

Personal Care at Home Bill

A UKHCA Briefing paper for the House of Lords



This paper sets out the perspective of those who provide the majority of personal care at home, namely independent sector providers of homecare, who provide 81% of all publicly funded homecare. We provide a number of recommendations on how the proposals in the Personal Care at Home Bill should be implemented.

The United Kingdom Home Care Association (UKHCA) is the professional association of homecare providers from the independent, voluntary, not-for-profit and statutory sectors. The Association represents over 1,600 member organisations in England.

Key points:

- UKHCA supports the principle of offering Free Personal Care (FPC) and more reablement services to people in their own homes, however, we do have concerns about the wider implications of the proposals.
- We share local authority concerns that the proposals may not be sufficiently funded and that the costs laid out in the Impact Assessment may be significantly underestimated. We are worried that local authorities will struggle to find £250m in efficiency savings to fund the Bill.
- Previous experience suggests that local authorities will make cost savings by decreasing the fees they pay to independent homecare providers, which then impacts on the workforce.
- The Impact Assessment implies that domiciliary care is a low cost alternative to residential care. If the Bill is to succeed it is important to understand that effective homecare can only be provided if it is adequately resourced and commissioned.
- The number of people that will come forward to receive FPC may have been underestimated. This applies particularly to the numbers of those who currently self fund or have unmet need, along with the 1.5% predicted annual volume increase due to demographic pressure.
- Our concerns are exacerbated by the lack of evidence and detail in the Impact Assessment. We share the anxieties of others that there may be unforeseen consequences, including perverse incentives to direct those in the highest need to residential care, or to increase charges for non-personal care.

Overall funding

The Department of Health has costed a full year of providing FPC and more reablement services at £670m. £420m of this will come from re-prioritised Department of Health budgets and the remaining £250m will have to be found through local authority efficiency savings.

UKHCA is concerned that local authorities will struggle to find an additional £250m in efficiency savings on top of the savings they have already had to make and those expected in the pre-budget report. This will only serve to exacerbate the continued downward pressure on prices paid to independent sector providers, who provide 81% of publicly funded homecare. Available evidence suggests that local authority commissioners do not always increase the prices they pay to homecare providers in line with inflation, new legislation or the minimum wage.¹

Local authorities act as a near monopsony (a single buyer) for the purchase of homecare in their local area. Increasingly they expect independent providers to deliver personalised care at around half the price than is achieved by councils own in-house teams.² This downward pressure impacts on pay in the independent sector, contributing to a high turnover of 24%, which is clearly unsustainable. Rewarding workers for their expertise is vital to maintaining and developing the capacity of the work force which is essential to ensure the continuity of care. **We are concerned that the continuing downward pressure on prices combined with an underfunded FPC policy could exacerbate these issues.**

The Low Pay Commission has recommended on four separate occasions that the Government ensures that the commissioning policies of local authorities and the NHS reflect the actual costs of social care, including the National Minimum Wage. This year, the Government has accepted the recommendation.³ But, we have yet to receive any substantive response to our requests that the Department of Health share any firm proposals on how this will be taken forward.

¹ For example, a survey by the Low Pay Commission found that social care was the least successful sector providing services to the public sector in negotiating their contracts with local authorities over the October 2007 increases in the minimum wage, with two-thirds reporting an unsuccessful result. National Minimum Wage Low Pay Commission report 2009 (2009). p.285. www.lowpay.gov.uk/lowpay/report/pdf/7997-BERR-Low%20Pay%20Commission-WEB.pdf

² To illustrate in 2007-8 the average unit cost of "in house" local authority homecare had risen to £22.30, while the average unit cost of homecare to authorities from using independent providers was £12.30, only a 0.8% rise from the previous year. See Personal Social Services Expenditure and Unit Costs 2007-2008, NHS Health and Social Care Information Centre (2008). See summary bulletin, p.18 and Table 6.1 www.ic.nhs.uk/statistics-and-data-collections/social-care/adult-social-care-information/personal-social-services-expenditure-and-unit-costs:-england-2007-08

³ Press release 12 May 2009. Government Approves New £5.80 Minimum Wage Rate. Department for Business Enterprise and Regulatory Reform. <http://nds.coi.gov.uk/environment/fullDetail.asp?ReleaseID=401122&NewsAreaID=2&NavigatedFromDepartment=True>

UKHCA is also concerned that the implication of the proposals is that homecare is seen as a “low cost” option compared to residential care.⁴ We are already observing a prevailing attitude from local authorities that intensive, personalised services can be bought at a standardised and low rate. **UKHCA is clear that good quality homecare requires adequate resourcing, from central and local government or from private purchase.**

Reablement Funding

UKHCA fully supports an increased emphasis on reablement. The Government estimates that the total cost of reablement for a full year will be £130m. This will provide reablement services to 130,000 people at a cost of £1,000 per person which will buy 30 hours of reablement services per person.

However, the estimated numbers of those receiving reablement and how this is calculated is unclear. The Impact Assessment⁵ states:

“Estimating the costs of reablement is difficult. We do not know for certain how many people are already receiving reablement services.”

Without figures on current numbers and costs, and with the programme estimated on one local authority source in the Impact Assessment, there is little certainty to the overall funding proposals for reablement.

There also needs to be investment in the capacity of the independent sector to take on packages of care once the local authority reablement package has finished. This has been starkly demonstrated by a recent Department of Health funded report. The ‘Organisation and Content of Homecare Re-ablement Services’ clearly highlights that capacity in the independent sector is a problem and causes delays in transfer of packages of care from the reablement service to ongoing, continuing homecare.⁶ The majority of the local authority reablement services that were analysed in the study commented that one of the major challenges was a lack of capacity in the independent homecare sector to accept people from reablement services. These delays could leave some people receiving the more costly reablement service for a few months while waiting for continuing homecare. Clearly, the potential savings from reablement estimated in the Impact Assessment will be diminished if people who need a

⁴ Use of Resources in Adult Social Care: A guide for Local Authorities, Department of Health, October 2009. www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_107596

⁵ Impact assessment of Personal Care at Home Regulations and Guidance, Department of Health 2009. p8. http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_109133.pdf

⁶ Investigating the Longer Term Impact of Home Care Re-ablement Services: The Organisation and Content of Home Care Re-ablement Services, Department of Health, October 2009. p48. <http://www.york.ac.uk/inst/spru/research/pdf/ReablementOrg.pdf>

continuing care package have to stay in the more costly reablement service due to a lack of capacity in the independent homecare sector due to years of chronic underfunding. The study supports our view that meeting the proposals of an underfunded free personal care policy will be almost impossible without proper investment in the independent homecare sector and its workforce.

Estimated figures of those who will receive FPC

The Bill aims to help 400,000 people in total. 130,000 people will benefit from reablement services and the remaining 270,000 will receive FPC. **Of the 270,000 people who will receive FPC, 166,000 currently receive FPC after means testing.** The remaining 100,000 people are made up of those who currently make a means tested contribution, receive informal care, people that will switch from care homes to home care, and people who are currently self funding or have unmet need.⁷

UKHCA shares the concerns of local authorities that the Government may have underestimated the number of people that are current self funders or have unmet need who will contribute to the increased demand for FPC. The Government has estimated that 66,000 people make up the number of current self funders and unmet need that will receive FPC from October 2010. The Government has also predicted that the annual volume increase will be only 1.5%, due purely to demographic pressures.

However, although not a direct comparison, the introduction of FPC in Scotland in 2002 has created a 22% increase in costs, due to increasing demand.⁸ As a result, FPC is becoming less affordable and we are concerned that a similar situation could arise here.

Assessments

The eligibility criteria for FPC are yet to be finalised and this will be decided during the consultation process. The suggested FPC criteria are that individuals assessed as critical by the Fair Access to Care (FAC) criteria who also have difficulty with 4 Activities of Daily Living (ADL) will be eligible to receive FPC. It is also possible that local authorities could make reablement an additional condition of eligibility.

If a local authority decides to make reablement part of the eligibility criteria for FPC along with an indicative two stage process for FACS/ADL, each individual will now need at least three needs

⁷ Impact assessment of Personal Care at Home Regulations and Guidance, Department of Health 2009. p7. http://www.dh.gov.uk/prod_consum_dh/groups/dh.digitalassets/documents/digitalasset/dh_109133.pdf

⁸ Free Personal And Nursing Care, Scotland, 2007-08, The Scottish Government, November 2009, p2. <http://www.scotland.gov.uk/Resource/Doc/293050/0090405.pdf>

assessments along with a means test for any non-personal care needs.⁹ **This may divert funding from frontline services into local authority commissioning costs.**

Other “perverse incentives”

As a result of under-funding of social care, we have already seen a pattern emerging of **individuals that have moderate or even substantial care needs denied access to publicly funded care** and many people losing access to domestic services (shopping, cleaning etc.) or having to pay increased charges to their local council. The Bill could exacerbate this if local authorities find they do not have sufficient resources or need to recoup their costs in order to offer services to those with less intensive needs.

Commentators have also raised the spectre of cash-strapped local authorities diverting people into means tested residential care if they cannot afford to fund FPC at home.

Commissioners might also seek to increase the use of other cost saving mechanisms, such as only paying for contact time, sometimes as short as 10 minutes for personal care tasks. Personalised care is more expensive than standard care bought in bulk by the local authority but many are asking providers to provide personalised services at the same cost.

All of these developments would not be in keeping with (and could risk destabilising) the Government’s personalisation and choice agenda.

UKHCA’s recommendations

- The Government needs to reassure those providing care that the proposals in the Bill will be fully funded. Before proceeding any further the Government should establish more accurate costings: a process which UKHCA would be pleased to contribute to. Otherwise the risk is a shortfall which will have to be met by central or local government. There are “no more pips to squeak out” of the independent homecare sector to help meet such a shortfall.
- 2010 could prove a year of intolerable cost pressures for homecare providers given the additional costs of registration with Care Quality Commission and the Independent Safeguarding Authority. The independent homecare sector will struggle to meet these extra demands if all that results from the FPC policy is a continuing downward pressure on the prices paid to the sector

⁹ Impact assessment of Personal Care at Home Regulations and Guidance, Department of Health 2009. p5. http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_109133.pdf

and the ability to reward their staff for the work they do. The Department of Health should be required to monitor the impact the FPC policy on the independent homecare sector.

- Finally, there needs to be clarity from the Government on what remedies it will take to ensure that perverse incentives do not put at risk the development of more personalised services, which enable people to exercise choice and independence.

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