



Homecare Association



A Minimum Price for Homecare

in Wales

April 2024 to March 2025

Produced by

Homecare Association

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Executive summary

Our [Homecare Deficit 2023](#) suggested that only 7% of state commissioners in Wales were paying an average rate at, or above, the Homecare Association's Minimum Price for Wales. This is despite an increase of fee rates by 24% since 2021 – partly due to a low starting point, and also the high inflation we have seen over the last two years.

The Homecare Association's new calculation for the Minimum Price for Homecare in Wales is **£30.58 per hour**.

We base this minimum on the Real Living Wage (given the Welsh Government's commitment to pay careworkers this rate), which now stands at [£12.00 an hour across the United Kingdom](#).

Our Minimum Price for Wales 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.

Many providers in Wales need to pay a higher rate to recruit staff as competition from other sectors remains strong (or alternatively, they will have to cover additional costs to recruit internationally).

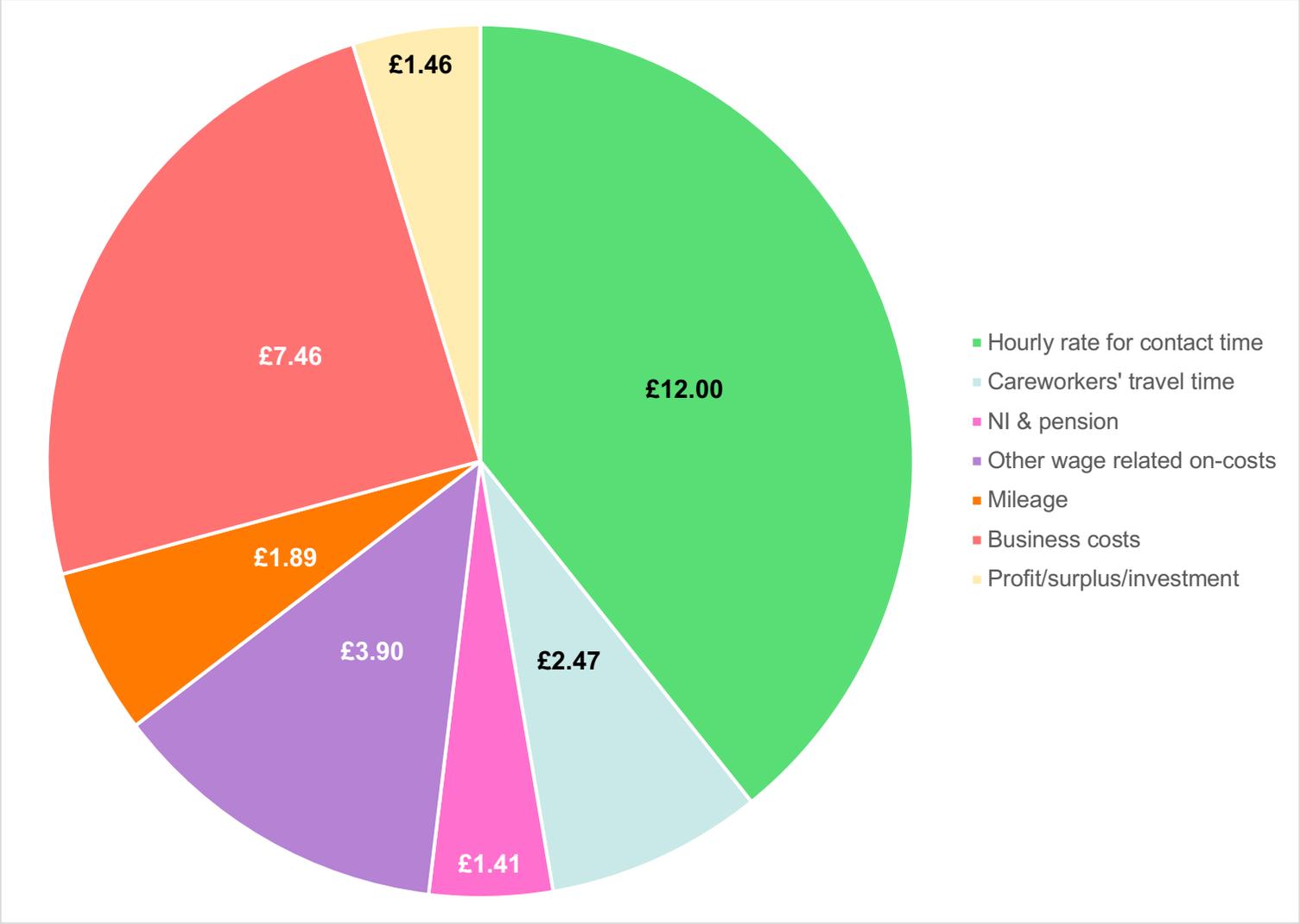
The Homecare Association's Minimum Price has gained wide recognition within the social care and health sectors in all four UK administrations.

We will continue to challenge central government and the Welsh 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 Real Living Wage (Wales)



| Minimum Price for Homecare in Wales at the Real Living Wage (announced in October 2023) | | | | | Costs | | |
|---|-----------------------------|-------------------------------|--|---------------------------------|----------------------|---------------|---------------|
| Careworker costs | Gross pay | Hourly rate for contact time | Real Living Wage | | £12.00 | £14.47 | £21.66 |
| | | 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 | £3.90 | |
| | | Training time | 8.07% | of gross pay, NI & pension | £1.28 | | |
| | | 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 | £2.57 | |
| Back-office staff | | | | Estimated fixed cost | £0.94 | | |
| Staff recruitment | | | | Estimated fixed cost | £0.37 | | |
| Training costs | | | | Estimated fixed cost | £0.42 | | |
| Regulatory fees | | | | Estimated fixed cost | £0.03 | | |
| Rent, rates and utilities | | | | Estimated fixed cost | £0.49 | | |
| IT & telephony | | | | Estimated fixed cost | £0.60 | | |
| PPE and consumables | | | | Estimated fixed cost | £0.72 | | |
| Finance, legal & professional | | | | Estimated fixed cost | £0.43 | | |
| Insurance | | | | Estimated fixed cost | £0.34 | | |
| Other business overheads | | | Estimated fixed cost | £0.54 | | | |
| Profit | Profit/surplus/investment | 5.00% | of careworker costs & business costs | £1.46 | £1.46 | | |
| Total price based on the Real Living Wage (announced in October 2023) | | | | | £30.58 | £30.58 | £30.58 |

Data sources and assumptions

The methodology in calculating a Minimum Price for Wales 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 Wales, 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, 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 continuing professional development (CPD).

In Wales, as well as the standard induction, new careworkers should also complete the [All Wales Induction Framework for Health and Social Care \(AWIF\)](#). We estimate the annual number of training hours for the induction per careworker, based on the assumption of six hours of training per day, as well as the AWIF.

[Regarding qualifications](#), we focus our attention on the City and Guilds Level 2 Health and Social Care: Core (total qualification time of 320 hours) and the City and Guilds Level 3 Health and Social Care: Practice (Adults) (total qualification time of 500 hours). We do not consider higher qualifications, following a similar qualifications pathway for England. However, unlike England, it is mandatory for careworkers in Wales to be qualified – in our model, we assume that all those who study for the Level 3 have previously completed the Level 2.

Moreover, social care workers must complete [a minimum of 45 hours of CPD](#) during a registration period of three years.

Using data on the [number of registered homecare workers](#) (as of June 2023) and the [quantity of homecare support services](#) (as of March 2023), we calculate that an average-sized homecare provider in Wales has around 33 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 3,146 training hours in an average-sized provider, or 95 hours per careworker. This has reduced since last year, due to Social Care Wales extending the time period in which careworkers need to qualify.

After estimating (using software supplier data) the average number of hours worked per employee in 2023, we finally find that a careworker in Wales typically spends 8.07% 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).

For a provider to register with Care Inspectorate Wales, no fee (either initial or annual) is payable.

However, there is an [application, annual and renewal fee for careworkers of £30](#) as part of their Social Care Wales registration, or, on average, £0.03 per hour for each careworker (according to an estimate using software supplier data on average hours worked per employee).

PPE and consumables

In Wales, [the provision of personal protective equipment \(PPE\) for health and social care](#) is free until the end of March 2024.

PPE guidance in both England and Wales has lower usage requirements than in late 2022 (though still substantially higher than pre-pandemic). However, 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. Current communications suggest that

the Welsh Government is expecting providers to pay for their own PPE from April 2024.

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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