

Homecare
Association

Homecare
Association
and
Independent
Health & Care
Providers (ihcp)

Homecare in
Northern Ireland

The current state of play

January 2022

Recommendations

For the benefit of careworkers and providers in the independent homecare sector in Northern Ireland, we make the following requests that will not only strengthen care provision, but also improve the sector's ability to grow to support the rapidly ageing population in Northern Ireland:

- Ongoing financial support is made available so that homecare providers can pay their staff at a wage equivalent to Health and Social Care (HSC) Band 3. With the Department of Health announcing a 3% pay increase for those working in HSC at the end of November 2021, the support should be commensurate with this, as well as with subsequent pay rises for Agenda for Change staff.
- HSC Trusts are funded and required to pay a fair price for care, using a rational methodology, so that homecare services are of good quality and are financially sustainable. Further to this, careworker travel time and travel expenses must be covered.
- Payment is made in advance on planned homecare. This will help to stabilise and develop homecare provision by: a) providing greater security of income; b) encouraging investment in workforce and technology; and c) reducing the risk of provider insolvency.
- Current national needs and regional variation in demography and workforce are recognised.



Overview of the sector

Homecare plays a vital role in enabling us all to live well at home and flourish in our communities, regardless of age or ability.

Official figures show that, in a survey week in September 2020, 278,979 hours of homecare were estimated to have been commissioned by HSC Trusts in Northern Ireland (Department of Health [a], 2021).

Consequently, 21,491 people were supported at home during this week, enabling them to live independently within their local community, with 84% of service users aged 65 or over. In contrast, only 3,678 residential care packages were in effect in Northern Ireland at the end of the same month (Department of Health, 2020).

Yet, annual public expenditure for health services in Northern Ireland amounts to almost £4.6 billion (Harker, 2020), while past figures indicate spend on homecare to be around 4% of this figure (Department of Health, 2018).

It makes little sense to neglect people at home in the community, wait until they reach crisis point, then admit them to the most expensive setting of care in an acute hospital. Here, they may lose further function and require even higher levels of support and care when they are discharged back home, or to a care home.

As of April 2021, a total of 19,895 homecare workers/managers and supported living workers were registered with the Northern Ireland Social Care Council (NISCC) (Homecare Association [a], 2021).

However, at the end of September 2021, there was close to double the total number of HSC vacancies in homecare compared to social care. Indeed, within three months, there was a 26% increase in such vacancies. (Department of Health [b], 2021).

This is in keeping with UK-wide research by the Homecare Association, which found that 78% of independent providers believed current recruitment of homecare workers to be the ‘hardest it has ever been’ (with no substantial regional differences) (Townson, 2021).

The supply of homecare is struggling to keep pace with demand. By December 2021, close to 3,000 people were awaiting a homecare package in Northern Ireland – an additional 13% on top of those already receiving support at home. 55% of the outstanding homecare packages were in either Belfast or Northern HSC Trusts (McCambridge, 2021).

With the situation exacerbated by the COVID-19 pandemic, pressure is put on to the health and care system, as lack of capacity in social care and community services adversely affects hospital discharge. Therefore, it is difficult to reduce waiting lists as swiftly as required, regardless of how much extra funding is poured into health services. This is particularly problematic in Northern Ireland, where waiting times for health services are considerably longer than in the other UK nations (Atkins & Dalton, 2021).

If the current HSC vacancies for homecare workers were filled and with the average worker delivering 24 hours of care each week, around 9,500 extra hours per week could be delivered overall, which would help the situation.

In addition, the most recent population projection figures revealed that the number of adults in Northern Ireland aged 65 or

above was expected to rise to 481,400 by mid-2043, thus contributing almost a quarter of the population (Northern Ireland Statistics and Research Agency, 2019).

Given around 6% of the current 65+ population of 319,900 (Northern Ireland Statistics and Research Agency, 2021) are currently receiving homecare and assuming this proportion remains unchanged, this would lead to an estimated 9,145 extra service users by mid-2043 – an increase of 50% from 2020.

Insufficient Executive spending on homecare has led to poor practices in the commissioning and purchasing of homecare by HSC Trusts. Meanwhile, tenders do not consider management skill or the potential to run large pots of business – in other words, to deliver safe, effective care.

A substandard procurement model, based on a time and task approach to the delivery of care, has been applied. Indeed, 32% of homecare visits in Northern Ireland funded

by HSC Trusts are for 15 minutes or less, with this proportion being as high as 52% in Northern HSC Trust (Department of Health [a], 2021). In comparison, the associated statistic in England is just 3.5% (Homecare Association [b], 2021). The situation is worsened by the lack of payment for travel time and expenses – as such, revision of contracts is required to clarify this.

An end to 15-minute visits in Northern Ireland was a key element of the '15' campaign, set up by the Independent Health & Care Providers (ihcp) and the Homecare Association.

Careworkers have rightly felt undervalued compared with equivalent roles in the health service, and with those requiring less skill and training in retail and hospitality.

Added to this, careworkers are now exhausted after the COVID-19 pandemic. Care roles are far more than equivalently paid jobs, while also being of tangible value to society.



Literature review

A variety of reports commissioned by the Department of Health have identified the issues within the Northern Ireland homecare sector over many years.

For example, in 2012, a public consultation was initiated on a discussion document entitled 'Who Cares? The Future of Adult Care and Support in Northern Ireland', as part of a process to reform the sector. In the [resulting report](#), which analysed consultation responses, 15-minute homecare visits were described as 'insufficient to provide good quality care'. The 'lack of travel time and expenses' for homecare workers was also raised.

In 2015, it was announced that an expert panel would be appointed to consider how HSC services in Northern Ireland should be best configured. Their '[Systems, not Structures - Changing Health and Social Care](#)' report stated the following:

"In recent years, some providers have argued that the fees paid by the HSC are insufficient to attract and retain staff and that this risks creating instability, threatening the economic viability of their services. Indeed, some domiciliary care providers have already withdrawn from the market, citing affordability as the reason."

Following this, the 'Domiciliary Care Workforce Review, Northern Ireland 2016 - 2021', published in 2018, computed that approximately £27 million of funding would be needed to meet increasing demand by 2021 (when services were contracted significantly below the new £18 per hour minimum – see below for more details). It heard from independent providers about, for instance, the high turnover of staff in the sector and unfavourable terms and conditions. By getting the funding right, the providers elucidated that careworkers could be 'paid appropriately' and the model of

delivery should be 'outcome focused, not x minute time slots'.

Improving pay, terms and conditions of the workforce was also an action outlined in the [Rapid Learning Review of Domiciliary Care in Northern Ireland](#), established to reflect on the experience of homecare in the COVID-19 pandemic.

The Health and Social Care Board's 2015 report, '[A Managed Change: An Agenda for Creating a Sustainable Basis for Domiciliary Care in Northern Ireland](#)', identified best practice to include 'an optimum number of providers with longer-term contracts to stabilise the market' and 'a move away from 'time and task' contractual arrangements and the promotion and development of more outcomes-based approaches which are more responsive to client needs'. It also recommended that the Board should 'introduce a more managed approach to funding domiciliary support services to address demographic and cost pressures and promote strategic change'.

Political response

In November 2021, Health Minister Robin Swann unveiled a one-off support package of up to £23 million for homecare and social care services in Northern Ireland.

The funding aims to help providers with the recruitment and retention of careworkers and reduce delayed discharges from hospitals. Consequently, HSC Trusts can uplift their hourly rates for providers to a new minimum of £18 per hour. It means that staff can be paid at the real Living Wage, echoing a proposal made in the 2017 [‘Power to People: Proposals to reboot adult care and support in NI’ report](#) to help recognise the social care sector as a professional workforce.

It also follows [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. In addition, tenders ‘must include a minimum of 10% of the total award criteria to social value’ and contractors will need to utilise fair work practices, aligned with the Carnegie Trust recommendations, for their staff, including employment terms and work-life balance.

In addition, it was announced in November 2021 that the real Living Wage would increase to £9.90 per hour in the UK. This means that, because of the £23 million cash injection, careworkers can now receive a wage in line with the current rate for HSC Band 3 staff.

However, the Minister has admitted that a longer-term solution is required, and therefore a public consultation on the future of the adult social care sector has now been launched.

A year earlier, investment of £5 million for homecare was provided for expenditure including the purchase of PPE, better sick pay, and other staffing costs – something

that needs to continue throughout the COVID-19 pandemic.

Meanwhile, there was a lengthy delay for careworkers in the independent sector to receive their special recognition payment of £500 for their work during COVID-19 – a proposal first revealed in January 2021. However, this issue has now finally been resolved.

Other initiatives have been introduced in 2021. The ‘Social Care – Making a Difference’ campaign, developed by the NISCC, was launched to pinpoint the essential contribution made by careworkers, improving awareness amongst the public and encouraging others to consider joining the workforce.

In addition, a Social Care Fair Work Forum was established by the Department of Health to produce ideas that will enhance terms and conditions and career prospects for careworkers. However, it has not yet met at the time of writing.

Outside of the Northern Ireland Executive, Prime Minister Boris Johnson, after pledging to ‘fix social care once and for all’, announced in September 2021, that the Government would, increase employer and employee National Insurance contributions by 1.25% in April 2022. This will mean that Northern Ireland will [receive an extra £400 million](#) in 2024-25, as part of the Barnett Consequential arrangement for the devolved nations of the United Kingdom.

It is helpful that the Government has established a principle of raising taxation to fund social care, though the

mechanism chosen is regressive and will disproportionately affect the sector. Indeed, careworkers will consequently experience a reduction in take-home pay and employers a further erosion of already tight margins through this and other unavoidable costs.

It is also uncertain how the Executive will use this funding, with Age NI calling for it

to be ringfenced for social care (Connolly & Smyth, 2021). In contrast, a senior civil servant has said that Northern Ireland's health service requires exactly this amount due to a huge budget deficit (Smyth, 2021). We are unaware of any evident plan to improve efficiency within the secondary care sector.



Funding deficit for homecare

In 2021, the Homecare Association submitted enquiries under Freedom of Information legislation to 340 public organisations (both local government and health bodies) across the United Kingdom, including the five HSC Trusts, to gain a current view of the funding deficit for homecare.

This related to their purchase of regulated homecare services delivered to people aged 65 years or above in their own home by independent sector providers during a seven-day 'reference period'. Information requested included the prices (lowest, highest and average) being paid to providers, and the number of hours purchased.

As witnessed in similar, previous exercises conducted by the Association, the continued deficit in funding for homecare services for older people across the United Kingdom was exposed (Houghton & Donohoe, 2021). It must be stressed that this deficit was calculated before we take into account rapidly rising inflationary costs. These include the 40p rise in the UK's real Living Wage to £9.90 per hour, and rising costs of fuel and other supplies.

For each government/health region or UK administration, a weighted average was computed, which considered the different volumes of care that each individual organisation in that region or administration purchased.

In Northern Ireland, the weighted average price paid for older people's homecare was just £15.76 per hour – the lowest such figure in the 12 government regions of the United Kingdom (including the devolved administrations). In fact, this weighted average was also £2.70 below that for all councils/HSC Trusts in the United Kingdom.

Moreover, of those that provided an average price per hour, all five HSC Trusts were in the bottom quartile among councils/HSC Trusts across the United Kingdom. While neither

Wales nor Scotland were purchasing hours on average at or below £16.00, 76% of Northern Ireland's homecare was commissioned for an average price between £14.01 and £16.00. This illustrates why the new minimum hourly rate of £18 is certainly a step in the right direction.

The average price for each Trust was significantly below the Homecare Association's Minimum Price for Homecare – which, at the time, was £21.43 per hour and has since increased. This is an absolute minimum, based on staff receiving the National Living Wage and includes payment and expenses for travel time, enabling providers to meet both employment and care regulations, as well as to ensure financial sustainability. However, the new minimum rate still does not factor in travel time and expenses.

Shockingly, Western HSC Trust was one of only four public organisations across the United Kingdom, whose average fee rate was below the direct cost of a careworker on the National Living Wage, plus employment on-costs (pension, National Insurance, holiday and sick pay, travel, and mileage). The problem with this is that it leaves nothing to cover the other operating costs to run a business. But again, this has been ameliorated by the Department of Health's £23 million cash injection.

The average rates are compared in the table below with the hourly cost of providing in-house homecare, obtained via a Freedom of Information request made by ihcp in March 2021:

HSC Trust	Average hourly rate paid to independent sector providers	Total hourly cost of in-house homecare
Belfast	£15.83	£40.63
Northern	£16.89	£26.19
South Eastern	£15.68	£31.58
Southern	£15.34	£28.79
Western	£14.21	£34.51

It is apparent that the costs of in-house provision were often more than double the amount that the Trusts paid to independent sector homecare providers – a pertinent point given 27% of the total hours is provided in-house (Department of Health [a], 2021). Indeed, the difference is still sizable, even with the new £18 per hour minimum for providers in the independent sector.

Furthermore, in the public sector, staff are paid for 12 minutes of travel time per hour, reducing efficiency to 80% of the independent sector. In other words, for the same level of efficiency, the in-house costs in the table above would be even higher – for example, Belfast HSC Trust’s figure would potentially rise from £40.63 to £50.79.

In response to ihcp, four of the Trusts were also paying travel expenses of 56p per mile for annual mileage up to 3,500 miles or 20p per mile for annual mileage over 3,500 miles.

The difference in payment of travel expenses between in-house and independent sector provision of homecare has previously been documented (Commissioner for Older People for Northern Ireland, 2015). It is unacceptable and a root-and-branch review of contracts is required to ensure fairness across the sector.

From the Homecare Association’s Freedom of Information request, only one Trust had undertaken a numerical calculation since 2019-20 to assess the hourly cost of delivering homecare services. Without completing such a calculation, it is difficult

to see how HSC Trusts can make objective judgements about whether the fees they pay are likely to sustain a stable care market in Northern Ireland. In addition, the findings from the request supported the argument for better oversight of the commissioning function of public organisations, but in Northern Ireland, there appears to be no discussions about such oversight.

As well as at the National Living Wage, the Homecare Association’s Minimum Price model can be used to determine the minimum hourly cost of delivering homecare at different rates of pay for careworkers. Thus, annual funding deficits can be computed by comparing with the relevant weighted average determined from the Freedom of Information request, when based on the number of homecare hours delivered by the independent sector in a year.

To this end, at the new real Living Wage and including costs for travel and training, a minimum hourly price of £24.08 has been computed for the 2022-23 financial year (Homecare Association [c], 2021).

Using the £15.76 weighted average, the annual funding deficit for the independent sector in Northern Ireland to pay staff £9.90 per hour and cover all other operating costs is £88.3 million. Even increasing the weighted average to the new minimum of £18 per hour still leaves a deficit of £64.5 million per year.

Conclusion

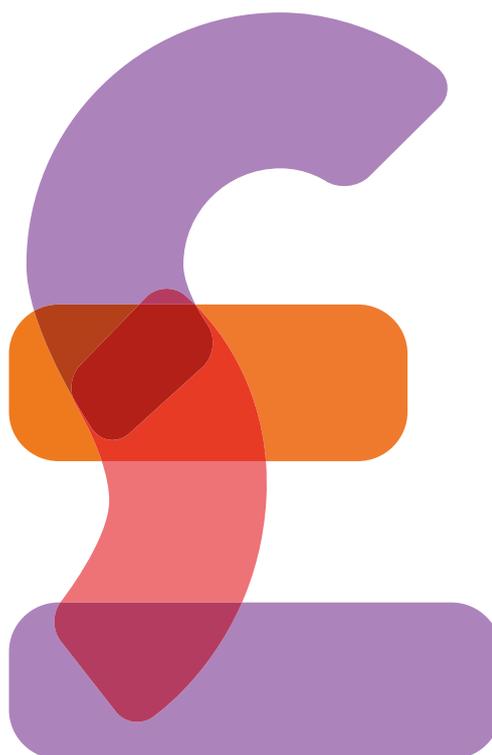
The Department of Health’s funding package of £23 million is a welcome boost for Northern Ireland’s independent homecare sector. It enables rates for providers to rise, so that careworkers can be paid a wage that is similar to their HSC Band 3 counterparts. Ongoing support is required to ensure that this remains the case in the future.

However, the extra money is specifically for the purpose of improving staff pay. In other words, provider margins are reduced in percentage terms, while there is no payment yet to recognise travel, training, or investment in new systems.

The new £18 per hour minimum is still well below the £24.08 recommended by the Homecare Association at the real Living Wage, and hence the funding deficit in the independent sector is still vast. Moreover, 15-minute visits are inadequate, and a more outcomes-based approach is needed.

In Northern Ireland, around 93% of homecare is publicly funded (ICF Consulting, 2018), so central funding of HSC Trusts has a direct impact on the fee rates they can pay for homecare.

By investing properly in homecare, we can address unmet need, reduce inequalities, extend healthy life expectancy of older and disabled people, and reduce pressure on the health service.



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