



Homecare Association

A Minimum Price for *Homecare*

in Northern
Ireland

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Executive summary

Fee rates for homecare in Northern Ireland have lagged behind the other UK nations, as elucidated in the Homecare Association's [Homecare Deficit 2021](#) report. Indeed, the ['15' campaign](#) included a call to end rates of £15 per hour. However, additional funding in November 2021 has enabled rates to be uplifted to a [new hourly minimum of £18](#). This followed [new public procurement rules](#) such that, from June 2022, the Real Living Wage, as calculated by the Living Wage Foundation, must be paid for all contracts. While a step in the right direction, more still needs to be done.

The Homecare Association's new calculation for the Minimum Price for Homecare in Northern Ireland is **£26.52 per hour**, effective immediately.

This is based on the Real Living Wage, which now stands at [£10.90 an hour across the United Kingdom](#).

Our Minimum Price for Northern Ireland 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 requirements at a financially sustainable level.

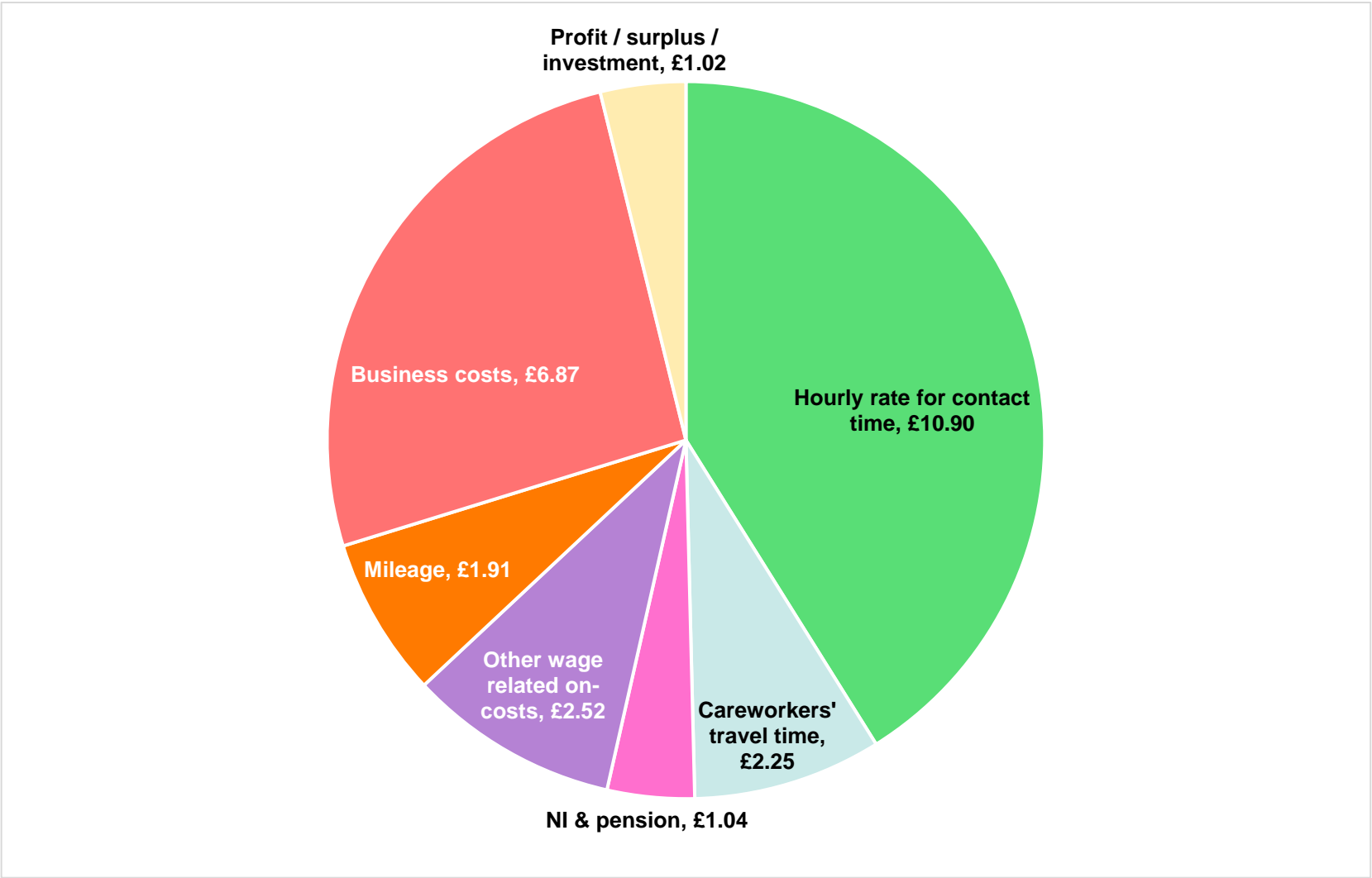
The Minimum Price calculations are widely recognised within the social care and health sectors in all four UK administrations. For the first time this year, we have produced separate reports and prices for each UK nation.

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 are responsible for determining the prices they pay for homecare services at a local level.

The results of our analysis are shown in the graph and table which follow.

NB. In this report, where numbers have been, for example, added or subtracted, exact figures have been used – hence, there may be occasional rounding differences in the text and table.

Minimum Price for Homecare at the Real Living Wage (Northern Ireland)



Minimum Price for Homecare in Northern Ireland at the Real Living Wage (announced in September 2022)					Costs		
Careworker costs	Gross pay	Hourly rate for contact time	Real Living Wage		£10.90	£13.15	£18.62
		Careworkers' travel time	20.68%	of hourly rate for contact time	£2.25		
	NI & pension	Employers’ National Insurance	4.92%	of gross pay	£0.65	£1.04	
		Pension contribution	3.00%	of gross pay	£0.39		
	Other wage related on-costs	Holiday pay	11.25%	of gross pay, NI & pension	£1.60	£2.52	
		Training time	2.37%	of gross pay, NI & pension	£0.34		
		Sickness pay	3.80%	of gross pay, NI & pension	£0.54		
		Notice & suspension pay	0.30%	of gross pay, NI & pension	£0.04		
	Mileage	Travel reimbursement	£0.45 per mile for 4.25 miles per hour of contact time		£1.91	£1.91	
Gross margin	Business costs	Management & supervisors		Estimated fixed cost	£2.43	£6.87	£7.89
		Back-office staff		Estimated fixed cost	£1.21		
		Staff recruitment		Estimated fixed cost	£0.36		
		Training costs		Estimated fixed cost	£0.48		
		Regulatory fees		Estimated fixed cost	£0.03		
		Rent, rates and utilities		Estimated fixed cost	£0.37		
		IT & telephony		Estimated fixed cost	£0.46		
		PPE and consumables		Estimated fixed cost	£0.59		
		Finance, legal & professional		Estimated fixed cost	£0.30		
		Insurance		Estimated fixed cost	£0.31		
		Other business overheads		Estimated fixed cost	£0.34		
	Profit	Profit/surplus/investment	4.00%	of careworker costs & business costs	£1.02	£1.02	
Total price based on the Real Living Wage (announced in September 2022)					£26.52	£26.52	£26.52

Data sources and assumptions

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

Where appropriate, we again use electronic call monitoring data from a leading provider of software for UK care organisations, [the Access Group](#).

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

Careworker costs

Employers' National Insurance

This is set at the same percentage to that calculated for the Real Living Wage in England, namely 4.92%.

Training time

This determines the cost when a careworker attends training (as opposed to delivering care). Other training-related costs are included in the 'business costs' section.

Careworker training can be broken down into three main items: induction, studying for qualifications and Post Registration Training and Learning (PRTL).

The Northern Ireland Social Care Council (NISCC) has developed an [Induction Programme](#) for new careworkers. We estimate the annual number of training hours for this item per careworker, based on the assumption of six hours of training per day.

[Regarding qualifications](#), our attention is focused on the Level 2 Diploma in Health & Social Care (Adults) (Northern Ireland) (total qualification time of 460 hours) and the Level 3 Diploma in Health & Social Care (Adults) (Northern Ireland) (total qualification time of 580 hours). A higher qualification is not considered, following a similar qualifications pathway for England. As with England, neither qualification is required for practice in Northern Ireland (both are considered desirable for careworkers).

Moreover, social care workers must complete [at least 90 hours of PRTL](#) during each registration period of five years.

According to data on the [number of domiciliary care and supported living workers](#) (as of May 2022) and [number of domiciliary care agencies](#) (including supported living services, as of October 2022), an average-sized homecare provider in Northern Ireland has around 55 careworkers. Using this figure, we estimate the number of careworkers completing each training item per year.

Consequently, when multiplying the number of training hours by the number of careworkers for each training item and summing, we estimate an annual total of 1,414 training hours in an average-sized provider, or 25 hours per careworker.

Using Access Group data on the average number of hours worked per employee per year, we finally find that a careworker in Northern Ireland spends 2.37% 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 Scotland, Wales and Northern Ireland, where individual careworkers must join a professional register).

According to the [Regulation and Quality Improvement Authority \(RQIA\)](#), there is no registration fee or annual fee applicable for a domiciliary care agency in Northern Ireland.

However, there is an [application, annual and renewal fee for careworkers of £30](#) as part of their NISCC registration, or, on average, £0.03 per hour for each careworker (according to Access Group data).

PPE and consumables

In Northern Ireland, the provision of free personal protective equipment (PPE) was retained for 2022-23. Similar to England, we work on the assumption that this situation will change going forward.

For homecare providers in Northern Ireland, the [COVID-19 guidance on infection prevention and control \(IPC\)](#), as well as the Regional IPC Manual in relation to [PPE](#) and [hand hygiene](#), are applicable.

These guidance documents have broadly similar PPE requirements to those for England, and so our other assumptions for the cost of PPE and consumables still hold in Northern Ireland.

Other assumptions

Break time

There are separate Working Time Regulations for Northern Ireland. However, [the stipulation as regards a rest break](#) is similar to England. Consequently, given an assumption of around 5.17 hours worked per day on average (see England report), we again do not account for this in our model.

Caution and disclaimer

We do not suggest that the Minimum Price for Homecare in each administration recognises the value of homecare services to society by providing a fair reward for the essential workforce. This would constitute a ‘fair price’ – instead, we have calculated a ‘minimum price’, which covers basic legal requirements and so should not be treated as a national acceptable price capable of achieving a stable workforce.

Our Minimum Prices are intended to be indicative rates for information purposes. They should not be used by providers as an alternative to the accurate pricing of individual tender bids, nor by commissioners 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.