

## Home Care Principal Provider Model Briefing Note

**This briefing note is correct as of March 2026. Its aim is to support social care providers understanding of Norfolk County Council's decision to move to a principal provider model in its commissioning of home care.**

The Principal Provider Model is the commissioning approach being implemented for Home Care services across Norfolk. It represents a move away from a predominantly spot-purchased framework model towards a more structured mix of block contracts and spot provision, organised around defined geographies.

### **Purpose:**

- To improve sustainability, capacity, and coverage of home care services across the county.
- To address historic challenges such as uneven provision and fragmented commissioning.
- To enable longer-term strategic relationships with providers – principal provider contracts are long-term, intended to support investment and stability.

### **Norfolk County Council is seeking to achieve**

- Greater certainty of capacity.
- Stronger levers around quality, performance, and market stability.
- More geographically coherent provision aligned to Primary Care Network's (PCN's).

The model represents a shift away from a countywide framework that relied predominantly on spot purchasing. Instead, it introduces a series of block contracts where the appointed Principal Provider delivers approximately 70% of care hours in any given PCN area. Alongside this at least three providers on a PCN Framework are expected to collectively deliver the remaining 30% of care hours. There are 18 PCN areas across Norfolk (20 across Norfolk and Waveney) which represent clusters of GP Practices.

Under this approach, commissioning activity is prioritised through principal providers as the first route for sourcing care, with a reduced but still active spot market operating beneath the principal layer to provide flexibility and resilience where additional capacity is required.

The timelines for the rollout of the Principal Provider model across the county are:

- East Norfolk went live from April 2024
- West Norfolk went live from January 2025
- North Norfolk went live from March 2025
- South Norfolk is planned to go live from April 2026
- Norwich is planned to go live during 2027

Norfolk County Council's total number of home care hours delivered varies across PCN areas. Over a four-week period, the average volume ranges from approximately 6,000 hours to around 14,000 hours.

In an example PCN area with 10,000 hours of care over a four-week period, the principal provider would be expected to deliver 7,000 hours of care. Assuming three providers on the associated PCN framework, then these would then each deliver 1,000 hours making up the remaining 3,000 hours of delivery.

## **How the Model Is Intended to Work**

### **Role of Norfolk County Council**

- Procures and holds long-term block contracts with principal providers.
- Sets expected volumes, quality requirements, and performance standards.
- Prioritises commissioning to principal providers before using spot arrangements.

### **Role of the principal provider**

- Holds a block contract for a defined PCN area.
- Delivers an agreed volume of care hours each week.
- Acts as the primary route through which care is sourced in that area.

Providers on the PCN framework work collaboratively with the principal provider and deliver care when:

- The principal provider cannot take additional packages
- Additional capacity or flexibility is required

Norfolk County Council aims for a minimum of three providers on the PCN framework for each PCN area. Norfolk County Council prioritises offering care packages to the Principal Provider first. Only if the Principal Provider is unable to accept the work, does the council then offer the package to the PCN framework providers.

A legacy framework remains available by exception where neither the principal provider nor partner providers on the PCN framework can meet need.

### **Contracts, Payments, and Oversight**

- Principal providers have a block contract with a set number of hours. They are guaranteed payment for approximately 80% of the value of those contracted hours (please note: The guaranteed payment level for Principal Provider Contracts will vary and will be determined on an individual contractual basis). As an example:
  - The Principal Provider is commissioned to deliver 7,000 hours. This is the maximum volume the commissioners expect them to deliver.
  - To ensure financial sustainability, the contract guarantees payment for 80% of those 7,000 commissioned hours.

- In this scenario, the Principal Provider is guaranteed payment for 5,600 hours (80% of 7,000) as a minimum, regardless of whether actual delivery fluctuates below that level.
- Each contract also sets a maximum number of hours providers are expected to deliver.
- Hourly rates under these contracts are lower than spot rates, reflecting the guaranteed volume of work.
- Providers must meet quality standards, including CQC or PAMMS ratings.
- If quality issues arise, providers may be limited in taking on new work.
- Serious or ongoing quality concerns can result in contracts being returned or re-awarded through a new procurement process.

### **What This Means for Providers**

- Principal providers are expected to deliver services across the whole PCN area.
- The model provides an opportunity for stability and guaranteed income for principal providers.
- There will be reduced access to routine spot purchasing for providers not selected as a principal provider or not on PCN frameworks.
- There is an increased need for providers – who are not principal providers - to diversify or adapt business models.

### **Planned safeguards within the model**

Several providers have raised concerns as to how resilient the model is should the principal provider not be able to deliver. Norfolk County Council has highlighted the following safeguards built into the model:

- Retention of a spot market beneath principal provision through the legacy framework.
- Securing at least three PCN framework providers per locality to provide extra capacity as a safeguard against principal provider failure.
- Continued operation of the legacy framework until 2029.
- Approximately 70% of care carried out by principal providers.
- Approximately 30% retained through PCN provider framework.

### **Key Points for Providers**

- The Principal Provider Model is the long-term strategic direction for home care commissioning.
- Principal providers are prioritised for care sourcing within defined geographies.
- Spot provision still exists but is secondary and more constrained.
- Contingency arrangements are built in, but transition remains challenging
- Some elements of the model and its future evolution are still being clarified
- It is critical for most providers to consider how their business model needs to evolve in response to the principal provider model.

## **NorCA Comment on Implications for the Local Provider Market**

Norfolk County Council has taken a policy decision to reduce the number of home care providers that they commission. NCC's intent is to increase quality and ensure adequate provision, as well as achieve a lower per hourly rate.

The impact of this is that more home care work will be concentrated with fewer providers. For those providers not part of the principal provider approach, local authority funded activity will reduce, and this may impact viability. Providers will need to either reduce their scale or increase their level of privately funded activity. It is likely we will see the closure of several home care providers because of this policy decision.

Reliance on a small number of providers does create a risk to NCC in terms of the ability to maintain provision, should principal providers be unable to meet their commitments. The PCN contracts are partially designed to alleviate, but no provider maintains significant unutilised capacity. We have already seen two circumstances in which a principal provider was unable to meet the commissioning requirements. In these circumstances, the legacy framework was relied on to meet the shortfall in provider capacity.

It is unclear if over time - through provider closures and reduction in scale - if sufficient capacity will remain via the legacy framework to be able to respond to any issues among principal providers, particularly when factoring in practical staffing, skills, travel time, and route planning.

## **FAQ**

### ***What are the NCC frameworks for Home Care in Norfolk?***

There are three frameworks:

- Legacy framework
- PCN framework
- Principal provider model

### ***What happens if a principal provider is restricted due to quality concerns?***

The provider would not receive any new contracts; existing packages will remain in place and Norfolk County Council will support the provider to improve quality.

### ***What happens if the principal provider cannot deliver?***

Care is sourced through PCN framework providers and legacy framework providers can be used if necessary - contracts may be re-tendered where needed.

### ***What happens if the principal provider hands back a contract?***

Care reverts to PCN framework or legacy framework providers or contracts are reprocured.

***How does NCC ensure that transitioning existing clients to a Principal Provider does not destabilise the current provider's business?***

NCC monitors the volume of work being moved from any single provider, typically aiming for a manageable percentage (e.g., 10–15%). They engage in direct dialogue with providers regarding their commercial viability. In several cases, NCC have intentionally transitioned less work than originally planned to ensure a provider remains sustainable and can continue to operate.

***How does Norfolk County Council ensure service user choice and protect vulnerable individuals when transitioning care to a Principal Provider?***

NCC performs vulnerability assessments to identify individuals for whom a change in provider would be detrimental. This includes those on end-of-life pathways or individuals with complex dementia, autism, or mental health challenges who may find change particularly distressing. If a client does not meet these criteria but still wishes to remain with their current provider, they are offered the option of using a Direct Payment to maintain their existing arrangements.

***Will clients/service users who opt to stay with their current provider via a Direct Payment face additional cost?***

If a client/service user chooses to stay with a provider whose rates exceed NCC's standard framework rate, they may be required to pay a "top-up" to cover the difference between NCC's Direct Payment funding rate and the provider's charge.

***How is the Council managing the "cumulative effect" of reviews to prevent the gradual destabilisation of a provider's capacity?***

Rather than moving individual cases in an ad hoc manner, NCC attempt to transition work in sensible rounds. By reviewing geographical clusters of care, they determine if an entire round can be transferred together, which also helps facilitate the legal transfer of staff (TUPE). If a specific round contains a mix of clients - some of whom cannot be moved due to high needs - they may choose to leave the entire round in place to avoid fragmenting the provider's service.

***How is the Council addressing concerns regarding inconsistency in transition decisions?***

NCC has acknowledged that there has been some inconsistency in how decisions were made and communicated during earlier phases of the principal provider rollout. Moving forward, NCC are committed to a more transparent and consistent approach, ensuring that the rationale for every decision - whether based on clinical vulnerability or geographical sustainability - is clearly explained to both the client/service user and the provider.

***Is the countywide legacy framework planned to remain open at any time beyond its current end date in 2029?***

Norfolk County Council have not yet made a decision with regards to the countywide framework beyond 2029

***How are Norfolk County council balancing client choice and continuity against financial considerations?***

When Norfolk County Council considers a client for transfer, a social work decision is required regarding the suitability to transfer. Clients do have the option to exercise choice, for example through exploring Direct Payments.

***Is there any additional support available for providers during transitions?***

Providers who may be potentially affected by transition are offered the opportunity to meet with commissioners and can also be signposted to Care Careers Teams and IQS support as required.

***What indicators are being used to judge whether the model is working as intended?***

Norfolk County Council have informed us that the performance of the contracts is reviewed regularly.