



Homecare Association



The impact of rising fuel and other costs on homecare

Findings from a survey
of Homecare Association members

July 2026

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Executive summary

Homecare enables hundreds of thousands of older and disabled people to live well in their own homes. The care workers who deliver it are, for the most part, paid at or close to the minimum wage, and most travel between visits in their own vehicles. When the cost of fuel rises sharply, that cost falls first, and hardest, on homecare workers.

In spring 2026, the Homecare Association surveyed its members to understand how renewed increases in fuel prices - driven by the conflict in the Middle East that began on 28 February 2026 - and related increases in the cost of personal protective equipment (PPE) and other supplies, are affecting homecare. A total of 202 provider organisations responded, representing almost 27,000 care workers and supporting approximately 48,000 people.

This is the third time in four years that we have surveyed members on the effect of a fuel price shock, following two surveys in 2022. The pattern is consistent: care workers ask for help, some leave, providers turn people away, and public funding does not follow. The findings below should be read against that backdrop, and against the wider evidence that homecare is already commissioned below the cost of safe, legal delivery.

Key findings

- **The cost falls on the workforce.** 80% of care workers use their own vehicles for work. Yet 59% of providers reimburse mileage at 40p per mile or less, and 5% pay no mileage at all. The gap between the cost of motoring and what providers can afford to reimburse comes out of care workers' pay.
- **Fuel costs are driving workforce instability.** 61% of providers report that care workers have asked for a higher mileage rate, and three in ten (31%) that they have asked for higher base pay. More than a quarter (26%) say care workers intend to look for work elsewhere to cut their travel costs, and more than one in ten (11%) have already had staff give notice or leave.
- **Capacity is being lost.** More than a quarter of providers (28%) have had to decline new clients because of fuel costs, and 6% have had to stop delivering care to existing clients.
- **Providers are deeply concerned, and largely unsupported.** More than eight in ten providers (83%) are concerned or very concerned about the impact of fuel costs on the financial viability of their organisation. Not one provider in our sample had received any additional funding from their local authority or local NHS to help with fuel costs, and 98% were unaware of any contingency arrangements to help care staff obtain fuel in the event of queues or shortages.

- **The squeeze extends beyond fuel.** Seven in ten providers (71%) have already seen PPE prices rise because of conflict in the Middle East; 9% have had difficulty securing PPE. Almost nine in ten (89%) have not been able to build higher PPE costs into their 2026-27 fee rates.
- **These pressures bite because homecare is already underfunded.** Our Minimum Price for Homecare in England for 2026-27 is £34.42 per hour.¹ The average price actually paid for an hour of homecare in the United Kingdom in 2025-26 was £24.36.² With no headroom in the system, even a modest cost rise pushes care workers out and forces providers to withdraw.

These findings are not the symptoms of a single event. They are the predictable result of a funding model that leaves providers and their workers exposed to every external cost shock, with no mechanism to recover the additional cost. We set out our recommendations in full below.

¹ [Minimum Price for Homecare 2026-27 in England - Homecare Association](#)

² [The Homecare Deficit 2025 - Homecare Association](#)

About this survey

The Homecare Association conducted an online survey of its member organisations in spring 2026. The survey asked about the effect of recent fuel price increases, and related increases in the cost of PPE and other supplies, on homecare providers and their care workers. Responses were self-selecting, and not every respondent answered every question.

Who responded

A total of 202 homecare provider organisations responded to the survey, ranging from small single-location agencies to large multi-branch and franchise operations across the United Kingdom. Between them, the providers in our sample employed almost 27,000 care workers and supported approximately 48,000 people.

Respondents were drawn from all four UK nations and every region of England, with the largest single share in the South East (33%). Around 45% of providers told us that two-thirds or more of the people they support are funded by a council or the NHS, meaning they cannot simply raise their prices to recover higher costs.

A note on interpretation

This was a self-selecting survey of members rather than a representative sample of the whole sector, and the findings should be described as the experience of our members only. Where we compare with earlier surveys, we note that the 2022 surveys were larger (627 and 509 respondents) and were conducted at different points in a price shock, so year-on-year differences should be read with care.

For the most part, we have excluded responses where a respondent did not know or an individual question was not applicable.

The cost backdrop in 2026

The conflict in the Middle East that began on 28 February 2026 disrupted global oil supply, principally through uncertainty over the Strait of Hormuz, through which around a fifth of the world's oil passes. UK pump prices rose sharply and have remained elevated.

Towards the end of May 2026, the average price of unleaded petrol was around 159p per litre - the highest level since 2022. Meanwhile, diesel, the fuel most relevant to the many care workers who drive older vehicles (as they cannot afford newer vehicles), rose to 192p per litre in mid-April 2026, having increased by 50p per litre since the start of the war. Towards the end of June 2026, the average price of unleaded petrol and diesel had fallen (to 153p per litre and 172p per litre respectively) but were still notably higher than the comparatively stable prices through most of 2025 (135p for petrol and 143p for diesel).³

In response to these pressures, the Government announced a package of measures in May 2026. This included an increase in the HMRC approved mileage rate for cars from 45p to 55p per mile for the first 10,000 business miles - backdated to April 2026 - alongside an extension of the 5p per litre cut in fuel duty.⁴

The mileage increase is welcome. However, it is a tax allowance, not funding. Employers are not required to pay the approved rate, and a provider whose income comes largely from fixed-price public sector contracts can only afford to increase reimbursement if commissioners increase fee rates to fund it. As the findings below show, most providers were already reimbursing below the previous 45p rate, and none had received any additional funding from commissioners to help with fuel costs. The new rate will only reach care workers if the funding follows it to the frontline.

Fuel is not the only cost affected. Developments in the Middle East have also increased the cost of PPE and other supplies that providers purchase, as set out later in this report.

How care workers travel and what they are paid

Modes of travel

Providers estimated the proportion of their care workers using each mode of travel. On average, 80% of care workers use their own vehicles. Company vehicles, whether petrol, diesel or electric, account for a small minority, as do public transport,

³ [Weekly road fuel prices - GOV.UK](#)

⁴ [Millions to benefit from lower travel and food costs - GOV.UK](#)

walking and cycling. The dominance of the private car means that fuel price movements pass directly through to care workers' personal finances.

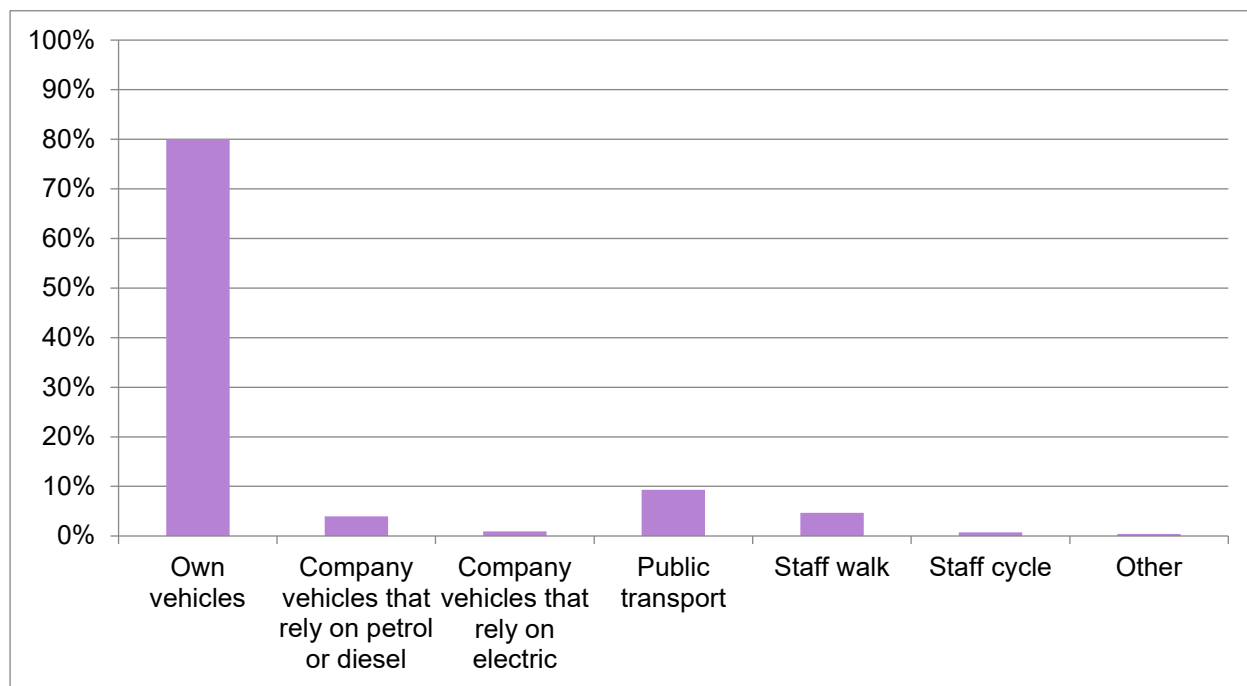


Figure 1: Percentage share of care workers by mode of travel

This is consistent with our earlier research. In our March 2022 survey, around 90% of care workers used their own car or public transport, and we estimated that homecare workers across the UK collectively drive around 4 million miles every day to deliver care.

Mileage rates

Providers told us what mileage rate they currently pay. The single most common band was 41p to 45p per mile, paid by around a third of providers (33%). However, 59% of providers pay 40p per mile or less, around 30% pay 30p or less, and 5% pay no mileage at all. Including relevant responses in the 'Other (please specify)' category, only 2% pay above 45p per mile - which means that, following the increase in the approved rate to 55p, almost every provider in our sample now reimburses below the level HMRC treats as merely covering the cost of motoring.

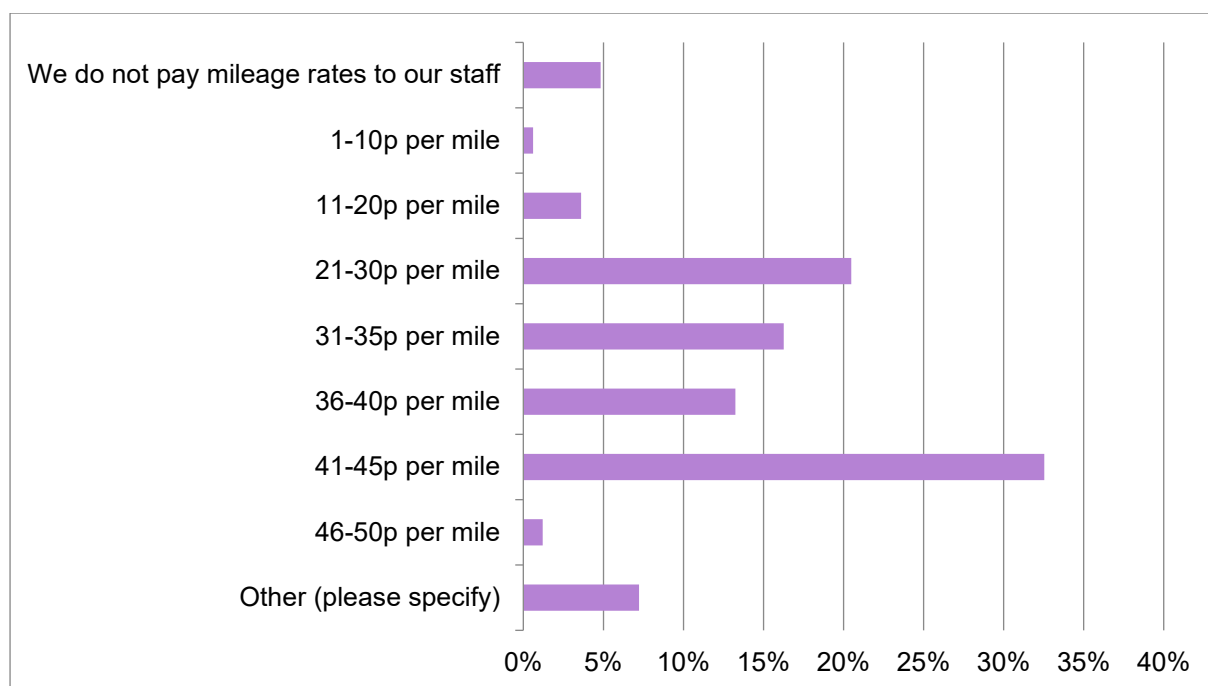


Figure 2: Mileage rates currently paid to care workers

The reimbursement care workers receive remains well short of the cost of running a car at current fuel prices. By way of context, our Minimum Price model assumes an approved-rate reimbursement that, at 45p per mile, is worth around £2.38 per hour of care⁵; the gap between that and the lower rates many providers can afford is absorbed by care workers themselves.

How care workers have responded

Asked how their care workers had responded to the fuel price increases (respondents selected all that apply), providers reported a clear pattern of pressure on pay and retention.

61% of providers report that care workers have asked for a higher mileage rate, and three in ten (31%) that they have asked for higher base pay.

⁵ [Minimum Price for Homecare 2026-27 in England - Homecare Association](#)

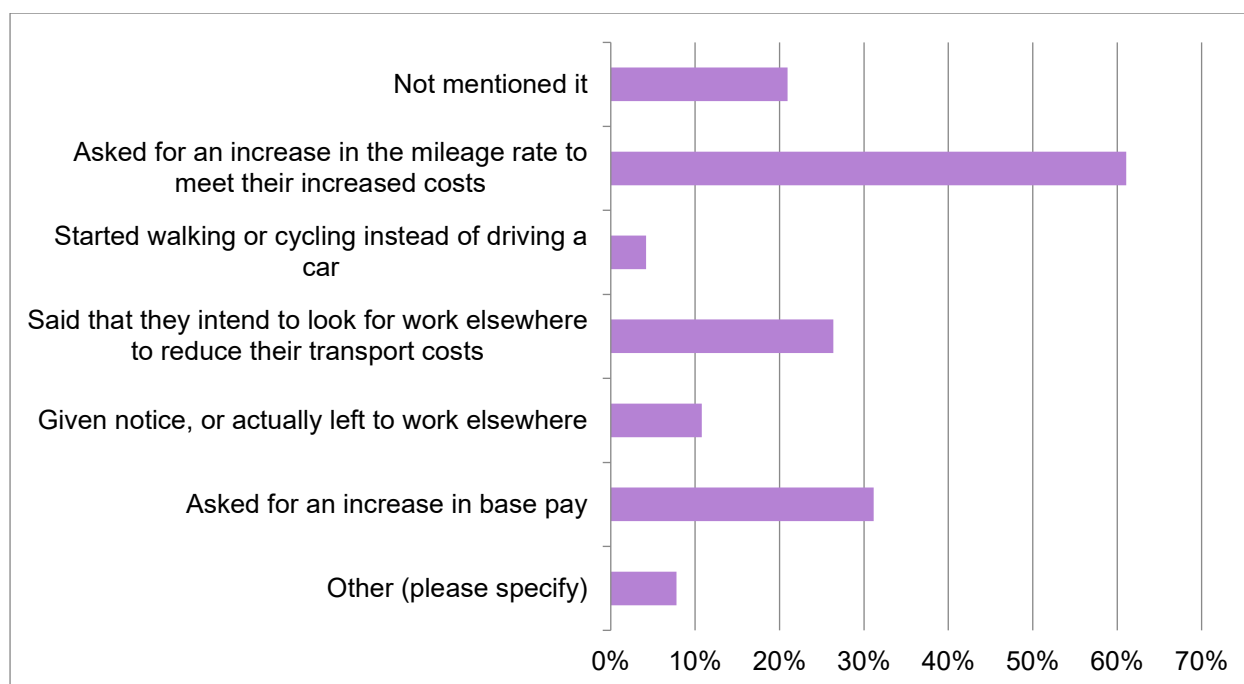


Figure 3: How care workers have responded to fuel price increases

The combination of care workers signalling their intention to leave (26%) and those who have already given notice or left (11%) is particularly concerning in a sector that already carries a vacancy rate of over 9%⁶, more than four times the rate in the wider economy.⁷ Losing experienced care workers over the cost of travelling to work directly reduces the capacity available to support people at home.

Within 'Other (please specify)', there was mention of care workers asking not to attend visits that are not local and a desire to adjust their rounds based on travel costs rather than client preference.

The impact on people who need care

Fuel costs are not only a workforce issue; they affect whether people can receive care at all. More than a quarter of providers (28%) reported they had been forced to decline new clients because of the fuel price increases.

⁶ [Recruitment and retention tracker - Skills for Care](#)

⁷ [VACS02: Vacancies by industry - Office for National Statistics](#)

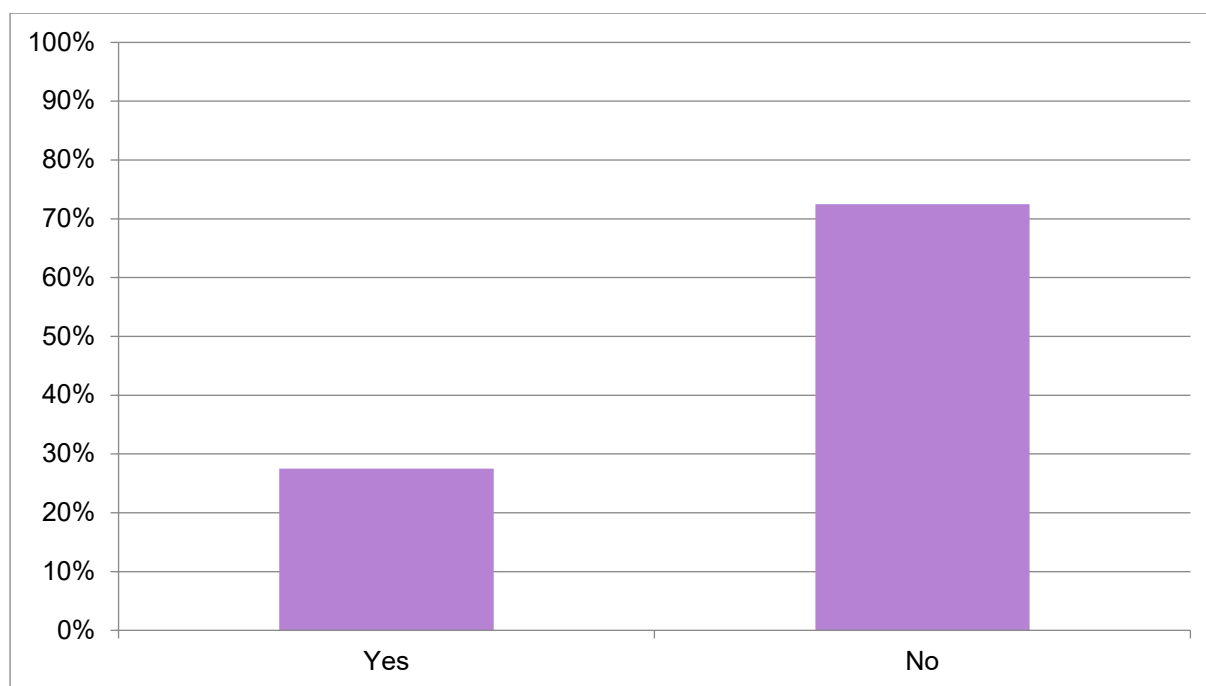


Figure 4: Decline accepting any new clients due to fuel price increases

Around 6% had been forced to stop delivering care to some existing clients.

These proportions are lower than in summer 2022, when 57% of providers were declining new clients and 17% had stopped delivering some existing care. The lesson of 2022, however, is that these figures will likely rise the longer high prices persist and the longer the underlying funding gap goes unaddressed. When homecare capacity contracts, the consequences are felt across the system: more than 40% of people in hospital are waiting for services delivered largely through social care.⁸

Concern about financial viability

Providers were asked how concerned they were about the impact of fuel price increases on the financial viability of their organisation. More than eight in ten providers (83%) were concerned or very concerned, with a majority (51%) very concerned.

⁸ [Adult Social Care Reform: the cost of inaction - Health and Social Care Committee](#)

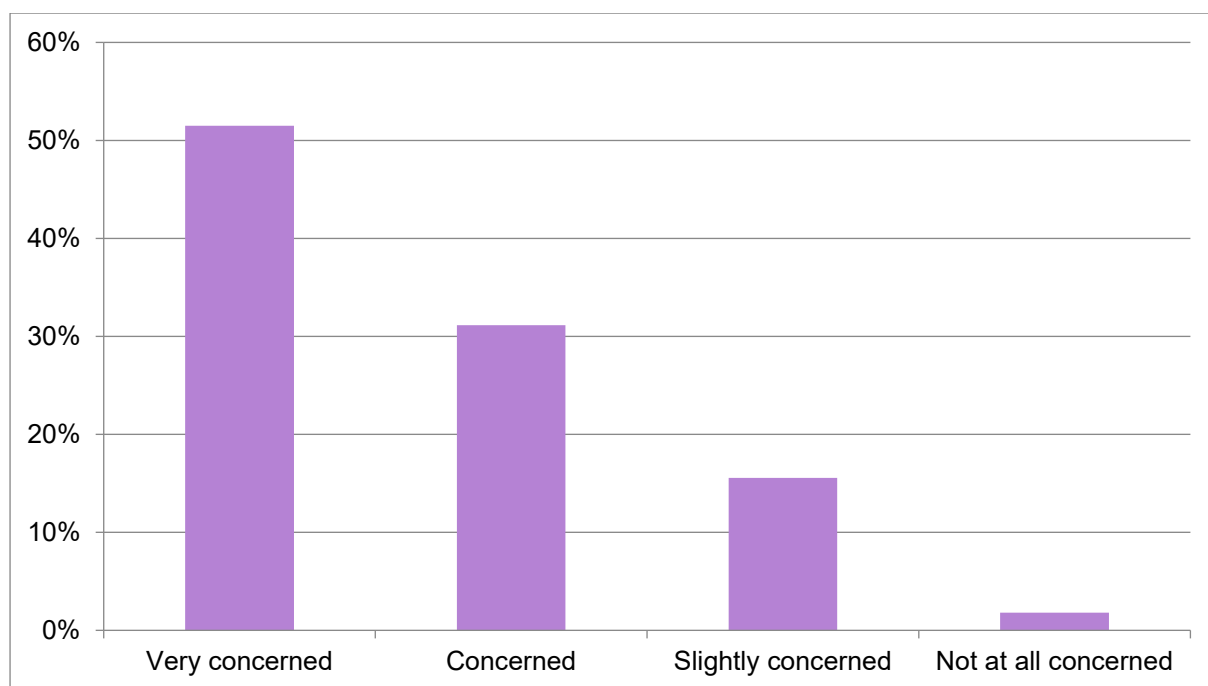


Figure 5: Concern about the impact of fuel costs on financial viability

This level of concern is broadly consistent with our 2022 surveys, when 90% to 92% of providers reported being concerned or very concerned. That the figure remains so high, across separate price shocks, is itself evidence of a sector operating without financial resilience.

What providers have done, and what would help

Measures taken

Providers were asked what measures, if any, they had put in place to combat the fuel price increases (selecting all that apply). Almost three in ten (29%) had not put additional measures in place. For those who had acted, the most common response was to offer cash advances to care workers who could not otherwise afford to put fuel in their cars to get to work (27%) - a striking indicator of the financial pressure on the direct care workforce.

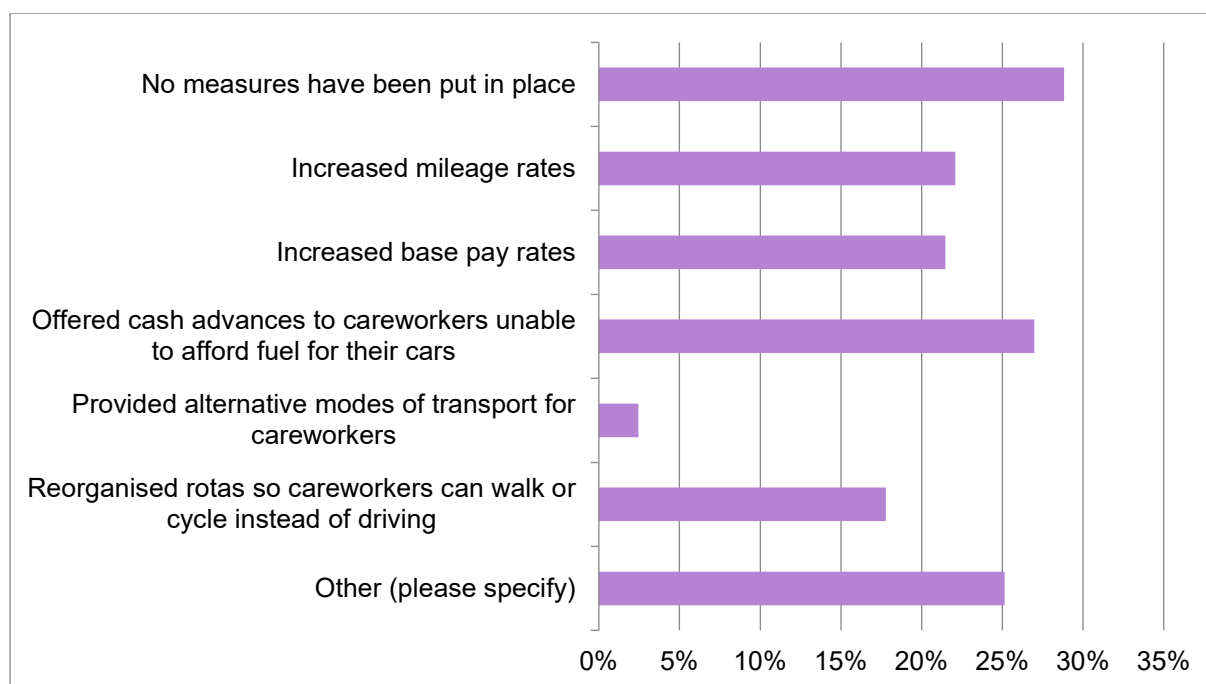


Figure 6: Provider measures put in place to combat fuel price increases

The key themes among those who selected 'Other (please specify)' were:

- Increased mileage payments or offered one-off bonuses/temporary supplements.
- Reorganised rotas to cluster calls geographically, enabled car sharing, and minimised travel distances between visits.
- Used measures such as subsidised fuel cards/Blue Light Cards for fuel discounts and company vehicles.
- Assisted staff in claiming HMRC mileage tax relief or approached local councils for financial support, without much success.

What government action would help most

Asked which single government intervention would most help with the fuel price increases, half of providers (50%) chose additional grant funding to cover high fuel costs until prices come down. A further 30% chose an increase in baseline fee rates. Taken together, four in five providers identified additional funding, in one form or another, as the most useful intervention.

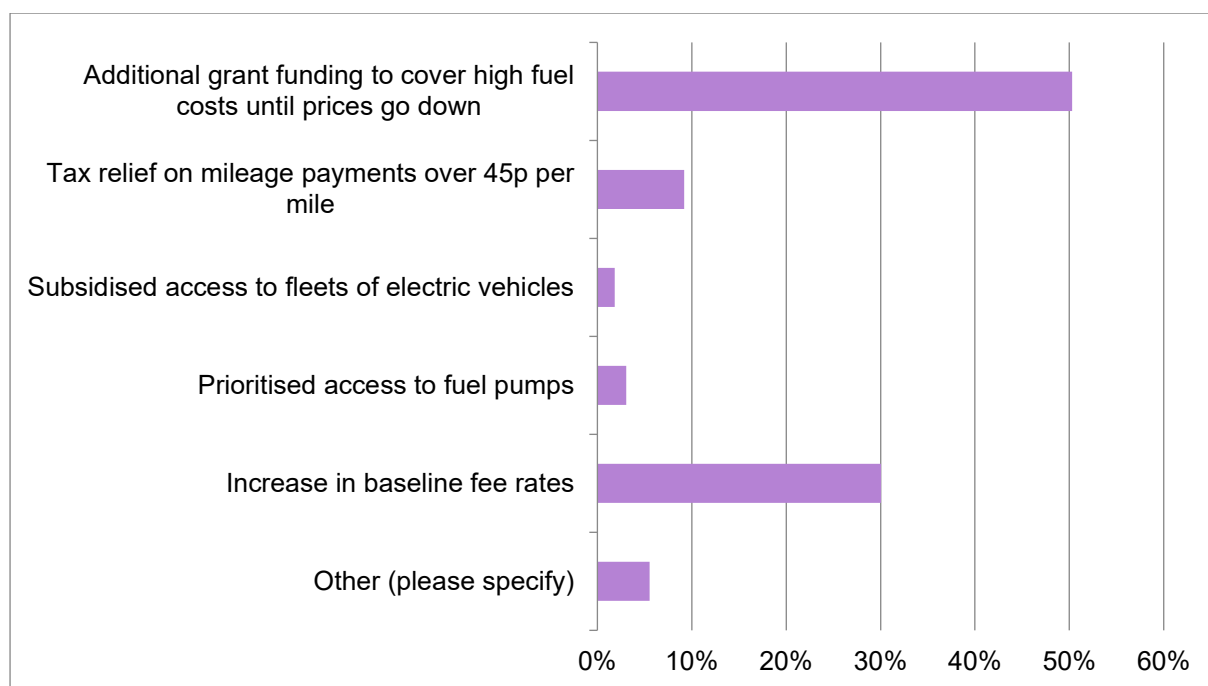


Figure 7: Government intervention that providers thought would help most

Of those that selected 'Other (please specify)', a few mentioned reducing the duty on fuel. Another respondent commented:

“Get local authorities to pay a figure that covers these costs. Everything is done to save money in local authority budgets and pay a minimum contact time figure, with poor understanding or acceptance of real costs. It is not just fuel - everything here is expensive and carers are moving to Northern Ireland because the cost of living is cheaper. All the above would help.”

Contingency arrangements and public funding

The survey reveals an almost complete absence of public-sector support. Not one respondent had received any additional funding from their local authority or local NHS to assist with fuel costs. Just 2% were aware of any local authority contingency arrangements to help care staff obtain fuel in the event of queues or shortages.

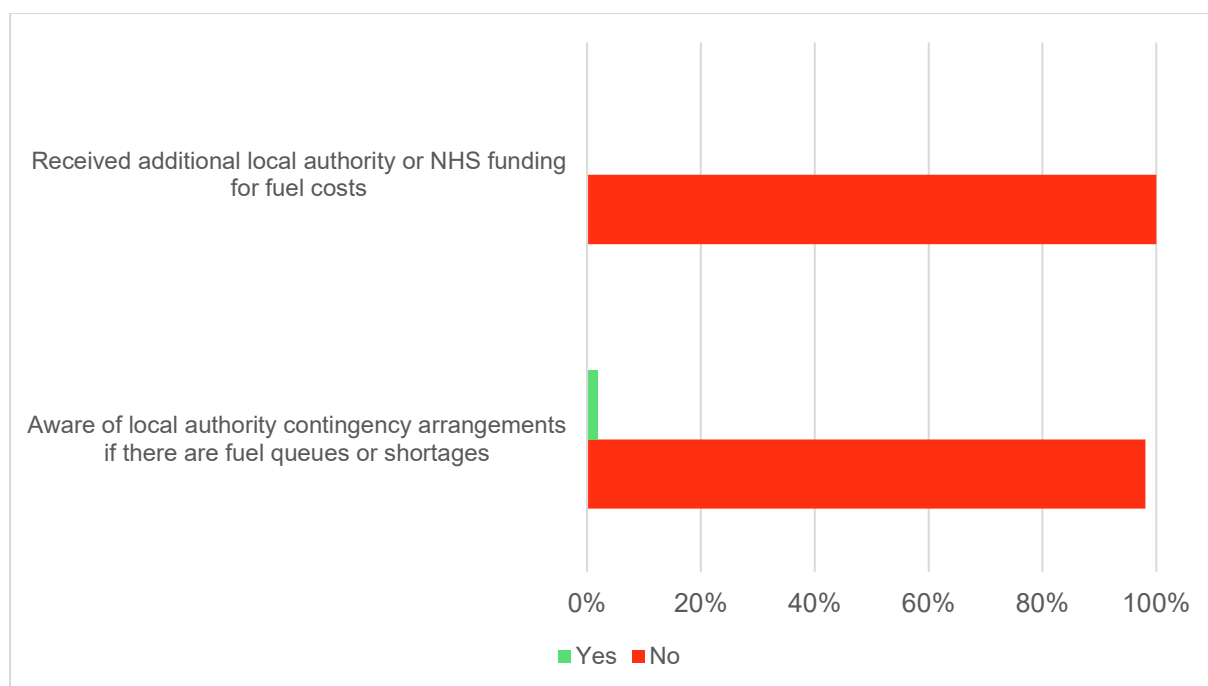


Figure 8: Public-sector funding support and contingency arrangements

This near-total absence of support has been a consistent finding: in summer 2022, 91% of providers reported receiving no financial help with fuel from their council or local NHS, and in March 2022 only 4% were aware of any local contingency arrangements. The position in 2026 is, if anything, worse.

PPE and other costs

The conflict in the Middle East has affected more than fuel. Providers purchase PPE and a range of other consumables, and the survey asked about the impact of recent developments on these costs.

PPE prices and supply

Seven in ten (71%) had already seen PPE prices rise, though not yet supply shortages, while around 9% have had difficulty securing PPE. Only a fifth (20%) had seen neither. Providers have reported a 50% increase in the price of gloves.

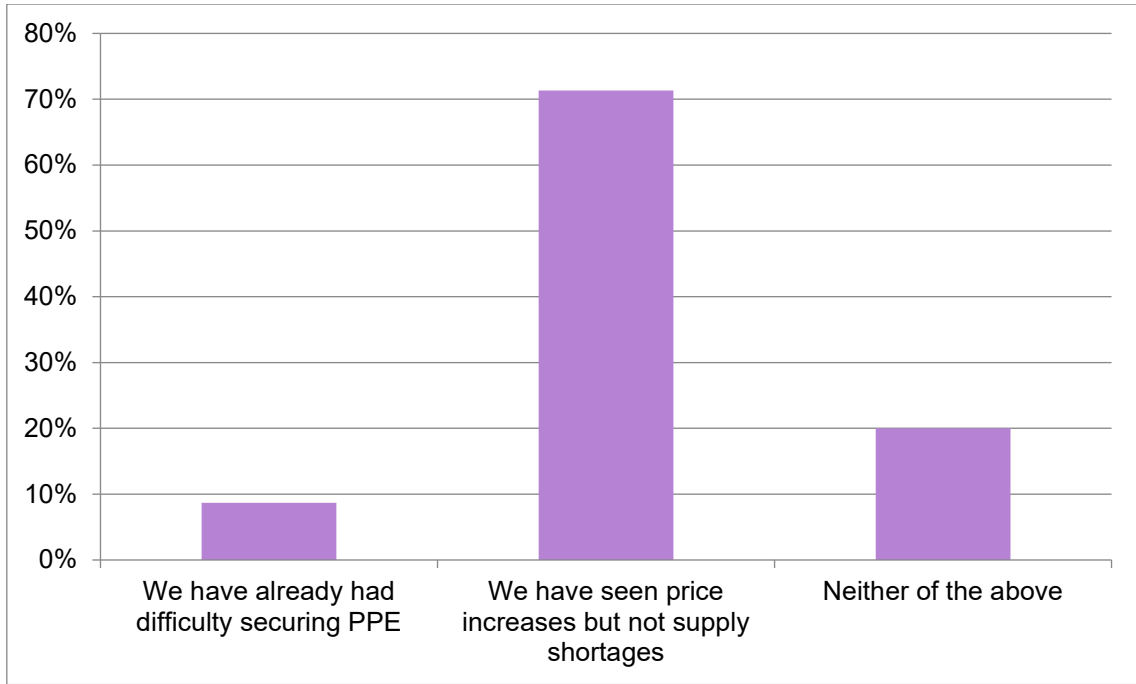


Figure 9: Experience of PPE price increases and shortages

Looking ahead, the legacy of the pandemic is clear in providers' preferences. Asked how they would prefer to secure PPE in the event of shortages, four in five (81%) favoured a central PPE Portal operated by NHS Supply Chain, like the arrangement used during the COVID-19 pandemic, rather than sourcing through local authorities or wholesalers.

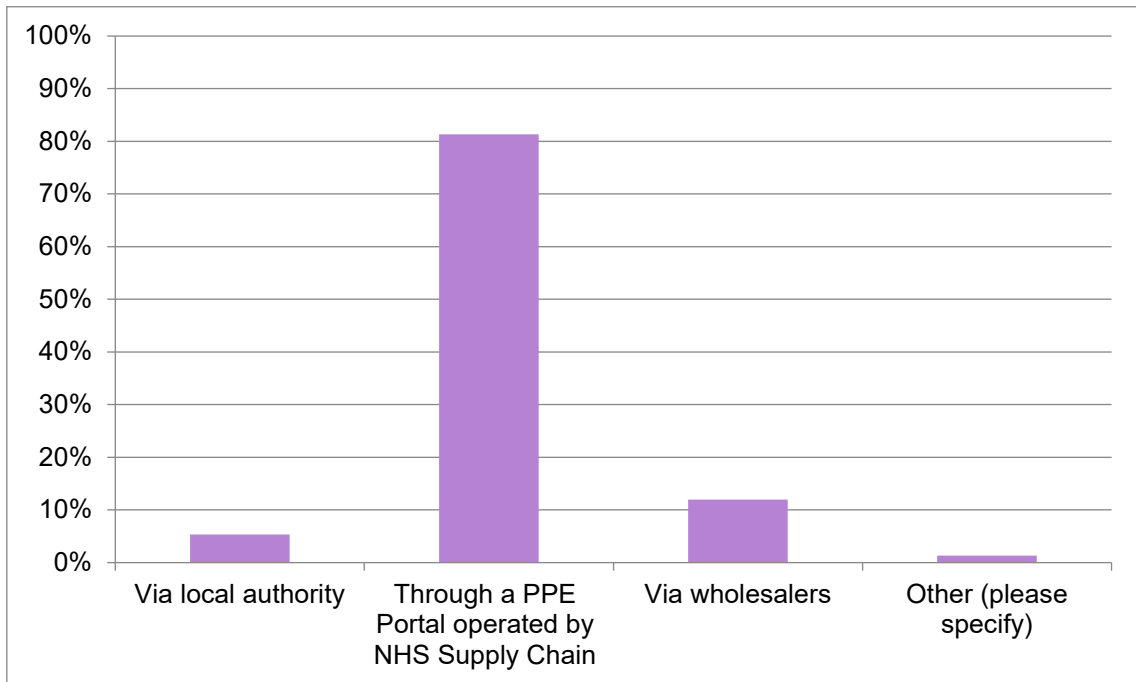


Figure 10: Preference to secure PPE if there were shortages

Critically, the great majority of providers (89%) have not been able to plan for these higher PPE costs in their 2026-27 fee rates, meaning these costs are currently unfunded.

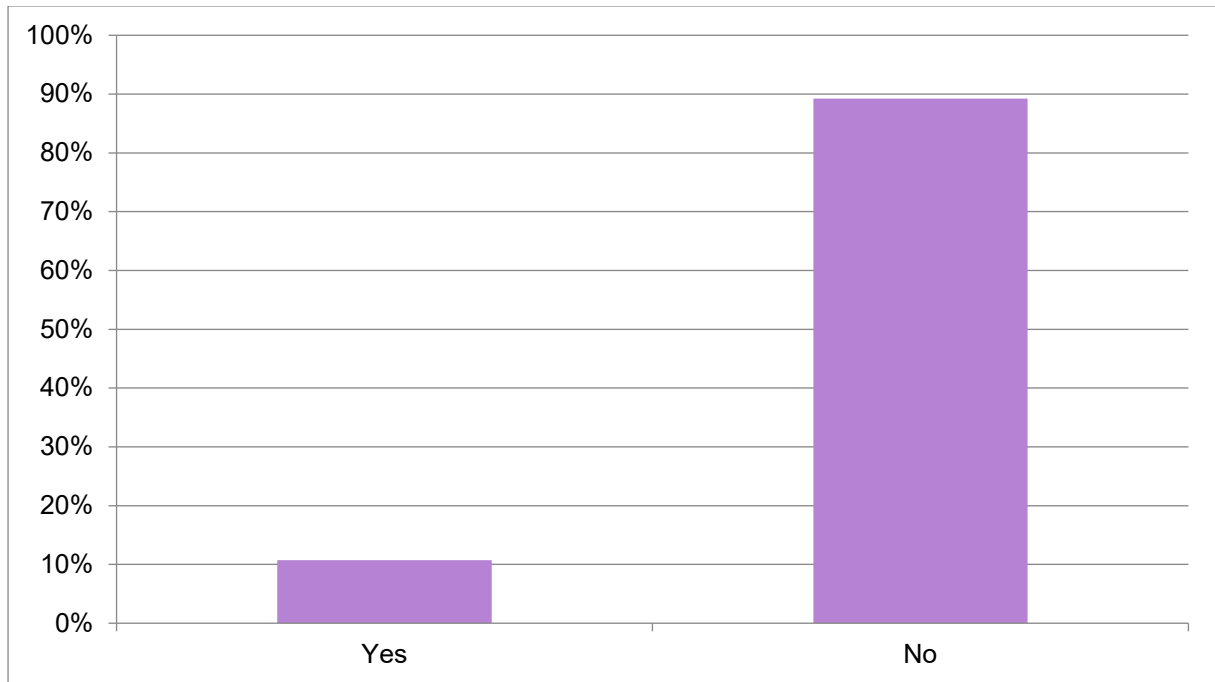


Figure 11: Factored higher PPE costs into 2026-27 fee rates

One respondent said:

“We could only increase our clients’ rates by 5% but PPE costs have exceeded 28%.”

Other products

Providers were also asked about other products they purchase for homecare delivery, as opposed to items bought by individuals or the NHS. The most exposed categories were workwear/uniforms, where 54% reported price increases and 17% reported supply issues and price increases, and cleaning products, where 33% reported price increases.

For continence products, parts for moving and handling equipment, and parts for medical equipment used in the home, most providers reported no current concern or did not know.

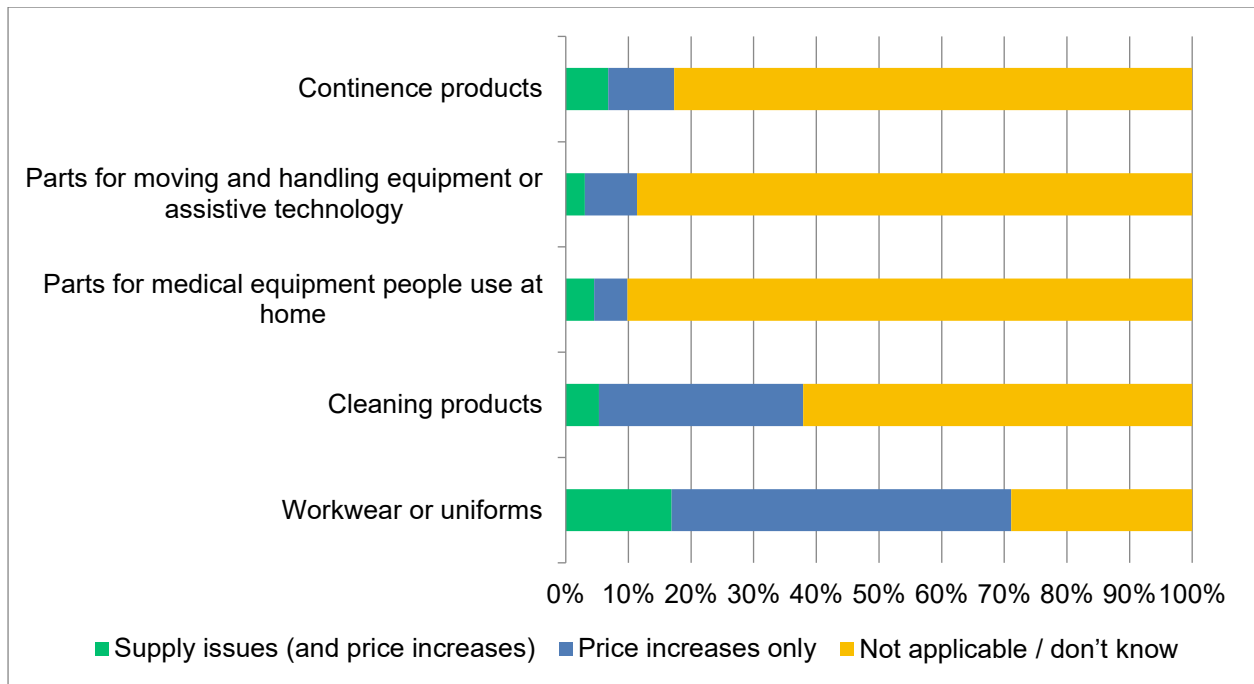


Figure 12: Concern about supply and price increases for other purchased products

Additional comments

We gave providers the opportunity to add any further comments. The main themes from these comments were:

Unsustainable funding gaps

Local authority and NHS fee uplifts are consistently falling short of rising operational costs, raising serious concerns about long-term viability. One respondent said:

“We are an established company of 25 years who, this week, cannot afford to pay wages due to all...the increases and lack of support from the council. If something does not change in the system, we will be bust before the end of the year. This cannot only be affecting us - it is affecting all agencies that do things properly!”

Another added:

“We are seeing an increase in unregulated self-employed carers taking clients because they are half the price that we can offer.”

Compounding cost pressures

Providers are facing simultaneous increases across fuel, PPE, energy, and supplies. One respondent said:

“Our overheads have increased by almost 30% in the last year and there is no way we can increase our rates by that much...We are

based in central London, and our overheads are far greater than some other parts of the country.”

Workforce and recruitment pressures

Retention is suffering as care workers are lost to better-paying sectors such as retail, while tighter immigration rules are making international recruitment increasingly difficult and sponsor licence management more burdensome. One respondent said:

“Until the local authority pays a fair rate, we will continue losing domiciliary care staff to Tesco and Sainsbury’s etc, where they can earn for a whole day rather than just the time they are physically in someone’s house working (contact time) and not have to factor in fuel costs. The local authority staff would never [expect] to only be paid for the minutes they are at their desks working.”

Self-funders cross-subsidising public commissioning

Many providers are passing costs onto self-funding clients to offset inadequate council rates, a situation widely described as unfair and financially unsustainable for both providers and the people they support. One respondent said:

“[The] self-funding clients...will likely be local authority funded sooner due to depleted funds. It is unacceptable for our self-funder rates to be over £6 an hour different from local authority rates.”

Existential risk to small providers

Multiple respondents warn they are months away from closure. One respondent said:

“Small services like ours are particularly badly affected. We fear that, eventually, the only services able to survive will [be] the larger operators, and small, local services...will no longer exist.”

Discussion

The findings in this report describe the immediate effects of a fuel price shock. But they cannot be understood in isolation from the financial position of the sector that absorbs this shock.

Our Minimum Price for Homecare sets out the rate required simply to pay care workers lawfully and run a compliant, safe business. For 2026-27 in England, that

rate is £34.42 per hour at the National Living Wage.⁹ The Department of Health and Social Care directs councils to follow the Association's approach in statutory guidance.¹⁰ Yet, as our Homecare Deficit 2025 research shows, no nation or region of the UK funds homecare at, or above, the Minimum Price, and 29% of councils/Health and Social Care Trusts now pay less than the direct cost of employing a careworker at the minimum wage - almost four times the proportion in 2023. The shortfall amounts to a funding gap of around £3.25 billion across the UK.¹¹

This is the context in which a fuel price increase becomes a problem. A sector funded below its own cost base has no headroom to absorb additional costs. When fuel costs rise, a provider cannot raise prices on a fixed public contract and cannot indefinitely subsidise care workers' motoring out of a margin that does not exist. The choices narrow quickly: ask care workers to bear the cost (which drives them away) or decline work (which leaves people without care). Our survey shows providers doing both.

The increase in the approved mileage rate to 55p per mile is a constructive step. But unless commissioners are funded to pay it, and choose to do so, it will not reach the care workers who need it. The same is true of the higher costs of PPE, which 89% of providers have been unable to build into their fees. New costs without new funding simply deepen the deficit.

Underfunding homecare does not save public money; it moves it. Every occupied hospital bed costs the NHS around £400 per night¹², and more than 40% of people in hospital are waiting for social care.¹³ A system where councils struggle to fund an hour of homecare at £25, while paying £400 a night to keep someone in hospital who could be at home is not economising. It is shifting cost to the most expensive part of the system, and risk onto the people who need care and the workforce providing it.

Recommendations

Central government

1. Provide immediate, ring-fenced grant funding to cover the additional cost of fuel needed to deliver homecare while prices remain elevated and ensure this reaches the frontline through fee rates.

⁹ [Minimum Price for Homecare 2026-27 in England - Homecare Association](#)

¹⁰ [Care and support statutory guidance - GOV.UK](#)

¹¹ [The Homecare Deficit 2025 - Homecare Association](#)

¹² [The Hidden Problems Behind Delayed Discharges | The King's Fund](#)

¹³ [Adult Social Care Reform: the cost of inaction - Health and Social Care Committee](#)

2. Fund commissioners to reimburse mileage at the HMRC approved rate of 55p per mile, ending the position in which care workers subsidise their own travel to work.
3. Close the structural funding gap in homecare, estimated at around £3.25 billion across the UK, so that fee rates cover the full cost of safe, legal care including fair pay and travel costs.
4. Introduce a National Contract for Care, setting a statutory minimum price for homecare calculated through an agreed method, so that no public body can commission below the cost of lawful delivery.
5. Fund the higher cost of PPE and consumables arising from international disruption.

Local authority and NHS

1. Put in place and promote contingency arrangements so that care workers can obtain fuel in the event of queues or shortages.
2. Move away from purchasing isolated minutes of care towards contracts that guarantee hours, supporting workforce stability and the ability to fund fair travel reimbursement.

Shaping homecare together

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