Homecare Association

Rt Hon Stephen Barclay MP
Secretary of State for Health and Social Care
Ministerial Correspondence and Public Enquiries Unit
Department of Health and Social Care
39 Victoria Street
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Dear Secretary of State

Congratulations on your re-appointment as Secretary of State for Health and Social Care. As you know, health and social care services face extraordinary challenges this winter and the situation appears to be worsening.

We are writing to urge you to prioritise support for homecare this winter and commit to progressing social care reform, including addressing social care funding.

Importance of homecare

Investment in homecare and community support will allow us to grow and develop the workforce and innovate, so we can enable people to live well at home, extend healthy life expectancy, reduce inequalities, take pressure off the NHS, ensure people remain economically active, and reduce costs for the health and care system.

Latest data show that a quarter of delayed discharges from hospital are due to people waiting for homecare. This hampers the ability of hospitals to admit new patients, contributing to increased ambulance response times and NHS waiting lists of over 7 million, with which you are familiar.

In the community, unmet need is high and rising. Councils have waiting lists for assessments, direct payments and care services of more than half a million. Over 1.6 million people need support and care at home and are unable to access it due to inadequate funding and workforce capacity. Preventable deterioration of health adds

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further pressure to overstretched health services, and is adding to labour shortages and constraining economic growth.

Homecare workforce shortages are deepening

Demand for homecare is far outstripping supply, with many providers struggling to retain and recruit careworkers. At least 70% of homecare hours are purchased by local authorities and NHS Clinical Commissioning Groups (now Integrated Care Boards). As you will find when you review the results of the Fair Cost of Care Exercises, the fee rates that many public sector organisations pay for homecare are substantially below the costs of compliance with regulations and the provision of high-quality and sustainable services.

With the cost of living rising and a tight labour market, homecare providers are simply unable to compete for workers with retail, hospitality, and the NHS. Skills for Care data published this month show that vacancy levels in homecare are almost twice as high as those in the NHS and other sectors of the economy. This year fuel prices have, at points, reached a level that was almost 50% higher than a year ago and are having a particularly negative impact on homecare workers, who collectively drive an estimated 4 million miles per day to support people in their own homes.

Our latest research shows over half (57%) of homecare providers are declining new clients. Worryingly, a quarter (25%) of homecare providers who mainly support people funded by councils and the NHS have stopped the delivery of care to some existing clients. Skills for Care has reported a decrease of 50,000 filled posts in adult social care and a vacancy rate of 13.8% in homecare, which is the highest ever recorded; in 2012/13, the vacancy rate in homecare was 5.9%.

Plan for Patients, international recruitment and paused reforms

The £500m announced to support hospital discharge and workforce in the Plan for Patients is welcome. It is vital this is used to help retain homecare workers this winter. Whilst we are grateful for any additional funds, without long-term investment in homecare, this short-term funding won't address underlying problems. We need to build homecare capacity for the future, to ensure adequate support at home for a population ageing with multiple long-term conditions. Failure to do so will limit economic growth and exacerbate pressures on the NHS.

We look forward to continuing to work with the Immigration Taskforce. There are currently many barriers to state-funded homecare providers using international recruitment at scale. In particular, widespread zero-hour commissioning of homecare at low fee rates makes it hard for employers to meet the salary threshold of £20,480 p.a. The complexity, cost and length of time involved in applying for sponsorship licences act as further disincentives. The £15m announced may help with some but not all of these barriers. New recruits also need pastoral support, transport and accommodation. If an employer provides accommodation and charges more than the offset rate, the difference is taken off the worker's pay which counts for the National Minimum Wage or National Living Wage. This means the higher the accommodation charge, the lower a worker's pay when calculating the minimum wage, risking non-compliance.

Even if barriers to international recruitment are addressed, the fundamental issues that underlie staff shortages in the homecare sector must be fixed. Without sufficient funding to offer fair pay and terms and conditions of employment it will remain difficult for businesses to operate sustainably, retain their (international or domestic) workforce and treat staff fairly.

We urge the Government to provide substantial investment in homecare to enable improved pay and terms and conditions of employment for homecare workers; transformation of commissioning and purchase of homecare by public organisations; and adoption of innovation and technology to improve outcomes. In recent years, the amount spent by government on homecare has been less than 4% of that spent on the NHS.

We welcome the reform agenda and the Government's work towards ensuring a Fair Cost of Care. We hope the cost of care exercises will provide clear official data on the quantum of funding needed to ensure fair pay and terms and conditions of employment for careworkers; improved outcomes for people drawing on services; and market stability. It is imperative that this work is progressed swiftly and published for public scrutiny.

The need to act is clear. Five areas require particular focus and we are keen to work with you on these:

1. **Invest in homecare to build workforce capacity –** ensure that funding is available to meet the true costs of delivery and retain a skilled, competent and compassionate workforce.
2. **Workforce strategy –** develop a credible, funded 10 year workforce strategy.
3. **Fuel costs and winter pressures –** the sector needs an extra £107 million p.a. to cover the 50% rise in fuel costs over the last year. Additional costs are likely to arise due to the circulation of COVID-19 and flu. We ask for grant funding to support these.

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4. **International recruitment –** any changes to international recruitment need to address the complexity, cost and speed of the process.
5. **Digital transformation of homecare –** If 80% of care providers are to be using digital care records by 2024, substantial support is required. Providers need reliable, affordable software solutions they can trust. Transition from paper to digital comes at a cost, both in terms of staff time and finances, and many providers lack the expertise or confidence needed.

Home-based support and care play a vital role in enabling us all to live well at home and flourish in our communities. Investing in support and care at home helps to prevent admission to more expensive settings of care, such as care homes and hospitals. Available homecare also enables people to return home from hospital safely when ready, freeing hospital beds for new admissions. It makes little sense to neglect people in the community, wait for a crisis, then rely on expensive and limited critical care services.

We would welcome the opportunity to work with your officials on ensuring there is sufficient capacity within the homecare sector. Without change, pressure on both the NHS and people who provide informal support to friends and family members will rapidly increase. It is imperative to act.

Yours sincerely,

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Chief Executive
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