

15th August 2007

Dear Director,

Annual leave entitlement for domiciliary care workers

As the statutory annual leave entitlement increases from 4 to 4.8 weeks on 1st October 2007, I would like to review the financial impact on independent and voluntary sector homecare providers and ask you to confirm your council's position on meeting the increased cost of this new requirement.

The new holiday entitlement will affect all the independent sector providers with whom the council contracts. These additional costs were unknown when the majority of local authority contracts were awarded, and are unlikely to have been provided for in all but the most recently let contracts.

Careworkers' pay is the largest cost in providing homecare. Overall, the new annual leave entitlement is expected to add approximately 2% to the wage bill from 1st October 2007, and a further 2% from 1st April 2009. Unless commissioners meet these additional costs, we believe that there could be significant effects on the capacity and viability of the homecare sector.

We should note that careworkers employed by local authority in-house homecare services already enjoy more favourable annual leave entitlements than the new statutory minimum. In effect, councils already bear the cost of the increased entitlement for their own employees, but not the costs of the independent sector workforce, who deliver the majority of most council's homecare services.





Earlier this year, UKHCA highlighted that “fee increases negotiated in contracted business must take full account of inflation and emerging regulatory requirements.” We believe that the independent sector is already struggling to maintain capacity and to meet the costs of up skilling the workforce to meet the needs of an increasingly dependent service user group. England’s social care regulator recently commented that local authority purchasing - which accounts for 80% of the independent sector’s output - had the greatest effect on the sector’s stability.

UKHCA urges all councils in the UK to recognise their responsibilities to maintain a stable social care sector in their local area.

We are surveying the national picture of councils’ response to the increase in holiday entitlement. A pre-paid card is enclosed for you to indicate your own council’s position. The results of this survey, including a summary of councils who do not reply to this enquiry, will be made available to domiciliary care providers and the media. We therefore hope to receive your reply, and ask that it reach us by close of business on Friday, 7th September 2007.

Yours sincerely,

Mike Padgham
Chair

References

[1] Angel C. A Fair Price For Care, A UKHCA Position Statement. Sutton: United Kingdom Homecare Association, 2007; page 1. URL: www.ukhca.co.uk/downloads.aspx?id=114.

[2] CSCI. Time to Care? London: Commission for Social Care Inspection. 2006; Page 28. URL: www.csci.gov.uk/default.aspx?page=1751.



UKHCA Holiday Pay Survey

To enable UKHCA to establish a national picture of how local authorities will respond to the increased costs of independent sector homecare providers following the increased holiday pay that takes effect on 1st October 2007, please complete the information below and return it to the freepost address on the reverse of this card.

Name of local authority:

In relation to the increased costs of statutory annual leave entitlement that takes effect on 1st October 2007, please select the most appropriate responses to the following questions:

1. Has the council adopted a position on the increased cost of annual leave entitlement for its independent homecare sector providers? (Please tick ✓ one option)

Yes

No

Decision not finalised

2. Will the council be applying an uplift to its contract prices to recognise the additional costs that will be incurred by independent homecare sector providers? (Please tick ✓ one option)

Yes

No

Decision not finalised

3. What uplift, if any, has been awarded? (Please provide a percentage figure, if possible, or provide a brief description.)

Your name:

Signature:

Date:

No stamp
needed

Policy and Communication Division
UKHCA
Freepost RRBJ-BAJR-ATYT
Group House
52 Sutton Court Road
Sutton
SM1 4SL

1. Fold here

3. Seal here with adhesive tape or glue

4. Seal here with adhesive tape or glue

2. Seal here with adhesive tape or glue