



SOLUTION DESIGN EXTRA CARE IN NORFOLK

A SUMMARY OF FINDINGS
Version 1.0 Final

DATE: JULY 2018

FOREWORD

The purpose of this document is to set out the findings that have come from a piece of research undertaken by Inner Circle Consulting (ICC) on behalf of Norfolk County Council (NCC) to understand the barriers which face NCC in the development of Extra Care Housing Schemes. It also sets out recommendations as to how the barriers may be addressed.

The data was collected by means of a series of one to one interviews and group meetings with stakeholders drawn from the following groups:

- NCC Staff – Planning, Property, Finance, Adult Social Care, Procurement
- District Councils – North Norfolk District Council, South Norfolk District Council, Great Yarmouth Borough Council, West Norfolk District Council, Broadland District Council
- Housing Associations
- Developers
- Third Party Agencies – Bidwells, Arnolds Keys

It should be noted that Norwich City Council and Breckland District Council were invited to participate in the work but no response to the invitations from ICC were ever received. A full list of individual stakeholders is available in Appendix A.

Whilst some of the findings may be quite negative, it should be remembered that the information presented is what has been reported, it is not criticism, nor does it seek to apportion blame, but merely to report as accurately as possible the current situation. It should also be noted that ALL the people who were interviewed as part of this work were incredibly positive about developing Extra Care and engaging with NCC to make Extra Care a success in Norfolk.

Finally, ICC would like to extend its grateful thanks to all the people who took part in this research and who gave so generously their time and experience.

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Inner Circle Consulting
July 2018

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1 BACKGROUND

Norfolk County Council (NCC) is committed to supporting people to be as independent as possible during their lives in their own home, or otherwise. This is a Norfolk County Council corporate priority:

“Supporting vulnerable people – including helping people earlier before their problems get too serious”

The NCC vision is:

“to support people to be independent, resilient and well.”

To achieve that vision, NCC has developed a strategy entitled *Promoting Independence*. The strategy has three main elements: prevention and early help, staying independent for longer and living with complex needs. Specifically identified within the living with complex needs element is the requirement for a range of housing options for people which helps them retain their independence. Having appropriate supported housing available in the right locations, at the right time and with the right characteristics will also go a long way to deliver the vision.

Delivering the range and volume of supported housing needed will not be easy. Like most Local Authorities, NCC is experiencing a continuing fall in revenue funding and an increasing demand for services. At the same time, the council needs to respond to changing expectations and aspirations of how care and support is delivered. The most recent NCC response to meeting these challenges was considered in the *Commissioning and Market Shaping Framework 2017/18 to 2019/20* paper to Committee on 6 November 2017.

One of the key points of the paper was the need for care accommodation to be modernised and the supply of independent / supported accommodation increased. The paper goes further to state that NCC expects a significant rise in the number of older people in particular who will require dementia-related care and/or nursing support and that recent commissioning research suggests that about 1500 extra beds will be required as a minimum by 2036 to meet demand. Another key point for this commission is that approximately 90% of existing residential care homes were not purpose built and many are not registered to support people with dementia.

The development and delivery of age and need appropriate housing in Norfolk is therefore a key priority.

Delivering supported housing will require NCC to take a number of strategic organisational and investment decisions that will have a long-lasting impact on how the Council operates. A new 60-unit housing with care development will take at least three years to design, plan, procure, build and occupy; during that time NCC will need to work in close partnership with the developer / provider to ensure that the scheme quickly reaches full occupation. 1500 units of housing with care (the current identified demand) will require around 25 schemes with a likely delivery period approaching five years. Comparatively smaller scale accommodation for working age adults (WAA) with disabilities can be delivered quicker, although requires greater coordination with the social care teams.

There is also likely to be a requirement for substantial capital investment to support inherently unviable affordable rent tenures and significant short-term revenue funding to implement the programme before it becomes self-funding.

2 DEVELOPING A COMMON UNDERSTANDING

Acting alone, NCC cannot significantly increase the quantity and quality of supported housing in the county. In fact, only by working in close partnership with the District, Borough and City Councils, developer/ provider market (and in some areas, service users) will the optimal solution be determined. Delivering supported housing at scale requires an alignment of social care practice, capital funding, planning, housing, housing benefit, land, finance and delivery expertise; as shown in figure 1 below.

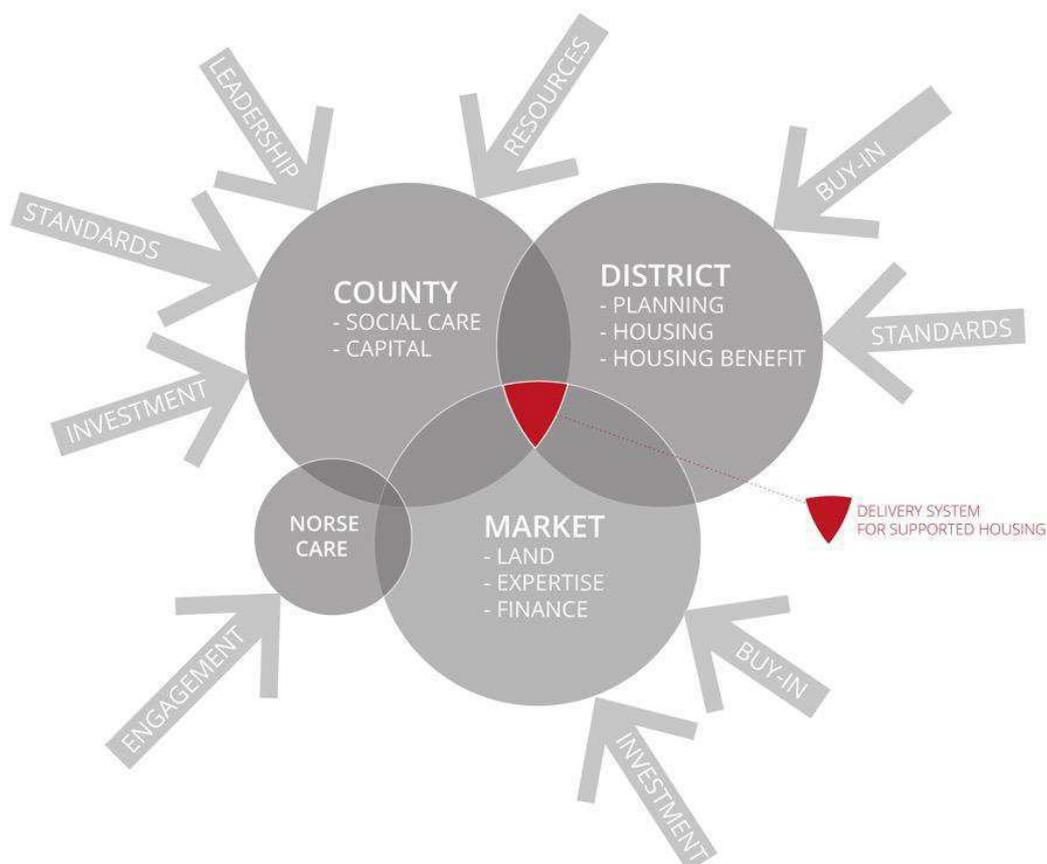


Figure 1– Diagram showing proposed document structure

This means that key internal and external stakeholders must be meaningfully, and appropriately, engaged throughout the process in order that all of the barriers to accelerating delivery can be understood and a solution designed to manage or remove them.

NCC	District Councils	Developer/ provider market	Service users
<ul style="list-style-type: none"> • Social care commissioning • Social care operations • Finance • Legal • Commercial • Procurement • Property • Data and insight • Senior Officers • Members 	Planners, Housing Benefit Officers and Housing Officers in: <ul style="list-style-type: none"> • Breckland • Broadland • Great Yarmouth • King's Lynn and West Norfolk • North Norfolk • Norwich • South Norfolk 	<ul style="list-style-type: none"> • Housing associations • Private developer/ providers • Investors • Funders • Norse Care 	<ul style="list-style-type: none"> • Older people living at home or in existing supported housing • Older people living at home, with a carer or in existing supported housing • Service user carers and advocates

Figure 2 – Stakeholders

As a result of the interactions with stakeholders, a number of key themes or barriers have emerged as to why NCC have struggled to develop Extra Care in the county over a number of years. These can be summarised as barriers associated with:

- Strategy
- Governance
- Commercial
- Planning
- Product/Process

Appendix C contains the full list of key barriers identified in each of these areas along with the significance and impact of each one.

Market Stimulation

To entice the very best developer / providers to enter the Norfolk market will require an engaging and outward-facing narrative. These companies want to know that the Council is internally aligned across its departments and externally aligned with the Districts. Any communication with them needs to be consistent, clear and transactional.

The very best organisations will have many options to consider so NCC will need to become a destination of choice based upon the ease through which they can invest and develop. Therefore, it is essential that NCC has a clear understanding of these barriers and the possible solutions required to address them so that developers will want to make Norfolk a destination of choice to develop Extra Care housing.

However, it should be noted that the barriers identified will have an adverse influence on the following if not addressed in an appropriate and timely manner:

Delivery Model - what models should NCC deploy to deliver the supported housing; options include capital grant, conditional land and building exchange

Planning – using the demand data to embed the requirement for supported housing within the local planning processes and aim to agree a consistent planning use class for each type of supported housing.

Rents and service charges – working with the Housing Benefit Officers in the Districts to aim to agree which supported housing can be classified as exempt accommodation and an appropriate and acceptable range of rents and services charge.

Care model – working with NCC Adult Social Care Commissioning and Operations to agree a common approach to care commissioning across each type of supported housing. This work will also include understanding the current care pathways and how they will change when sufficient supported housing is delivered.

Revenue case – working closely with a nominated senior finance representative to build and populate the finance and capital model to support council investment in supported housing. Some of the key factors that will need to be captured in the financial model are shown in figure 3 below.

Revenue	Capital	Investment
<ul style="list-style-type: none"> •Cost of domiciliary care •Cost of residential care •Hourly care cost •Peace of mind charge •Voids •% of residents paying piece of mind charge •% of residents avoiding inappropriate residential care placement •Occupation rates 	<ul style="list-style-type: none"> •Cost of build •Cost of land •Professional fees •Rents and service charges •Sales values •Tenure mix •Delivery model •Developers yield 	<ul style="list-style-type: none"> •Cost of borrowing •Borrowing period •MRP •Capitalisation •Pay back period

Figure 3 – Revenue Implications

3 HIGH LEVEL BARRIERS

Overview

The barriers or challenges to the development of Extra Care Housing in Norfolk are presented here in summary form. The detail of the findings is contained in Appendix C. Whilst the findings are split out in this section and in the appendix for ease of reading, the reality is a complex set of relationships and interdependencies exist between each of the elements which cannot be underestimated.

Strategy

There is no strategy specifically formulated for the development of Extra Care in the county. This has resulted in a lack of clear direction on the development of supported housing in terms what is required (style of accommodation), where, when and volumes. This means that any planning and development work is at best unplanned and rather ad hoc which is not the best approach for creating a sustainable service or value for money.

Decision making at best is slow which is not conducive to the rapid response that is required when commercial development opportunities present themselves and frustrates Housing Associations who want to engage with the Council, but cannot wait for extended periods for it to make a decision. The result is that Housing Associations will therefore look to other sources of business which are easier to bring on stream and Norfolk misses potential opportunities because it cannot respond quickly enough.

The issues of decision making is exacerbated by the many and various competing priorities not only within the Director of Integrated Commissioning's remit, but within the Council as a whole. There is no apparent clarity about what the priority is and therefore how to use the assets available to maximum effect.

The lack of strategy appears to result in an approach that seems to be best described as crisis management. Because the trend tends to be that vulnerable adults get taken into care when their situation has reached a crisis point, social workers take whatever care option is available rather than it being necessarily the right option for that individual. This results in a very reactive rather than proactive approach to Extra Care.

Governance

There has been a distinct lack of strong leadership and direction over the last 10 years with regard to the provision of supported housing. There has been no overall co-ordinating function to implement and manage the provision of supported housing, which in itself has made it difficult for developers to engage with the Council. The lack of a co-coordinating function makes it virtually impossible for developers to know how to engage with the Council and who owns the engagement process and so at best ad hoc development takes place. This type of approach also means that where new accommodation is built, it may not be totally suitable for the intended residents and require a refit at a later date, culminating in unnecessary and avoidable costs that could have been identified at the outset of the process.

Given all the various parties which are involved in placing someone in Extra Care Housing, there is little evidence of any real joined-up thinking which again results in a very fragmented approach to the provision of supported housing and placing people in the right type of accommodation for their care needs.

NCC tends to take on a controlling rather than enabling role to the provision of supported housing. Why this stance is adopted is not really clear but could be related to the lack of clear strategy and governance thus making it difficult to give the autonomy that is required.

Commercial

NCC has no formal process or business model for engaging with developers, housing associations or with the market generally, which is a significant barrier to both the Council reaching out to developers and to developers wanting to engage with the Council to bring new sites on stream.

The general lack of commercial awareness by NCC on how to turn strategy into actual developments and generate income or make effective cost savings is significant. Because of the prevailing culture in the Council, which is predominantly non-commercial, there is a general lack of understanding that Housing Associations are businesses that have to make money. This is particularly important when build costs continued to rise last year, whilst the revenue going into supported housing halved, combined with the uncertainty around the rent cap.

Any LHA rental cap will bring with it a further set of challenges for setting the levels of affordable rents. A barrier at present is the level of rental income available for Extra Care Housing. In simple terms, low rents require grant support for such housing developments to be viable.

Coupled with the lack of commercial awareness, is the lack of any sense of urgency by staff in the Council. Urgent action only tends to come when there is a crisis of some kind, usually related to the need to get someone into care. The results of this lack of urgency are a nominations process which is very protracted leading to high void rates. This has significant cost implications for Housing Associations and developers alike. High void rates are a decided barrier to existing Housing Associations doing more with NCC, or new developers being attracted to working with NCC because of the negative effect on income and profit. Developers want to know that if they are going to build a scheme, the Council will fill it quickly initially and then keep it filled thereafter. Where these conditions prevail, developers and housing associations will look to work in other counties where there is a more proactive and commercial approach to Extra Care and void rates are lower.

The issue of voids is a far ranging one. For developers to be attracted to Norfolk, as with any county, there needs to be some form of guarantee in place, whereby, when building works are complete, the property is fully occupied. This is about managing risk and to help mitigate that risk for developers, there may be a need for void guarantees. For many developers and Housing Associations, once a property is built for NCC, they (NCC) have nomination rights for a set period of time (agreed at the outset). After that time has expired, if NCC have not filled the new building, the developer will take it back and fill it with people on housing benefit requiring some form of care, which causes some tension between provider and NCC. However, these are businesses and cannot carry the financial risk of another organisation.

Housing Associations find it difficult to get Board level approval for new builds when voids are significant. General needs housing costs approximately £100K to build, whereas special needs housing, such as that required for Extra Care, costs approximately £150K, so these organisations cannot afford voids. Housing Associations are also judged by the Regulator on the occupancy of their houses and their performance looks poor if there is a large void. However, the void situation is not of the Housing Associations' making. Therefore, the void situation and the potential for a poor rating from the Regulator makes investment choices outside of NCC very easy. NCC appears not to understand this situation.

A further challenge for developers is that Councils don't display any real evidence of taking into account the correlation between grant, rental allowed and income and affordability. Typically, investors might be looking at a 6% return, or at least one that is commensurate with the associated risk margin/profit margin necessary for a robust investment model.

For developers, the commercial proposition has to be made more attractive, through a streamlined commercial process and understanding of the realities of being a commercial enterprise, the provision of suitable pockets of land and grants. NCC's procurement and tendering approach makes it difficult for developers and Housing Associations alike.

Planning

There is a definite mismatch between planning requirements, the spatial planning framework and developing Extra Care from a care perspective. Little or no thought has been given to the Spatial Planning Framework in terms of the requirement for Extra Care Housing.

Sourcing an appropriate site is one of the largest barriers in Norfolk and once that site has been identified the following questions need to be addressed:

- Is NCC going to support it?
- Is the scheme going to be shared ownership? Mixed tenure?

There is no clear route through the planning process or support from NCC to bring schemes to a fruition in as short a time as possible. This is in part due to the fact that the 7 District Councils tend to work in isolation, whereas they need and want to work together. The question is how this can be facilitated and who should own the process of doing this. An effective programme of Extra Care Housing development is dependent on proactive planning and helping developers and housing associations to navigate their way through the planning process. At present, there is a perception that planning departments can be obstructive, which is not the case, but which reflects the complexity of the planning process which could be more streamlined and user friendly by a more joined up approach between the County Council and all of the District Councils.

The availability of suitable land will always be an issue particularly in the north of the county, where the North Sea borders the county. The One Estate Programme is releasing some land for development, but it is unlikely to be able to yield any sites large enough and in the right locations to build schemes big enough to be commercially viable and in the volume required.

Product and Process

In terms of the product – Extra Care as it now is, Housing with Care as it was called previously – there is a lack of understanding by Service Users and Practitioners alike about exactly what the product is, who can access it and when, eligibility and how it is accessed. In addition to not being clear on what the product actually is, there is a lack of clarity on how Extra Care schemes operate and are utilised – the definition has been abused over the years and so a clear statement of what the product is and what it does is required.

The process element refers to both the process of developers engaging with NCC and practitioners engaging with Extra Care. As has been stated, there is no clear process or model of engagement for developers which will put some developers off working with NCC as a starting point. Those that do engage with NCC find it heavy going because there is no internal support/team/resource to assist developers/Housing Associations with the NCC internal “process requirements” needed to get a scheme moving. NCC processes generally and the way they are managed do not enable quick and fleet of foot decisions to be made which are frequently required when an investment opportunity exists.

In terms of care practitioners engaging with Extra Care, there is a lack of clear understanding by Practitioners and Service Users as to what this actually is. Because of this and because the complexity to sort out, Social Workers often shy away from it. The process of referring people to these schemes is not simple or straight forward so Social Workers may not bother and go straight for residential care, even though they know it would be in the client’s best interest to be in an Extra Care Scheme. However, as the process is long and complicated and those needing care frequently reach a crisis point, residential care is the easiest and quickest option to provide safe accommodation for a vulnerable person. The process needs to be easy for Social Workers to get people in Extra Care at an early stage so the transition to living in a supported environment is a positive choice for the client.

The uneasy relationship that NCC has with Norse is also a potential barrier to the successful development of Extra Care as a product combined with the seeming inflexibility of Norse’s approach to processes and criteria. Developers and Housing Associations feel uncomfortable caught in the crossfire and will, out of choice, look elsewhere for a more harmonious environment in which to work.

Conclusions

The current situation facing NCC in its efforts to develop Extra Care Housing are summarised in the SWOT Analysis in Appendix B. The challenge for NCC will be how it uses its current strengths and resources to overcome the internal weaknesses which have plagued it for some time, how it will use its strengths to capitalise on opportunities that are presented in the external business environment and minimise or eradicate any threats or challenges it faces.

The situation is further complicated by the fact that housing schemes set up by charitable organisations don't make money for some 30 years, so some very careful and long-term investment decisions have to be made. Where there is any doubt or complexity in engaging with the Council, it will look elsewhere.

However, in looking at this SWOT Analysis it becomes clear that the lack of strategy, leadership and governance for Extra Care which manifest themselves as little direction, uncoordinated approach to development, little joined up thinking and a confusing product and process, result in a process which has a long lead time promoting a reluctance to use Extra Care by practitioners ultimately results in schemes with high void rates. The difficulty in engaging with NCC, the high void rates and the lack of any void guarantee by NCC make Housing Associations and Developers look elsewhere to invest where conditions are more conducive for investment. The impact on NCC for this is loss of opportunities to develop modern new schemes with a mixed tenure, loss of income and increased costs as people continue to be admitted to residential care far earlier than they otherwise need to be based on their care assessment. This situation will only get worse as the population of Norfolk gets older and the demand for supported housing increases. This is well documented in the Extra Care Position Statement dated July 2018.

By understanding the barriers that face NCC it is possible to identify a number of outcomes that will emerge from addressing the challenges identified:

- Getting all the key players around the table to develop a solution for Norfolk which is owned by Norfolk
- The creation of an Extra Care model for Norfolk which meets the needs of the real demand for care set against the demands of planning, availability of land, the risk profile of the organisation and the reality of finance
- The development of a delivery model for Extra Care which is aligned to the local conditions, the risk profile of the organisation and the resources available
- The development of a product which is understood by practitioners, clients and third parties
- The development of a process which is understood by care practitioners and is easy to implement so those requiring care enter the right type of care for them easily
- Development of a strong business case which can be used to gain support for Extra Care from developers and investors
- The availability of quantifiable data in one location to help make decisions on demand, planning and development and care packages etc.

In summary, the 3 key elements for successful development of Extra Care are:

1. Business Case – a sound business case is required, focussing on how rent will cover costs

2. Demand – understanding the real demand of HwC and capturing this in a market position statement
3. Sites – Acquiring suitable sites with the required planning restrictions to allow the development of new Extra Care schemes.

4 SOLUTION DESIGN

Summary

In simple terms, NCC have 3 options as to the way forward to overcome the barriers to the development of Extra Care identified in this report:

1. **Do nothing** – NCC could elect to remain as it is and take no further action around the proactive development of Extra Care and let things take their course. The advantage of doing this is all parties involved know what the state of play is, no additional resources or changes are required. The disadvantage is the problems faced will get worse and the cost of rectifying them becomes greater, the actions more significant, the cost increases and so does the risk factor.
2. **Revised internal approach** – NCC could develop its own internal approach to the delivery of Extra Care and approach the market. The advantage of doing this is the cost is less than using external support and NCC has total control over what happens. The disadvantages of this approach are NCC has yet to develop an engagement model and has not demonstrated a successful track record of approaching the market, nor does it have the contacts in the market place already. Therefore, for NCC to take this approach is possible, but the time taken to achieve this would be considerable.
3. **New delivery model to engage with external developers** – This is about NCC working in partnership with a developer framework to bring the required styles of scheme on line in the shortest possible time. The advantage of this approach to NCC is ICC have the resource to create a suitable business plan to engage with developers and have the contacts in the market to approach with a view to them investing in Norfolk as a great place to develop Extra Care. The disadvantage is the short-term cost involved committing the required resources to the programme, changing the required operating model and way of behaviour of staff whilst delivering business as usual.

The table below sets out the main barriers and the key recommendations for overcoming these barriers:

Barrier	Solution Design	
	Recommendation	Document
Strategy	Publication of Extra Care strategy and Position Statement. Internal NCC alignment achieved through production and approval of business case	Extra Care Strategy, Position Statement and Business Case
Governance	Implementation of NCC governance structures to support implementation of programme.	Business Case and updated Position Statement
Commercial	HwC Programme is resolving links between strategy and delivery. Updated nominations process will be required as part of implementation	Business case Nominations agreement (inc nominations process contained therein)
Planning	Work required with Local Planning Authorities to agree consistent approach to categorisation of extra care developments	Planning Position Statement needed
Product/Process	Work with social care teams and service users to explain extra care and when it's an appropriate choice	Change management plan needed

5 NEXT STEPS

The detail of the barriers identified so far has been captured in this report, but it is envisaged that this is a dynamic document, and so should other barriers come to light then these will be added to this document and their significance assessed.

The outputs from this document will feed into the delivery model design and the business case, with the aim of producing a business case that will demonstrate very clearly to potential developers and investors that NCC is aware of the challenges it faces and has real steps in place to minimise risk and maximise, opportunity.

Once the information from this document is synthesised into the delivery model and business case it will be subject to review against the Treasury 5 Case Model to ensure a sound business case exists before going to market.

6 APPENDIX A - STAKEHOLDERS

Who	Organisation	Role	Notes
Andrew Savage	Broadland Housing	Business Development Director	
Bridget Southry	Great Yarmouth Borough Council	Housing Options Manager	
Cira Arundel	Saville	Director, Business Development Team	
Duncan Hall	West Norfolk District Council	Housing Services Manager	
Hazel Ellard	Broadland District Council	Section 16 Housing Office – One Public Estate	
Heather Burn	Broadland District Council	Planning Officer	
Ivan Johnson	Broadland Housing	Managing Director	
Jamie Sutterby	South Norfolk District Council	Director of Communities and Well Being	
Jan Hytch	Anrols Keys LLB	Senior Partner	
Jane Warnes	Cotman Housing	Managing Director	
Joan Murray	NCC	Procurement Lead	
John Whitelock	Saffron Housing	Managing Director	
Keith Mitchell	South Norfolk District Council	Strategic Housing Manager	
Leanne Slater	Broadland District Council	Benefits Team Leader	
Leigh Booth	Broadland District Council	Housing Manager	
Mike Garwood	NCC	Solicitor	

Nicky Galwey-Woolston	Cotman Housing	Support and Tenancy Sustainability Manager	
Nicola Turner	North Norfolk District Council	Housing Strategy and Community Dev Mgr	
Nigel Best	Anglia Growth Hub	Director	
Nikki Patton	West Norfolk Council	Housing Services	
Peter Smith	Housing and Care 21	Business Development Director	
Rachel Clarke	NCC	Team Manager Adult Social Care	
Richard Dunsire	South Norfolk District Council	Housing and Benefits Manager	
Richard Warner	Ashley House	Business Development Director	
Simon Hughes	NCC	Head of Property, Corporate Property Team	
Steve Holland	NCC	Head of Quality Assurance & Market Development	
Steven Javes	Orwell Housing	Managing Director	
Susanne Baldwin	NCC	Finance Business Partner Adult Social Care	
Tracey Slater	Great Yarmouth Borough Council	Service Unit Manager (Housing Strategy and Housing Options)	
Vicky George	Great Yarmouth Borough Council	Head of Housing	

7 APPENDIX B – SWOT ANALYSIS

<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Capital investment high on the agenda of Leader of NCC – Councillor Proctor • Housing Associations and developers want to invest in Norfolk and engage with NCC • Untapped market in Norfolk for older people sitting on big houses • Land prices which are attractive to builders /developers • Norfolk has county farms but is in a place where won't get planning permission or people want to live there 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Reputational damage so investors/developers look for easier pickings • Relationship/marital breakdown is greatest in 55+ age bracket so places an additional strain on supply of suitable accommodation • Continuing fall in revenue funding • Last year revenue going into supported housing was cut by £5.2m • Unclear changes in rent cap in 2020 and the implications this will have • Care sector has been devalued so difficult to recruit and retain staff • Increasing demand for services given an aging population in Norfolk combined with higher expectations/aspirations of service delivery • Other county councils are easier to engage with than NCC so will attract the best developers • Finding enough land with the required planning restrictions to build schemes
<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • High respect for Director of Integrated Commissioning • A willingness by NCC and District Council staff to want to see EC succeed 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Insufficient commercial expertise, experience and awareness in NCC to develop an approach to EC that could be taken to market • Lack of formal strategy and strategic direction • Lack of clear strong leadership over a number of years • Slow decision making • No agency singularly responsible for EC so poor co-ordination of planning, resourcing, finance etc to develop a scheme • Little joined up thinking about EC

	<ul style="list-style-type: none">• No formal process or business model to engage with developers/the market• Crisis management seems to be the order of the day in terms of placing people in care• Developers don't have the required information from NCC to develop new schemes so look elsewhere for business• No sense of urgency until a situation becomes a crisis• Significant void levels which is a major deterrent to Housing Associations and developers building new schemes• No clear route or support from NCC through the planning process• Lots of data but no information• Variation with engagement process between District Councils and ASC• NCC seemingly not prepared to act as a partner and share risk• Lack of understanding by practitioners and service users on what EC entails and how to engage with it• Complicated EC process leading to long nomination periods• No SLA's in place
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8 APPENDIX C - BARRIERS

Domain	Barrier	Significance C, H, M, L	Frequency H, M, L	Consequence
Strategy	Lack of high level plans and estate strategies which then can be knitted together to create an integrated approach to what is needed	High	Medium	Lack of cohesive planning
Strategy	There is no clear direction from the Council of what is needed for older people's housing i.e. numbers of houses required, location etc. and exacerbated by the public-sector cuts since 2010, and changes in administration	Critical	High	Ad hoc development ensues which may not be fit for purpose
Strategy/ Planning	CLARITY of what NCC wants and where it is wanted: <ul style="list-style-type: none"> • a clear plan so there is no ad hoc development • back up from NCC when a planning app goes in with required data and a clear route of how schemes are filled with a plan supported by data which is in the public domain 	Critical	High	Either ad hoc development takes place or none at all as developers look elsewhere
Strategy	No decision making in NCC and so many competing priorities – no clarity about what their priority is and therefore what to do with the assets	Critical	High	Opportunities for development are missed and potential for mixed messages about EC being issued
Strategy	NCC has not been prepared to act as a partner and share risk	High	Low	Developers will look for other opportunities outside of Norfolk so limited if any progress on building new schemes
Strategy	No consistency of approach and engagement	High	High	Developers will look for other opportunities outside of Norfolk where engagement is easier so limited if any progress on building new schemes

Strategy	Developers/Housing Associations struggle to get information out of the County on data so difficult to either put a strategic plan together to develop schemes or contact people direct to advertise the vacancies that Broadlands have	Critical	High	Developers will look for other opportunities outside of Norfolk where information is more forthcoming so limited if any progress on building new schemes
Strategy	The approach seems to be crisis management – people take what’s available rather than it being the right option – very reactive rather than proactive stance.	Critical	High	Vulnerable people end up in long term residential care which is not right for them and results in extra expenditure for NCC which could be avoided
Strategy	People obsessed with the Care Act and what it means and their rights – can we help people make the right choice rather than it being left to the client all the time	Low	Medium	A lack of understanding around what EC is and what it can provide will potentially adversely affect void levels
Strategy	County tend to think about dementia wings rather than involving a mixed economy	Low	Medium	Potential for inappropriate development to meet future demand
Strategy/external coms	GPs never mention EC/HwC when considering care solutions for their patients – it’s not on their radar	Medium	High	Marketing campaign - raise awareness
Strategy	Risk share - NCC seem unprepared to make any form of commitment in terms of a guarantee of onward revenue and risk sharing. NCC want the developer to carry all the risk but to have total control over the lets and have no Void Guarantee in place.	High	High	This is not an attractive proposition for people looking to invest in the county and so developers tend to take their business elsewhere.
Strategy/Demand	There is a clear need to know early on what to build and where to build it	High	Medium	Developers get frustrated and look for easier pickings
Governance				

Governance	Need to get all the key players round the table which is a fundamental requirement to sustainability. No joined up thinking	High	High	Decisions either take too long or don't get made at all and opportunities are missed
Governance/Leadership	Leadership – there is a clear need for someone in authority who can make things happen and say what is required	Critical	High	Decisions don't get made, no direction or strategy is formulated and actioned
Governance/Leadership	Historical legacy of lack of definitive action	High	Medium	Decisions don't get made, no direction or strategy is formulated and actioned leading to frustration by all parties
Governance	No agency singularly responsible for HWC	Critical	High	Difficult to make decisions and co-ordinate the overall process
Governance	NCC wanted to control development of EC rather than enable it resulting in very cumbersome processes	High	High	Process is difficult to understand so doesn't get used and service users end up in residential care rather than EC
Governance	The relationship between NCC with Local Authorities and Housing Associations varies considerably	Medium	High	Makes the process of developing EC that much more complicated than it needs to be and a possible inconsistent approach to EC across the county with all the attendant issues that will bring
Governance	Relationship between NCC and Norse – SLAs in place but more token than real and not measured.	High	High	Any development would have to exclude Norse or be on a totally different basis – need real SLA with KPI and monitoring mechanism
Governance	Engaging with NCC is not very easy:- Difficult to find right person to make decision – very bureaucratic and risk averse and unable to make decisions quickly	Critical	High	Leads to a very complex care landscape and a confused approach to EC characterised by duplication and missed opportunity, slow decision

	Skills of elected Members making decisions on EC questionable – Overlap between needs of Adult Social Care and Housing with Care and Health – no joined up thinking			making, long lead times, unnecessary expenditure.
Governance	NCC has experienced quite a lot of market interest in developing supported housing in the past but couldn't capitalise on this because the Council "couldn't get their ducks in a row"	High	Medium	Loss of opportunity and reputational damage
Commercial				
Finance	When thinking about future HwC schemes there is a clear division between people who can afford to pay for a home and those who can't and this needs to be factored into any business/financial modelling at the outset and when considering the tenure mix.	High	Low	Lack of robust financial modelling
Finance	Last year revenue going into supported housing was cut by £5.2m	High	Low	Services are expected to do more for less and this will only be possible with a robust model of EC
Finance	Confusion about revenue funding i.e. how it works, levels etc and how much capital could be made available by NCC	High	Low	Lack of robust financial modelling
Commercial	Nominations – For Developers/Housing Associations to be attracted to Norfolk, as with any county, there needs to be some form of guarantee in place to ensure once a place is built, it is filled	High/Critical	Medium	Developers will look to provide other forms of housing, e.g. general needs where voids aren't an issue
Commercial	High void rates due largely to a very slow and protracted nominations process	Critical	High	Has the potential to make new schemes uneconomic and thus prompt developers to look elsewhere

				to develop EC housing or build other types of accommodation
Commercial	Councils don't take into account the correlation between grant, rental allowed and income and affordability. Investors are looking at a 6% return which is commensurate with the associated risk margin/profit margin necessary for a robust investment model.	High/Critical	Medium	Lack of robust financial modelling
Commercial	Lack of commercial awareness by NCC on how to turn strategy into actual developments and that Housing Associations are businesses and have to make money	High	Medium	Missed development opportunities for new schemes, high void rates when new developments are not filled
Commercial	Seems to be no understanding of the urgency that Housing Associations face and the need for them to make money as they are a commercial enterprise. Urgency only comes when there is a crisis.	Medium	Medium	Fails to promote a good working relationship and ultimately results in increased expenditure which could be avoided
Commercial	Viability is also a challenge = need a suitable site which was cheap or gifted land and find a local builder who could build at a good rate plus grant from Homes England	High	Medium	Where this cannot be achieved, Developers/Housing Associations will look elsewhere
Commercial	Build costs have continued to climb	High	High	This has to be factored into any financial modelling
Commercial	Rent Cap – the rent cap exists which prevents Housing Associations raising rents above certain limits.	Critical	High	The changes that may come into effect with the rent cap are not yet fully known but there effect is not likely to be positive for EC
Planning				
Planning	Developers and Housing Associations need a clear route through the planning process and support from NCC to bring schemes to a fruition in as short a time as possible.	High	Medium	The lack of a clear route will at best prolong development lead times and at worst prompt Developers/Housing Associations to look outside the county. NCC need to find suitable

				sites and making it easy for developers to acquire these sites and the required planning permission to develop new HwC schemes.
Land/Property	One Public Estate Agenda is a source of public land – but not enough of it to develop schemes of a size which would be economically viable.	High	Low	Has significant implications for the delivery model
Land/Property	Land is always going to be an issue, especially in North Norfolk as the sea curtails further development northwards, so have to move south. Land with planning permission for housing is extremely high in value	High	Medium	Has significant implications for the delivery model
Planning	The 7 District Council planning functions to work as separate entities whereas they need to work together	High	Low	A lack of coordinated planning leads to an uncoordinated approach to planning and a lack of uniformity across the county
Planning	ASC never been asked if any more care homes were needed when thinking about planning and development.	High	Low	The key is good market intelligence, knowledge of land in areas to develop, good prevalence modelling
Product and Process				
Process	NCC has no formal process or business model for engaging with Developers/Housing Associations/the market	Critical	High	Makes it extremely difficult for developers to engage with the county and all adds to the time and cost required to get a scheme off the ground
Process	No internal support/team/resource to assist Developers/Housing Associations with the NCC internal “process stuff” required to get a scheme moving,	High	High	Makes it extremely difficult for developers to engage with the county and all adds to the time and cost

				required to get a scheme off the ground
Process	Lack of clarity on how HwC schemes operate and are utilised – the definition has been abused – dysfunctional commissioning function but borne out of necessity because NCC want to get best value out of the 15- year contract with Norse	Critical	High	Lack of clarity adds to the duplication of effort, missed opportunities and general increase in time frames and costs. Also, reputational damage to NCC
Process	Relationship with Norse is dysfunctional and strained – investors and developers don't want to get involved in the politics and complications caused by the nature of the relationship	High	Medium	Developers/Housing Associations will look elsewhere to a more stable climate in which to work
Process	VOIDS – Target is on average 2 to 3 weeks but can be anything up to 10 to 12 weeks.	High	Medium	No guarantees provided so Housing Associations prefer to put their cash where it's safer – not prepared to shoulder all the risk themselves.
Process	Difficult to get workforce to do home support, especially in North of county so limits the potential for development of schemes in north of county	Medium	Medium	Can result in lots of travelling which is not effective and expensive for NCC
Process	Social workers are focussed on helping people and although they are becoming more commercially aware, their time is limited and so need to focus on the care side. Not enough of them to do all the assessments required	High	Medium	A significant programme of change management will be required to bring about the required changes in developing a commercial attitude as well as a caring one.
Process	Nominations Process – on average the nominations process for special needs/ housing for older people takes 100 days and more. Because the process is complicated it takes a long time and so staff will also avoid using it	Critical	High	The impact of this is a high void rate which makes developers and HA unwilling to invest in Norfolk
Product	The person who might use the service and the families don't know what EC is.	High	Medium	Because people don't know what it is they don't use it so older people potentially end up in the wrong facility for their needs. A marketing campaign is required.

Process	Practitioners work at a pace and therefore the process needs to be simple and it's not	High	High	A complex process will either be ignored, or local work arounds developed which increase the cost of running a service
Process/awareness	Because it's a very complex thing to sort out social workers shy away from it – it needs to be easy for social works to get people in housing with care at an early stage so its a positive choice for the client	High	High	A complex process will either be ignored, or local work arounds developed which increase the cost of running a service
Process	Process Management - NCC processes and the way they are managed do not enable quick and fleet of foot decisions to be made which are frequently required when an investment opportunity exists.	High	High	Poor processes and poor management lead to slow decision making and missed opportunities
Data/joined up thinking	NCC struggles with information and data i.e. don't know where data is and how you can pull it all together to make decisions – no joined up thinking – people struggle to provide evidence to support any recommendations	High	High	Slow decision making and missed opportunities
Product and Process	Culture – There is a fundamental misunderstanding by NCC that HAs need to make money. The council also fails to realise it has to compete for the resources of Has	High	High	NCC staff need to have more of an understanding of commercial reality