
**Group House, 2nd Floor, 52 Sutton Court Road, Sutton,
Surrey, SM1 4SL**
Tel: 020 8288 5291 Fax: 020 8288 5290
e-mail: helpline@ukhca.co.uk www.ukhca.co.uk



The Director of Adult Social Services
Borsetshire County Council
1 High Street
Borchester
BC1 2EG

15 August 2008

Dear Colleague,

**Freedom of Information Act 2000 and cost pressures for
homecare providers**

This letter makes a formal request under the Freedom of Information Act for details of the percentage price increases your authority has awarded to the independent and voluntary sector homecare agencies with which you have contracted since 1st August 2007.

We also ask you to convene meetings for your providers and senior members of your staff to give full consideration to the cost pressures facing providers and how you will support them during the current period of cost inflation. We will be writing to providers across the UK to advise them of this request.

You will be aware of UKHCA's continued focus on the inadequacy of fees paid by local authority purchasers. Across the country we see a year-on-year reduction in price in real terms which has a highly damaging impact on providers' ability to comply with their contractual obligations and to reward careworkers with pay and benefits which reflect the valuable services they perform. As a result, there are grave consequences for the capacity of the independent homecare sector, which already provides 78% of state-funded care in England.

The long-term effect of this price-squeeze can be seen in the difference between what authorities pay their independent providers and the cost of their in-house services. According to figures supplied by the Information Centre for health and social care the gross average hourly cost of homecare for adult client groups and older people in 2006-7 (calculated on a XX basis) is £XX for your in-house services compared to £XX for those provided by external organisations.¹

¹ Data from table *Detailed Unit Cost Indicators By Council 2007* (columns 2.23 to 2.24A) in The Information Centre (2008) *Personal Social Services Expenditure and Unit Costs England, 2006-07*. URL: www.ic.nhs.uk/statistics-and-data-collections/social-care/adult-social-care-information/personal-social-services-expenditure-and-unit-costs:-england-2006-07.



The range of issues that your providers face in this inflationary period are considerable, and include the following:

- Increased fuel prices;
- An additional 4 days' statutory leave entitlement (effective from October 2007);
- Additional regulatory requirements on quality assurance and the on going cost of vocational qualifications;
- A general reduction in 'contact time' with service users, reducing providers' opportunities to generate income;
- Increasing costs for premises, telephony and business rates;
- Recruitment costs to replace staff in a sector with a high turnover, already at an alarming 24.9%;
- A Consumer Price Index running at 4.4% on the 12 months to July 2008;
- Wage inflation in comparable occupations.

In relation to increased fuel prices, a recent survey conducted by UKHCA showed that 64% of homecare providers (employing 20,457 careworkers) anticipate being forced to turn down packages of care in the next three months 'wholly' or 'mainly' because travel costs have become uneconomic. 78% of employers reported that fuel prices had a 'major' or 'severe' impact on their ability to retain their workforce in the previous three months.

The information we request from you is as follows:

1. Under the Freedom of Information Act 2000, we ask for certain details of contracts meeting the criteria outlined in Appendix 1. The information required is specified in Appendix 2. Your reply can be supplied to us either:
 - a. as hard copy by using the proforma given in Appendix 3 and returned in the pre paid envelope supplied, or
 - b. as an Excel spreadsheet which can be downloaded from www.ukhca.co.uk/pdfs/council_rate_increases.xls and returned to policy@ukhca.co.uk.

Section 10 of the Freedom of Information Act requires public bodies to supply information within 20 working days from receipt of a request. We asked for rates which can be directed to organisations or individuals in any identifiable way. We do not, therefore, expect this request to be declined on the grounds that it would "prejudice commercial interest" or that it is a "trade secret" under Part II of the Act.

In addition to the freedom of information request above, we also ask you for:

2. A statement as to your authority's proposals to support local homecare providers over the next 12 months to 30th August 2009 during a period of increasing inflation.
3. A statement from the authority as to whether the gross average hourly cost of homecare published by the Information Centre quoted above is accurate, and if not, the figures which the authority believes to be correct.

I hope that the information is self-explanatory, however if you require further clarification, please don't hesitate to contact me on the number below.

Yours sincerely,

A handwritten signature in black ink that reads "Colin Angel". The signature is written in a cursive style with a large, looping initial 'C'.

Colin Angel

Head of Policy and Communication

Direct line: 020 8288 5297

E-mail: colin.angel@ukhca.co.uk

Appendix 1 The contracts to be included in this request

Information specified in Appendix 2 should be drawn from contracts which meet the criteria outlined below and are let by the authority to independent and voluntary sector providers.

Where the same overarching contract is held by more than one provider organisation data should only be supplied once, with an indication of the minimum and maximum price increase applied since 1st August 2007.

Service type:	A homecare service , defined as arranging the provision of personal care in their own homes for persons who by reason of illness, infirmity, disability, vulnerability or family circumstances are unable to provide it for themselves without assistance. ¹
Service user groups receiving the service:	Contracts that include supply to service users in one or more of the following groups: <ol style="list-style-type: none"> 1. Children under 18 years of age; 2. Adults under 65 years; 3. Adults 65 years and older. Each of the above categories include, but are not limited to , care for people with learning disabilities or mental health needs.
Contract type:	All contracts, including those operating on a 'spot', 'block' or 'cost and volume' basis.
Units purchased:	Include contracts where services are purchased in units of time (eg. "a 20 minute visit"). Exclude contracts for services purchased by other units (eg. "1 bath").
Time period:	Include contracts where service was delivered to users any time between 1st April 2008 and 27th July 2008 inclusive.
Contract size:	Include contracts where: The average hours delivered over the previous three-month period in excess of 99 hours / week and service has been delivered to 2 or more service users.

¹ This definition is likely to include (but not necessarily limit to) homecare services regulated under the Care Standards Act 2000, the Regulation of Care (Scotland) Act 2001 or the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003.

Appendix 2 The data required on each contract

Data	Comment	Example
Name of authority or trust	Please ensure that every page of the information you return can be attributed to your organisation.	Borsetshire County Council
Title (or brief description) of contract	Title or brief description of the contract.	"Homecare services for older people"
Average weekly hours	The number of hours of care delivered under the contract averaged over the period 1st April 2008 and 27th July 2008 inclusive , or the life of the contract, whichever is the shorter .	1,342 (hours/week)
Minimum percentage price increase awarded	These figures are the highest and lowest percentage price increases applied to the hourly rate with any provider under the contract.	"0.5%" or "0%"
Maximum percentage price increase awarded	If more than one increase has been applied to this contract between 1st August 2007 and 31st July 2008 , specify the total percentage increase during the period.	"5.2%"
Most recent date increase applied	If more than one price increase has been applied since 1st August 2007 , please specify the date that the most recent increase was applied.	"2nd April 2008"
Contract type	Indicate whether the contract is awarded as a 'spot', 'block', 'cost and volume' or 'other' basis.	Select one option
Service user categories	Indicate all the service user groups expected to receive care from the services contracted.	Select all options that apply
Price increase mechanism	Provide a brief summary of the main mechanism(s) for the council to increase the contract price. It is not necessary provide extensive extracts from the clauses in the contract.	"A percentage increase equivalent to RPIX for the previous March, applied on the first Monday of April" or "A percentage increase agreed between the council and the provider"
Comments	Please add any comments which are relevant to the information provided.	-

Appendix 3 Format for providing data by hard copy

Data may be supplied *either* (1) as hard copy, using as many copies of this proforma *or* (2) as a Microsoft Excel Spreadsheet downloaded from www.ukhca.co.uk/pdfs/council_rate_increases.xls.

Name of authority or trust:	<input type="text"/>	eg. Borsetshire County Council
Title (or brief description) of contract:	<input type="text"/>	eg. Homecare services for older people
Average weekly hours:	<input type="text" value="hours/week"/>	eg. 1,342 hours/week
Minimum percentage price increase awarded:	<input type="text" value="%"/>	eg. 0.5%
Maximum percentage price increase awarded:	<input type="text" value="%"/>	eg. 5.2%
Most recent date increase applied:	<input type="text"/>	eg. 2 nd April 2008
Contract type:	<input type="checkbox"/> Spot <input type="checkbox"/> Block <input type="checkbox"/> Cost and volume <input type="checkbox"/> Other	Please check one option
Service user categories:	<input type="checkbox"/> Children under 18 <input type="checkbox"/> Adults under 65 years <input type="checkbox"/> Adults 65 years and older <input type="checkbox"/> learning disability <input type="checkbox"/> Mental health <input type="checkbox"/> Other	Please check all that apply
Price increase mechanism:	<input type="text"/>	Eg. "A percentage increase equivalent to RPIX for the previous March, applied on the first Monday of April".
Comments:	<input type="text"/>	Please add any comments which are relevant to the information provided.