



Homecare Association



A Minimum Price for Homecare

in Scotland
April 2024 to March 2025

Produced by
Homecare Association

December 2023

Executive summary

According to our [Homecare Deficit 2023](#), not a single council in Scotland was paying an average rate for homecare at, or above, the Homecare Association's Minimum Price for Scotland. Furthermore, prices have only increased by 15% since 2021 – the third lowest such rise among the devolved administrations and England's government regions.

The Scottish Government has long argued for fairer pay for workers. Taking a step in the right direction, they pledged in September 2023 that staff in the private adult social care sector would receive a [minimum of £12 per hour from April 2024](#) (the Real Living Wage was subsequently raised to the same amount across the United Kingdom).

The Homecare Association's new calculation for the Minimum Price for Homecare in Scotland is **£29.35 per hour**, effective from April 2024 and based on this new careworker minimum rate.

Our Minimum Price for Scotland is the amount required to ensure careworkers receive this wage (excluding any enhancements for unsocial hours working), their travel time, mileage, and wage-related on-costs. The rate also includes the minimum contribution towards the costs of running a care business, which complies with quality and other legal requirements.

We do not suggest that the Minimum Price recognises the value of homecare services to society by providing a fair reward for the essential workforce. This would be a '*fair price*'. Instead, we have calculated a '*minimum price*', and so this should not be treated as a national acceptable price capable of achieving a stable workforce.

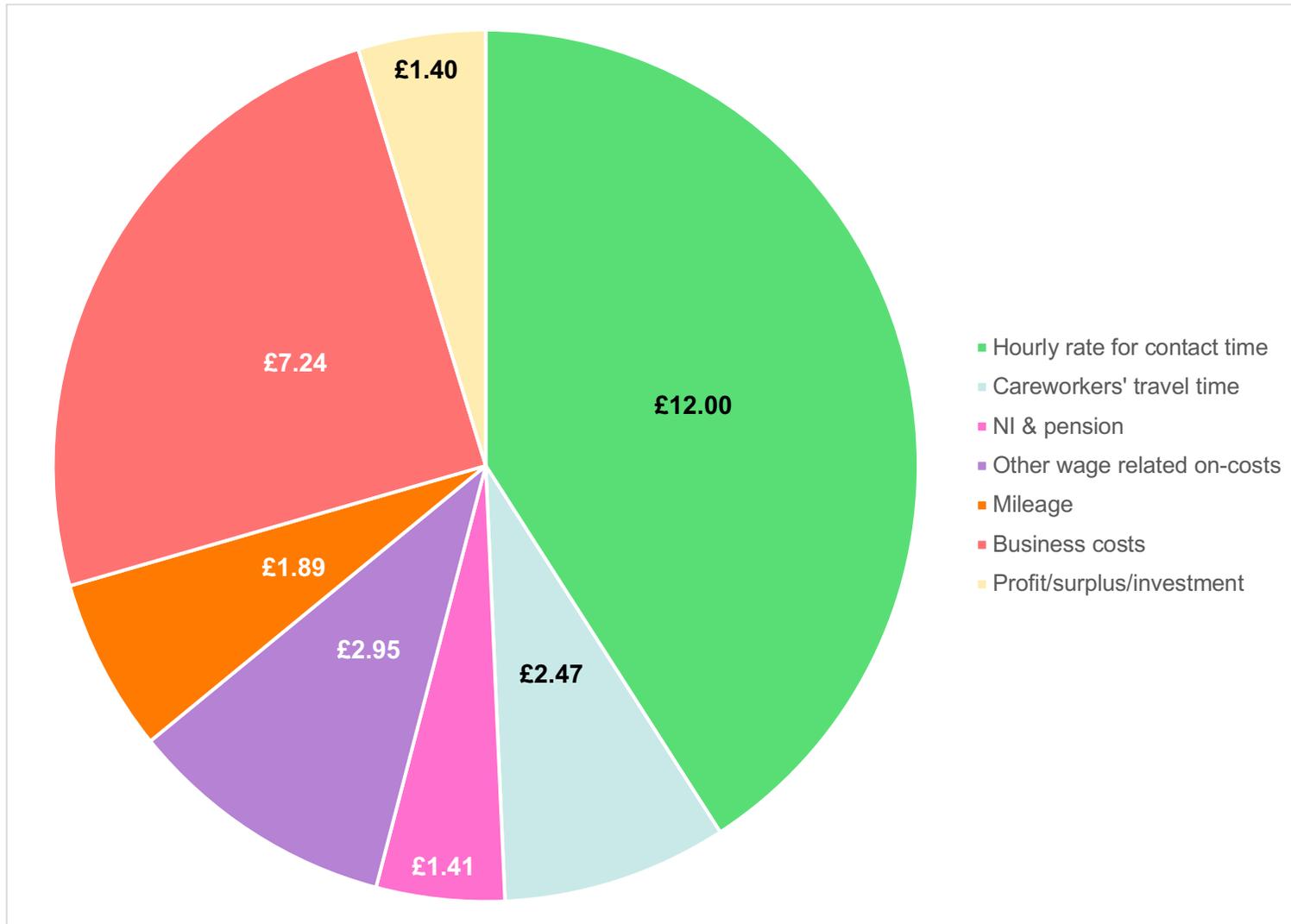
The Homecare Association's Minimum Price has gained wide recognition within the social care and health sectors in all four UK administrations.

We will continue to challenge central government on the overall funding of social care. It is, however, councils, the NHS, and Health and Social Care Trusts (in Northern Ireland) that determine the prices they pay for homecare services at a local level.

We show the results of our analysis in the chart and table which follow.

NB. In this report, we have used exact figures when adding or subtracting numbers. As a result, there may be occasional rounding differences in the text and table.

Minimum Price for Homecare at the Scottish minimum careworker wage



Minimum Price for Homecare in Scotland at the minimum careworker wage (announced in September 2023)						Costs		
Careworker costs	Gross pay	Hourly rate for contact time	Scottish minimum careworker wage		£12.00	£14.47	£20.71	
		Careworkers' travel time	20.56%	of hourly rate for contact time	£2.47			
	NI & pension	Employers' National Insurance	6.72%	of gross pay	£0.97	£1.41		
		Pension contribution	3.00%	of gross pay	£0.43			
	Other wage related on-costs	Holiday pay	12.07%	of gross pay, NI & pension		£1.92		£2.95
		Training time	2.09%	of gross pay, NI & pension		£0.33		
		Sickness pay	4.20%	of gross pay, NI & pension		£0.67		
		Notice & suspension pay	0.20%	of gross pay, NI & pension		£0.03		
Mileage	Travel reimbursement	£0.45 per mile for 4.20 miles per hour of contact time			£1.89	£1.89		
Gross margin	Business costs	Management & supervisors		Estimated fixed cost	£2.46	£7.24	£8.64	
		Back-office staff		Estimated fixed cost	£0.90			
		Staff recruitment		Estimated fixed cost	£0.36			
		Training costs		Estimated fixed cost	£0.40			
		Regulatory fees		Estimated fixed cost for average-sized provider	£0.09			
		Rent, rates and utilities		Estimated fixed cost	£0.47			
		IT & telephony		Estimated fixed cost	£0.57			
		PPE and consumables		Estimated fixed cost	£0.72			
		Finance, legal & professional		Estimated fixed cost	£0.41			
		Insurance		Estimated fixed cost	£0.34			
	Other business overheads		Estimated fixed cost	£0.52				
Profit	Profit/surplus/investment	5.00%	of careworker costs & business costs		£1.40	£1.40		
Total price based on the Scottish minimum careworker wage (announced in September 2023)					£29.35	£29.35	£29.35	

Data sources and assumptions

The methodology in calculating a Minimum Price for Scotland broadly follows that for England. We, therefore, refer you to the England report for full details.

Where appropriate, we use electronic call monitoring data from leading suppliers of software for UK care organisations, namely [the Access Group](#) and [Birdie Care](#).

However, there are some differences and aspects to note for Scotland, as outlined below.

Careworker costs

Employers' National Insurance

We set this at the same percentage to that calculated for the Real Living Wage in England (equivalent to the Scottish minimum careworker wage), namely 6.72%.

Training time

This determines the cost when a careworker attends training (as opposed to delivering care). We include other training-related costs, such as payment of trainers, in the 'business costs' section.

We can break careworker training down into three key items: induction, studying for qualifications and continuous professional learning (CPL).

In Scotland, as well as the organisational induction, there is also a [national induction framework](#) for new careworkers. We estimate the annual number of training hours for these two items per careworker, based on the assumption of six hours of training per day.

[Regarding qualifications](#), we focus our attention on the SVQ Social Services and Healthcare SCQF Level 6 and the HNC Social Services. We do not consider higher qualifications, following a similar qualifications pathway for England. However, unlike England, either one of these qualifications is required for practice in Scotland.

Moreover, support workers in a care at home service must complete 60 hours of CPL during a registration period of five years.

Using the most recent [Scottish Social Services Council \(SSSC\) data](#), we calculate that an average-sized housing support/care at home provider in Scotland has around 31 careworkers. Thus, we estimate the number of careworkers in such a provider completing each training item per year.

When multiplying the number of training hours by the number of careworkers for each training item and summing, we estimate an annual total of 747 training hours in an average-sized provider, or 24 hours per careworker.

After estimating (using software supplier data) the average number of hours worked per employee in 2023, we finally find that a careworker in Scotland typically spends 2.09% of their working time on training.

Business costs

Regulatory fees

Regulatory fees are split between annual fees for the business (assuming a provider has previously registered) and the careworker (in Wales, Scotland and Northern Ireland only, where individual careworkers must join a professional register).

According to the [Care Inspectorate](#), the size of the annual continuation fee is dependent on whether a provider is classed as 'Small', 'Medium' or 'Other'. Given 'Other' is a provider that 'employs more than 15 whole-time equivalent persons to provide and manage the service', we consider our average-sized provider in Scotland would fit into this category. In this case, the annual fee is £2,255.

Dividing this cost by an estimate of the average total hours of care per year for an average-sized provider in Scotland (using software supplier data) gives a provider fee per hour of approximately £0.06.

Meanwhile, the [application, annual and renewal fee for support workers in a care at home service](#) is £25, as part of their SSSC registration or, on average, £0.02 per hour for each support worker (according to an estimate using software supplier data on average hours worked per employee).

Thus, the combined regulatory fee per hour is £0.09 (after rounding).

PPE and consumables

[COVID-19 guidance for the Scottish social care sector](#) is available from Public Health Scotland, while the [National Infection Prevention and Control Manual](#) outlines infection prevention and control measures.

The provision of free personal protective equipment (PPE) for social care in Scotland ended in 2022.

As with the calculation in England, we assume that providers need to be in a position to cover the costs of PPE, should a virulent, new COVID-19 variant (or other respiratory

virus) emerge and PPE usage is stepped up again. The level of PPE accounted for would therefore be equivalent to that used during the pandemic, should it be needed.

Caution and disclaimer

Our Minimum Prices for Homecare in each administration are indicative rates. Providers should not use them as an alternative to the accurate pricing of individual tender bids. Likewise, commissioners should not use them to set maximum prices in contracts. The Homecare Association accepts no responsibility for actions taken or refrained from solely by reference to the contents of this briefing, or that in the reports for the other UK nations.

We do, however, encourage homecare providers to share our briefings with the Directors of Adult Social Services (or their equivalents) in homecare commissioning bodies across the United Kingdom.

Shaping homecare together

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