



Developing Nursing Home Provision in Hertfordshire

Care provider Prospectus 2026



Contact us directly: nursinghomedeliveryprogramme@hertfordshire.gov.uk

Foreword

We are delighted to launch this provider prospectus, inviting experienced care providers to help shape and operate a new generation of high-quality nursing homes across Hertfordshire. We welcome you to join this ambitious, fast-paced programme to transform nursing care across the county.

Across Hertfordshire, demand for nursing care is increasing because of an ageing population and growing complexity of need. This is placing significant pressure on existing provision, limiting local availability and increasing reliance on placements away from their local area. For many residents and families, this can mean being further away from the people, places and communities that matter most to them. We believe that people requiring nursing care, should continue to have opportunities to maintain relationships, make choices about their lives, participate in their communities and enjoy the best possible quality of life..

Following extensive engagement with providers earlier this year, we are bringing forward an ambitious programme to deliver 6–8 modern, purpose-built nursing homes through an innovative Social Investment Model. We are publishing this prospectus to engage with providers who share our ambition to create homes that not only deliver outstanding care but also support people to live well.



Helen Maneuf
Executive Director of Adult
Care and Services

The Social Investment Model combines access to low-cost institutional capital with specialist development expertise, enabling the delivery of high-quality nursing homes at pace and scale. By creating modern, sustainable environments specifically designed around the needs of residents, this programme will increase local capacity and help more people remain close to family, friends and their communities. The first home is expected to open in 2028.

We recognise the increasing challenges facing care providers, including workforce pressures, rising costs and the need for sustainable operating models. Earlier this year, we took a step towards addressing these challenges through substantial increases to our weekly fee rates. This programme builds on that commitment, creating the conditions for providers to deliver exceptional care within a more stable and sustainable framework.

These new homes will be built to the highest standards of quality, accessibility and environmental performance. They will provide modern, welcoming environments that support excellent care, foster connection and belonging, and enable residents to live with dignity, purpose and the greatest possible quality of life. Providers will play a central role in shaping these services.



Kristian Tizzard
Head of Older Peoples
Commissioning

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Why High-Quality Nursing Care Matters

Growing demand and changing care needs

More people in Hertfordshire are living longer with dementia and complex health needs. We want every resident to have access to high-quality nursing care that helps them live with dignity, maintain important relationships and remain connected to their local community for as long as possible.

Demand for nursing care is expected to continue increasing over the coming years, driven by an ageing population and greater complexity of need, particularly in relation to dementia. Current provision is insufficient to meet forecast demand, creating a risk that residents are unable to access the care they need in the right place and at the right time.

The importance of local nursing care

For people living with advanced dementia and significant physical dependencies, access to specialist nursing care can make a profound difference to quality of life. Nursing homes provide the highest level of care commissioned by the Council, enabling residents to receive specialist support in a safe, appropriate environment while remaining connected to family, friends and their

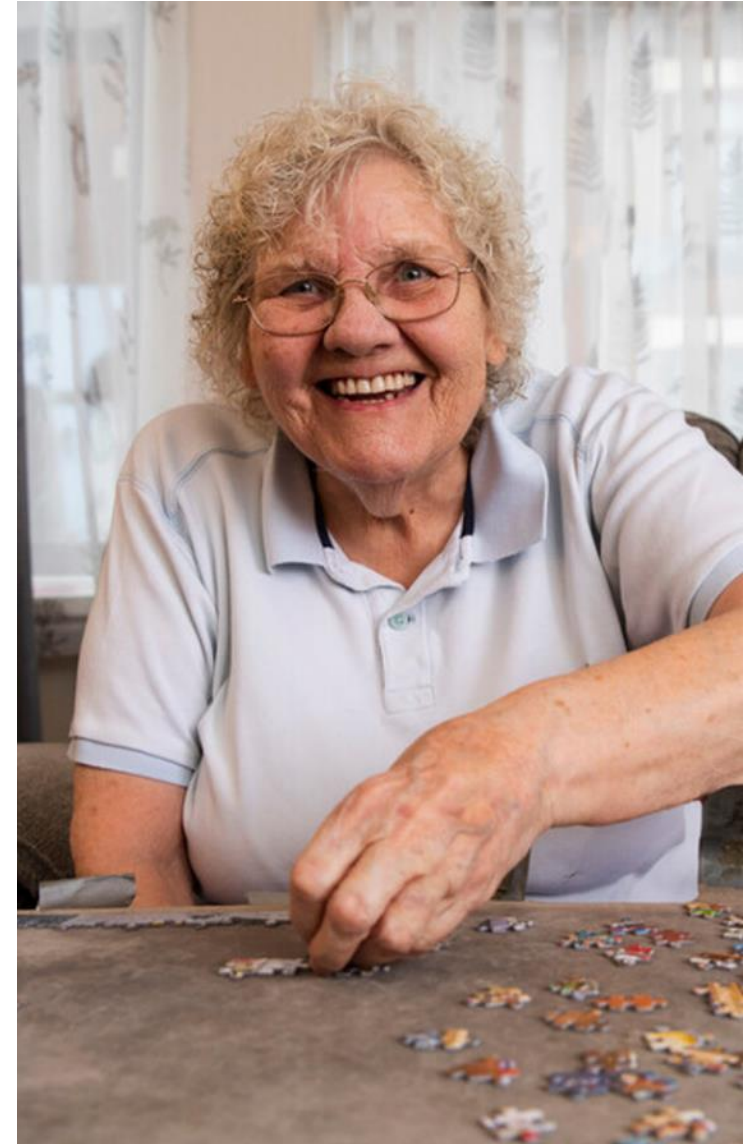
community. Our ambition is to ensure that everyone who needs nursing care can access high-quality support locally, regardless of how their care is funded.

No intervention will result in poorer outcomes for residents

Without additional nursing care capacity, more Hertfordshire residents may struggle to access appropriate care closer to home. This could result in:

- Difficulty securing suitable local placements, particularly for dementia nursing care
- More residents moving away from family, friends and support networks to access care
- Increased pressure on the wider health and care system

Over time, this creates challenges for residents, providers and the wider health and care system, impacting the ability to deliver high-quality care in the right place at the right time.





Programme Objectives

Hertfordshire County Council aims to deliver a step change in the provision of high- quality nursing by combining a new delivery model with strong provider partnerships.

Improve outcomes for residents

Enable more residents to receive care closer to home, strengthening connections to families, communities and local support networks.

Increase high-quality nursing care capacity

Expand the provision of high-quality dementia nursing care, delivering consistent, person-centred support in modern, purpose-built environments.

Deliver care in communities where it's most needed

Prioritise new homes in areas of highest demand to address current and future capacity gaps across the county.

Implement a new delivery model at scale

Deploy the Social Investment Model to bring forward new homes at pace, establishing partnerships that can deliver at scale.

Support a sustainable and diverse care market

Create the conditions for providers to operate viable, mixed-funder homes, supporting long term sustainability and a diverse provider base.

Enable provider growth within a structured pipeline

Offer providers the opportunity to operate modern homes and participate in a wider programme with potential for future expansion.

Bring forward rapid, affordable capacity, at scale

An innovative model that attracts low-cost institutional capital, making new, high-quality homes more accessible to local providers, and removing some of the major borrowing and cashflow issues that often block expansion.

Why are we Engaging with the Market?

We are inviting experienced care providers to help shape and deliver a new generation of high-quality nursing homes across Hertfordshire

Following on from the market engagement many of you participated in earlier this year, we've agreed to move forward and develop between 6 – 8 new nursing homes. You can see the background paper here: [Nursing Home Delivery Programme](#)

We now need further input from you to help shape our plan for these homes. We would like to test the assumptions we have made about sustainable delivery with you, to ensure they are realistic and achievable. Through this engagement we are asking providers for feedback on how to shape this further. The topics of discussion to be covered are shown on the right-hand side of this slide.

**Programme
Objectives**

Care Model

**Sustainable
Operations and
Commercials**

**Design, Layout and
Site Requirements**

**Procurement and
Evaluation Approach**

**Mobilisation and
Future Operations**

Delivery Model and Structure

This programme is structured around a Social Investment Model (SIM), which is designed to support pace of delivery, affordability and long-term sustainability, while creating high-quality environments for care.

Social Investment Model (SIM)

The Social Investment Model brings together investment, development and care delivery within a clear and consistent structure. Homes are delivered by investment and development partners and leased to the council on a long-term basis.

The council then works with care providers to operate these homes and deliver high-quality care. By the Council operating in the middle, we can secure a lower cost of capital and take the debt and cashflow risk away from providers – making it more sustainable and attractive. By combining care commissioning approach and lease principles, we can offer an integrated way of working and better manage quality and sustainability.

What this means for providers

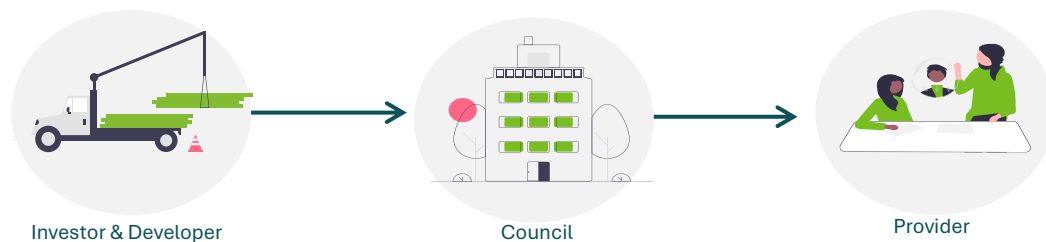
We recognise that the current operating environment for providers is increasingly challenging, with rising costs, workforce pressures and constraints on sustainable delivery.

This model has been designed in response, creating the conditions for providers to operate with greater stability and long-term viability by operating modern, purpose-built homes within a structured programme.

Appointing delivery partners (Investor/ Developers)

This prospectus is aimed at care providers only, as we are running a separate process to agree a delivery partner who will build and develop the homes. We plan to work closely with both parties to ensure all development and operational requirements are met.

The Model:



What stage of delivery would you ideally be involved at?



Sites and Locations



Site location is a critical factor in operational performance, and the programme has been designed to prioritise locations that support both demand and workforce sustainability.

There will be a structured but flexible approach to sites

Sites will be brought forward through a combination of Council-owned land and sites sourced through the wider market. Final site selection will be determined through Council and investment partner decisions, based on a clear and consistent set of criteria.



The Council has identified a number of sites within priority districts which may be made available for development. However, there will be flexibility to consider alternative opportunities where they better meet programme objectives.

Are the proposed site criteria sufficient to support high-quality care and sustainable operations?



Site requirements

Sites sourced from the wider market will be required to meet a set of requirements to ensure homes are built in the right locations to achieve the best outcomes for residents and their families, and easy access for staff who work there.

Essential:

- ✓ Large enough site to build homes (minimum 1.5 acres), market engagement has found 75-80 beds as most advantageous
- ✓ Good transport links to ensure staff and visitors can easily access the home
- ✓ Access to health care infrastructure & teams
- ✓ Access to community resources e.g. shops

Desirable:

- ✓ Good road visibility to attract customers & staff
- ✓ Closeness to residential areas so staff can walk to work

A Locality Model

Dementia nursing care demand is not evenly distributed and requires a locality-based approach to ensure appropriate coverage and accessibility. This programme is designed to respond to local patterns of need rather than a single centralised solution.

Priority districts and demand

There is widespread demand for nursing capacity across the 10 districts of Hertfordshire. We have used supply and demand analysis, to identify priority districts where the need for additional HCC nursing capacity is greatest. While the programme is intended to provide strategic coverage across the county over time, the initial phase of the programme will focus on these areas where demand pressures are most acute.

We are prioritising areas that have a clear supply gap today, where that gap continues to widen over the medium term (to 2032) and where there are continued demand increases through to 2042. The model considers both Council funded and wider market demand.

Locations that work for providers

Locations are being developed to balance demand, workforce access and long-term viability, ensuring homes are located in areas where providers can operate successfully.

This includes consideration of:

- Access to sufficient local demand, including self-funder markets
- Workforce catchments and availability of staff
- Transport links for staff, visitors and residents
- Proximity to population centres and community infrastructure

This approach is intended to ensure each home is positioned to support both **high-quality care delivery and sustainable operation over the long term.**



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Dementia

Friendly lay-out



Mixed

Funding model



BREEAM

Aligned rating



Net-zero

Target ahead of 2050

Design, Size and Specification

Designing homes that enable high-quality care

Homes delivered through this programme will be modern purpose-built dementia nursing environments, designed to support the delivery of high-quality, safe, effective and person-centred care, while supporting a viable mixed-funder model. All homes will be fully accessible and designed to accommodate the level of care, equipment and specialist support required for dementia nursing provision.

Best practice, dementia-led design

Homes will be designed in line with recognised best practice guidance, including the Care Inspectorate 'Care Homes for Adults — The Design Guide' (Feb 2026)¹ and demonstrate engagement with Dementia Services Development Centre (DSDC)².

The design approach will prioritise non-institutional supportive environments creating a familiar, supportive setting. Corridors, doorways and ceiling heights will all align to market expectations and meet dementia nursing requirements, supporting suitable levels of daylight, ventilation, and overall spatial quality.

Supporting a sustainable operating model

Homes will be designed to be competitive within the local self-funder market, supporting a mixed-funder model and long-term operational sustainability.

The homes will therefore need to provide appropriate bedroom accommodation alongside a range of well-considered communal and outdoor spaces that support social interaction, activity, and wellbeing for all residents. The overall approach is to ensure homes are designed not only to deliver excellent care, but also to support occupancy, resident experience and provider viability over the long term.

Does the proposed design brief support the delivery of high-quality nursing and dementia care?



¹ Care Inspectorate (2026) *The Design Guide: Care Homes for Adults*. Dundee: Care Inspectorate. <https://www.careinspectorate.scot/resources-data/publications-and-statistics/library/the-design-guide-care-homes-for-adults>

² Dementia Services Development Centre (DSDC). University of Stirling. <https://www.dementia.stir.ac.uk/>

Homes That Support Residents to Live a Connected Life



Specialist care that meets changing needs

This programme will deliver homes that meet the full spectrum of older people's care needs, with a particular focus on addressing Hertfordshire's greatest areas of demand, including complex dementia and dementia nursing. Care within these homes will need to support residents as their needs evolve over time, enabling continuity of care, reducing unnecessary moves and helping people remain within their community.

Connected Lives

This programme will deliver homes where residents are supported to live with dignity, independence and purpose. Care within these homes will need to be person-centred, empowering residents to maintain relationships, stay connected to their communities, and participate in meaningful activities and occupations that matter to them. Homes should enable residents to continue living [connected lives](#), with opportunities to contribute, build relationships and achieve the best quality of life.

Outstanding quality and outcomes

This programme will deliver homes that are recognised for excellence in care. Providers will need to demonstrate a commitment to achieving and maintaining Good or Outstanding CQC ratings, delivering excellent resident and family experiences, and embedding a culture of continuous improvement and innovation.

Sustainable local provision

This programme will deliver high-quality local care capacity that remains affordable for the Council and sustainable for providers and investors. Homes will operate a resilient mixed-funder model that provides greater choice for Hertfordshire residents, supports a diverse range of cultural, faith and lifestyle needs, and offers a home for life wherever possible.

Futureproofing Care

This programme will deliver a network of homes built on strong partnership working. Providers will need to work collaboratively with the Council to share learning, embrace new approaches, drive continuous improvement and ensure residents consistently receive high-quality care throughout the life of the contract.

Provider Financial Sustainability

The Council is committed to developing a delivery model that supports the long-term financial sustainability of providers. This approach builds on the Council's continued commitment to the market, such as the recent implementation of significant uplifts to HCC fee rates.

Supporting Provider Viability

In addition to workforce costs, property-related costs represent one of the most significant drivers of operating expenditure. As such, the proposed commercial model has been designed to support provider viability while ensuring the delivery of high-quality dementia nursing care across Hertfordshire. The homes will be of a high-quality and located in key sites that are attractive to both providers and further residents to ensure a mixed-funding approach will be sustainable and successful.

The council understands each provider will have differing aims when operating a home, however, we want to adopt a universal model that can be applied to a range of provider scenarios, to ensure rent is sustainable we are proposing that we use a "Sustainable Market Rent" calculation (with regular reviews in line with inflation), as is a common model within social infrastructure and care home markets.

Sustainable Market Rent Calculation

Initial modelling indicates that the proposed delivery model can support a sustainable operating position for providers whilst delivering high-quality dementia nursing care. Using a range of reasonable operating assumptions, we believe the model can support both provider viability and long-term affordability. Through this engagement, we are seeking provider feedback to validate and refine these assumptions before finalising the approach.

The key principle is that rent should be proportionate, affordable and sustainable. We are proposing a target rent cover of 1.8x EBITDAR - ensuring resilience and reinvestment capacity. This is to be calculated through the use of a "Should Cost Model" approach, similar to the fair cost of care calculations, where we estimate the income and expenditure of a "reasonable commercial operator".



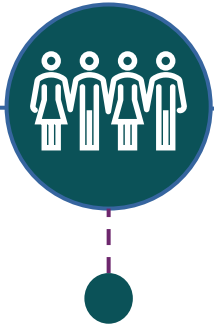
Factors Influencing Sustainability

The commercial model has been designed to support provider sustainability by balancing Council-funded provision, self-funder income, operating costs, provider margin and rent.



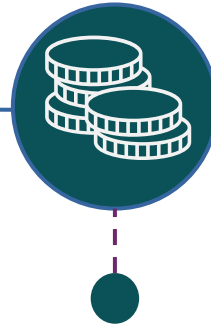
1. Sustainable bed mix

A maximum proportion of beds allocated at HCC rates, with remaining capacity available for self-funded residents.



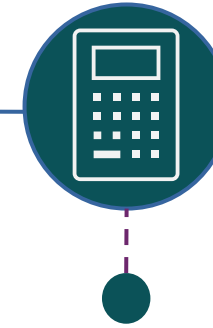
2. Mixed Funder Income

Income is modelled from the proposed bed mix, including Council-funded, self-funded residents, and other funding sources over a variety of care needs.



3. Operating Costs

Costs are modelled using FCOC updated for inflation. This includes:
Staffing
Premises
Supplies and services
Head office



4. Provider Headroom

The model preserves an operating margin to support sustainable delivery, reinvestment and resilience.



5. Rent Capacity

Rent is calculated from what the operating model can support, tested against **1.8x EBITDAR cover**.

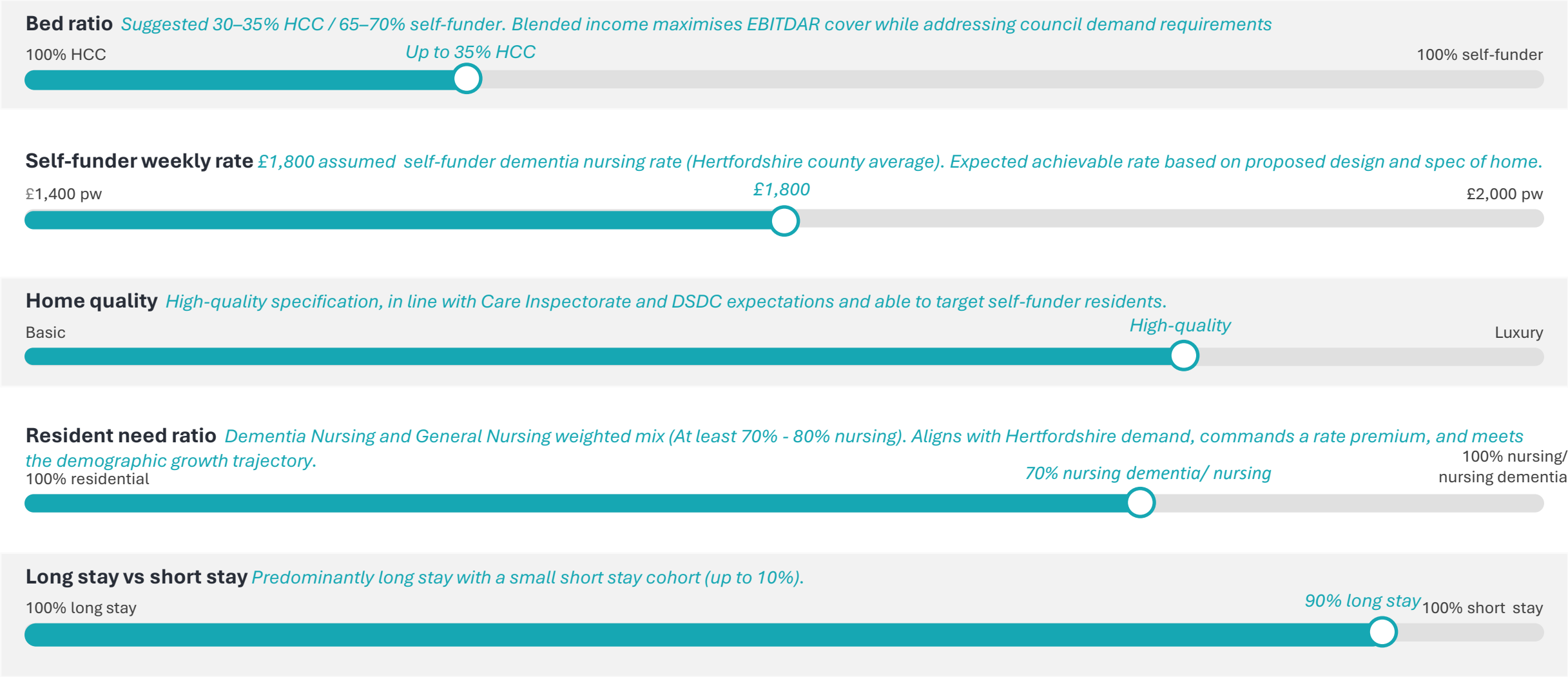
Our modelling tests whether the proposed resident mix, income, cost and operating assumptions can support both sustainable provider operations and an affordable rent level.

Testing the Assumptions

Are these assumptions sufficient to support a sustainable operating model?



The council has suggested likely positioning and provider feedback is requested in relation to the following:



Commercial Principles

Long-term partnership

Providers will be expected to work collaboratively with the Council to deliver high-quality care and support continuous improvement in the programme. The partnership will be supported by contractual and lease arrangements designed to provide stability and certainty over the life of the home (min. 20 years).

A co-ordinated care model

The care contract and lease arrangements are expected to operate as a single, aligned model. This approach is intended to create clear accountability, support operational stability and ensure that care delivery and property arrangements remain closely connected across the three-party partnership.

A sustainable financial model

The programme is structured to support a sustainable mixed-funder operating model, balancing HCC care provision with commercially sustainable rental arrangements. We want to ensure providers can deliver excellent care, meet their operating responsibilities and maintain a financially resilient business over the long term.

Stewardship of the home

Providers will be expected to take responsibility for the day-to-day operation and stewardship of the home, maintaining high-quality environments that support residents, staff and long-term asset performance. As this is a long lease, the norm would be leasing on a Full Repairs and Insuring (FRI).

Future flexibility

We recognise that long-term partnerships require flexibility over time. We are particularly interested in provider views on future lease-end arrangements and how these could best support long-term sustainability and alignment of interests across the programme.

Bed management approach

The programme is intended to operate through a non-void paying block contract with nominations agreement. The provider will be required to maintain the agreed HCC bed allocation. Where the Council is unable to fill a vacancy within an agreed period, the provider may admit a self-funding resident, provided that the next available vacancy is allocated to an HCC-funded resident to rebalance the agreed bed mix.



What other commercial factors would you need information on to be confident bidding?



Partners We're Seeking

The Council's ambition is to establish long-term partnerships capable of supporting multiple homes across Hertfordshire. We welcome interest from experienced providers of all sizes, including SMEs, who share our commitment to delivering high-quality, sustainable nursing care over the long term.



The right mindset and ways of working

We are not looking for a transactional relationship, but a true partner who shares our commitment to delivering high-quality care and achieving the best possible outcomes for residents over the long term. We are seeking providers whose values align closely with our own, placing people, quality, dignity and wellbeing at the heart of everything they do. We expect providers to work collaboratively with us and other stakeholders, with a strong commitment to quality, sustainability, and the long-term outcomes of residents and the communities we serve.



Sector experience and strong track record

Experience operating nursing homes and delivering care for older people, including people living with dementia, is essential. You should be able to demonstrate a strong track record of delivering safe, effective and person-centred care, alongside experience of operating high-quality nursing services that support residents to remain connected to their families, communities and local support networks.



Financial Sustainability and operating model

You will be able to demonstrate the ability to operate sustainably within a mixed-funder model, while providing high-quality care

This includes:

- Experience of managing financially sustainable services
- The ability to operate homes that accommodate both self-funded and Council-funded residents
- A clear approach to maintaining quality, performance and viability.



Ability to mobilise a home

The successful mobilisation of new homes is a critical component of this programme. You will be able to demonstrate:

- A track record of mobilising new services, **or**
- A clear and credible plan for mobilisation, including approach to recruitment, occupancy build-up and early-stage cost management

We recognise the need to manage upfront investment, vacancies and operating costs, and are committed to working with providers to support a successful and sustainable launch.

Programme Timeline and Procurement Approach

This section outlines how we expect the programme to progress and how providers can help shape the final procurement approach.

Procurement approach under consideration:

Delivery will be secured through a formal competitive procurement process. Given the scale, pace and phased nature of the programme, a range of procurement approaches could support delivery, including a provider framework, individual tenders for specific homes, or tenders covering multiple homes delivered in waves or lots. No final decision has been made and we are seeking provider feedback on which approach would provide the right balance of certainty, flexibility and operational sustainability. We also welcome alternative ideas from the market.

Initial timelines are as follows, though may be amended:

Market Engagement Period	13/07/26- 21/08/26
Procurement Approach Confirmed	Autumn 2026
Provider procurement commences	TBC- subject to consultation
Homes delivered in phases	2028 onwards

What procurement approach would best support your participation in this programme?



Market Engagement

We are keen to understand what is required to deliver high-quality nursing care, sustainably at scale, and to ensure the programme is attractive, operationally viable and commercially sustainable.

Engagement opportunities



Online forum:

We will be hosting online forums along with HCPA to discuss the programme and provide a space for questions and feedback.

Please email us to register your interest:

nursinghomedeliveryprogramme@hertfordshire.gov.uk

Online Forums:	Tuesday 28 th July	Tuesday 4 th August	Wednesday 12 th August
	14:00 – 15:30	10:00 – 11:30	10:00 - 11:30



1:1 sessions:

Sessions will run from 28th July until 14th August 2026. 1:1s only be offered if best endeavours have been made to attend an online forum and will have same content as the forums. All questions and answers will be published and shared with the wider market.

To arrange a 1:1 contact:

nursinghomedeliveryprogramme@hertfordshire.gov.uk



Questionnaire:

Please fill in questionnaire accessible via in-tend to give your feedback on the programme and help shape future nursing delivery in Hertfordshire.



Appointing delivery partners (Investor/ Developers)

This prospectus is aimed at care providers only, as we are running a separate process to agree a delivery partner who will build and develop the homes. We intend to work closely with both parties to ensure all development and operational requirements are met.

Engagement Questions

Through market engagement, we are seeking feedback on a series of key questions to help shape the programme's approach. These questions are listed here for reference, with the questionnaire for responses found in PME documentation published on in-tend. These discussion topics will also form the basis of discussions during the 1:1 engagement sessions.

Overall:

- Based on the programme as described, would your organisation be interested in operating one or more homes?
- At what stage would your organisation ideally become involved in the design & development process?

Sites and design:

- Are the proposed site criteria and design specifications sufficient to support high-quality care and sustainable operations?
- Our current assumption is that providers are responsible for fixtures, fittings and equipment/Fit Out. Do you agree?

Engagement Questions

Overall viability:

- Given the proposed combination of different commercial assumptions, do you think that you could sustainably operate one of these homes?

Care model and resident profile:

- Would your organisation be willing to operate a home with a minimum of 70% nursing beds? If not, what overall resident mix and vacancy be the most sustainable and operationally effective?

Bed mix:

- The proposed model assumes approximately 30-35% of beds are occupied by Hertfordshire County Council-funded nursing residents. Is this a reasonable assumption? What would it take for you to accept more than 30-35% of beds at Council rates?

Bed management approach:

- The proposed model includes a nominations agreement bed management approach where the council has first access to a proportion of beds but does not cover voids within them. Would this approach support sustainable operations within your organisation? If not, why not?

Self-funder rate:

- The proposed model assumes a dementia nursing self-funder fee of approximately £1,800 per week. Based on the proposed specification, care model and market positioning, would your organisation be able to achieve these rates? If not, why not?

Engagement Questions

Market rent:

- The proposed model assumes a market rent structure with the other commercial assumptions ensuring maintenance of a minimum EBITDAR rent cover of 1.8x. Would your organisation be willing to operate within these parameters?

Lease arrangements:

- This is expected to be a long-term Full Repairing and Insuring lease (FRI) lease with regular inflation-linked reviews. Is this in line with expectations and are there any other lease terms or provisions you would expect to be included?

Procurement:

- In your opinion, what procurement approach would best support participation from your organisation? E.g. a care provider framework, individual tenders for specific homes, or tenders covering multiple homes delivered in waves or lots.

Summary:

- Is there anything else the Council should consider when developing the programme?