Office of Data and Analytics (NODA) briefing note on Housing Market Projections published June 2022 highlighted the following key findings:

- Average house price in Norfolk (all property types) £280,000
- Since April 2021 house prices are reported to have increased by 11.9% in the East of England
- Future house prices are expected to increase by between 3.2% and 4% per year over the next 5 years.
- Rents are anticipated to rise over 5% a year over the next 5 years.

Therefore, it is difficult to deliver social care in some areas of Norfolk to meet needs. The location of services in more rural areas are difficult for staff to get to especially if they rely on public transport. This has resulted in some providers buying properties in the most rural areas to rent to staff or to make specific arrangements for transport of staff.

Quality: The social care sector in Norfolk has struggled to maintain sufficient levels of good quality provision for some time, but this increased during the Covid-19 period as a result of workforce shortages. An ICS (Integrated Care System) wide social care quality improvement programme has been launched, to help address key areas which include infrastructure, training, workforce and skills, management, contract management and health integration. Quality is having an impact on market sustainability as it is a key element for provider assessment of the viability of services. December 2022 CQC (Care Quality Commission) Inspection Ratings Dashboard reports that the percentage of services rated good or outstanding in Norfolk are:

Table 2: CQC % good or outstanding quality rating comparisons as of 31st December 2022

Service Category	Norfolk	East of England	England	Family Group of LA's	Suffolk
All Care Types	68.7%	82.0%	82.8%	83.5%	88.3%
Home Support	74.8%	86.5%	85.8%	89.2%	91.9%
Nursing	65.5%	76.3%	76.8%	76.6%	88.9%
Residential	66.4%	79.4%	82.4%	81.7%	83.1%

For all services, the two domains having the most impact on quality are "safe" and "well-led." With 38% of all care services being rated requires improvement or inadequate for the well-led domain and 32% for the safe domain.

Quality varies significantly by service type and by geographical location, which reflects some of the challenges described above.

Impact of current high inflation levels

During 2022/23 the average inflation, as measured by the consumer price index between April and December 2022, was 10.1% it is estimated that this delivers a current pressure of £6.4m for providers across all adult social care commissioned activity within Norfolk. Some of this gap will have been bridged by the energy relief scheme for providers.

International recruitment

Distribution of funding to support providers to apply for a sponsorship license and for certificates of employment to employ a worker under the care workers or senior care workers visa, highlighted the increased appetite to increase capacity using this route. However, it is recognised that the market is at hugely different stages in terms of knowledge and experience recruiting in this way. As such we have established a peer-to-peer community of practice to enable signposting to relevant support and are exploring a costed model of practice with the ICS's international hub for both nurses and care workers to provide a sustainable, ethical pipeline of workforce. In February 2023, the Government announced that £15million of funding will be made available during 2023/24 to fund international recruitment within the adult social care sector. This is a regional application and NCC is currently working with organisations across the eastern region, including local authorities and care organisations to help build the infrastructure to support sustainable, ethical models of practice.

a) Assessment of current sustainability of the 65+ care home market

Norfolk has 333 CQC registered residential and nursing care homes of which 234 are registered to support people aged 65 years and above. The older people (OP) care home market is almost entirely delivered by the independent sector, apart from 20 homes owned by NorseCare Ltd, which is a company wholly owned by Norfolk County Council and 2 homes provided by Norfolk Adult Social Services. There are 143 individual providers (legal owners) operating within this OP market, providing an estimated maximum capacity of 8,417 beds. Currently, Norfolk County Council commissions care for around 2,600 people aged 65 years and above within residential and nursing provision.

Norfolk County Council is seeing an increase in the acuity of needs of clients placed, particularly within "standard" (non-dementia) residential provision. Analysis of active care packages commissioned by NCC (Norfolk County Council) in April 2022, highlights that only 28% of residential standard packages are paid at the Council's usual rate fee with 54% of packages at/or above the enhanced usual rate fee highlighting the increased physical acuity of presenting needs.

A considerable proportion of care homes housing stock is not fit for purpose in meeting needs. The use of non-purpose-built provision can make this challenging to transform service provision, due to smaller rooms (average room size from Cost of Care submissions received is 12m2) and limitations in layout. Many providers do not have the funds to invest in the infrastructure. Large providers are more likely to focus growth and investment in areas with less workforce shortages which impacts on client choice.

Sufficiency of supply: The above highlights that there is a shortage of the right type of operational capacity to meet the increasing level of acuity and demand projections. Based on discussion with providers this is impacted by staffing skills, suitability of infrastructure and challenges for some providers to invest to transform provision in line with changing needs. Investment into provision, both infrastructure and staffing will be needed to have the right capacity in all parts of the county including support from the ICS to enable homes to meet more acute needs (access to therapy, mental health input etc.)

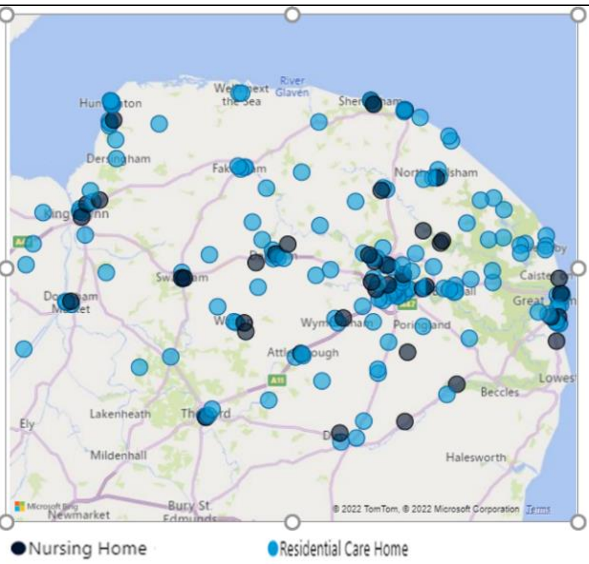
Pre-covid modelling of estimated capacity required to be commissioned by NCC (Norfolk County Council) by 2028 identified an increased demand for all but standard residential care. Since the pandemic we now have vacancies across all sectors, but most significantly for standard residential care. People meeting the definition of “standard” residential within the contract are now more likely to be supported at home or in housing with care/extra care housing schemes. Norfolk has provided capital funds to support the development of an ambitious housing with care/extra care housing programme which will mean that residential care services will need to become more specialist, dealing with higher acuity of needs. A re-modelling of the residential and nursing capacity required, taking into account the Council’s stated priorities for home first and HWC (Housing with Care), is underway. We will update the document once this is finalised.

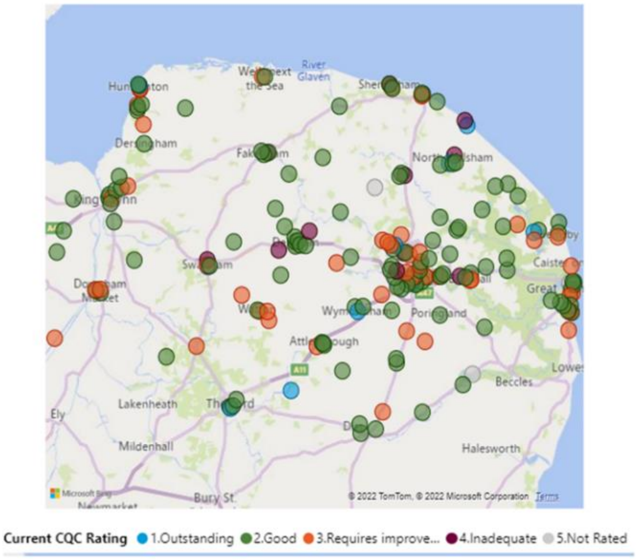
Occupancy for some provision is also impacted by availability of staffing, rather than demand, leading to homes unable to take referrals if staffing skills and numbers would not be at a safe level. Several of the providers who engaged with the cost of care review reported beds closed to new admissions due to not having the staff to support. This can particularly impact nursing provision.

It takes longer to source services that will support people with the most complex needs, including people at high risk of falls and people with dementia. This is a gap flagged within our Market Position Statement with system wide work being undertaken to identify the service models needed. This has been confirmed with the Cost of Care (COC) submissions received from providers with little difference in cost per week for residential and residential dementia. Like many areas, NCC does not have a full picture available regarding local self-funders that have chosen to broker private arrangements, including the price they have negotiated. These private arrangements are believed to be typically higher than the Council’s usual price paid, which is evidenced in the few private payers the Council does broker for. Caterwood Analytics have recently published analysis of self-funder rates at local authority level. This information has been used to estimate how close the cost of care median rates calculated are compared to the current market median rate calculated using the Caterwood information for self-funders and the Norfolk County Council average fee rates. The output of this analysis is detailed in the 65+ residential and nursing home section within Section 3 of this document.

Diversity of the market: As demand is shifting to require more specialist provision, the lack of purpose-built homes delivering care at costs that NCC can afford, is limiting the speed of transformation. Disproportionately high-cost housing and land values in some areas of the county are impacting on business potential from both an investment and staffing availability and therefore availability of skills, which means that there is more provision in cheaper and more populated areas of the county. Where new homes are being built the target is the self-funder market rather than council commissioned care.

The average number of beds per home in Norfolk is 40, which is similar to the national average. Norfolk has a lot of older stock with fewer modern, purpose-built homes. As can be seen on the care home maps below there is a concentration of provision in Norwich locality and in the East of Norfolk but little provision in West, South and North Norfolk.





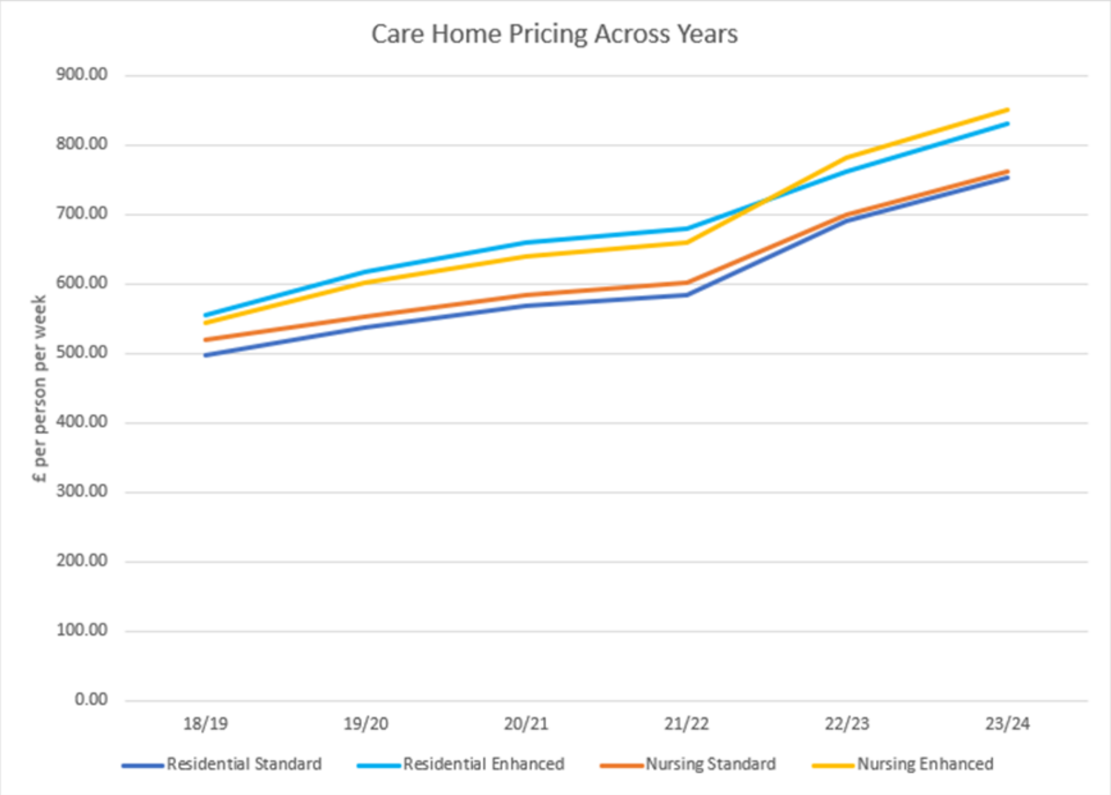
The fact that the Council and self-funders are continuing to use care that is rated below good is indicative of the lack of good provision available to meet specific needs, that is in the right location and that is affordable.

Cost information: In Norfolk, we have reviewed our fee rates annually and have conducted three cost of care exercises in the last six years. However, whilst the Council has ensured that all operational costs are incorporated, the published fees that have been set consider the wider economics of the market, and overall sustainability. We know that providers will have a blended approach to accepting council commissioned care. The following table details our current usual rate fee, the average fee rate that the council is paying and also the average rate where the council pays full top up. This latter rate is seen to be more reflective of self-funder rates.

Table 3: Analysis of fee rates as of October 2022

Service	Usual rate fee	Average fee rate paid	Average rate paid including NCC commissioned self-funders
Residential	£691.54	£791.98	£834.67
Residential enhanced	£762.20	£819.82	£903.80
Nursing	£699.19	£822.37	£851.83
Nursing enhanced	£781.37	£871.65	£930.57

The graph below details the change in care home prices between 2018/19 through to 2023/24, highlighting the on-going priority of the Council to the adult social care sector.



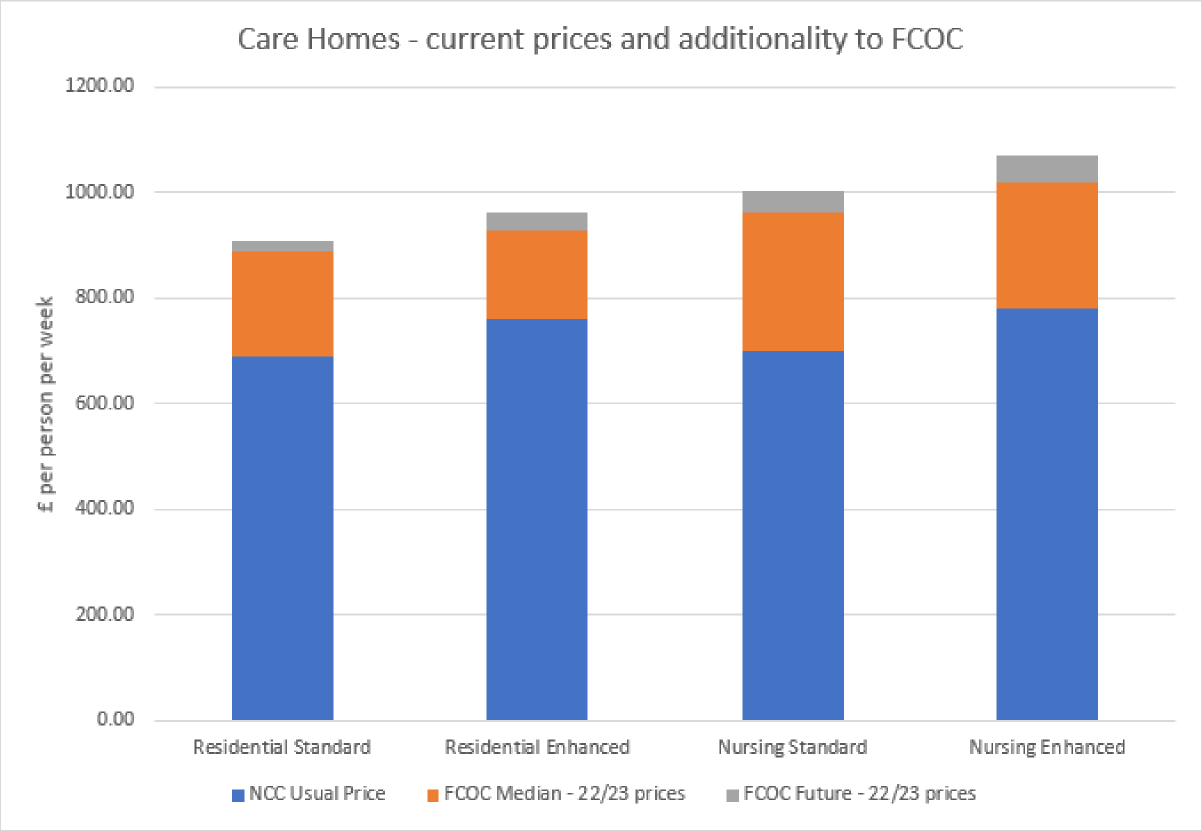
The cost of care exercise undertaken in line with the Market Sustainability and Fair Cost of Care Fund guidance highlighted that Norfolk County Council's usual rates are above the lower quartile costs calculated from provider submissions received but recognises that this does not give the Council the capacity needed to meet demand as it does not have all of the market open to it at these rates. This means that the Council has to secure provision at rates above its usual rate fee reflecting the higher average fee rates reported in the table below:

Table 4: Current position in relation to older adult care home fee rates

Service category (all values £)	Lower quartile £	Current usual price £ (2022-23)	cost of care adjusted median £	Upper quartile £	Median long term market sustainable rates £
Residential	666.78	691.57	888.72	1,248.45	910.36
Residential enhanced	692.66	762.02	927.47	1,321.13	961.20
Nursing *	671.99	699.19	962.89	1,344.91	1,001.72
Nursing enhanced *	773.99	781.37	1,021.40	1,564.11	1,068.73

* Net of nursing costs
# Rates calculated using Agenda for Change top rate for equivalent health care assistants and nursing roles.

The fair cost of care review undertaken has helped us to better understand the gap between our current rates and the median rates calculated through the costing exercise. This is detailed in the following graph:



The Council is committed to moving towards paying the median cost of care within Government's timescales and within the funding afforded to the Council for this specific purpose.

Current Inflationary Pressures: The Council has agreed a fixed price fee uplift to this sector of 9% on the 2022-23 usual prices. This was part of a £30m fee increase agreed for April 2023 and represented the most that the Council could afford within the budgetary constraints. Following consultation 85% of providers who replied (c10% of market) expressed concern that the proposal was insufficient to meet cost increases. The fee increase focuses on 2023-24 increase and providers have raised concerns about in-year inflationary increases during 2022. Care providers are reporting continuing rising prices from inflation, particularly energy costs, insurance premiums and a requirement to set competitive pay rates. The median costs calculated from the cost of care review reflect the actual costs being incurred by providers at the time of submission. The median rate includes the current costs being paid to staff but given current UK workforce shortages these are not considered to be long term market sustainable rates. The table above details median, long term market sustainable rates using equivalent NHS Agenda for Change pay rates.

Impact on market sustainability due to delay in charging reform: Proposed specific funding to support a move towards more sustainable long-term rates is no longer available solely for this purpose. Due to the economic environment, and significant shift in labour market costs, it has meant that all new funding issued has been required to support inflationary increases and it has not been possible to start to work towards moving prices towards the calculated median rates. Furthermore, the delay to 18(3) of the Care Act means that the self-funder cross subsidy that this reform will seek to remove will continue to be in place within the economics of the whole market.

Workforce: The vacancy levels for social care workers within residential and nursing care homes varies across the county. The highest levels are North Norfolk (8.5%) and Norwich (6.8%). There are also difficulties with recruitment of managers in the East and North Norfolk and registered nursing roles in Norwich (14.3%). Despite achieving comparably high levels of staff vaccination, in Norfolk it was estimated that 350 people left the sector in Autumn 2021 due to the vaccination as a condition of employment legislation.

Housing costs impact on the workforce shortages, with some providers needing to include staff accommodation within their business models.

Turnover rates are above national averages across the county with some areas facing significant challenges – in particular Dereham, Thetford and Watton. Turnover rates significantly impact on quality and costs, with loss of continuity of care and experience and higher costs from recruitment, onboarding, and induction.

A cost of living survey led by the Norfolk Care Association reported:

- 78 care staff responded to the survey and 82% said that they were worried a great deal (57.69%) or a lot (24.36%) about the cost increases of energy and fuel on their ability to afford to work within the adult social care sector.
- 46 out of 74 who responded stated that they did not think that they would be able to afford to continue to work at their current income rate within the next 6-12 months.

Energy costs. The Fair Cost of Care review highlighted the significant impact that energy price increases were having on the cost per resident per week for providers. Analysis undertaken by Knight Frank and reported in Care Homes Trading Performance Review 2022, calculate a combined increase in gas and electricity of 497%. Some providers reported no increase as they were still covered by longer term contracts, but others saw increases of c500%. Although the calculation of CPI includes energy costs, as this is a "Consumer Price Index" these costs relate to individual's heavily subsidised energy costs and not the costs actually paid by businesses. Care providers must purchase their energy via the commercial energy markets and most commercial energy contracts are for fixed terms of 12 to 24 months. With the significant increase in Energy prices starting around the time of Russia's invasion in Dec 2021, most care providers existing fixed Energy contracts are likely to have just been renewed, or due for renewal in 2023.

The Energy Relief Bill has provided some support to providers during 2022/23 but there are concerns that this is due to be halved during 2023/24.

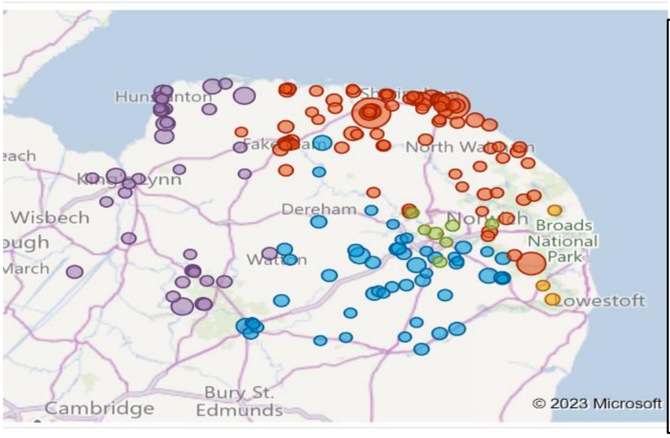
Innovation: From a recent comprehensive survey over 50% of providers have introduced digital care records. Key barriers cited to enabling the introduction are IT skills, costs, connectivity, and equipment.

b) Assessment of current sustainability of the 18+ domiciliary care market

The home care market in Norfolk is not delivering sufficient supply to meet current demand. This is despite an increase in NCC commissioned care since the lowest point in January 2021. However, growth to meet need is challenged due to retaining and recruiting staff. High turnover rates are being experienced, which is not supporting efficiency or quality of provision. Inconsistent quality of care and lack of availability means that care that is rated below good continues to be used by both the council and self-funders. Although home care provider businesses are considered more stable than residential and nursing care, providers are needing to moderate business models to maintain viability. This has included handing back packages of care to the council. The impact is that people are waiting longer to access home care, including self-funders, with impact on community referrals and hospital discharge.

Norfolk has 106 domiciliary care providers registered with CQC, delivering support out of 135 Norfolk offices, of which 86 are part of the Council's home support framework. Currently, home care services are supporting an estimated 5,350 people in Norfolk, of which just under 3900 are via council commissioned services. The council is currently seeking to commission approximately 45,000 hours of care per week, with a current shortfall of c2500 hours per week. Home care is provided by the independent sector, with one Council part-owned company operating in this market – Home Support Matters, which is a subsidiary of the council part-owned Independence Matters Community Interest Company. In addition, the Council operates an in-house reablement service, Norfolk First Support (NFS), which provides intermediate reablement services and is funded by the Council and ICB through the Better Care Fund. Over the last year in particular, the service has delivered home support as provider of last resort to help manage gaps in the market and the hand back of home care packages, which has reduced reablement capacity. NFS has also experienced similar issues to the home care market with recruitment and retention and currently has a 15% vacancy rate.

Sufficiency of supply - Home First is a key Council and Integrated Care System priority but currently there is not the capacity within the sector to deliver fully against this strategy. This is impacting on communities with challenges for both council and self-funders to access care in some areas of the county and for timely acute and community hospital discharges. The Council has developed a home care provision dashboard which is shared with providers, and which details the available packages. The larger the dot the larger the package of support required. As can be seen in the dashboard below, the Council is struggling to commission the level of care that is required in North, South and West Norfolk. These three areas of Norfolk account for c96% of unmet need across Norfolk with North Norfolk accounting for c49%.



Number of weekly interim care hours by area (as at 25/01/23)

North Norfolk	1,095.6
South Norfolk	554.2
West Norfolk	520.5
Norwich	63.3
Eastern Norfolk	24.5

Home care for adults with disabilities is considered stable, but supply is better in some areas. An increase in the supply of homecare to meet more complex needs is required for adults with a physical disability and those with mental ill-health.

Diversity of the market: There are 11 providers delivering specialist MH (Mental Health) and LD (Learning Disabilities) provision in Norfolk, with an increased use of direct payments which is helping to mitigate some of the home care capacity gap. It has been identified that there has been a reliance on formal homecare to support non-regulated care needs and tasks that are not Care Act eligible such as medicine management. This is being addressed through the Council's connecting communities programme looking at the role of the VCSE (Voluntary, Community and Social Enterprise) as partners in care and support.

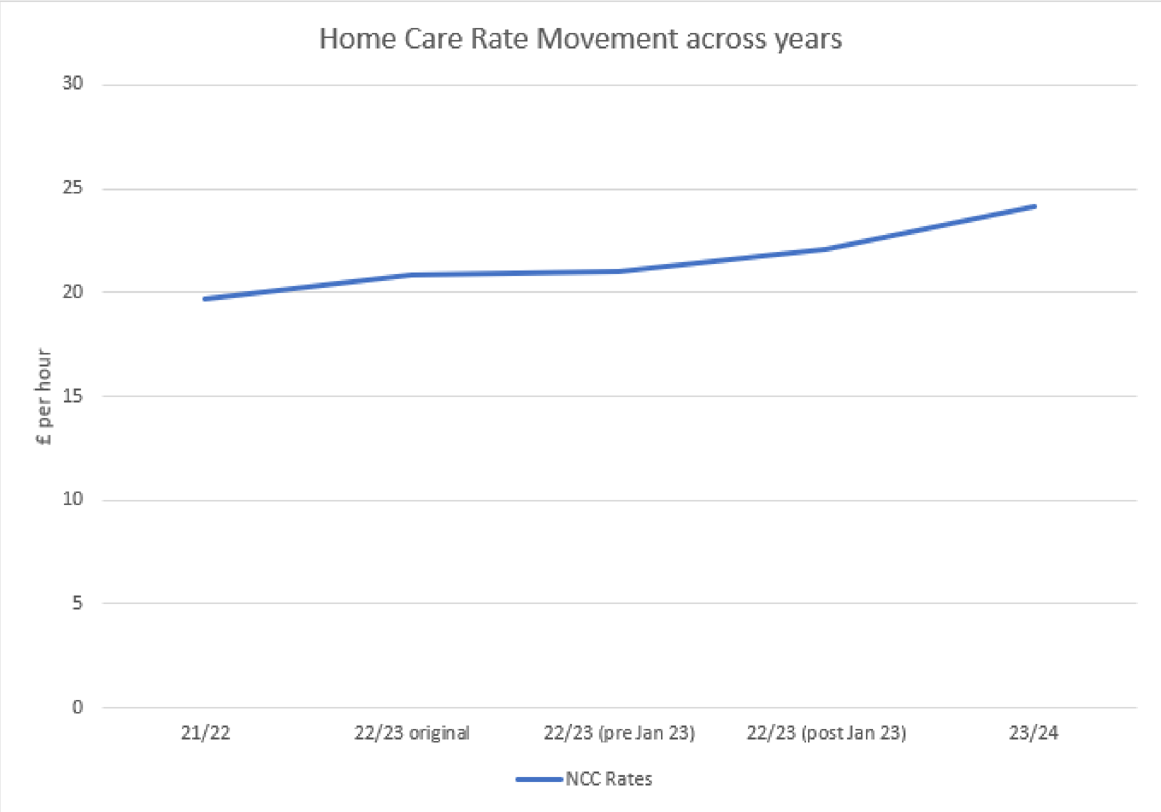
Securing an efficient home care model: Although a large private market enables competition, it can also create fragmentation and it is a challenge to enable the most efficient delivery of services and deployment of available capacity. This is currently largely outside the control of the council but is a critical element to enable access to sufficient affordable care across a large county like Norfolk. This is an example of where competition can work against efficient use of resources. Work is underway to create greater collaboration between providers, including the recent tender to put in place collaboration blocks, where between 2-4 providers were asked to submit a single bid for block contracts. Work is being done with NorCA (Norfolk Care Association) to engage the market on different ways of working with providers, with the aim of developing an efficient model of delivery.

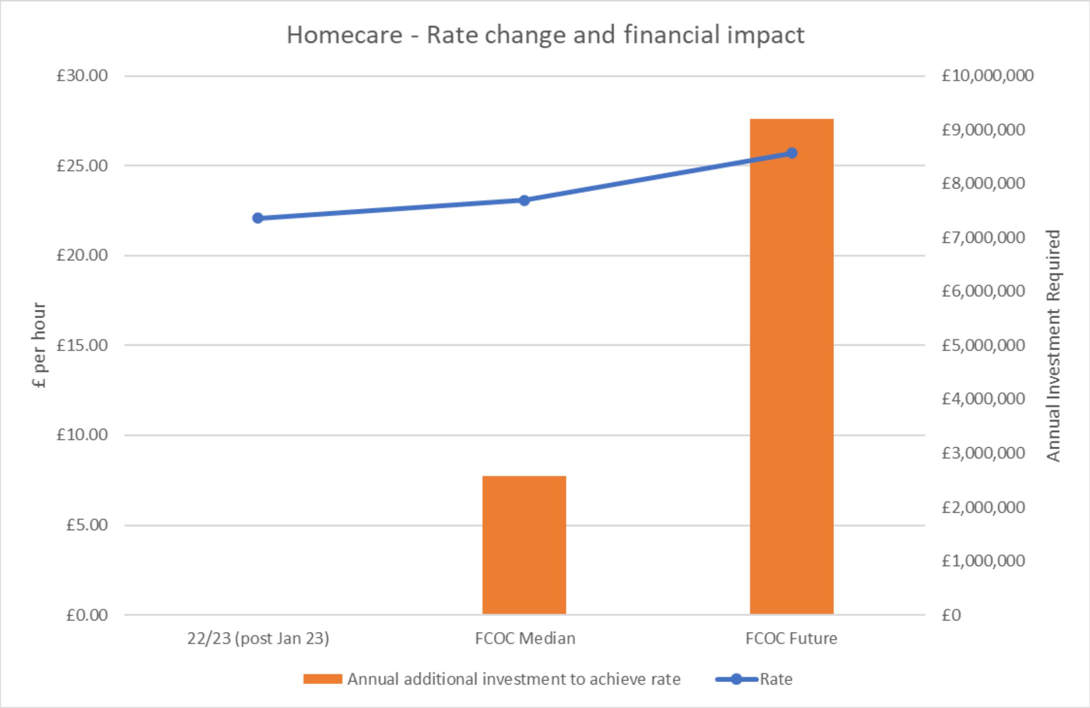
Rural/urban provision: Norfolk currently has a standard rate for home care no matter where this is delivered (Norfolk previously attempted a location-based price model but it was unsuccessful). The COC has identified the differences in travel distance and travel time between branches in different geographical areas of Norfolk. There is currently a strategic review of the model for home care in Norfolk and the potential for tiered rates will be revisited as part of this review.

Quality: As of December 2022, 75.2% of home care services are rated good or outstanding. Norfolk is 2nd lowest in relation to other East of England LA's and significantly below the England average of 86.6%. As with care homes there are significant differences in quality at a locality level with North Norfolk having 86.5% of providers rated good or outstanding but only 62.5% in the East. Access to home care in North Norfolk is amongst the most challenged in the county, however, the care that is delivered is of a higher quality and supports a larger self-funder market. Due to the shortages in provision across Norfolk and pressures to access care there continues to be use of 'requires improvement' provision by the Council and self-funders, which is not driving up quality.

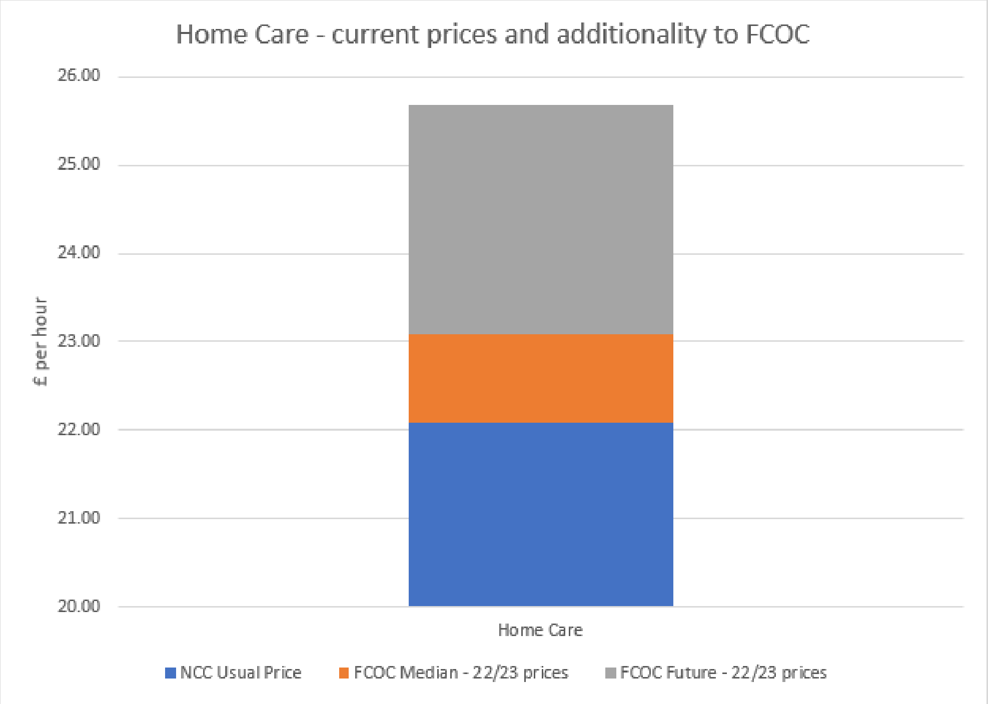
Current fee rates – Following a review of fees as part of the 2022/23 budget planning process and a further April increase to reflect fuel increases, the framework fee rate for council commissioned home care was until recently £21 per hour. Discharge funding has supported a recurrent uplift to the current rate of £1.08 per hour effective from 2nd January 2023 resulting in a new framework rate of £22.08 per hour. Incentives have been offered in year to secure referrals to expediate hospital discharges in particular, but these are funded from temporary or limited budgets which is not a sustainable position.

The graph below details the increase in care home framework fee rates between 2021/22 and 2023/24





The fair cost of care review undertaken has helped us to better understand the gap between our current rates and the median rates calculated through the costing exercise. The standard median domiciliary care rate calculated as part of the COC is £23.09. The market sustainable rate with carers paid at HCA 3 and keeping he same pay differential between seniors and carers that came out of the COC review would result in a median, market sustainable rate of £25.69. This is detailed within the following graphs:



The Council is committed to moving towards paying the median cost of care within Government's timescales and within the funding afforded to the Council for this specific purpose.

As part of winter measures temporary emergency support is being sought through national agencies, but this is high cost and not sustainable either financially or for market stability as providers are not able to make sustainable investment in their workforce.

Fuel and energy costs. During 2022/23 providers reported that the significant increases in fuel costs were being cited by staff as a reason for leaving the sector. The Council did review the increase in fuel costs and increased the fuel element of the cost by 17.2% which was based upon the increase in fuel costs from March 2022 – July 2022 (peaked at £190.63 for petrol and £198.74 for diesel). Domiciliary care providers have also been impacted by the increase in energy costs for their offices. Again, there have been differential increases between providers based upon the contracts that were in place for energy costs. The Energy Relief Bill has provided some support to providers during 2022/23 but there are concerns that this is due to be halved during 2023/24.

Current Inflationary Pressures: The Council has agreed a fee uplift to this sector of 9.5% on the 2022-23 usual prices. This was part of a £30m fee increase agreed for April 2023 and represented the most that the Council could afford within the budgetary constraints. Following consultation 85% of providers who replied (c10% of market) expressed concern that the proposal was insufficient to meet cost increases. The fee increase focuses on the 2023-24 increase and providers have raised concerns about in-year inflationary increases during 2022-23. Care providers are reporting continuing rising prices from inflation, particularly fuel costs, insurance premiums and a requirement to set competitive pay rates. The median cost calculated from the cost of care review reflects the actual costs being incurred by providers at the time of submission. The median rate includes the current costs being paid to staff but given current UK workforce shortages these are not considered to be long term market sustainable rates.

Workforce: Workforce remains the most significant factor affecting the sustainability of this sector. Shortages have increased during the last year and have been worse in the domiciliary care sector.

The latest estimate of home care vacancies in Norfolk is at least 12% (2022) which is an increase from the 2021 position of 8.6%.

Vacancies across all roles are acute in certain geographic locations within domiciliary care; those being Gorleston and Great Yarmouth (7.7%); Attleborough, Diss, Loddon and Wymondham (8.2%); Dereham, Thetford and Watton (14.9%); and Downham Market and Swaffham (15.6%). Norwich also reported high levels of vacancies in managerial roles at 18.2%. This is coupled with above average sector turnover rates presented in particular geographic areas – those being Acle, Aylsham and Wroxham (36.4%), Dereham, Thetford and Watton (52.4%) and Downham Market and Swaffham (42.1%) impacting continuity and quality of care and financial costs of induction. (Data source – Skills for Care CQC non-residential, all job roles)

Using the Council's home care fee rate calculations and the recent cost of care exercise, we estimate that affordable core pay rates for 2022/23 are between £10.35 and £11. Recent work undertaken by the Norfolk Care Association has created a job evaluation framework for social care. This framework and the view of ADASS (Association of Directors of Adult Social Services) considers that the role of a home care support worker equates to a health care assistant operating at Band 3 within the Agenda for Change pay structures. The pay range for this role has a median point of £11.48, together with enhanced terms and conditions and pensions. Along with the additional requirements of transport and fuel costs it can make it difficult to recruit and retain staff within this sector.

Housing: The housing related costs described in 1a above equally apply to the home care market.

Innovation: In recognition of the challenges faced we have been exploring different models of delivery, including the use of technology. We have an arrangement with Alcove for the provision of video care phones and will be soon piloting the use of these devices to support with the delivery of care packages, where it can replace a physical face to face interaction. This could include such things as welfare checks and medication prompts. This is part of creating blended package of support, using technology alongside a more traditional face to face care package.

Section 2: Assessment of the impact of future market changes between now and October 2025 for each of the service markets

The factors raised for the Norfolk care market in Section 1, present risks to the sustainability of care, but also opportunities for some providers. Although this plan focuses on 65+ residential and nursing care and 18+ domiciliary care, these markets do not operate in isolation. Any decisions and funding affecting these markets will impact on the sustainability of services for working age adults and the voluntary, community and social enterprise (VCSE) sectors. Councils will need to take this into account in forward plans and affordability. The table below sets out the key risks impacting on all elements of the market.

Strategic risks and impact

Risks that apply to the entire care market	Older adult residential	Domiciliary care	Other market sectors
Workforce shortages– highly competitive employment markets offering higher paid jobs with less responsibility. Difficulties of securing staff in rural areas.	**Nursing staff** – lack of nursing recruits into the sector. .	**Workforce risk-** staff in this sector have higher levels of personal responsibility through lone working with pay not at a level that recognises this.	**Image of jobs in the adult social care sector** – seen as low value, low recognition, lowly paid and high risk. **Negative publicity** around Cawston Park Hospital and other national safeguarding reviews.
High land and housing costs affecting provision in some parts of the county, meaning people having to travel further to access the care needed.	**Risk to choice** as a result of providers setting up provision in areas where it is cheaper to buy property and easier to employ staff, not where there is the highest level of need.	**Risk to choice –** limited choice and higher cost of provision in the more rural areas as difficult to recruit and retain staff.	**Risk to choice** as a result of providers setting up provision in areas where it is cheaper to buy property and easier to employ staff, not where people requiring support wish to live.
Inflationary impacts and fee rates	**Financial viability** - the inability of the Council to address the in-year inflation pressures relating to staff pay, energy costs and food has increased the risk to the financial viability of providers.	**Fuel price fluctuations** – affecting staff using their cars for work.	Norfolk has **banded rates for LD and MH residential services** which were established in 2014 – these have been uplifted annually for inflation but have not had a cost of care review since being set up.
Quality -high staff turnover means that staff are not gaining the skills and competencies required to deliver	**Built environment** • environment not appropriate for level of acuity of presenting needs.	**Proportion of staff still working in the sector on zero hours contracts** – transient	**10% of WAA residential beds have closed** and many providers are flagging risks that they are not

the high-quality provision required.	• Need investment to support the changes to the built environment needed i.e., low interest loans for providers to make the changes needed. • Energy v carbon reduction	workforce. Staff know that they can easily get jobs in this sector so more likely to move to seasonal work especially in the winter months. Impact of this on service quality.	financially viable. Risk of investment focusing on other areas of the market	
Inadequate funding provided to Local authorities to deliver growth in market pricing.	**Risk to choice** if there is less use of high-cost provision that currently only exists for the self-funder market at top end rates.	**Staff retention** staff pay, and fuel costs have been cited by domiciliary care providers as a key reason why staff have left the sector.	**WAA services have low levels of self-funders** (estimated to be 5% and for physical disability clients). They are therefore unable to cross subsidise LA (Local Authorities) fee rates with self-funder income.	
The **Council's wider budget constraints** and the existing price inflation challenge for providers does not allow for any subsidy to shortfalls in government new burdens funding.	**Nursing** – low occupancy meaning that providers are not securing sufficient FNC income to cover nursing staff costs.		**Reluctance of WAA providers to come into the sector** or to make the investment required to deliver the services required.	
House prices and rental costs – unaffordable for people paid on NLW (National Living Wage) in many areas of Norfolk further reducing availability of workforce. Housing support/initiatives for key workers and international recruits.	Some providers have the **USP of being low cost** – increasing fee rates to the median will mean that there will be more choice at the same rate with better quality environments.			
Risk to quality, investment in new provision and sustainability of existing provision due to the shortage of registered managers	**Quality of registered managers** – well led is one of the key domains that are rated RI and inadequate.			
Continuing Healthcare (CHC) –	**Risk to choice** through providers			

the need to understand the impact of CHC on service capacity and associated costs as part of the review of fee rates.	having to exit the market as not able/willing to deliver the enhanced services required.		

65+ Residential and nursing care

From a council and Norfolk resident perspective, there will be a need to grow the amount of provision to meet more complex needs. As we prepare for social care reforms this will need to move towards the median cost of care rate. If this rate is not affordable to the Council, then it will not be possible to re-shape the market in this direction. This is due to higher costs and greater staffing challenges, as well as the investment needed in the built environment. Evidence through care and support plans show that those now seeking residential care, in general, have higher needs leading to higher average fees for those providers able to meet needs. Providers able to meet enhanced needs have less available capacity, which is evidenced through the capacity tracker and our detailed bed availability data. However, barriers to transform ‘standard’ provision often relate to suitability of provision and will require capital investment to resolve this. For some providers it may be necessary to close unsuitable provision.

The impact for nursing care is different, in that it is also shaped by health needs and a criterion to require ongoing nursing care. As a council the average fees paid are 14.5% higher than our current usual rate fee. It is expected that the eventual charging reforms will have less impact on this sector, but actions to create a sustainable market offering good quality provision will have significant impact. The COC identified that 9 out of 15 nursing submissions reviewed did not have levels of nursing occupancy that were bringing in sufficient FNC income to cover the costs of the nurse staff establishment. Concentrating occupancy on fewer providers would optimise the available workforce and skills, helping to improve financial viability and increase service quality.

The provision in Norfolk varies considerably, with different business models and attracting different types of clients. For simplicity, the risk assessment below for both the Council and providers is focussed on the general pricing models that operate within the market; clearly other factors will have an impact including quality of the provision. It is important to understand the range of provision, as this too is meeting the varying support needs and financial means of a diverse self-funder market. The table below details the estimated number of service users who self-fund or who are funded by the Council.

Table 5: Residential all ages as of July 2022

Funded by	Service Users	Est. OP	Est. WAA
Norfolk	3,200	1,920	1,280
Self-Funders known to NCC	600	570	30
Estimated additional Self-Funders	4,800	4,560	240
Total	8,600	7,050	1,550

Estimated split of self-funders across older adults and working age adults are 95% and 5% respectively. Because the self-funder market is driving the majority of care provision in Norfolk, business models have been set up to reflect this. The Council does not routinely contract with all providers and most providers will only contract with the Council for a proportion of their beds.

A key aim of the Social Care Reform was to make it easier for people to get the care and support that they need and for people paying for their care to pay the same as the local council. To achieve this aim, local authorities were encouraged to work with providers to gain a better understanding of what it was actually costing providers to deliver care and to calculate a 'median rate' that would be the blended rate between current Council and self-funder fee rates. The outputs from the cost of care exercise undertaken by Norfolk are detailed in the cost information paragraph in Section 1 of this document.

As a test of the robustness of the fair cost of care median rates calculated, the Council has used the above estimates for numbers of self-funders and council funded clients to calculate the average market rate and compare this to the fair cost of care median rate. The NCC price is the average price paid by the Council (including packages where the Council is paying the full top up). The self-funder rate has been calculated using the Caterwood local authority estimates of older people's long term care home self-funder rates in 2022/23. Data collected by Caterwood included information relating to lowest and highest fee rates for each service category representing 185 homes within Norfolk. Providers have highlighted that these rates have been supplied by families and that it is not possible to discern from the data whether it is a representative spread of the market.

The midpoint of these rates was used to calculate the self-funder impact. This is detailed in the following table:

	Self-funder (ap-prox.)		NCC		Market total		COC
	Volume	Price	Volume	Price	Volume	Price	Median
Residential	1,729	£938	1,082	£799	2,811	£884	£889
Residential enhanced	2,545	£948	1,592	£822	4,137	£899	£927
Nursing	160	£1,116	100	£795	260	£993	£963
Nursing enhanced	366	£1,106	229	£883	595	£1,020	£1,021

The above shows how close the adjusted FCOC median rate is to our calculation of the approximate median in the market.

Planning considerations for post October 2025

The Autumn Statement delayed the implementation of the Social Care Reform by 2 years. This delay will support councils to ensure that they have more time to prepare for implementation, to better understand the potential risks and work with providers on the re-shaping of the market to help mitigate the risks. The expected initial impact of Social Care Reform changes on the local market were considered to be as follows:

Higher cost providers with a focus on the self-funder market. This provision is most likely to be impacted by the social care changes as self-funders will approach councils to create their care account and more people are expected to request council commissioned care. More work is needed to test the impact with the care market, but it can reasonably be expected the business cost models will not be significantly reduced and these providers will want to attract individuals with a top up. The future strategic risk for the council is that once the cap is reached these placements will not be affordable yet will become a cost to the Council. We know that moving people from long term provision is challenging. The impact will be felt progressively from Year 2 of the reforms and longer-term impact will depend upon the availability and ability to move individuals safely to alternative provision at the new agreed rates when the cap is reached. If individuals need to remain in this type of provision, then the impact will be less on care providers, but unaffordable and unsustainable for councils who will be incurring full cost of the care provision beyond this point.

Providers delivering mid to higher cost range provision – but meeting higher needs and with some beds currently offered at or close to the council's rates. This is expected to be the group of providers that the social care funding reform will most closely align to. If, following the cost of care, councils can successfully afford to offer a cost of care rate that blends the current fee rates then there should be less impact. This part of the market will be delivering the type of care that is most required – either by being able to meet higher level of physical needs or enhanced provision that can support people with dementia and with the right infrastructure/accommodation to enable this. The extent of impact may depend upon the current balance of council commissioned work compared to self-funders. Clearly the more self-funders the more likely that there will be some financial impact.

Providers currently delivering care at rates at or close to the council's usual price – this provision is most likely to benefit financially from the funding reform, but only where the provision meets more complex needs and is good quality. For those that can meet higher level physical needs and or enhanced needs supporting people with dementia there should be limited impact. If higher fee rates are agreed as part of the reform this could also support further investment into the fabric of the accommodation and help to sustain quality provision.

18+ domiciliary care

Table 6: Home Support estimated split of council and self-funder commissioned domiciliary care

Funded by	Est. number of service users
Norfolk County Council (NCC)	3,200
Self-funders known to NCC	550
Estimated additional self-funders	1,600
Total	5,350

As can be seen from the table above, it is estimated that 40% of people with home support in Norfolk are self-funders. There are a few providers that charge significantly more and undertake limited or no work with the Council. It is expected that unless these provisions can demonstrate a significantly different service that individuals may question these rates, given these will not count in full towards the care cap when implemented.

Over the last five years the Council has reduced its use of block home support contracts, favouring a framework approach that has enabled a clear price and more flexibility. This has worked well while there has been capacity in the market but increasing demand has meant that more providers have been invited to join the framework. This has enabled a diverse market, but it has made it harder to ensure efficiencies of rounds and to promote or incentivise high quality care. Recently, there has been an increase in the use of block contracts to meet specific needs such as double assists and collaboration blocks. The expected higher concentration of care via council commissioned contracts from Autumn 2025 will require the ability to secure more care at new agreed prices.

If home care can be delivered at a more sustainable price, there is opportunity for growth within good provision and less, or ideally no use, of low-quality care. Longer term this could adversely impact on high-cost home care. To ensure that all provision is used as efficiently as possible, to promote and grow good quality home care provision and to provide confidence to providers to develop business, it will not be possible for the council to actively work with such a large number of providers. These challenges were evidenced during the pandemic when the Council needed to work with more providers to meet need and this is not sustainable or efficient. Providers will need to evaluate whether they can provide home support within new prices, which may require consideration of business models, range of services provided and ways of working, including collaboration to promote efficient management of rounds and increased resilience for staffing shortages.

The cost of care has demonstrated that rural rounds are more expensive to deliver. As part of the COC exercise, we have modelled two rates, urban and rural/semi-rural. Implementing tiered rates will be considered as part of the strategic review of home care. Section 3 provides more detail on the Home Care Support Strategy which aims to develop a more efficient model for home care services within Norfolk.

Section 3: Plans for each market to address sustainability issues identified, including fee rate issues, where identified.

Norfolk's key strategic aims

Norfolk's Market Position Statement details 6 key aims

Aim	Delivered or in train	What we can't currently deliver
Access to the right high-quality support in the right place at the right time. Supporting people to live independently for longer	Through market shaping… • And via our Connecting Communities transformation programme, we will develop front line services within the voluntary and community sectors to deliver early advice and support enabling people to remain independent for longer. • We will work with providers through our Home Care strategic review to increase the service capacity needed to enable more people to be supported to remain at home. We are working with providers to co-produce new home care service models. • We will continue to support the development of independent living schemes backed by capital funds provided by Norfolk County Council. This will enable people to live independently for longer outside of a traditional care home. • We will equip residential and nursing home providers to meet higher acuity of needs through staff training and development, and with the support of the NHS as key partners in care delivery. • We will work with providers to review the current care definitions for standard and enhanced care within the older adult care home sector. • For working age adults we will review the current approach to commissioning and the way that we pay for care.	• Stability in the recruitment and retention of the workforce needed to deliver the new service models. • Firm plans on moving towards the median cost of care rates calculated. This is dependent upon resources allocated to local authorities for this purpose. • We have a range of activities in place that will support the market shaping required but some are long term programmes which will not be fully implemented in time for Social Care Reform implementation.
Passionate, well-trained, supported staff with opportunities for a great career in social care.	• ESF funded 'Developing Skills in Health and Social Care' training. • leadership training programmes such as 'My Home Life.' • A range of recruitment and retention initiatives to support providers. • NorCA commissioned Social Care Job Evaluation Framework. • Promoting learning and development opportunities via Norfolk and Suffolk Care Support Ltd. • Co-producing an Ethical Framework for Norfolk setting out the principles and standards about how we will all do business in Norfolk.	• Within our fee rates we are unable to deliver parity of pay with other comparable sectors to ensure that the social care sector can compete.

At least 85% of commissioned services will be good or outstanding by 2024	• Piloting the involvement of people who access services in improving service quality. • Integrated Quality Service supporting providers to improve their quality. • Developed a Quality Plan supported by a robust quality assurance process • NHS in-reach training and support.	• The quality improvements needed with such high staff turnover rates and high use of agency staff. • The CQC capacity needed to increase the number of inspections to enable our quality ratings to improve.
Working together to shape a sustainable market that provides choice of high-quality provision.	• Clarity of commissioning intent shared with providers to enable them to plan. • Working together to co-produce commissioned services. • Information about current and future demand modelling made available to providers. • Robust information about current and future needs & the services required to meet them. • Commitment to move towards the median rates calculated within the cost of care exercise.	• Firm plans on moving towards the median cost of care rates calculated. This is dependent upon resources allocated to local authorities for this purpose.
Working together to design a better, more efficient sector	• Championing innovation & technology enabled services. • Open for discussions about the use of assistive technology in supporting less labour-intensive processes.	• Many providers unable to afford to invest in the technology required. • Council not able to afford move to median cost rates.
Working together to design a lower carbon sector.	• Carbon footprint assessment of social care services. • Two energy assessors funded to support providers to improve energy performance.	• Many providers unable to afford the actions needed to reduce carbon impact.

As can be seen above, Norfolk is already doing as much as it can towards meeting these aims but is limited by the funding available for investment into the sector.

Meeting a sustainable cost of care

Council commitments to meeting a sustainable cost of care

- A £30m increase in fee levels has been approved which will deliver an average blended inflation uplift of c9%
- As part of the Government's Social Care Reform, commit to moving towards paying the median cost of care within Government's timescales and within the funding afforded to the Council for this specific purpose.
- During 2023/24 to review with providers, the standard residential and enhanced/complex care definitions and associated fee rates.
- To lead the system wide Collaborative Care Market Review project which aims to support the development of a sustainable care market that provides high quality care to people across Norfolk and Waveney and increases cost efficiencies by delivering closer alignment across the Integrated Commissioning Board (ICB) and NCC commissioning functions.
- To continue to develop, in co-production with providers, the strategic review of home care services in Norfolk.

- To support the national discussion to look at ways to address the challenges within the adult social care sector which would include:
    - To make the case for sustainable funding for Local Authorities.
    - To develop a social care job evaluation and pay framework that has parity with the NHS Agenda for Change. The Norfolk Care Association has developed a social care job evaluation framework that could inform national discussion.
    - To set in place a cap on agency premium rates for social care, in line with similar arrangements agreed for the NHS.
    - To review the way that energy relief funding could be allocated to providers within the social care sector.

2022-23 funding:

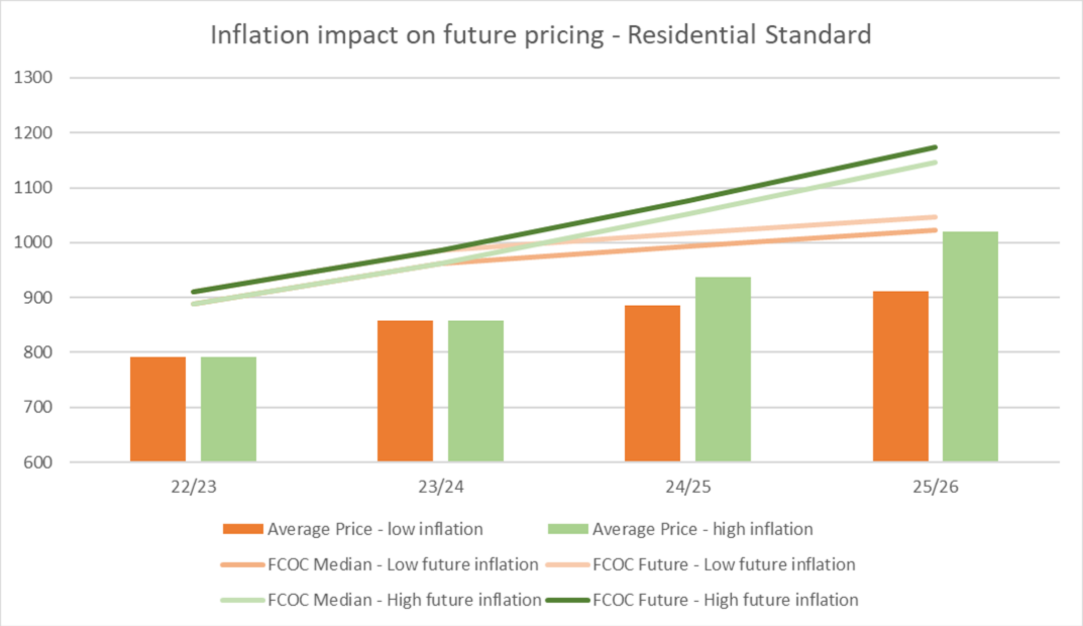
- **Older adult care homes**: NCC undertook a cost of care exercise during 2021/22 which, alongside our annual inflation review, informed the 2022/23 increase in fees. As a result of this exercise, we invested £2.489m of our £2.8m FCOC/MSP funding for 2022-23, alongside a further £0.5m of NCC resources, to enable a c9.7% increase (in addition to 6% for inflation).
- **18+ domiciliary care:** £273,722 of the FCOC/MSP funding was used to support an increase in hourly fee rates to address rising fuel prices. This resulted in a 12p per hour increase. Providers were required to confirm how they would ensure that this funding was directly allocated to staff as the fuel cost increases were having a negative impact on retention of staff within the sector.
- **FCOC/MSP implementation:** £93,976 (c3%) was spending associated with internal resourcing for implementation activities.

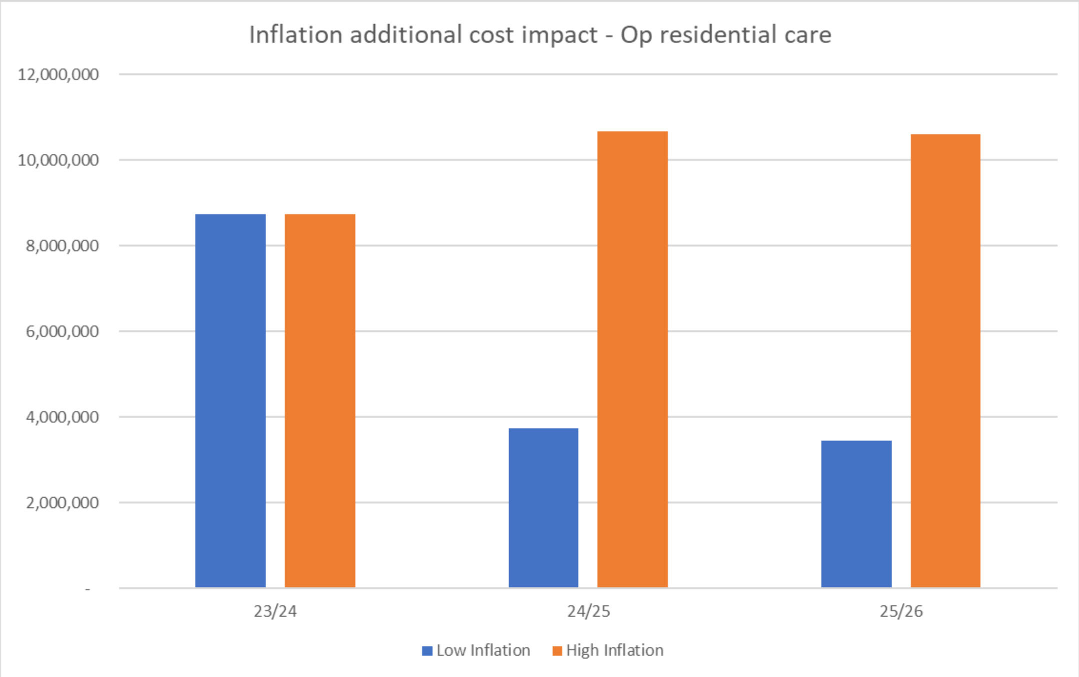
Despite the previous cost of care exercise for older adult care homes, we decided a further cost of care should be undertaken to allow for more engagement around reform, ensure consistency of approach with other areas and to recognise the current variability and uncertainty in cost.

Financial challenges in meeting a sustainable cost of care:

- The COC developed as a retrospective review of costs will only indicate the median market fee rates required today.
- For NCC to pay the COC median rate for both Residential and Nursing the direct cost would be approximately £15m per annum. The cost was NCC to move to the current calculated long term market sustainable rate would be c£19m.
- The annual cost to the council in meeting the median home care rate is £2.5m+. To meet what providers, believe to be a long-term market sustainable rate would be a direct cost of £9m+.
- Even if this was affordable, based on the relatively high proportion of private payers in Norfolk, and eventual introduction of 18(3), a shift in fee rate by NCC may not inject more monies into the market but simply reduce the existing cross subsidy from private payers. The funding NCC receives under this piece of reform will therefore materially be used to increase fee levels towards (alongside Home Support) the output of the COC exercise.
- In addition to the direct costs described above, it is likely that any shift in the fee levels in these markets will have a knock-on impact in the wider care markets either commissioned to support people with physical, mental, or learning disabilities, or indeed wage levels sufficient to attract carers for direct payment usage. Therefore, a movement in the markets in scope of FCOC is likely to have a wider financial impact than just those direct markets.
- The wider financial constraints of NCC, a £133m post Council Tax but pre-savings gap over the next 4 years, suggests that keeping up with general price inflation for our care markets, and managing significant financial risk in our care markets relating to younger adults, will be a significant test, leaving little to no residual NCC funding to up the baseline for this care market. If the economic conditions continued to drive prices such as utilities, mortgages etc, alongside those labour costs, then materially all new funding will be required to ensure those

new pressures are absorbed. As an example, the following graphs show the inflationary impact on just one Norfolk market if underlying inflation varied from a 3% figure (low inflation) to a 9% figure (high inflation) as planned to be experienced in 23/24.





- The removal of the ring-fence for previously announced funding to support the COC implementation means that other system pressures and challenges must be considered.
- The government has committed on paper to £2.8bn and £4.7bn of funding to Social Care as part of the Autumn Statement. In 2023/24 the market sustainability and improvement fund will represent £9.785m of funding – only £6.964m of this is new and the commitments made against the £2.820m of existing 22/23 funding will continue. This c£7m fund is to be put into context against a £30m investment in meeting 23/24 inflation pressures for Norfolk's care market – an investment of £12m more than in 22/23. As we look to 24/25, the same grant (and same allocation levels) would provide £4.8m of additional funding. As demonstrated above, a high inflation level quickly absorbs all of this funding alongside the wider investment the Council makes in meeting its additional costs (funded through savings, efficiency, and any discretionary council tax). If this underlying inflation is lower, it could be invested to reduce the gap from existing fee levels to the median FCOC. However, as indicated this

level of funding would be insufficient to cover the whole gap and therefore without further injection or a longer timescale it is unlikely to be affordable.

The above articulates the significant financial challenges for the Council to work towards the COC position. As described in Section 1, market sustainability, the choice of good quality of provision, in the right places and meeting the range of needs of Norfolk residents goes beyond the COC exercise. These risks are set out in Section 2.

Realistically, funding is a critical component to addressing this, with **workforce pay** the most prominent aspect due to market rates for comparable employment continuing to increase. However, there are also actions that the Council is either already taking or plans to undertake to help address Norfolk's market sustainability challenges and mitigate these risks. These are detailed in the 65+ care home and 18+ domiciliary care sections below.

Although the council and system strategies are to promote independence and in relation to hospital discharge to ensure an ethos of home first, it is also to support people living with complex needs. Therefore, there is an expectation that Norfolk will continue to need good quality residential and nursing care to support people who need long term support in a residential setting to meet a higher acuity of need that can't be met in someone's home.

Meeting our Care Act Duties

- The DHSC Market Sustainability and Fair Cost of Care Fund Guidance states that the outcome of the fair cost of care is not intended to replace the fee setting element of local authority commissioning processes or individual contract negotiation. Local authorities are not required to simply adopt the median cost lines from the cost of care exercise, however, the information from the cost of care exercise must be taken into account and will be a material consideration in the decision-making process.
- There were significant variations in costs submitted by providers for the 2022/23 year. As part of the review process, officers undertook benchmarking and evidence gathering to sense check the submissions, but further work is needed to be undertaken with providers to ensure that the median rates calculated are robust.
- The cost of care exercise has highlighted that Norfolk County Council's current usual fee rates are above the lower quartile rate calculated. This means that there are providers operating in Norfolk that have rates at or below our current usual rate but recognise that this does not give the Council the capacity needed as not all of the market is open to it. This means that the Council has to secure provision at rates above its usual rate fee reflecting the higher average fee rates that the Council is paying.
- The delay in the implementation of the Social Care Reform means that the current mixed market will continue for a further 2 years giving more time for local authorities to work with providers to reshape the market and to move towards the median rates calculated.

(a) 65+ care homes market

Vision for older adult accommodation-based support services – shaping the market

Our vision over the next 5 years is to:

- Develop an innovative and sustainable care market that is responsive to the needs of local people, delivers high quality care, and provides value for money
- Improve outcomes for local people by supporting care providers to enable choice, deliver person centred care, manage risk, and promote independence and wellbeing.

How do we plan to achieve our vision?

We will achieve our vision by meeting our strategic priorities through:

- Working with providers to develop an innovative and sustainable market, with a workforce that is fairly rewarded in pay and conditions. This will involve activities to progress towards a fair cost of care, as well as connecting providers into future opportunities to develop their businesses. This priority will mostly be conducted across the whole care market as part of the NCC Social Care Reform programme.
- Joint strategic direction for care home commissioning and contract management to increase the effectiveness of our commissioning and contract management, enabling greater collaboration and a shift toward outcome-based commissioning.
- Development of new, integrated service models which focus on quality and outcomes for local people.
- Strategic transformation of Housing with Care – backed by Council capital funding with the aim of developing alternative support options for people in place of residential care.
- Delivery of Norse Care transformation programme – optimising the use of block commissioned capacity.
- Improved health support to providers – people living within accommodation settings will have access to generalist and specialist healthcare, reducing the requirement for hospital admission or to more specialist accommodation-based provision.
- A review of our current care definitions in line with intelligence gathered through the cost of care review process.
- Re-freshing the older adult accommodation-based support capacity modelling so that we know what we need and where.

All of the above will support our market shaping duties.

(b) 18+ domiciliary care market

The standard median rate calculated as part of the cost of care review is £23.09 against a current rate of £22.08. To achieve a market sustainable rate (staff paid at the equivalent of HCA level 3) would be £25.69
The Council is currently under-taking a co-produced strategic review of the home care sector. The four aims of the Home Support Strategy are:

- **Sustainability** – supporting a diverse homecare market to deliver manageable hours in right-sized geographical areas.

- **Quality** – enabling the homecare market to meet ‘Good’ and ‘Outstanding’ CQC ratings.
- **Resilience** – Creating an efficient, strong, and responsive homecare market.
- **Capacity** – increasing capacity through re-defining home support provision.

It is proposed that the Council will move to commissioning at a Primary Care Network (PCN) level. There are 18 PCNs across the county and it is proposed that there will be a prime provider within each locality delivering c70% of activity within that area. The remaining c30% of activity will be delivered by framework providers. Discussions are on-going with providers in respect of the final % split of prime and framework delivered activity and the timescales to move to these levels. Norfolk currently has 86 providers on the framework which makes it difficult to work with providers to improve their quality. Currently 13.6% of providers have had two consecutive rating of requires improvement or inadequate. The difficulty of securing the capacity needed means that these providers are continuing to deliver existing care packages although there are restrictions on new referrals. A key aim of the new model for home care will be to improve service quality and customer experience.

Commissioning at a PCN level will provide guaranteed activity volumes which will secure economies of scale for the prime provider and support more efficient rotas for care delivery. Fewer providers will enable a greater focus on driving up quality The ARC/LGA tool developed to support the cost of care will support the calculation of PCN level care costs that will reflect the specific geographical constraints of the locality. This process will help to identify the distance between current rates and the median rates calculated for each PCN area and will help inform prioritisation of resources required to deliver.