

UKHCA Summary

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An overview of the UK homecare market

Prepared for UKHCA member organisations
by Policy and Campaigns Team

United Kingdom Homecare Association
Sutton Business Centre,
Restmor Way,
Wallington SM6 7AH

Telephone: 020 8661 8188
E-mail: policy@ukhca.co.uk
Website: www.ukhca.co.uk

Company registered in England

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Introduction

UKHCA is the professional association for providers of domiciliary care from the independent, voluntary, not-for-profit and statutory sectors across the United Kingdom.

The data contained within this report is aimed at researchers, journalists, management consultants and organisations considering entering or investing in the domiciliary care sector.

These figures are a summary and analysis of information collected by UKHCA through various data sources. More information can be found at www.ukhca.co.uk.

The domiciliary care sector suffers from a lack of routine or consistent data collection in all four UK administrations. Despite this, the figures below give a summary of recent market trends, including how many people benefit from domiciliary care, who provides the care, and how it is funded.

In some instances the authors have made reasonable estimates where data is missing or no longer available. In these instances the methodology and calculation used is clearly explained in footnotes.

Disclaimer

Whilst every effort has been made to ensure the accuracy of this document, it is a summary of publicly available information (at the time of publication), rather than a definitive statement of fact. Advice should be taken before action is implemented or refrained from in specific cases. No responsibility can be accepted for action taken or refrained from solely by reference to the contents of this factsheet.

UK domiciliary care at a glance – 2017/18

	England	Scotland	Wales	Northern Ireland	UK Total
Total people using local authority purchased domiciliary care services	351,680	89,460	29,838	35,114	506,092
Total local authority purchased hours	127 million	36 million	8.7million	13.9 million	185.6 million
Total expenditure on domiciliary care	£2.9 billion	£781 million	£390.7 million	£169 million	£4.2 billion
- Local authority expenditure	£2.2 billion	£601 million ¹	£300.7 million	£130 million	£3.23 billion
- Self-funder expenditure ²	£660 million	£180 million	£90 million	£39 million	£969 million
People receiving a direct payment	156,155	8,300	5,980	16,203	186,638
Expenditure by local authorities on direct payments	£1.9 billion	£113 million	£73 million	£28.8 million	£2.11 billion
Number of care workers	435,000	64,519	24,858	12,000	536,377
Number of locations registered to deliver homecare ³	9,100	997	437	295	10,829

¹ Figure calculated by multiplying the number of annual hours reported by the Scottish Government by the average price for an hour of care reported by the local authorities through an FOI request. Figure carried over from 2016/17 which is the latest data available.

² Figure estimated based on the assumption that self-funding accounts for one fifth of the market. Figure adjusted to account for difference in price between self-funding and local authority care.

³ Definitions and requirements to register homecare agencies differ in all four UK administrations.

An overview of the UK homecare markets

It is tempting to describe the homecare market in the UK as a single entity, whereas in reality it is more accurate to talk about local markets defined by geographic area and client group.

The vast majority of homecare is delivered by social care providers in the commercial (for-profit) and voluntary (not for-profit) sectors.

A smaller amount is delivered by local government (via councils) or the NHS through Clinical Commissioning Groups (CCGs).

In Northern Ireland, some social care services are delivered by Health and Social Care Trusts, although the majority is delivered by the commercial sector.

There is a difference to the balance between privately-funded and state-funded care between different UK administrations.

When reported in the media, the homecare sector is often portrayed as under-funded and operating in a fragile market.

While this is largely true of the state-funded homecare sector, such reporting often hides the economic efficiency achieved by providers funded by the state, who use their expertise to maintain costs within the low unit prices they are paid.

Nor does media reporting generally show a provider market specialising in delivering to discriminating self-funders who have expectations of regular contact, high customer service and flexible solutions meeting a wide range of care needs.

While the short-term funding of state-funded services remain a critical concern, UKHCA's sense is that public and political awareness of the importance of home-based care is increasing and needs a sustainable financial footing.

The privately-purchased sector is expected to grow, both in real term as the population ages (demographic changes) and as a proportion of the total services delivered due to changes in eligibility criteria for state-funded care, and a greater awareness of the role of homecare as the preferred alternative to residential care.

The independent sector delivers both state-funded and privately paid care; with some care agencies specialising in state-funded care or privately paid care, and others will deliver a mixture of both.

With regards to who purchases care, homecare is largely either commissioned and paid for by statutory bodies (such as councils, CCGs and Health and Social Care Trusts), or by individuals who privately pay for and arrange their own care from their private means ('self-funders').

Some people in the UK receive a 'direct payment' will have qualified for state funding as they have relatively lower financial means. They will have an expectation of greater choice over the services they buy than would normally be available if their services were arranged by a council or CCG.

People using a direct payment will choose providers who they feel will best meet their individual needs. This makes them similar to those who purchase their own care.

There is an increasing distinction between state-funded care (which is well researched and documented) and the private purchase market, which receives comparatively less attention from the Government, despite being an important part of care provision and thought to be growing rapidly.

Changing demographics – UK

Changes to demographics in the UK are likely to be a major driving factor in changes to the homecare markets in coming years.

The proportion of the total population falling into the over 65 age category is increasing, and of those, people are living longer and possibly requiring more intensive care services to manage complex care needs.

Figure 0 (below) is a graph published by the Office for National Statistics demonstrating the projected population growth from 2016 until mid-2041, which shows the growth of the number of people of 'pensionable age' (defined as 67 years old or above).⁴

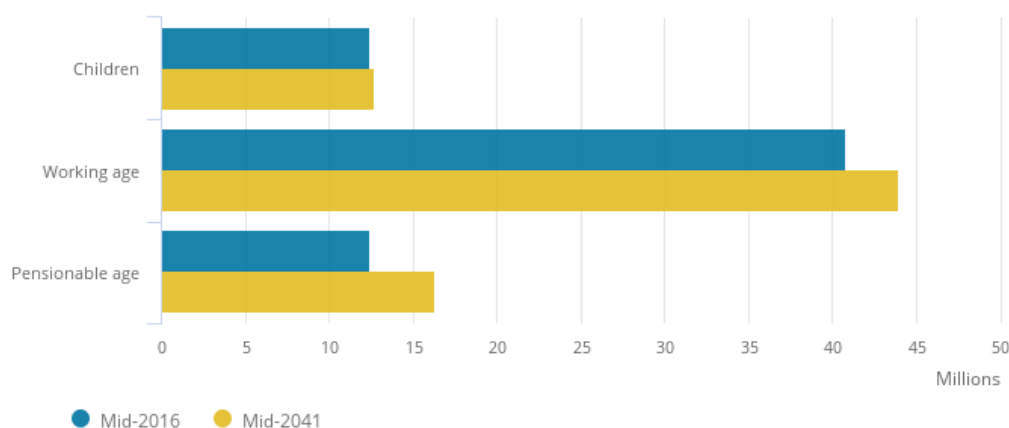


Figure 0

It is likely that the demand for homecare services is likely to remain robust, increasing in line with population changes.

The Lancet has reported that the number of people aged 65 or older and classed as 'high dependency' will rise by almost 200,000 by the year 2035.⁵

⁴

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/nationalpopulationprojections/2016basedstatisticalbulletin#a-growing-number-of-older-people>

⁵ <https://www.thelancet.com/action/showFullTableHTML?isHtml=true&tableId=tbl2&pii=S2468-2667%2818%2930118-X>

The 'self-funded' market

As previously mentioned towards the beginning of this document, there is no routine data collection regarding the self-funded market by Government departments across the UK. It can therefore be difficult to get an exact report on the size of market and any emerging trends.

However, it is possible to get a general sense of the health of the self-funded market based on a number of factors, including changing demographics, as well as pressures on available funding for state-funded care.

Key issues – self funded market

Revenue share of the market:

LaingBuisson estimate that the private pay market accounts for nearly a quarter of all homecare revenue across the UK (24%).⁶

Although not strictly-speaking self-funded care, direct payments account for 8% of homecare revenue across the UK.

People who use direct payments will have similar expectations to those funding their own care with regards to quality and flexibility of services to meet their specific needs, and are often classed as self-funders, even though their funding originates from the state.

Estimated market value:

In 2017, LaingBuisson reported that the value of the supply of privately purchased homecare in England amounted to £1.399bn with a further £482 spent on homecare services via direct payments.⁷

An estimate for Scotland, Wales and Northern Ireland was not provided, however, an estimated expenditure figure for these administrations is given at the 'UK domiciliary care at a glance – 2017/18' section at the beginning of this document.

⁶ Laing, W. (2018), *Homecare and Supported Living*, UK market report, 2nd edition.

⁷ Laing, W. (2018), *Homecare and Supported Living*, UK market report, 2nd edition.

Number of service users:

Although there is no detailed collection of the number of service users in the private-purchase market, in 2017 LaingBuisson's data states that there were 650,000 adults in receipt of homecare services (excluding complex care services).⁸

In 2017/18, UKHCA's overview has stated that approximately 500,000 people received state-funded homecare services.

It would therefore be reasonable to assume that approximately 150,000 people received privately purchased homecare services in the same time period.

Market dynamics and service user expectations:

Compared to state-funded and commissioned services, there are significant differences in the relationship between service users and care providers.

Self-funders are more likely to act like traditional marketplace consumers and will choose services that best meet their needs and expectations of quality and price.

There is a degree of competition within the self-funded market, with successful providers reflecting service user's expectations in their care provision.

This often takes the form of longer care visits, consistency of careworkers and the ability to build relationships with them over time, highly trained care staff, and more specialised services.

Research from NICE and SCIE suggests that good homecare can mean more than just addressing physical tasks, such as washing and the administration of medication, and that quality of life promotion can matter just as much, if not more.⁹

This could be anything from helping people to remain socially engaged, or taking part in hobbies and past-times.¹⁰

Typically, homecare agencies focusing on the self-funded market are better placed to meet these sorts of needs as they often have less of a reliance on a

⁸ Laing, W. (2018), *Homecare and Supported Living*, UK market report, 2nd edition.

⁹ <https://www.nice.org.uk/guidance/ng21/chapter/Recommendations>

¹⁰ <https://www.scie.org.uk/publications/guides/guide54/what-older-people-want.asp>

'time and task' operating model that is often employed by those delivering state commissioned care packages.

Quality of services:

None of the care regulators in the four administrations in the UK differentiate between state-funded and self-funded care services when publishing data on quality of homecare providers.

England

Key facts and figures – England:

- Total people using of local authority commissioned services: **351,680**
- Estimated weekly number of service users: **240,000**
- Total Gross Expenditure by local authorities for 2017/18 - **£2.2bn**
- Estimated self-funder expenditure - **£660m**
- Total direct payment expenditure - **£1.9bn**
- Local authority purchased hours: **127m**
- Total number of adults receiving a direct payment: **156,155**
- Total people employed in the domiciliary care sector: **535,000**
- Total number of care workers/senior care workers: **435,000**
- Total number of registered locations providing domiciliary care services:
9,100

Regulation

Homecare providers in England are required to be registered with the Care Quality Commission (CQC) to deliver the regulated activity of “personal care”.

They are inspected at relatively frequent intervals depending on service rating and other factors:

- **Services rated as good and outstanding** – normally within 30 months of the last comprehensive inspection report being published.
- **Services rated as requires improvement** – normally within 12 months of the last comprehensive inspection report being published.
- **Services rated as inadequate** – normally within 6 months of the last comprehensive inspection report being published.
- **Newly registered services** – for brand new services, the first comprehensive inspection will normally be scheduled between 6 to 12 months from the date of registration. If a service was previously operated by another provider, or at a different address, the inspection will be normally be scheduled based on the location’s last inspection report publication date and rating **or** within 12 months of registration, whichever is the later date. For more information on continuing regulatory history (report and rating) of a service, see the CQC website.
- **Services that are no longer dormant** – the first comprehensive inspection will normally be scheduled between 6 to 12 months from the date the service starts operating again.

The registration fees which CQC charges homecare providers are calculated based on the number of service users the provider is responsible for, on a specified date, determined by the regulator.

The vast majority of homecare services in England have been rated ‘Good’ or ‘Outstanding’ by the regulator, an achievement which should be celebrated.

A breakdown of domiciliary care agencies by rating and region can be found in Figure 1 below: (taken from CQC data.)

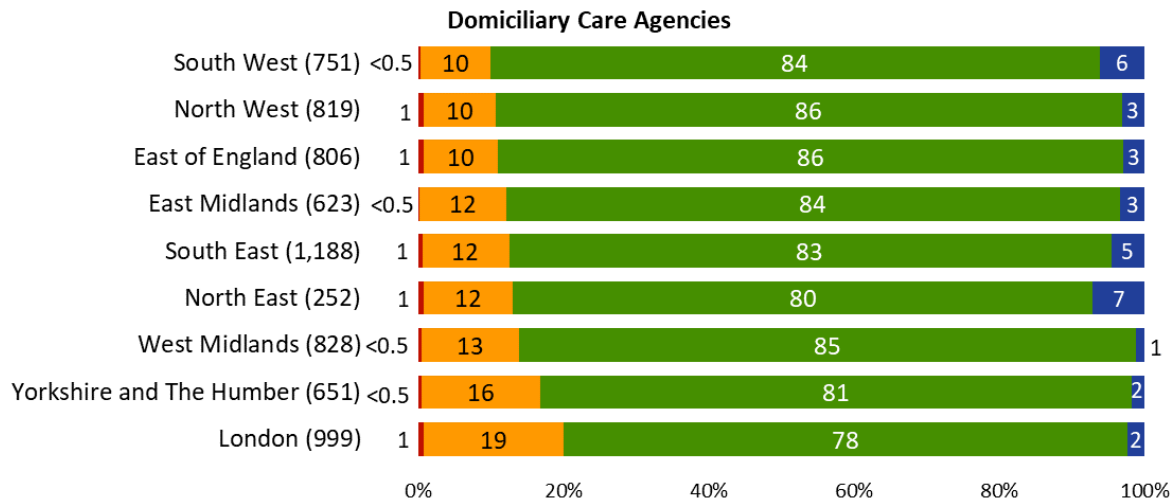


Figure 1 – Domiciliary care ratings by rating and region

The quality ratings of domiciliary care services is virtually identical to that of residential care services, with a 1% higher share of services rated 'Good' and the same percentage rated as outstanding.

CQC did conduct research into the link between price and quality in the state-funded market by comparing their quality ratings scores with data on fees compiled by UKHCA as part of a Freedom of Information request in 2016.¹¹

CQC's continued that there was a "statistically significant, but weak correlation" between the price paid for care and the quality rating that a service achieved. This analysis was accompanied by several caveats about the availability of data at the time of research.

Providers

Skills for Care's National Minimum Data Set for Social Care reports that there are **9,100** providers of domiciliary care services in England. Further details can be found in Skills for Care's 2018 report into the size and structure of the adult social care workforce.¹²

Skills for Care, as part of their annual summary of domiciliary care services, have estimated that 96% of all domiciliary care services are provided by the

¹¹ <https://www.ukhca.co.uk/downloads.aspx?ID=589#bk1>

¹² <https://www.skillsforcare.org.uk/NMDS-SC-intelligence/Workforce-intelligence/publications/The-size-and-structure-of-the-adult-social-care-sector-and-workforce-in-England.aspx>

independent or voluntary providers as opposed to in-house local authority providers.

Although a figure for 2018 has not yet been published, UKHCA has not seen any evidence to suggest that the trend has changed over the last few years. The vast majority of care is still provided by the independent or voluntary sector.

People who use services

NHS Digital has published figures on people using community care services as part of their report "Adult Social Care Activity and Finance: England 2017-18."¹³

From the data supplied, **351,680** people received local authority funded domiciliary care services in 2017/18.¹⁴

Using this data, UKHCA estimate that approximately **240,000** people receive local authority funded domiciliary care services per week in England¹⁵.

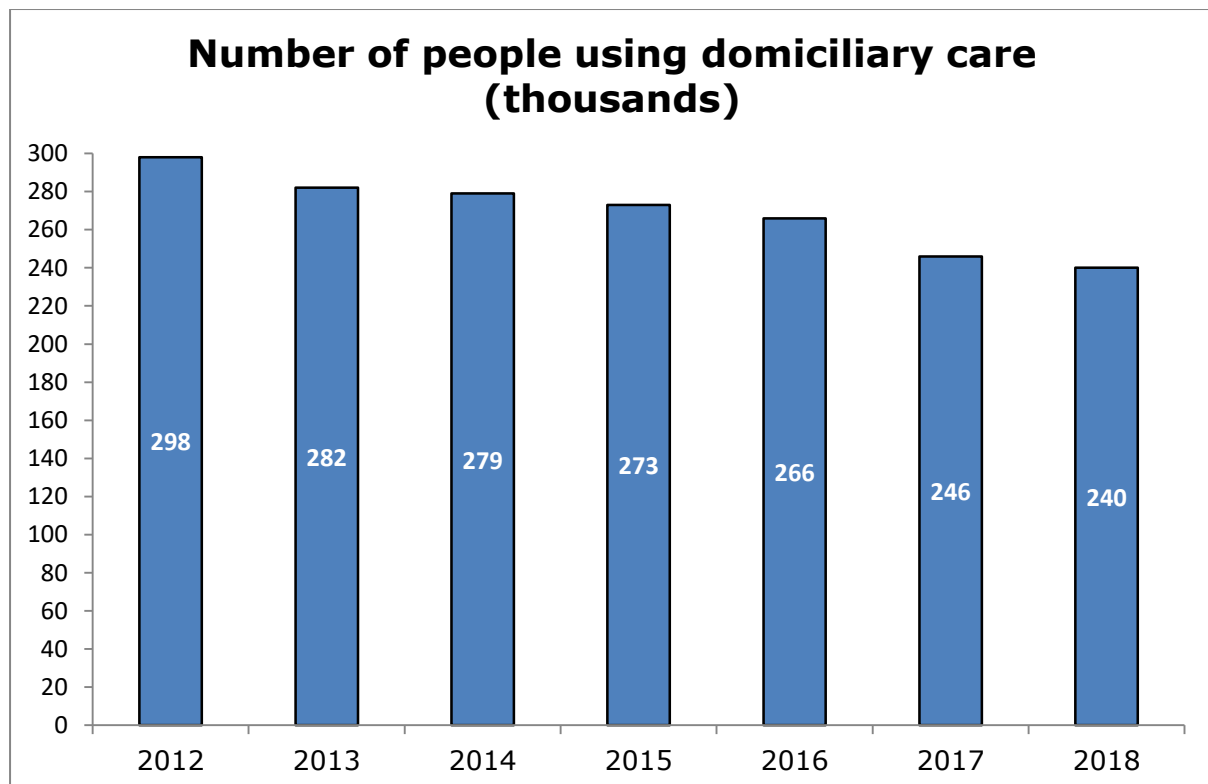


Figure 2 – number of people using local authority purchased domiciliary care

¹³ <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2017-18>

¹⁴ Excludes those receiving direct payments

¹⁵ Assuming a weekly ratio of 3:2

Hours of domiciliary care

NHS Digital no longer routinely publishes information on the number of hours of care purchased by local authorities.

Using information collected via a UK-wide Freedom of Information (FOI) request, UKHCA estimates that local authorities purchased approximately **1.74m** hours of domiciliary care annually for people aged 65 and over. More information on the FOI can be found in UKHCA's 'Homecare Deficit 2018'.¹⁶

UKHCA estimates that, in total, local authorities purchased **2.4m** hours of domiciliary care per week for all age groups in 2017/18.¹⁷

This equates to an approximate figure of **127.3m** hours of care per year.¹⁸

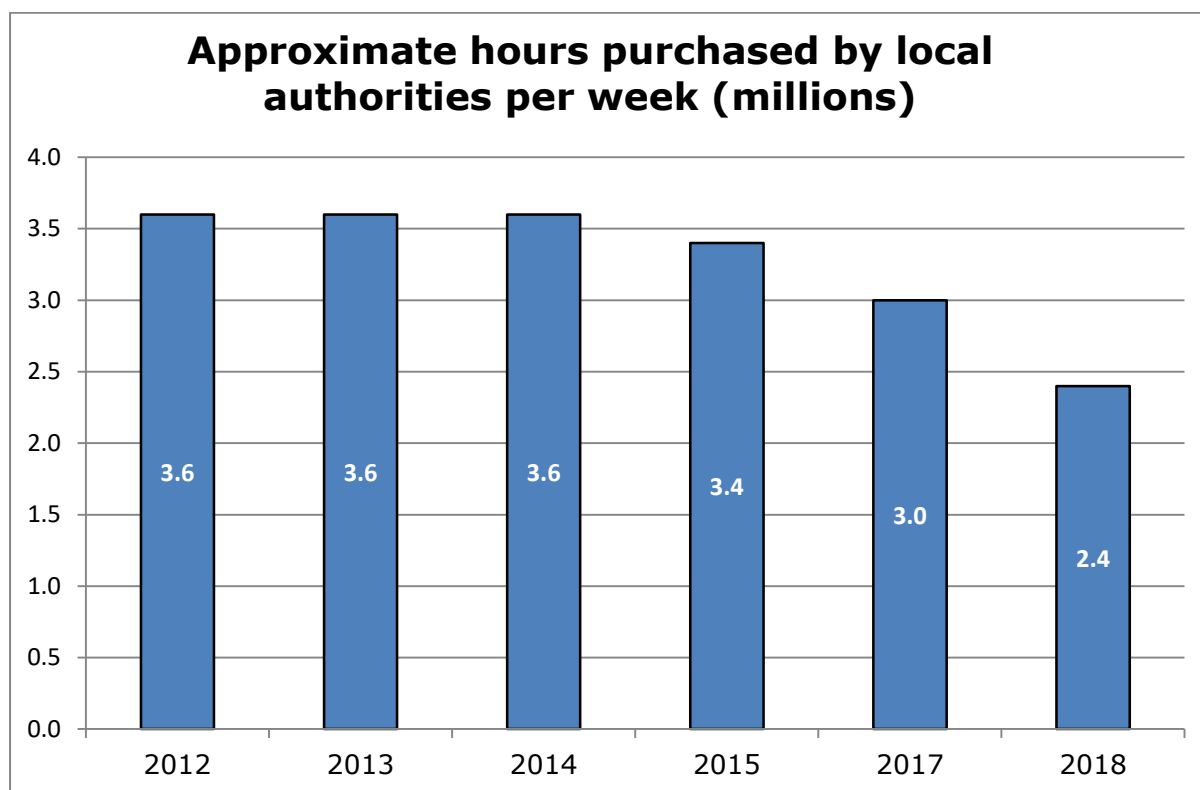


Figure 3 – approximate number of hours purchased by local authorities per week

¹⁶ <https://www.ukhca.co.uk/downloads.aspx?ID=589#bk1>

¹⁷ The NHS Digital figures report that the 18-64 category accounts for approximately 40% of the market.

¹⁸ Figure calculated using the approximate weekly figure and multiplying by 52.14.

Expenditure

In the financial year 2017/18 the gross expenditure on domiciliary care provision by local authorities in England was **£2.2 billion**¹⁹.

This represents a small increase compared to 2016/17.

However, compared to the expenditure figure from 2012/13 of £2.86bn, this is a decrease of over half a billion pounds.

The gross total expenditure by local authorities is tracked in Figure 4 below.

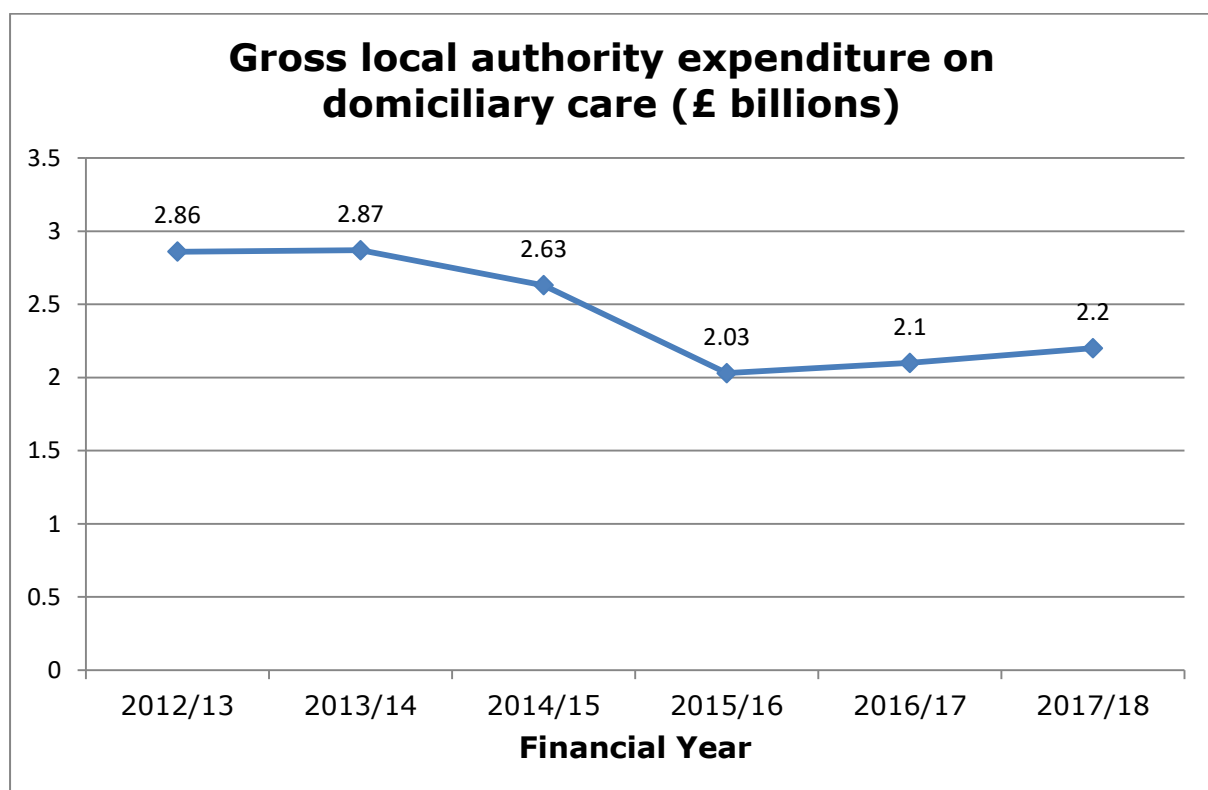


Figure 4 – gross local authority expenditure on domiciliary care

The estimated expenditure on domiciliary care by people who fund their own care ("self-funders") for the same time period is **£660m**²⁰.

¹⁹ <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2017-18>

²⁰ Figure estimated based on the assumption that self-funding accounts for one fifth of the market. Figure adjusted to account for difference in price between self-funding and local authority care.

Direct payments

A direct payment is a financial transaction, made by a local authority to an adult with eligible care and support needs. The amount given to the service user will vary depending on assessed care needs. The service user may then use this payment to meet their assessed needs in whatever way they feel is best.

In the financial year 2017/18, a total of **156, 155** adults in England received a direct payment from their local authority²¹.

Changes in the number of direct payments by financial year are shown in Figure 5 below.

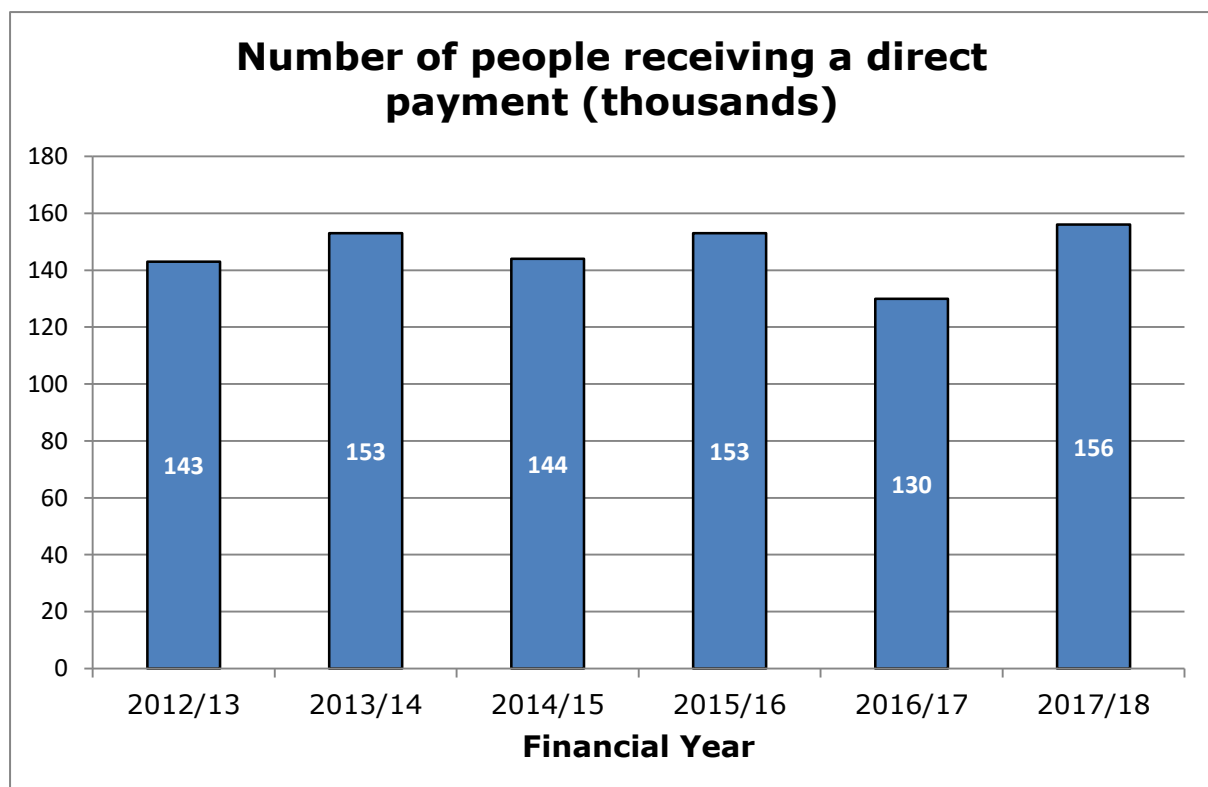


Figure 5 – number of people receiving a direct payment per year

²¹ <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2017-18>

Figure 6 below tracks the expenditure by local authorities on direct payments over time.

In 2017/18 local authorities had a total expenditure of **£1.9bn** on direct payments.²²

This represents an increase of 50.8% compared to the figure for 2012/13.

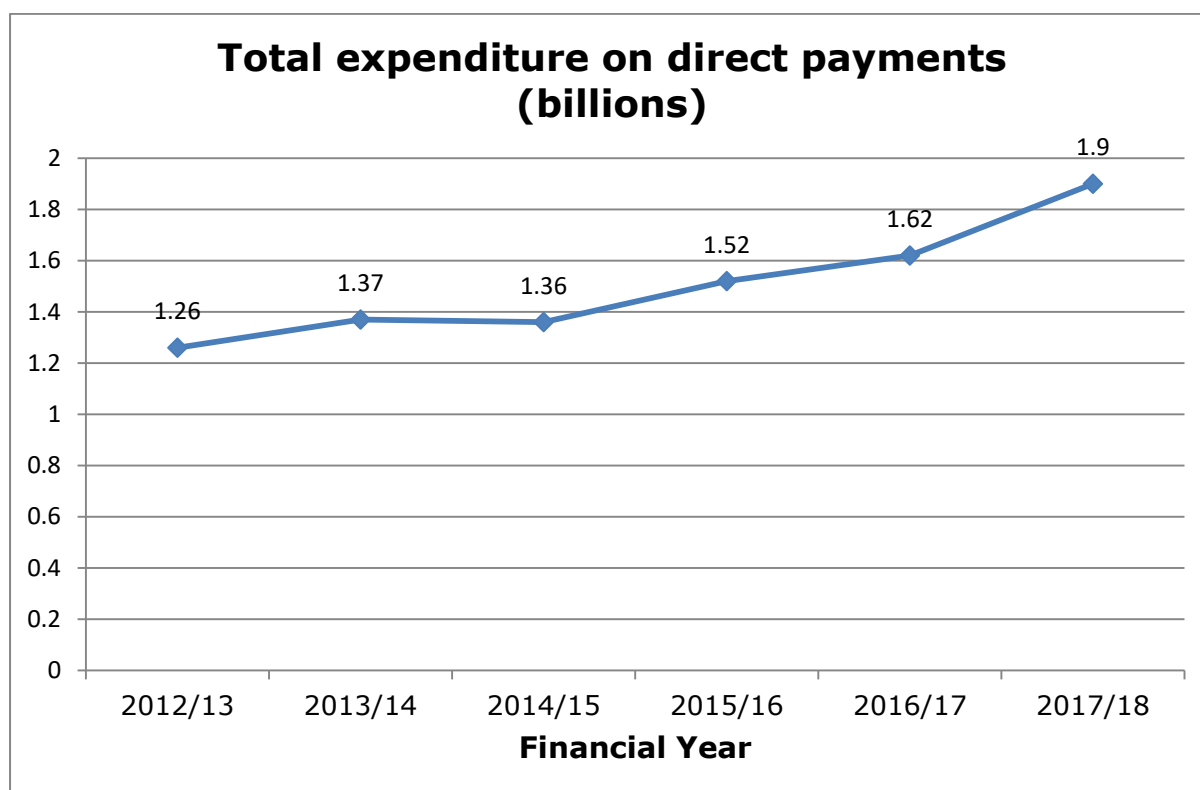


Figure 6 – total expenditure on direct payments per year

²² <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2017-18>

Workforce

At the time of writing (November 2018) Skills for Care's National Minimum Data Set (NMDS) reported that there were **535,000** jobs in the CQC regulated independent and voluntary domiciliary care sector in England in 2018.²³

Of these jobs, **435,000** were either care workers or senior care workers.

The National Minimum Data Set also reports that there are 19,200 people employed in the statutory domiciliary care sector in England.²⁴

Turnover rate of careworkers remains one of the biggest issues in the domiciliary care sector, with an overall turnover rate of 37.4%.

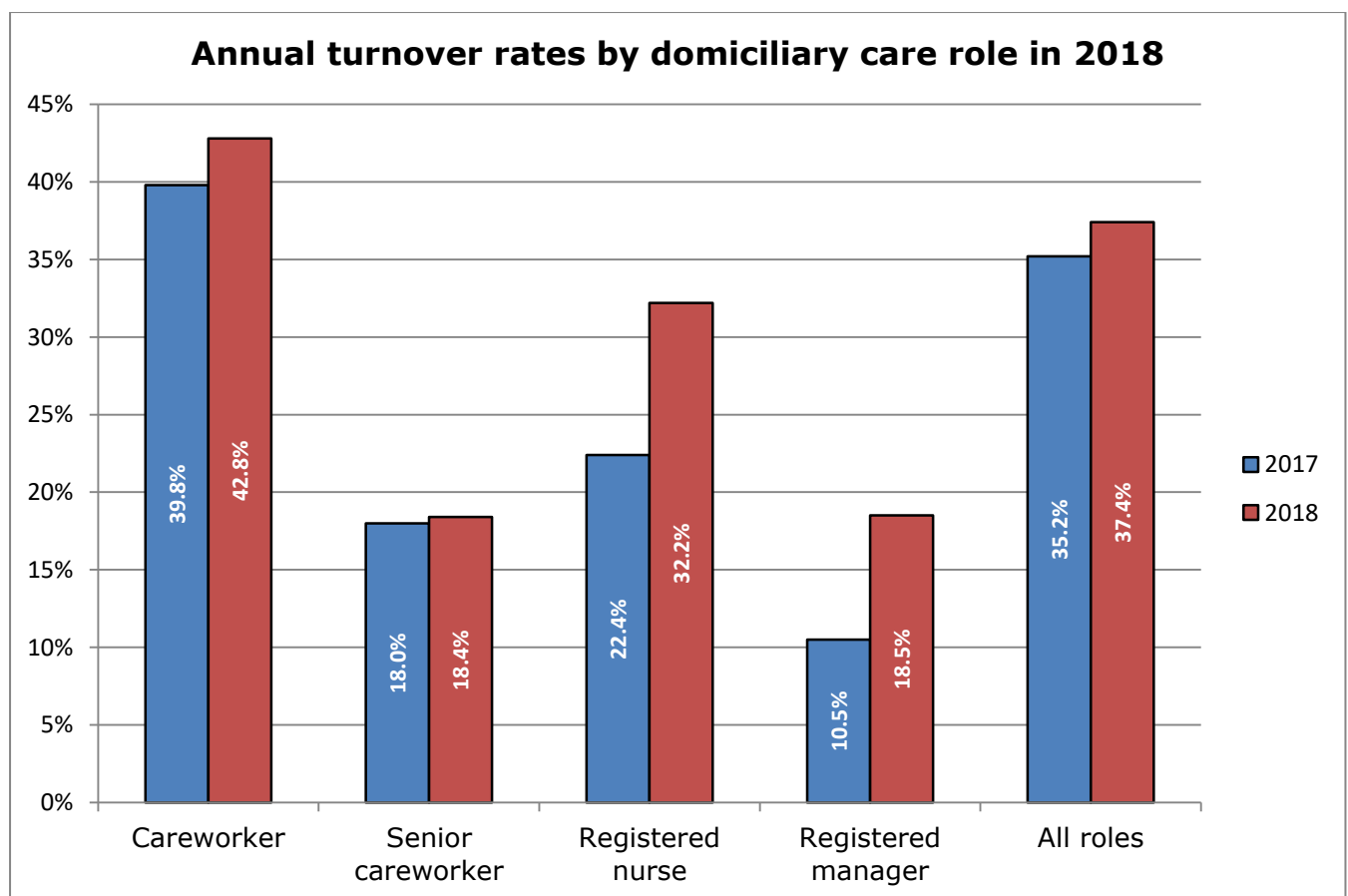


Figure 7 above illustrates variations in turnover rates between job roles reported in 2017 and 2018.

Figure 7 – annual turnover rates in domiciliary care in 2018

²³ <https://www.nmds-sc-online.org.uk/Default.aspx>

²⁴ <https://www.nmds-sc-online.org.uk/Default.aspx>

All of the above roles have seen an increase in overall turnover.

Annual pay rates in the sector vary according to job roles; this is illustrated in Figure 8 below.

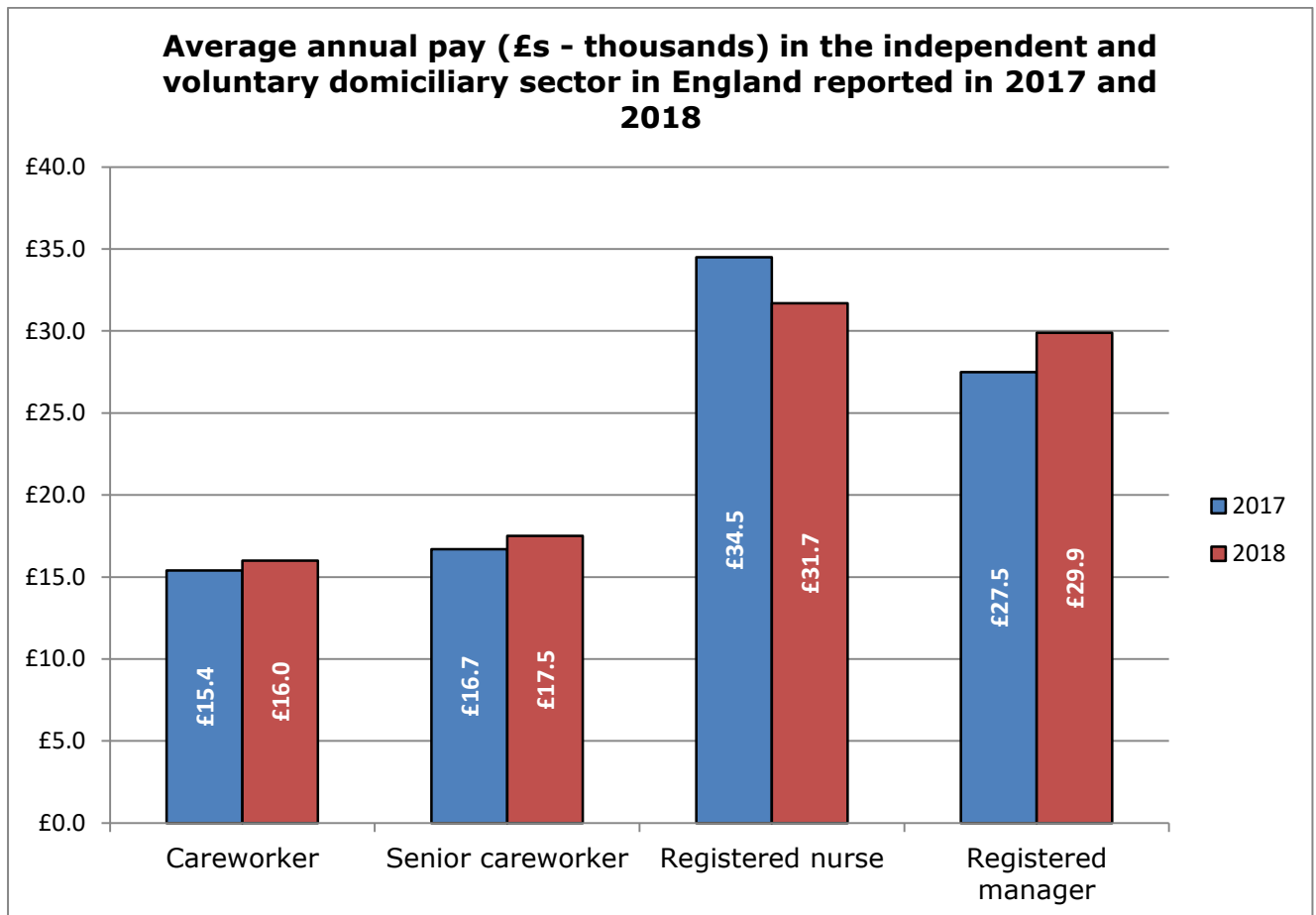
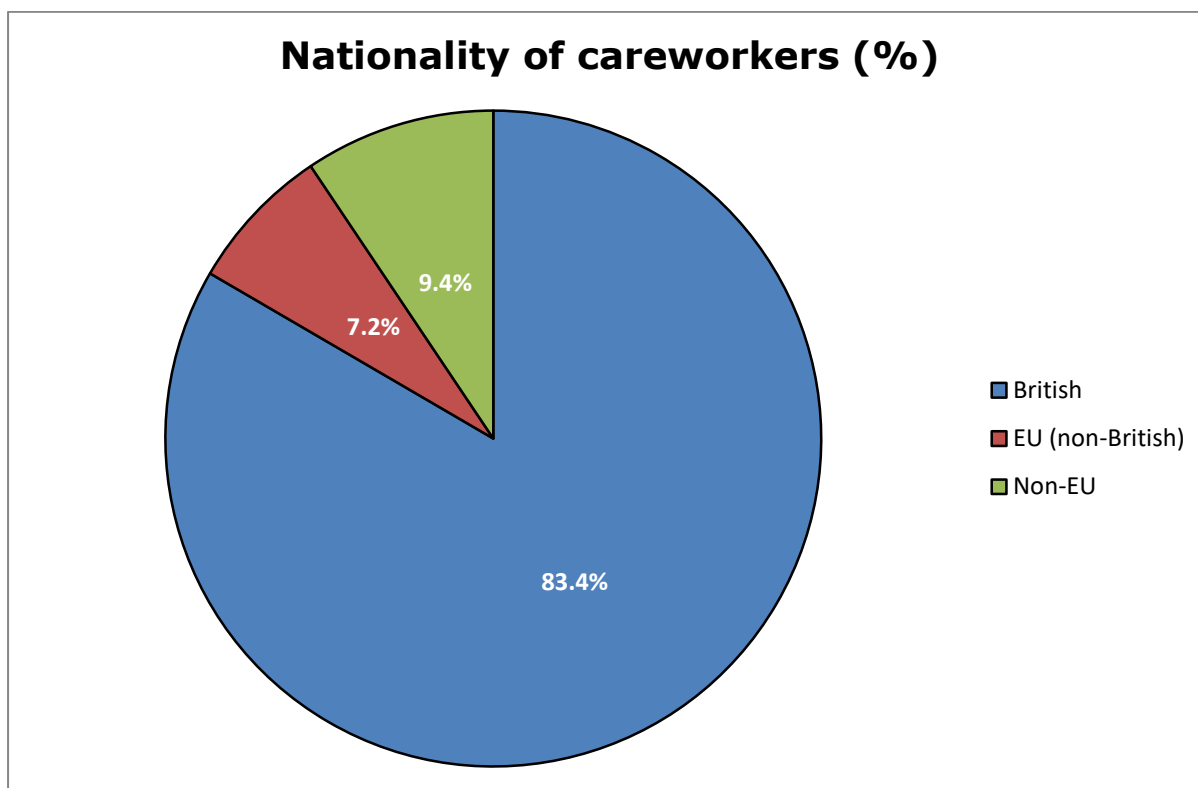
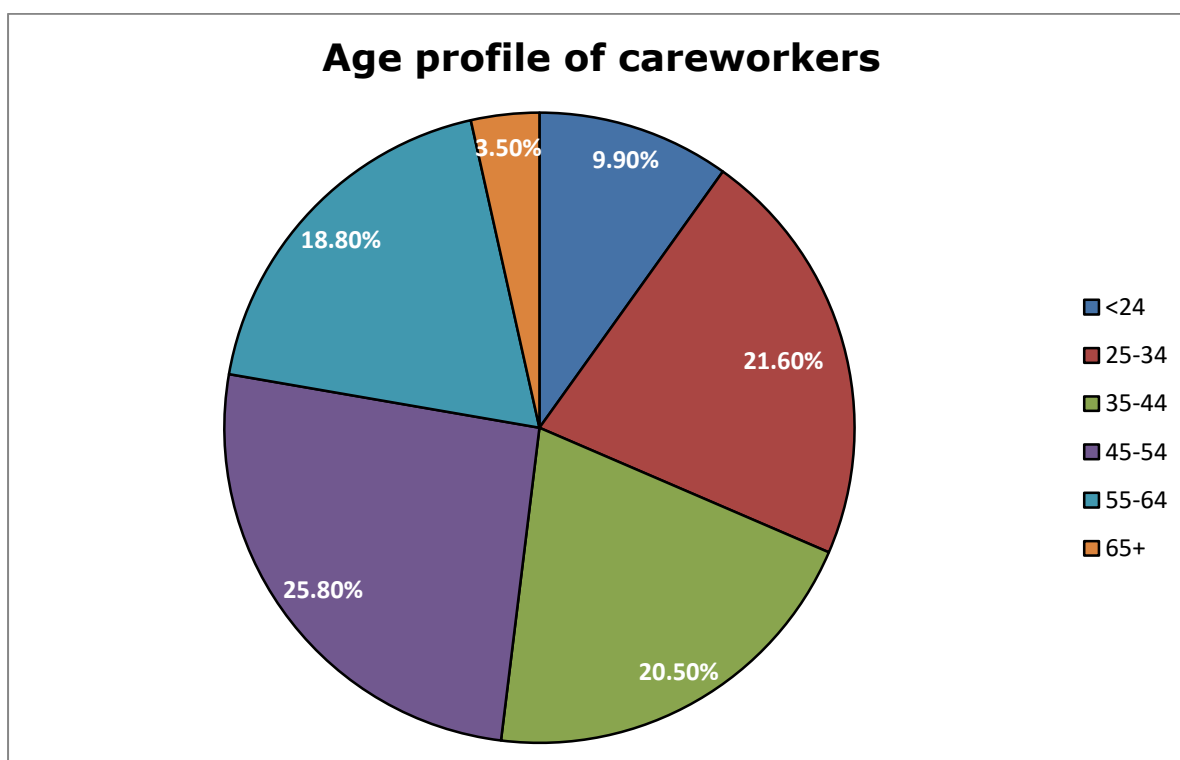


Figure 8 – average annual pay by role in England

The NMDS – SC also records the nationality of careworkers, their records show that 65.4% of all careworkers in the domiciliary care sector in England are British citizens. The full breakdown of careworkers by nationality is illustrated in Figure 9 below.



The age profile of care workers can be found in Figure 10 below.



Homecare Deficit in England

Using data obtained under Freedom of Information legislation, UKHCA found that the average prices paid by councils for homecare in the UK is just £16.19 per hour, almost £2 per hour less than UKHCA's Minimum Price for Homecare of £18.01 per hour (as of October 2018).²⁵

UKHCA revised the Minimum Price for Homecare in April 2019 to take into account changes in the National Minimum Wage and National Living Wage and is now £18.93 per hour.²⁶

²⁵ <https://www.ukhca.co.uk/downloads.aspx?ID=589#bk1>

²⁶ <https://www.ukhca.co.uk/downloads.aspx?ID=434#bk1>

Wales

Key facts and figures - Wales

Headline figures for the year **2017/18** include:

- Total number of adults using local authority commissioned care: **29,838**
- Total hours of local authority commissioned care: **8.7m**
- Total local authority expenditure on adult domiciliary care services:
£300.7m
- Estimated self-funder expenditure: **£90m**²⁷
- Total people receiving a direct payment: **5,980**
- Total expenditure on direct payments: **£73m**
- Total number of registered providers: **432**
- Estimated number of people employed in the domiciliary care sector:
24,858 ²⁸

²⁷ Figure estimated based on the assumption that self-funding accounts for one fifth of the market. Figure adjusted to account for difference in price between self-funding and local authority care.

²⁸ Calculated assuming 1:5 ratio of local authority and independent sector employees (based on reported ration of care delivery for 2016). Actual number of local authority domiciliary care staff for 2018 was 4,143.

Regulation:

There are two bodies involved in the regulation and inspection of social care services in Wales.

Care Inspectorate Wales (CIW) regulates and inspects social care and social services in Wales, including domiciliary care agencies.

There is currently no formal rating system in place for regulated providers in Wales, but CIW is considering introducing a ratings system similar to that seen in England in the future.

Launched in April 2017, **Social Care Wales** (SCW) came out of the amalgamation of the Care Council for Wales and the Social Services Improvement Agency.

Social Care Wales is also the regulatory body for social care workers.

Registration of homecare workers with SCW will be **mandatory** from April 2020. It will be an offence after that point to hire an unregistered care worker.

Providers:

In March 2018 Care Inspectorate Wales recorded **437** registered locations under the heading of a Domiciliary Care Agency.²⁹

Domiciliary care, when funded by a local authority in Wales, is delivered either by the independent/voluntary sector, who the local authority have commissioned to meet the needs of eligible individuals, or it will be delivered by the local authorities in house community care team.

In **2016** the independent/voluntary sector delivered **82%** of all local authority funded domiciliary care in Wales. The remaining **18%** was delivered by local authority in-house teams.³⁰

Although no data is collected as to which sector provides domiciliary care purchased by individuals in Wales, it would be reasonable to assume that almost 100% of privately funded care is delivered by the independent/voluntary sector.

Figure 11 below shows the breakdown of care delivery by sector.

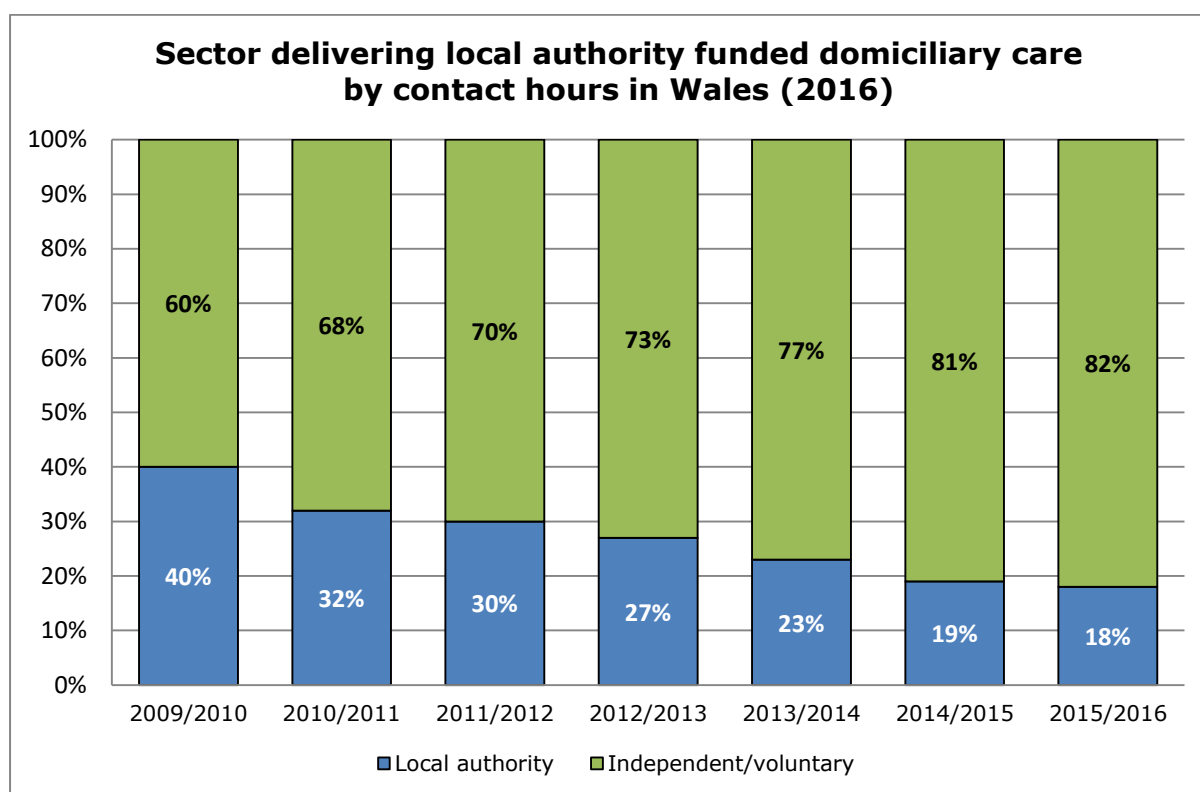


Figure 11 – sector delivering domiciliary care in Wales

²⁹ <https://statswales.gov.wales/Catalogue/Health-and-Social-Care/Services-for-Social-Care-and-Childrens-Day-Care/cssiwservicesandplaces-by-setting-year>

³⁰ <http://gov.wales/docs/statistics/2016/160907-assessments-social-services-adults-2015-16-en.pdf> pp. 6-7

People who use services

According to statistics compiled by StatsWales, the number of people using local authority commissioned domiciliary care services in **2017/18** was **29,838**³¹

This equates to approximately **19,900** people per week.³²

Figure 12 below demonstrates the shift in numbers of people using domiciliary care services in Wales over recent years.

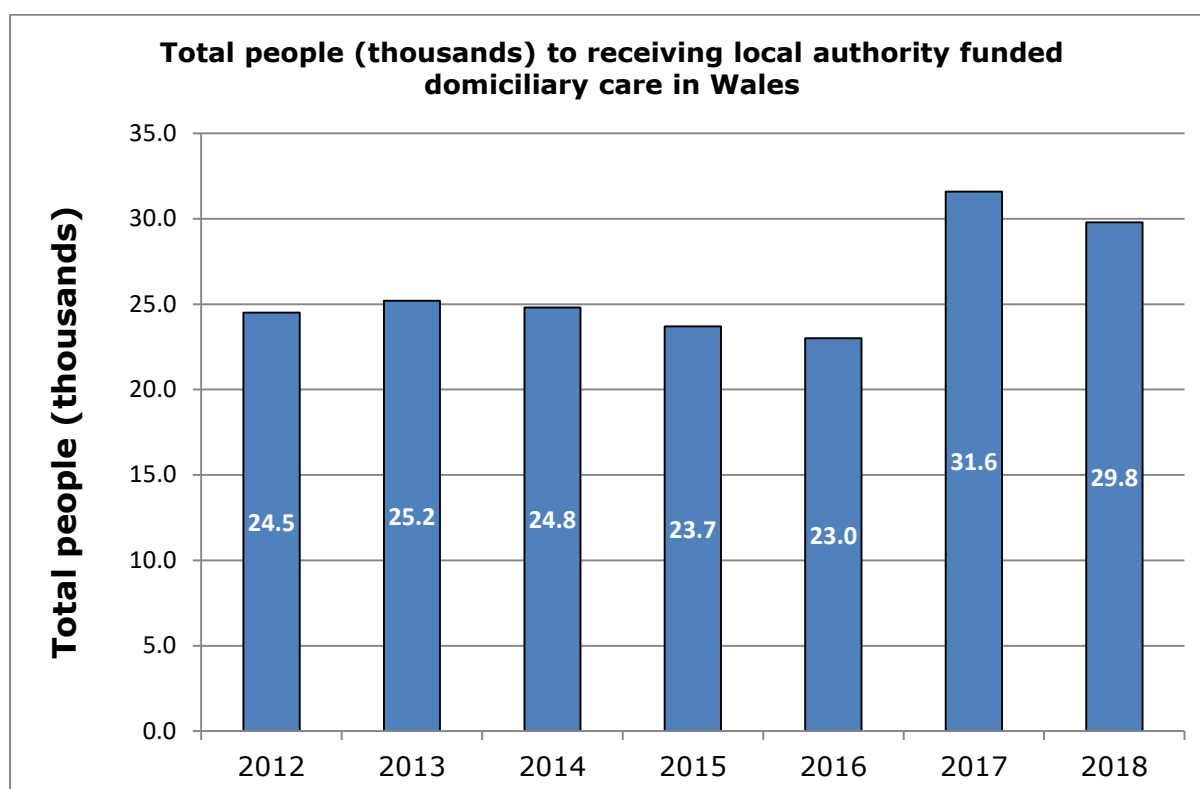


Figure 12 – people receiving local authority funded care in Wales

³¹ <https://statswales.gov.wales/Catalogue/Health-and-Social-Care/Social-Services/Adult-Services/Service-Provision>

³² Assuming a weekly ratio of 3:2

Of all people to receive domiciliary care services in Wales 83% were aged 65 years or over.³³ A more detailed breakdown is shown in Figure 13 below.

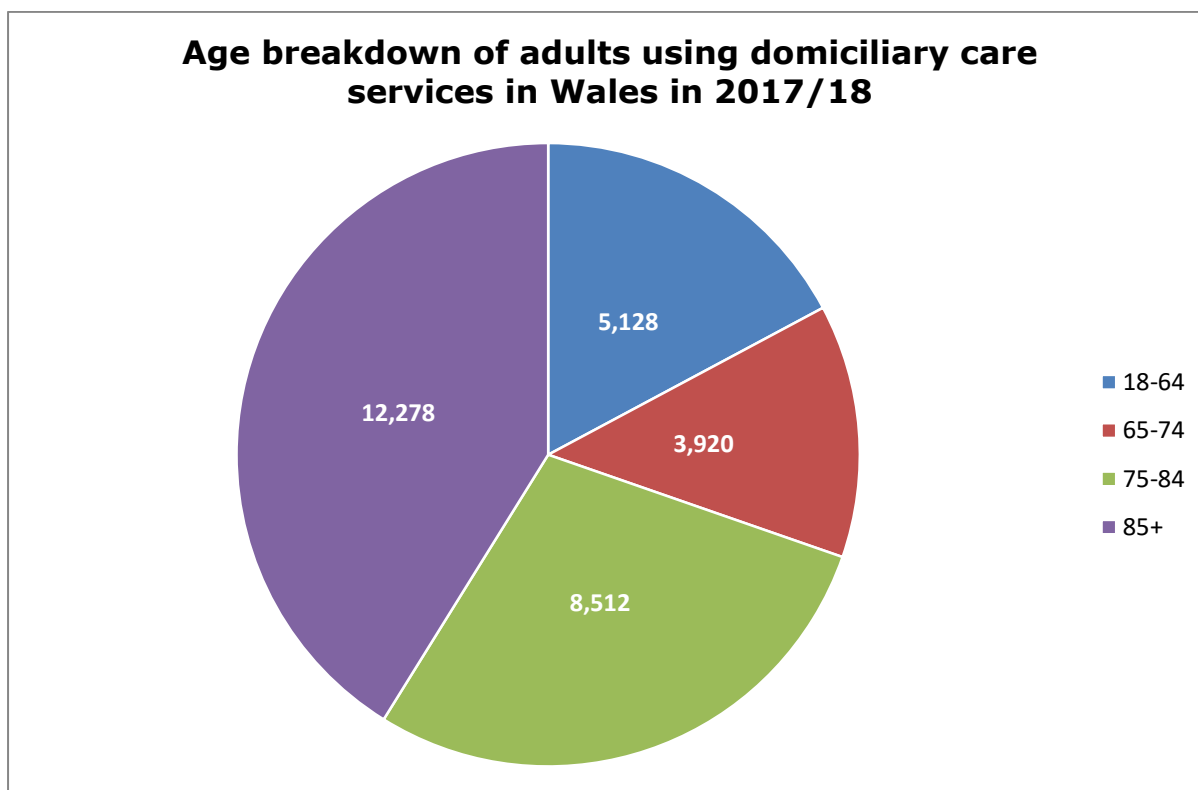


Figure 13 – age breakdown of service users in Wales

³³ <https://statswales.gov.wales/Catalogue/Health-and-Social-Care/Social-Services/Adult-Services/Service-Provision/adultsreceiving services-by-localauthority-agegroup>

Hours of domiciliary care

UKHCA estimate that, in the financial year **2017/2018**, local authorities in Wales purchased a total of **8.7m** hours of domiciliary care services.³⁴

This is a significant drop from the last reported figure given for 2015/16 by Laing Buisson, although it is worth noting that there will be differences in methodology in calculating hours.

The Welsh Government does not routinely collect data on commissioned hours.

A more detailed breakdown by year is shown in Figure 14 below.

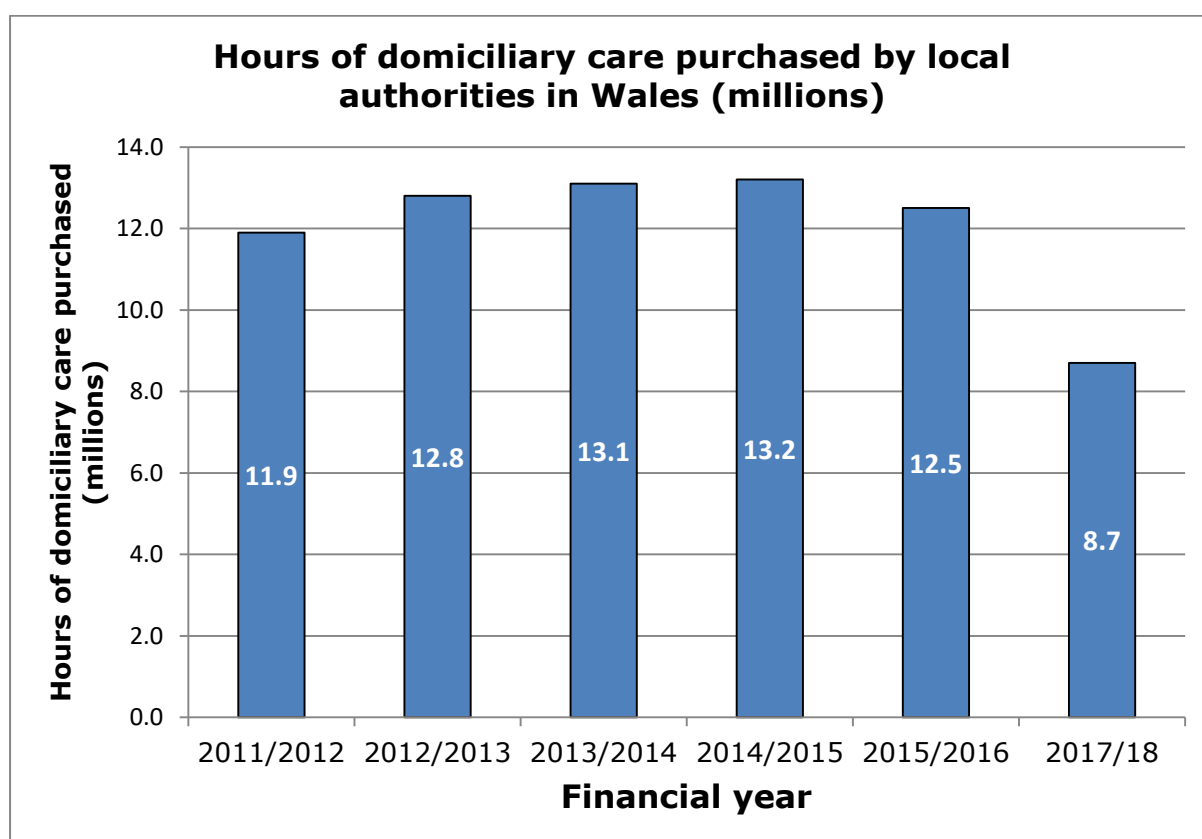


Figure 14 – hours of care purchased by local authorities in Wales

³⁴ Figure calculated taking the FOI hours number for the sample week and multiplying by 52.14. A ratio for adult and older people was then applied to get a total number of annual hours. Domiciliary care recipients of working age (18-26 years) make up 17% of the market in Wales.

Eligibility

The Social Services and Wellbeing (Wales) Act 2014 brought a national eligibility framework for social care services into law in Wales for the first time.

The eligibility Regulations set out the eligibility criteria for adults, children and carers. In each case, there are four separate conditions which must all be met³⁵:

- i. The first condition relates to the person's circumstances and is met if the need arises from the kind of circumstances which are specified in the Regulations, for example physical or mental ill-health. The Regulations specify different kinds of circumstances for adults, children and carers.
- ii. The second condition is met if the need relates to one or more of the outcomes specified in the Regulations, for example the ability to carry out self-care or domestic routines. The Regulations specify different outcomes for adults, children and carers.
- iii. The third condition is met if the need is such that the person is not able to meet that need alone, with the care and support of others who are able or willing to provide that care and support ; or with the assistance of services in the community. This condition is modified in the case of a child such that it is met if the need is one that neither the child, the child's parents or other persons in a parental role are able to meet either alone or together.
- iv. The fourth condition is met if the person is unlikely to achieve one or more of their personal outcomes unless the local authority provides or arranges care and support to meet the need in accordance with a care and support plan or it enables the need to be met by making direct payments.

³⁵ Code of Practice on the exercise of social services functions in relation to part 4 (Meeting needs) of the Social Services and Well-being (Wales) Act 2014. Available at:
<http://gov.wales/topics/health/socialcare/act/code-of-practice/?lang=en>

Expenditure

In the financial year 2017/18, the gross expenditure by local authorities in Wales on domiciliary care services was **£300.7m**³⁶.

This represents an increase of 9.3% from the total for 2016/2017.

Figure 15 below shows the change in annual spending in domiciliary care in Wales since 2012.

As shown in figure 15, the increase in spending is almost entirely in the older people category. This may be the result of an ageing population, or more intensive care needs.

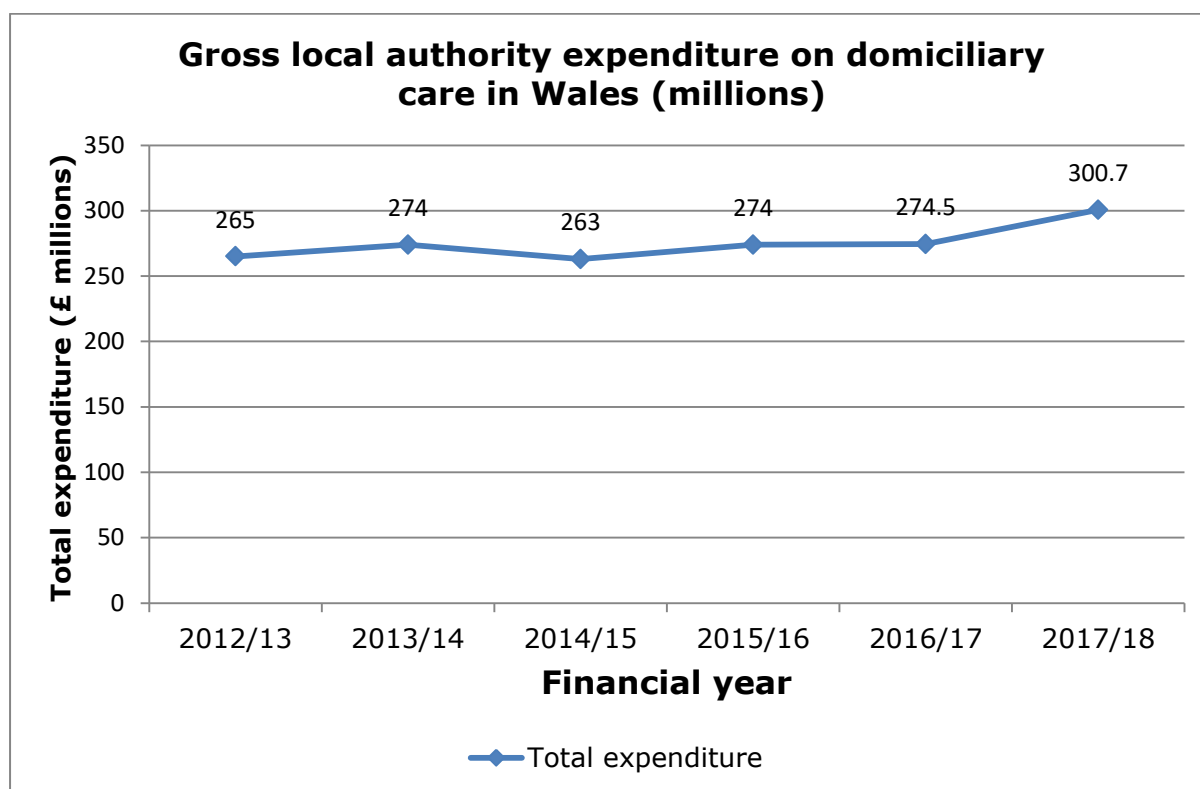


Figure 15 – total gross expenditure by year

The estimated self-funder expenditure for the same time period is **£90m**³⁷.

Figure 16 below shows a further breakdown of expenditure by client group.

³⁶ <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Revenue/Social-Services/socialservicesrevenueexpenditureobjectiveanalysis-by-authority>

³⁷ Figure estimated based on the assumption that self-funding accounts for one fifth of the market. Figure adjusted to account for difference in price between self-funding and local authority care.

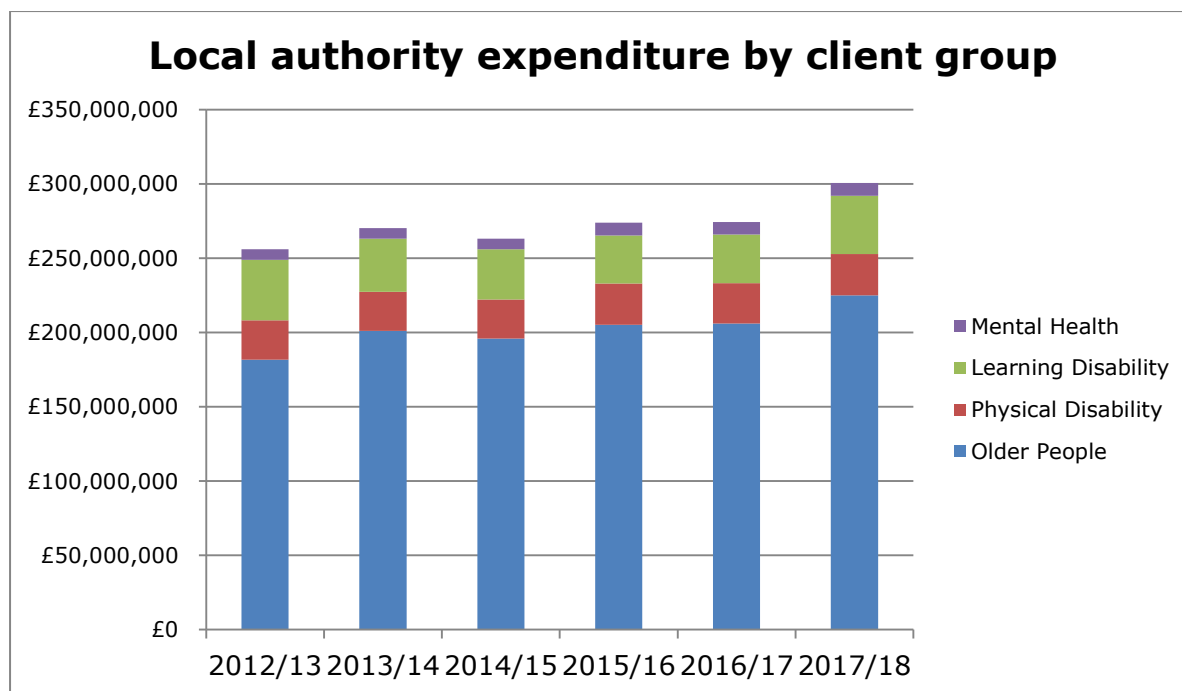


Figure 16 – expenditure by client group

	Older People	Physical Disability	Learning Disability	Mental Health	Total
2012/13	£181,854,000	£26,494,000	£40,578,000	£7,135,000	£256,061,000
2013/14	£201,141,000	£26,281,000	£35,835,000	£7,135,000	£270,392,000
2014/15	£196,004,000	£26,384,000	£33,727,000	£7,118,000	£263,233,000
2015/16	£205,220,000	£27,826,000	£32,271,000	£8,798,000	£274,115,000
2016/17	£206,147,000	£27,121,000	£32,789,000	£8,467,000	£274,524,000
2017/18	£225,036,000	£27,904,000	£39,206,000	£8,513,000	£300,659,000

Direct payments

A direct payment is a financial transaction, made by a local authority to an adult with eligible care and support needs. The amount given to the service user will vary depending on assessed care needs. The service user may then use this payment to meet their assessed needs in whatever way they feel is best.

On the 1st March 2018, **5,980** adults in Wales were in receipt of a direct payment from their local authority.³⁸

This is a 2.1% increase compared to March 2017, which had a total direct payment use of 5,859.

This is an on-going trend in Wales, as illustrated by Figure 17 below.

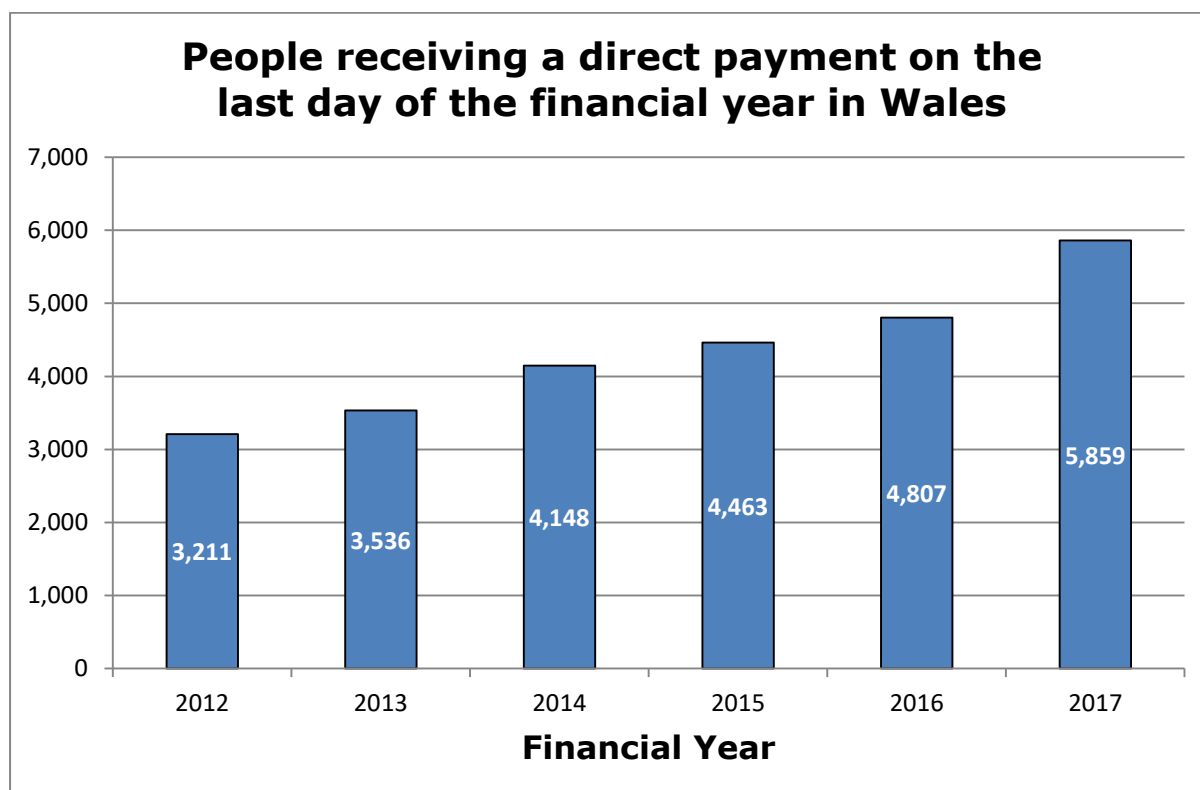


Figure 17 – number of people receiving a direct payment in Wales

³⁸ <https://statswales.gov.wales/Catalogue/Health-and-Social-Care/Social-Services/Adult-Services/Service-Provision>

Similarly, expenditure on direct payments has increased. In 2017/19 gross expenditure on direct payments by local authorities in Wales was **£73 million**³⁹.

Figure 18 below illustrates the rate of increase in expenditure on direct payments by local authorities in Wales.

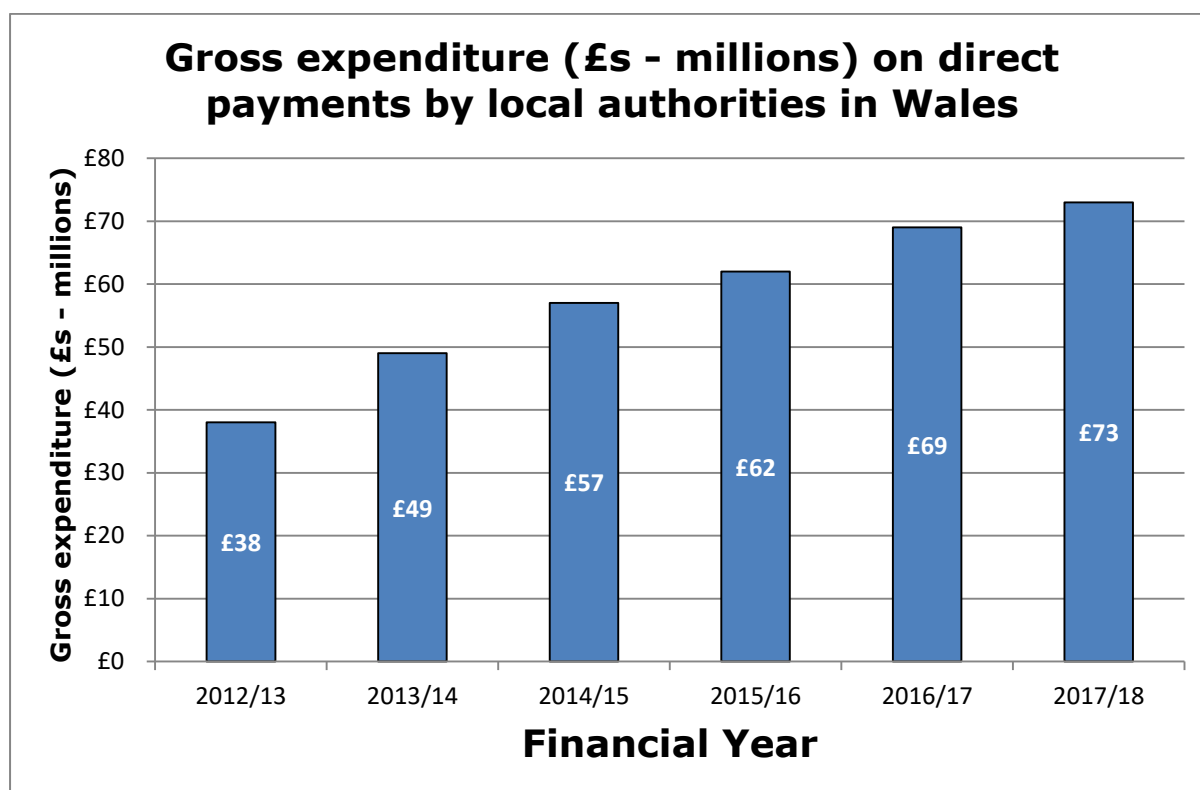


Figure 18 – expenditure on direct payments

³⁹ <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Revenue/Social-Services/socialservicesrevenueexpenditureobjectiveanalysis-by-authority>

Workforce

No data is collected on how many people are employed in the independent and voluntary domiciliary care sector in Wales. UKHCA estimate that **20,715** people are employed in the independent and voluntary domiciliary care sector in Wales⁴⁰.

The Welsh Government record the number of people employed in the statutory domiciliary care sector. During the census week in March 2018 there were **4,143** people employed in the statutory domiciliary care sector in Wales.⁴¹

UKHCA estimate that **24,858** people in total are employed in the domiciliary care sector in Wales.

Homecare Deficit in Wales

Using data obtained under Freedom of Information legislation, UKHCA found that the average prices paid by councils for homecare in Wales is just £16.78 per hour, £1.89 per hour less than UKHCA's Minimum Price for Homecare of £18.01 per hour (as of October 2018).⁴²

UKHCA revised the Minimum Price for Homecare in April 2019 to take into account changes in the National Minimum Wage and National Living Wage and is now £18.93 per hour.⁴³

UKHCA calculates that Wales's homecare sector needs at least an additional **£17 million per year** to ensure that homecare workers receive the current statutory National Living Wage, while also ensuring that homecare providers can meet their statutory obligations.

However, the size of the deficit this year would be **£44 million** if the government and Local Authorities were to commit to the Voluntary Living Wage.

⁴⁰ No data available, estimate arrived at by assuming ratio of service delivery repeated in workforce size, where statutory sector delivers 19% of hours.

⁴¹ <https://gov.wales/local-authority-social-services-staff-numbers-31-march-2018>

⁴² <https://www.ukhca.co.uk/downloads.aspx?ID=589#bk1>

⁴³ <https://www.ukhca.co.uk/downloads.aspx?ID=434#bk1>

Scotland

Key facts and figures - Scotland

The headline figures for Scotland in the financial year 2017/18 are:

- Total people receiving local authority commissioned homecare in the sample week: **59,640**
- Total LA commissioned hours in the sample month: **696,600**
- Total expenditure on LA commissioned homecare: **£601m**
- Estimated expenditure on self-funded homecare: **£180m**
- Total people receiving a direct payment: **8,290**
- Total expenditure on direct payments: **£113.3m**
- Number of registered locations: **997**
- Number of care workers/senior care workers: **64,519**

Regulation

Providers are required to be registered with Care Inspectorate Scotland, and must pay an initial registration fee plus an annual 'continuation fee'.

Providers in Scotland are rated on five areas of quality, with ratings ranging from 'unsatisfactory' to 'excellent.'

Care Inspectorate Scotland publishes quarterly statistics on ratings. For 'Quarter 4' 2018/19, when aggregated into one rating, 89.6% of providers scored 'Good', 'Very Good' or 'Excellent'.⁴⁴

Figure 19 below shows the ratings percentage when all five of the rating areas were aggregated for Q4 2018/19.

Unsatisfactory %	Weak %	Adequate %	Good %	Very good %	Excellent %
0.0	1.9	8.5	31.2	48.0	10.4

Figure 19 - Aggregate score of ratings for Q4 2018/19

All care workers must be registered with the Scottish Social Services Council (SSSC). Careworkers are required to pay a registration fee and an annual renewal fee.

Providers

In January 2018, the Care Inspectorate had **997** registered locations under the heading of "Support Services, Care at Home".⁴⁵

Domiciliary care, when funded by a local authority in Scotland, is delivered either by the independent/voluntary sector, who the local authority have commissioned to meet the needs of eligible individuals, or it will be delivered by the local authorities in house community care team.

In Scotland, care provided solely by Local Authorities accounts for 47% of all domiciliary care services⁴⁶.

The remaining 53% is provided either solely by the independent/voluntary sector, or some combination of local authority, independent and voluntary providers.

⁴⁴ <http://www.careinspectorate.com/index.php/statistics-and-analysis>

⁴⁵ <http://www.careinspectorate.com/index.php/care-services>

⁴⁶ <http://www.gov.scot/Publications/2017/12/3849/downloads>

People who use services

During a census week in March 2017, **59,640** people received domiciliary care services funded by a local authority in Scotland.

This represents an approximate annual figure of **89,460** people receiving domiciliary care services funded by a local authority in Scotland.⁴⁷

Figure 20 below shows the change in people using services over time.

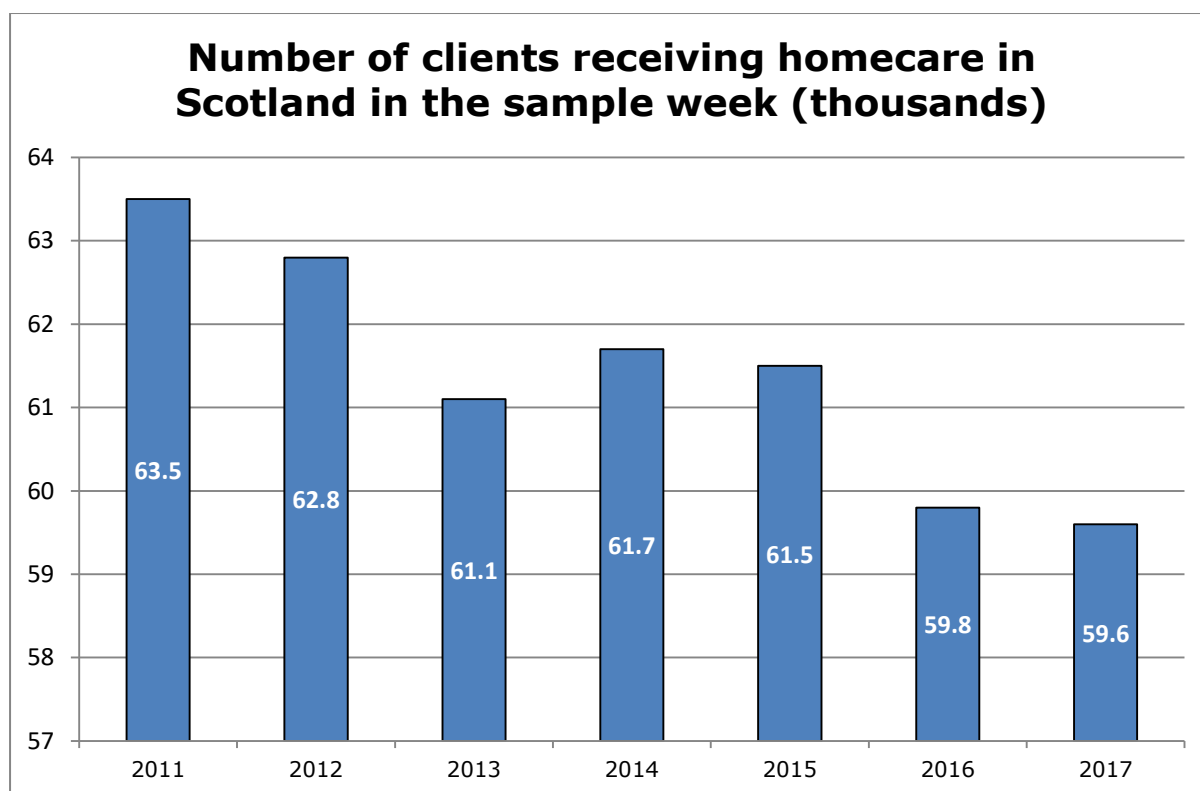


Figure 20 – number of clients in sample week in Scotland

⁴⁷ Assume a ratio of 3:2 as in previous years

Hours of domiciliary care

During the financial year 2016/17 local authorities in Scotland funded **36 million** hours of domiciliary care.⁴⁸

In a sample week in March 2017 local authorities in Scotland funded **696,600 hours** of domiciliary care.⁴⁹

Figure 21 below illustrates recent trends in the quantity of domiciliary care funded by local authorities in Scotland.

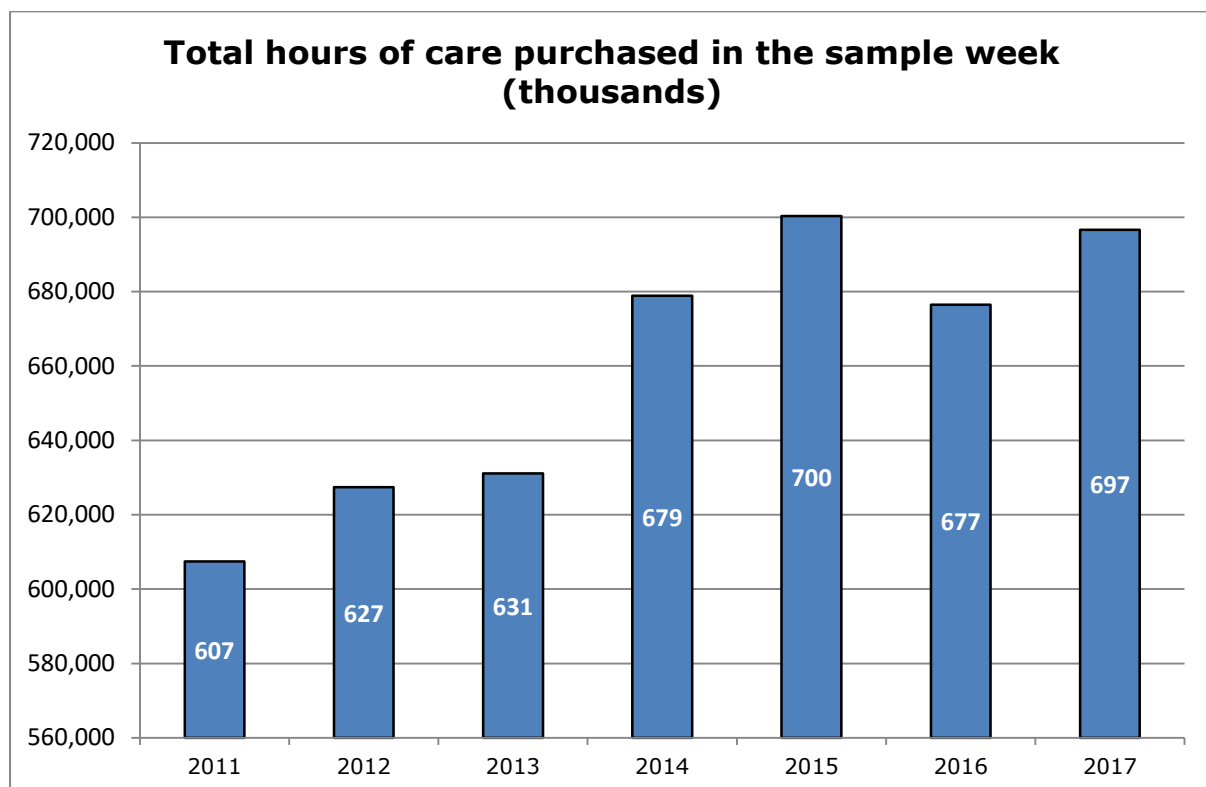


Figure 21 – hours of care in sample week in Scotland

	Hours in sample week	Estimated annual total
2011	607,400	35,685,902
2012	627,400	37,199,122
2013	631,100	32,930,798
2014	678,900	35,425,002
2015	700,300	36,839,080
2016	676,500	35,299,770
2017	696,600	36,348,588

⁴⁸ This figure is an estimate, taking the figure relating to a sample week published by the Scottish Government and multiplying it by 52.18.

⁴⁹ <http://www.gov.scot/Publications/2017/12/3849/downloads>

Eligibility

In Scotland, local authorities carry out an 'Assessment of Your Care Needs' whereby an individual is assessed by healthcare professionals to determine what their care needs are and how they might be met.

The amount of free care an individual will receive is determined by their local authority following assessment. There is no set limit to the amount of free care they can provide.

Scotland is unique in the UK in providing free personal care, and the total impact of the policy in terms of cost has yet to be fully determined.

Expenditure

Total expenditure figures are no longer routinely published by the Scottish Government.

UKHCA estimate that local authority expenditure on domiciliary care for 2017/18 was approximately **£601m**⁵⁰.

This figure represents the annual number of purchased hours, multiplied by the average price paid in Scotland for an hour of care, a figure calculated by UKHCA based on Freedom of Information returns.

The estimated self-funder expenditure is **£180m**.⁵¹ In reality, the exact figure is likely to be lower due to Scotland's free personal care policy.

In addition to spending on social care services, the Scottish Government has committed to the Scottish Living Wage.

However, as part of a Freedom of Information request carried out by UKHCA in 2018, it was discovered that councils are not paying enough to allow providers to abide by this commitment.

⁵⁰ Figure calculated by multiplying the number of annual hours reported by the Scottish Government by the average price for an hour of care reported by the local authorities through an FOI request. Figure carried over from 2016/17 which is the latest data available.

⁵¹ Figure estimated based on the assumption that self-funding accounts for one fifth of the market. Figure adjusted to account for difference in price between self-funding and local authority care.

Direct payments

A direct payment is a financial transaction, made by a local authority to an adult with eligible care and support needs. The amount given to the service user will vary depending on assessed care needs. The service user may then use this payment to meet their assessed needs in whatever way they feel is best.

During the financial year 2016/17 a total of **8,290** people in Scotland received a direct payment from their local authority.⁵²

There has been an increase in the use of direct payments as demonstrated in Figure 22 below.

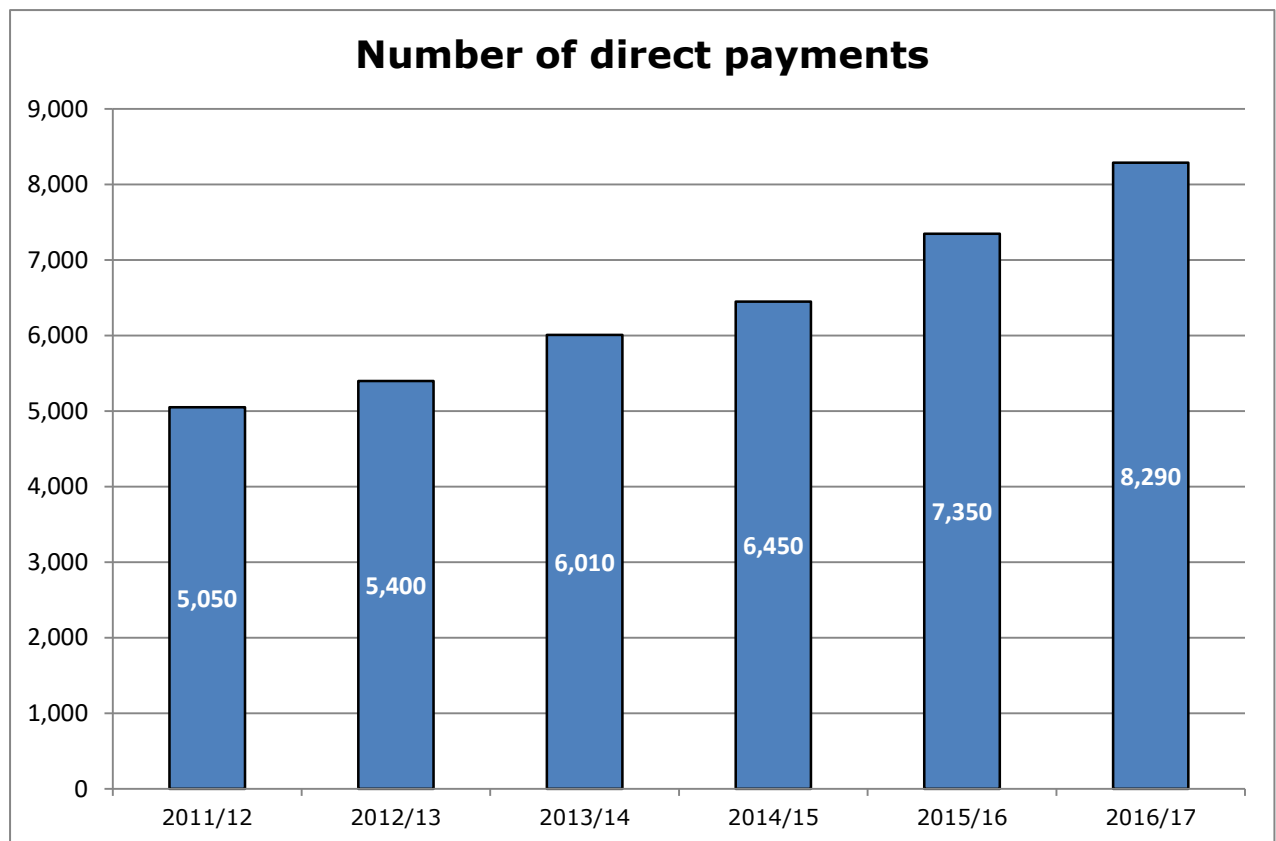


Figure 22 – number of direct payments in Scotland

⁵² <http://www.gov.scot/Publications/2017/12/3849>

This has been matched by a similar increase in expenditure on direct payments as shown in Figure 23 below⁵³.

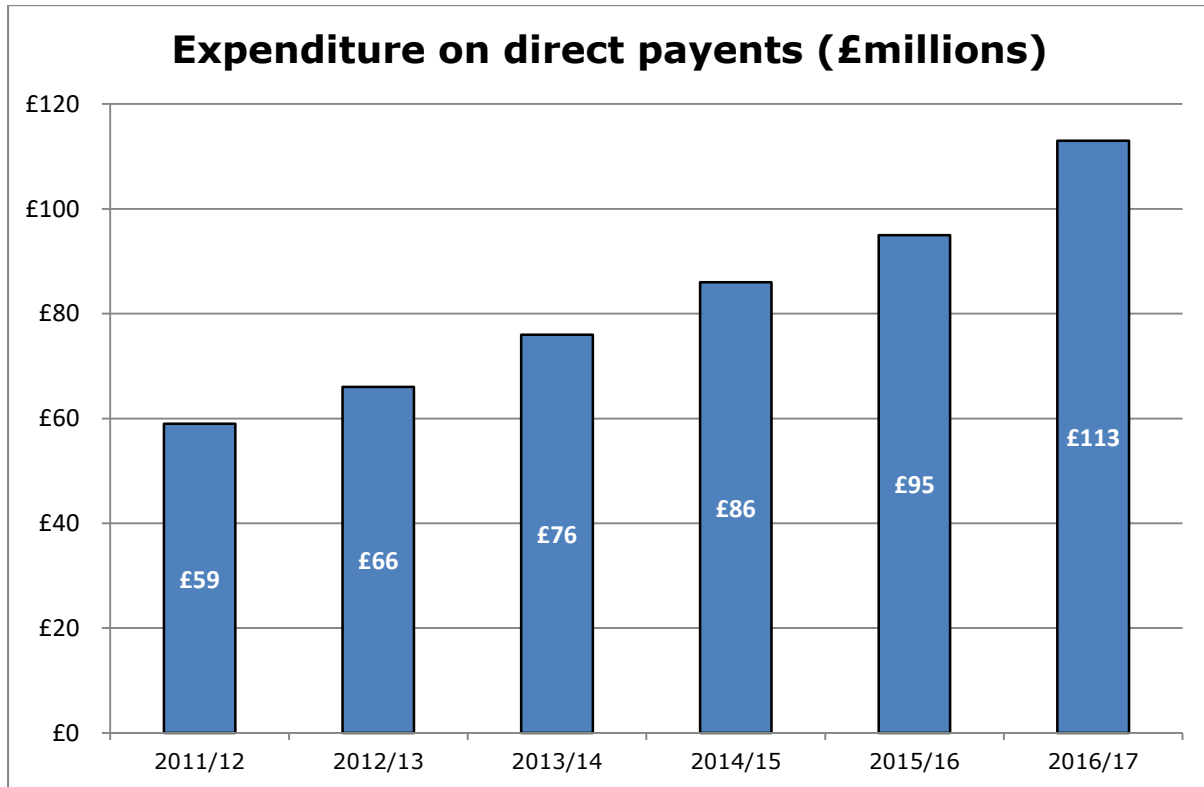


Figure 23 – expenditure on direct payments

⁵³ <https://beta.gov.scot/publications/social-care-services-scotland-2017/>

Workforce

The Scottish Social Services Council (SSSC) reported there were **70,900** people employed in the domiciliary care and housing support sector in 2017⁵⁴.

Of these, SSSC report that 91% are involved in care delivery, 5% provide office support, and just 4% are at a managerial level.

Figure 24 below shows the breakdown of staff by work area.

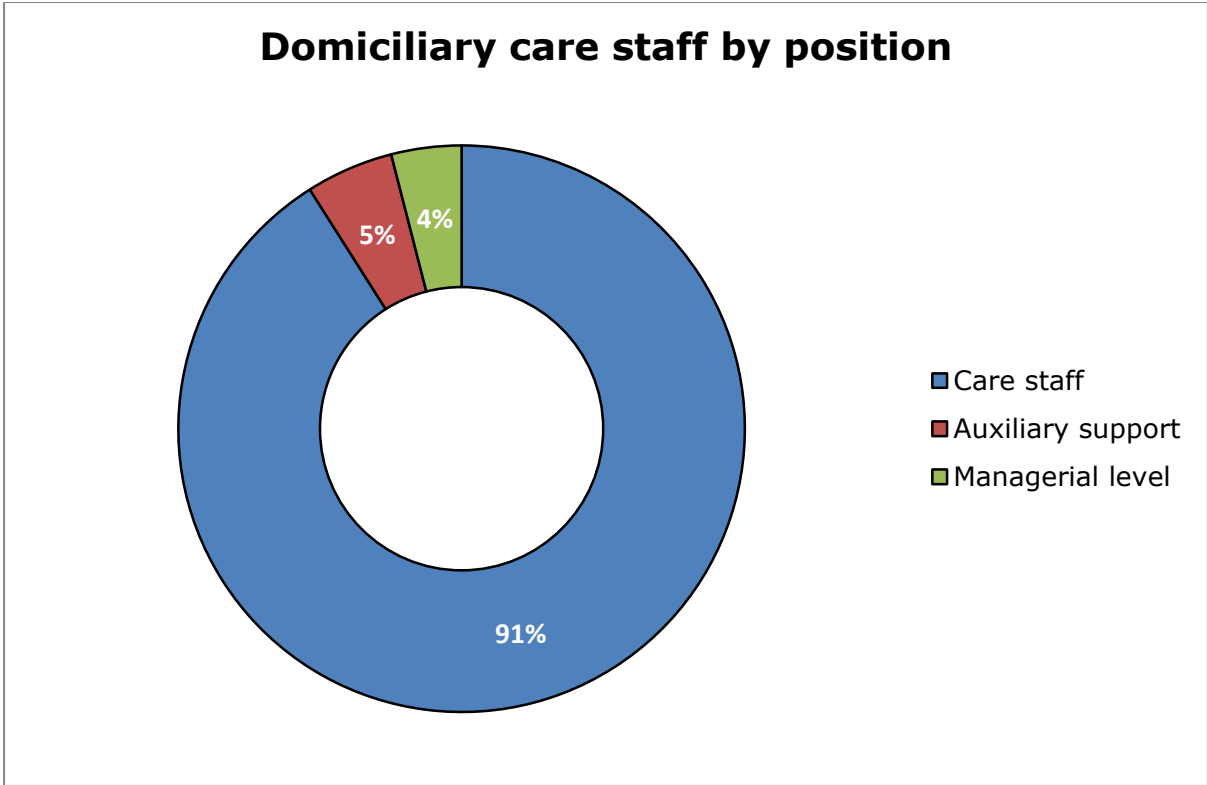


Figure 24 – domiciliary care staff by position

⁵⁴ <https://data.sssc.uk.com/images/WDR/WDR2017.pdf>

Homecare Deficit in Scotland

Using data obtained under Freedom of Information legislation, UKHCA found that the average prices paid by councils for homecare in Scotland is just £16.54 per hour, £1.47 per hour less than UKHCA's Minimum Price for Homecare of £18.01 per hour (as of October 2018).⁵⁵

UKHCA revised the Minimum Price for Homecare in April 2019 to take into account changes in the National Minimum Wage and National Living Wage and is now £18.93 per hour.⁵⁶

UKHCA calculates that Scotland's homecare sector needs at least an additional **£53 million per year** to ensure that homecare workers receive the current statutory National Living Wage, while also ensuring that homecare providers can meet their statutory obligations. (Compared to the current financial year an additional **£87 million per year** will be required for financial year 2018 -19).

However, the size of the deficit this year would be **£153 million per year** if the government and Local Authorities were to commit to raising the status of the homecare workforce, by funding services at a level to meet the independently calculated Scottish Living Wage effective from November 2018.

⁵⁵ <https://www.ukhca.co.uk/downloads.aspx?ID=589#bk1>

⁵⁶ <https://www.ukhca.co.uk/downloads.aspx?ID=434#bk1>

Northern Ireland

Key facts and figures – Northern Ireland

- Total people to use HSCT commissioned domiciliary care: **23,409**⁵⁷
- Estimated people using HSCT commissioned services (annually): **35,114**
- Total hours of domiciliary care delivered: **13,933,720**
- Total Trust expenditure on domiciliary care: **£130m**
- Estimated self-funder expenditure: **£39m**
- Total people receiving a direct payment in 2017/18: **16,203**
- Total expenditure on direct payments in 2017/18: **£28.8 million**
- Number of registered careworkers in the domiciliary care sector: **12,000**
- Total number of registered locations providing domiciliary care: **295**

⁵⁷ In the sample week

Regulation

Providers in Northern Ireland are regulated by the Regulation and Quality Improvement Authority (RQIA). RQIA was established under the Health and Personal Social Services Order (Northern Ireland) (2003). It is an independent body and is responsible for the registration, monitoring and inspection of health and social care services throughout Northern Ireland.

Care workers in Northern Ireland must be registered with the Northern Ireland Social Care Council (NISCC).

Registration for care workers became mandatory in March 2017 and it is now an offence for providers to employ a care worker who is not registered with NISCC.

Registration Fees

Currently, there are no registration fees for providers wishing to register themselves with RQIA.

However, at the end of 2016, the Department of Health were consulting on whether to bring domiciliary care in-line with other types of care providers, such as care homes.

We expect the consultation results to be made public as soon as the Northern Ireland Executive returns and appoints ministers.

Care workers are required to pay a £30 registration fee with NISCC in order to be registered. Social care managers are required to pay £65. These fees are paid on an annual basis.

Providers

In November 2018 the Regulation and Quality Improvement Authority (RQIA) had **295** registered locations under the heading of a Domiciliary Care Agency.⁵⁸

Domiciliary care is funded by Health and Social Care Trusts who commission care to meet the needs of eligible individuals. Care is delivered by the independent or voluntary sector, or by the Trust's in-house community care teams.

In 2018 the independent and voluntary sectors delivered 71% of all HSCT funded domiciliary care.⁵⁹

Figure 25 below illustrates how volume of delivery has varied by sector over recent years.

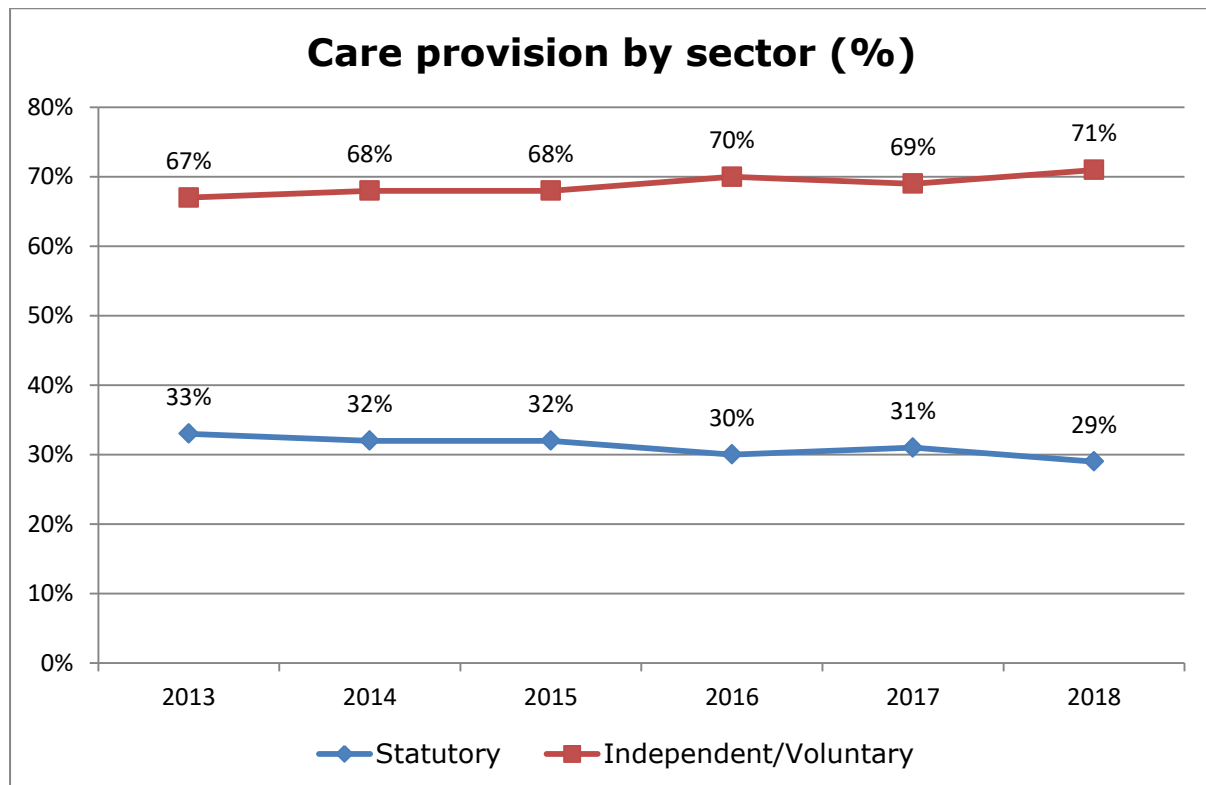


Figure 25 – care provision by sector

⁵⁸ RQIA, Provider Directory. Available at: <https://www.rqia.org.uk/what-we-do/register/services-registered-with-rqia/>

⁵⁹ <https://www.health-ni.gov.uk/sites/default/files/publications/health/dcs-adults-ni-18.pdf>

People who use services

During the sample week in September 2018 **23,409** people received a domiciliary care service funded by a HSCT in Northern Ireland⁶⁰.

UKHCA estimates the annual number of service users to be **35,114**⁶¹.

Figure 26 below illustrates recent trends in people to receive a domiciliary care services funded by a HSCT in a sample week.

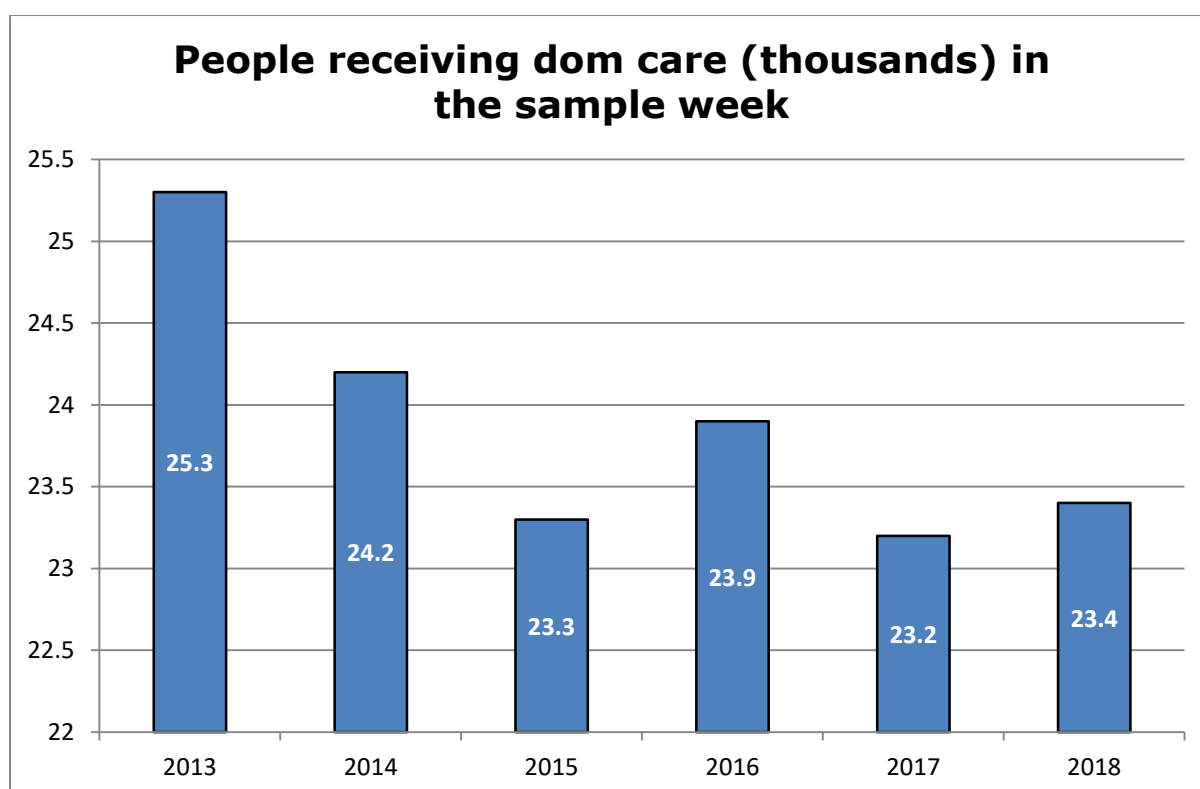


Figure 26 – number of people receiving domiciliary care in Northern Ireland

⁶⁰ <https://www.health-ni.gov.uk/sites/default/files/publications/health/dcs-adults-ni-18.pdf>

⁶¹ Figure estimated using the sample week figure and multiplying by a ratio of 3:2

Of all people receiving a domiciliary care service in the survey week in September 2018, 83% were aged 65 years or over. This is illustrated in Figure 27 below.

This figure has remained constant compared to the equivalent sample week in 2017.

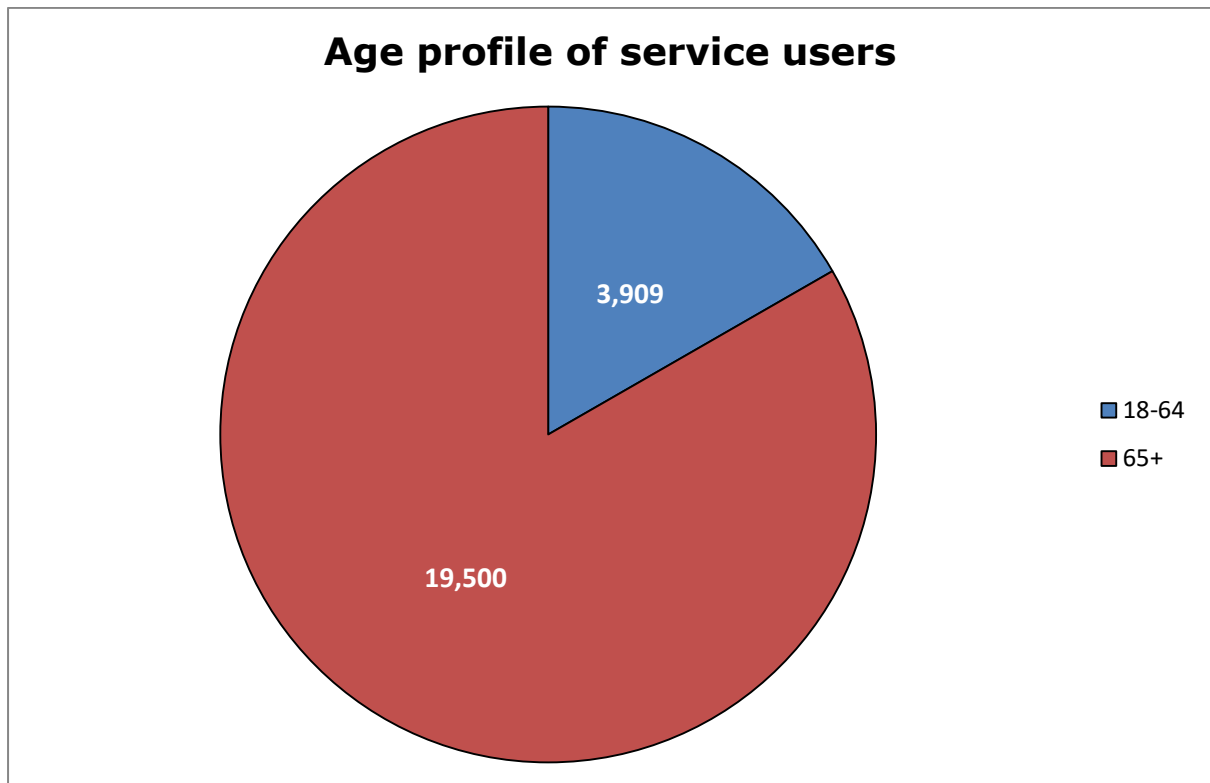


Figure 27 – age profile of service users

Hours of domiciliary care

During the financial year 2017/18 the HSCTs funded approximately **13.9 million** hours of domiciliary care.⁶²

In a sample week in September 2018 the HSCTs funded **267,083** hours of domiciliary care.⁶³

Figure 28 below illustrates recent trends in the quantity of domiciliary care funded by HSCTs in Northern Ireland.

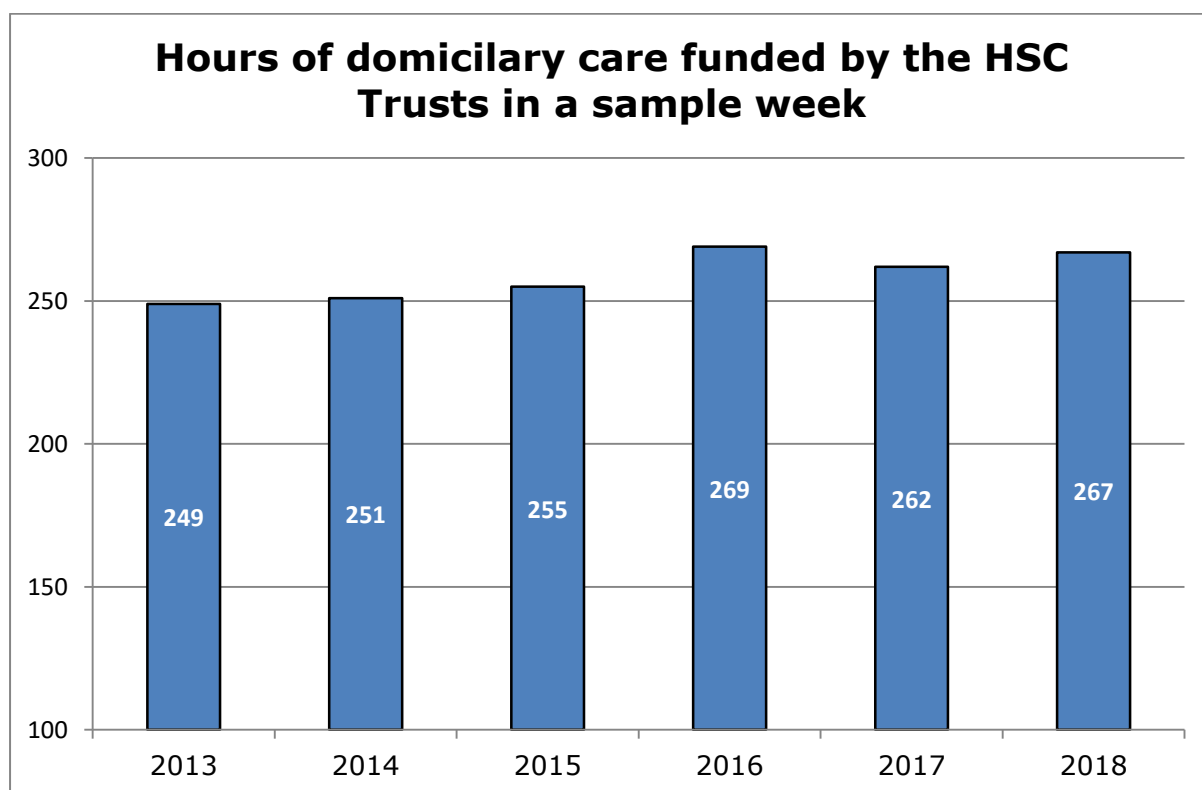


Figure 28 – hours of domiciliary care purchased by Trust

This represents a rise of approximately 14,000 hours of care compared to a sample week in 2015, a rise of approximately 5.5%.

⁶² Calculated using the weekly figure and multiplying by 52.14 for an approximate annual figure.

⁶³ <https://www.health-ni.gov.uk/sites/default/files/publications/health/dcs-adults-ni-18.pdf>

Table 29 below gives a more detailed overview of recent trends in the quantity of domiciliary care funded by the HSCTs in Northern Ireland.

	Hours of care (sample week)	Hours of care (annual)
2013	249,381	13,012,701
2014	250,798	13,086,640
2015	255,209	13,316,086
2016	268,883	14,030,315
2017	261,652	11,739,248
2018	267,083	13,925,707

No data is recorded on the quantity of domiciliary care purchased by people privately funding their domiciliary care in Northern Ireland.

Eligibility

In 2009, the Department of Health introduced the Northern Ireland Single Assessment Tool (NISAT), with the aim of streamlining and consolidating the existing assessment procedures for social care, and to ensure universality of assessment through health and social care trusts across Northern Ireland.⁶⁴

A financial assessment follows an assessment of the individual's care needs.

Expenditure

For the financial year 2017/18, the Health and Social Care Trusts had a total expenditure of **£130m** on domiciliary care services.

In 2018, UKHCA sent Freedom of Information requests to the five Health and Social Care Trusts in Northern Ireland to access figures for their total expenditure on domiciliary care services, and their total amount of purchased hours.⁶⁵

We requested the figures for in-house statutory provision as well as the expenditure/hours for the independent and voluntary sector.

The estimated self-funder expenditure for Northern Ireland is **£39m**.⁶⁶

⁶⁴ For more information please see: <https://www.health-ni.gov.uk/publications/northern-ireland-single-assessment-tool-and-guidance>

⁶⁵ <https://www.ukhca.co.uk/downloads.aspx?ID=589#bk1>

⁶⁶ Figure estimated based on the assumption that self-funding accounts for one fifth of the market. Figure adjusted to account for difference in price between self-funding and local authority care.

Length of care visits

The Department of Health in Northern Ireland also publishes data on the length of domiciliary care visits commissioned.

This data is then further broken down by each Health and Social Care Trust.

Figure 30 below shows that 31% of all domiciliary care visits commissioned lasted 15 minutes or fewer in 2018.⁶⁷

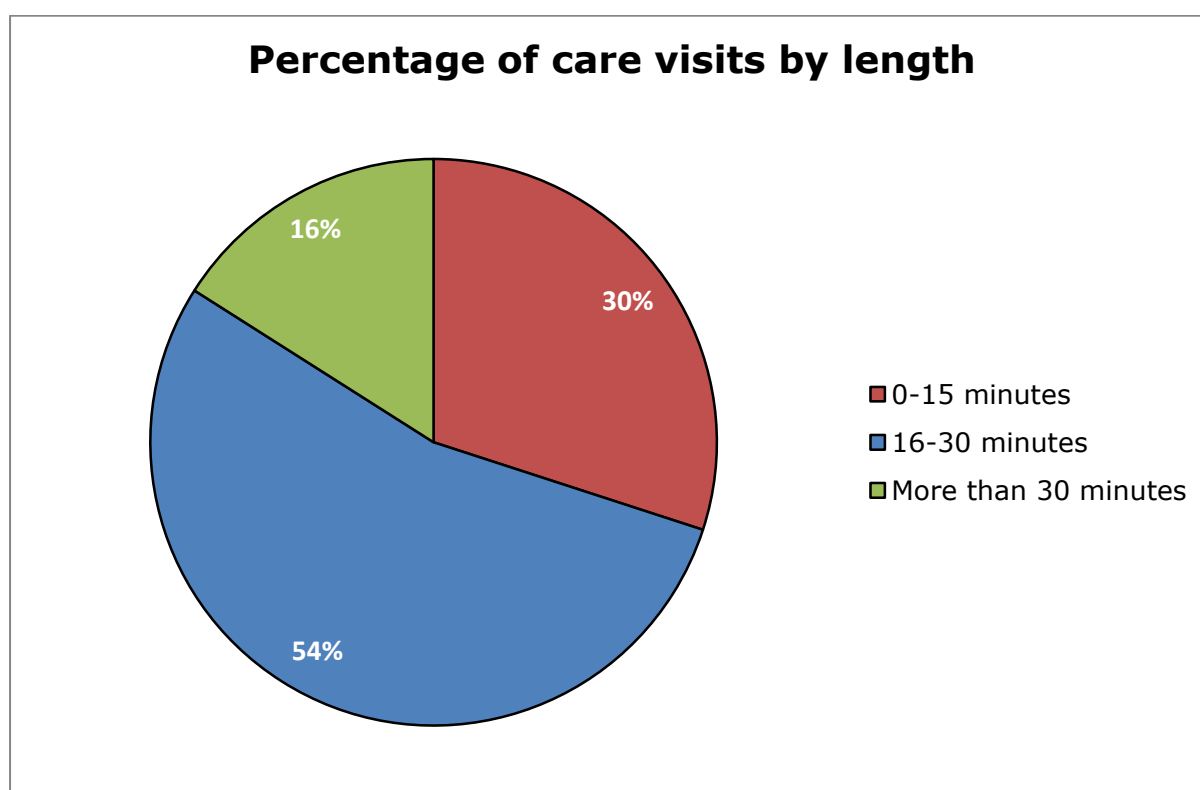


Figure 30 – care visits by length

Figure 31 below illustrates the quantity of domiciliary care visits funded by all HSCTs by length of visit in further detail.

⁶⁷ <https://www.health-ni.gov.uk/sites/default/files/publications/health/dcs-adults-ni-18.pdf>

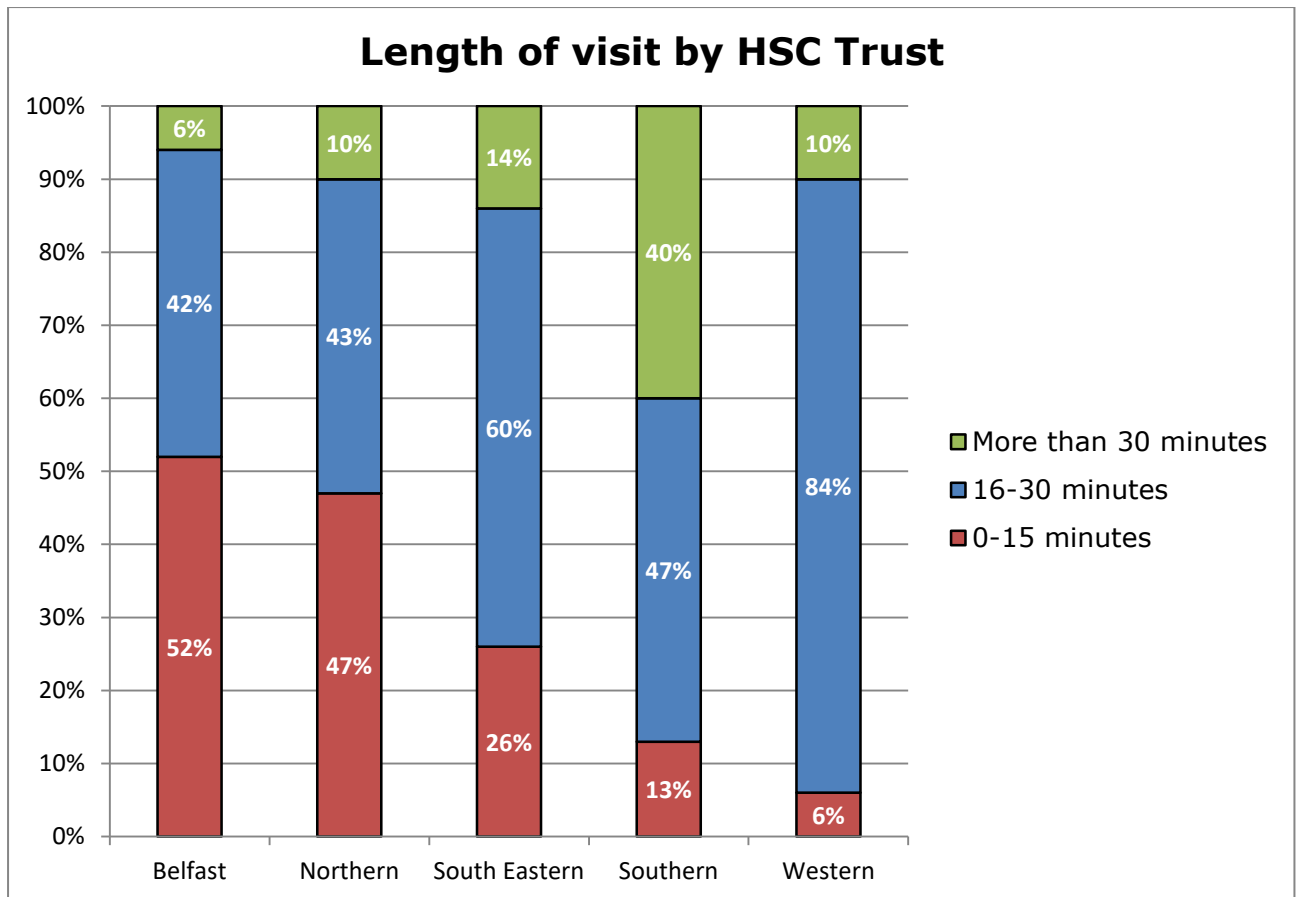


Figure 31 – length of visit by Trust

Direct payments

A direct payment is a financial transaction, made by a HSCT to an adult with eligible care and support needs. The amount given to the service user will vary depending on assessed care needs. The service user must then use this payment to meet their assessed needs in whatever way they feel is best.

In the financial year 2017/18, **16,203** people received a direct payment in Northern Ireland.⁶⁸

This represents an increase from the total for the financial year 2016/17 of 13,937.

The expenditure figure for 2017/18 was a total of **£28.8 million**.

In 2016/17 total HSCT expenditure on direct payments was £23 million.

Figure 32 below illustrates the rate of increase in expenditure on direct payments by HSCTs in Northern Ireland.

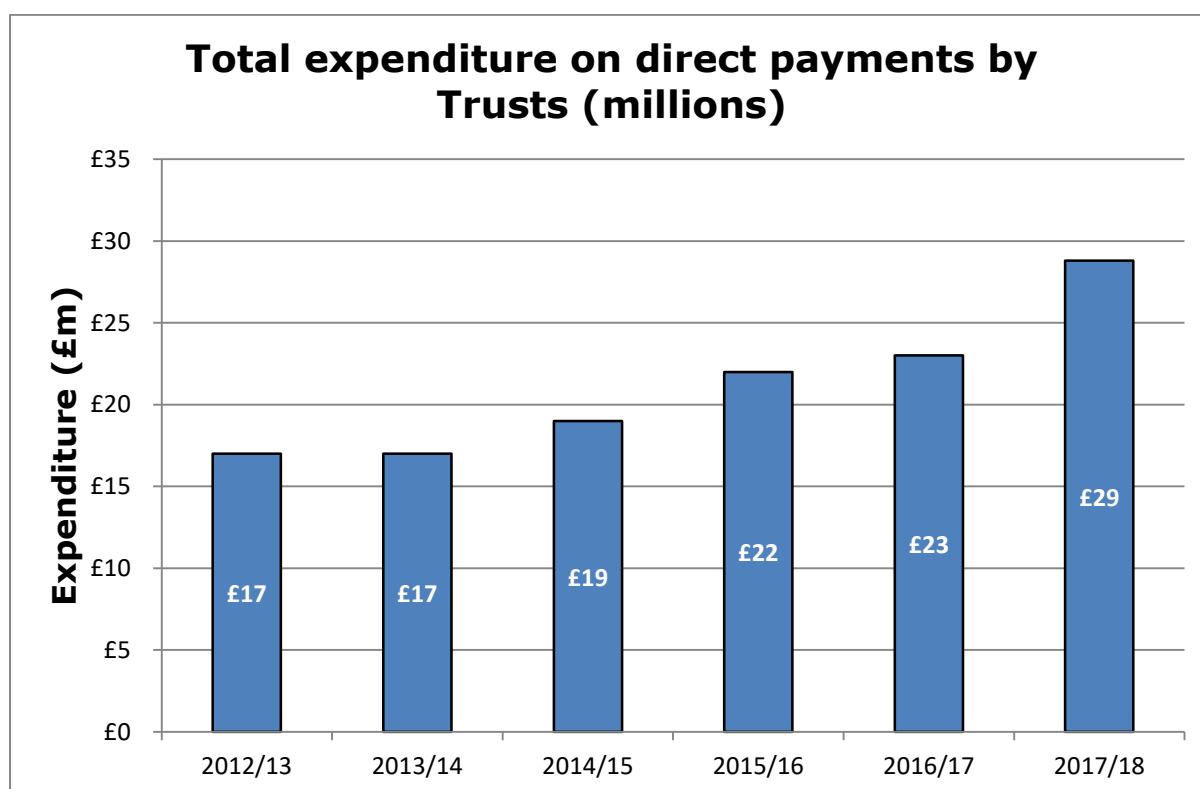


Figure 32 – total expenditure on direct payments

⁶⁸ <https://www.health-ni.gov.uk/publications/quarterly-direct-payments-statistics-september-2018>

Workforce

The Northern Ireland Social Care Council estimates that there are approximately 12,000 careworkers in the statutory, voluntary and independent domiciliary care sector in Northern Ireland⁶⁹.

UKHCA estimate that the breakdown between careworkers employed by the statutory and independent or voluntary sector is:

- Independent/voluntary – 8,160⁷⁰
- Statutory – 3,840⁷¹

Homecare Deficit in Northern Ireland

Using data obtained under Freedom of Information legislation, UKHCA found that the average prices paid by HSCTs for homecare in Northern Ireland is just £13.70 per hour, £4.31 per hour less than UKHCA's Minimum Price for Homecare of £18.01 per hour (as of October 2018).⁷²

UKHCA revised the Minimum Price for Homecare in April 2019 to take into account changes in the National Minimum Wage and National Living Wage and is now £18.93 per hour.⁷³

UKHCA calculates that Northern Ireland's homecare sector needs at least an additional **£59 million per year** to ensure that homecare workers receive the current statutory National Living Wage, while also ensuring that homecare providers can meet their statutory obligations.

However, the size of the deficit this year would be **£86 million** if the government and Health and Social Care Trusts were to commit to raising the status of the homecare workforce to at least the independently calculated Real Living Wage current at the time of the report.

⁶⁹ NISCC estimate that registration of workers will create 12,000 records.

⁷⁰ Assume that ratio of independent/voluntary:statutory is 34:9 as in sector delivery by hours data.

⁷¹ Assume that ratio of independent/voluntary:statutory is 34:9 as in sector delivery by hours data.

⁷² <https://www.ukhca.co.uk/downloads.aspx?ID=589#bk1>

⁷³ <https://www.ukhca.co.uk/downloads.aspx?ID=434#bk1>

Extra-care housing market

The extra-care housing market, sometimes referred to as retirement communities or sheltered housing/accommodation, offers people the chance to live independently in a rented or purchased home, often with on-site 24-hour care services available when required.

The Associated Retirement Community Operators (ARCO), the main body representing the Retirement Community sector in the UK, estimates that there are currently 75,000 people living in extra-care accommodation across the UK.⁷⁴

As part of their 'Vision 2030' document, ARCO has stated that they are aiming to increase this number to 250,000 people by 2030.

In 2017/18, local authorities in England spent a total of **£474.4m** on supported accommodation services.⁷⁵

For the same time period, local authorities in Wales spent a total of **£179.7m** on supported accommodation and other accommodation services.⁷⁶

Although it does not distinguish between extra-care and other forms of accommodation services, LaingBuisson's market report on homecare and supported living services estimates that the market value of supported living services in 2017 was approximately £1.5bn.⁷⁷

It also reported that the majority of supported living services are provided by the independent or voluntary sector, with less than 10% provided directly by councils.

⁷⁴ <https://www.arcouk.org/sites/default/files/ARCO%20Vision%202030%20explained.pdf>

⁷⁵ <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/adult-social-care-activity-and-finance-report-england-2016-17>

⁷⁶ <https://stats.wales.gov.wales/Catalogue/Local-Government/Finance/Revenue/Social-Services/social-services-socialservicesrevenueexpenditure-by-clientgroup>

⁷⁷ Laing, W. (2018), *Homecare and Supported Living*, UK market report, 2nd edition.

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UKHCA, Sutton Business Centre, Restmor Way, Wallington, SM6 7AH 020 8661 8188 | enquiries@ukhca.co.uk | www.ukhca.co.uk