

Putting NICE guidance into practice

Costing statement: Home care
Implementing the NICE guideline on
home care: delivering personal care and
practical support to older people living
in their own homes (NG21)

Published: September 2015

1 Summary

The [guideline](#) covers how person-centred home care should be planned and delivered. It addresses how those responsible for commissioning, managing and providing home care should work together to deliver safe, high-quality home care services. These services should promote independence and support people to do the things that are important to them.

There is significant variability in the commissioning and provision of home care in England. It is likely that implementing this guideline will have resource implications for local authority commissioners and for providers, and we advise them to assess these locally.

The recommendation areas that may have a significant resource impact are:

- Considering home care for people with low to moderate needs.
- Ensuring home care visits are long enough, and shorter than half an hour only in defined circumstances.
- Recruiting, training and supporting home care workers.

The costing statement discusses the challenges facing the home care sector, including the increased need for home care because of an ageing population and the current funding challenges. It also covers how the Better Care Fund may be used to improve integration of health and social care services.

Potential areas for additional costs are:

- Recruiting extra home care workers so more hours of care can be provided to more people.
- Providing support to home care workers for qualifications and training.

Local authorities and home care providers will need to work in partnership to address how to meet these additional costs.

Potential areas for savings and benefits are:

- Local authorities may make savings if improved provision of home care avoids the need for high-intensity home care or residential care.
- Clinical commissioning groups and NHS England may achieve savings if improved provision of home care avoids the need for hospital care or community health care.
- Providers of home care may save costs associated with recruitment if retention of home care workers increases because of improved working practices and training.

Implementing the recommendations in the NICE guideline will benefit local authorities through better coordination, more proactive, preventive measures and planning of care and support functions (which can prevent crisis and escalation of need), including improving information, personalisation, and assessment of carer need.

The resource impact of implementing the guideline recommendations will depend on the progress of organisations in enforcing legislation such as the [Care Act 2014](#).

2 Introduction

- 2.1 This costing statement considers the cost implications of implementing the recommendations made in [Home care](#) (NICE guideline 22).
- 2.2 We anticipate that the guideline will have resource implications for commissioners and providers of home care. Organisations are encouraged to evaluate their own practices against the recommendations in the guideline and assess costs locally.
- 2.3 Home care services are commissioned by local authorities, people who use services (self-funded) and clinical commissioning groups. Home care services are provided by independent home care agencies, local authorities and personal assistants. Local authorities may offer a personal budget to people who use the services. This could be as a direct payment for the person to arrange their own care, or the local authority may use the personal budget to purchase services on their behalf.

3 Background

Home care use

- 3.1 Home care is one of several services that can be offered to people assessed as needing social care support.
- 3.2 The range and type of services that are delivered varies, as does the frequency and duration of home care support. Activity data from the Health and Social Care Information Centre show the proportion of people receiving different intensities of home care at 31 March 2014 ([Community care statistics, social services activity, England – 2013–14](#)). See figure 1.

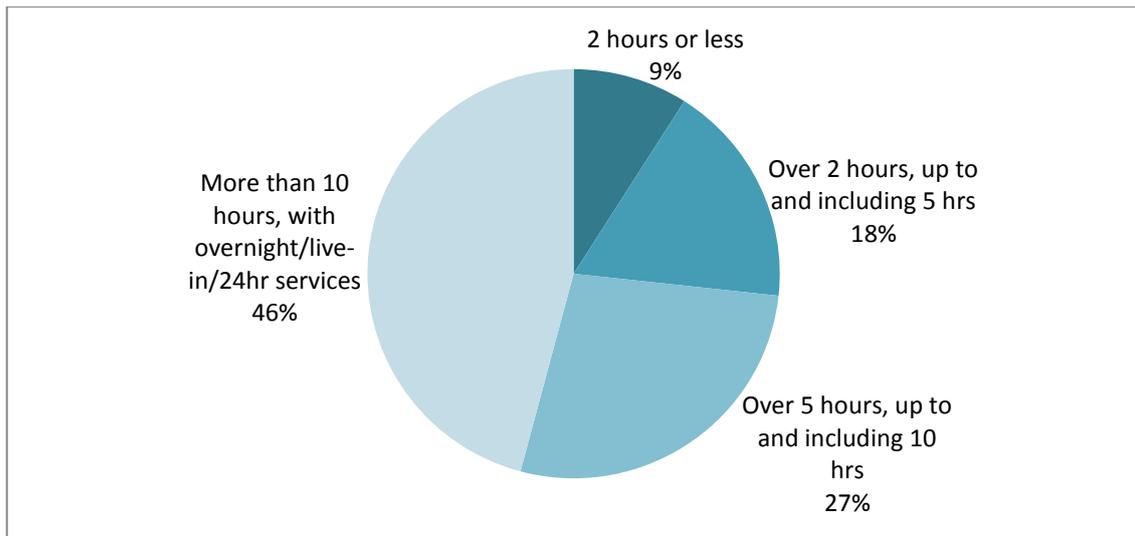


Figure 1 Intensity of home care at 31 March 2014

- 3.3 In 2013/14 around 470,000 people in England used home care funded by local authorities, equating to 186 million hours of contact time. The majority (372,000 or 79%) of these were people aged 65 or older ('Community care statistics, social services activity, England – 2013–14').
- 3.4 Despite the rising number of older people in the population ([Annual Mid-year Population Estimates 2014](#), Office for National Statistics), the number receiving publicly funded care is decreasing. See figure 2.

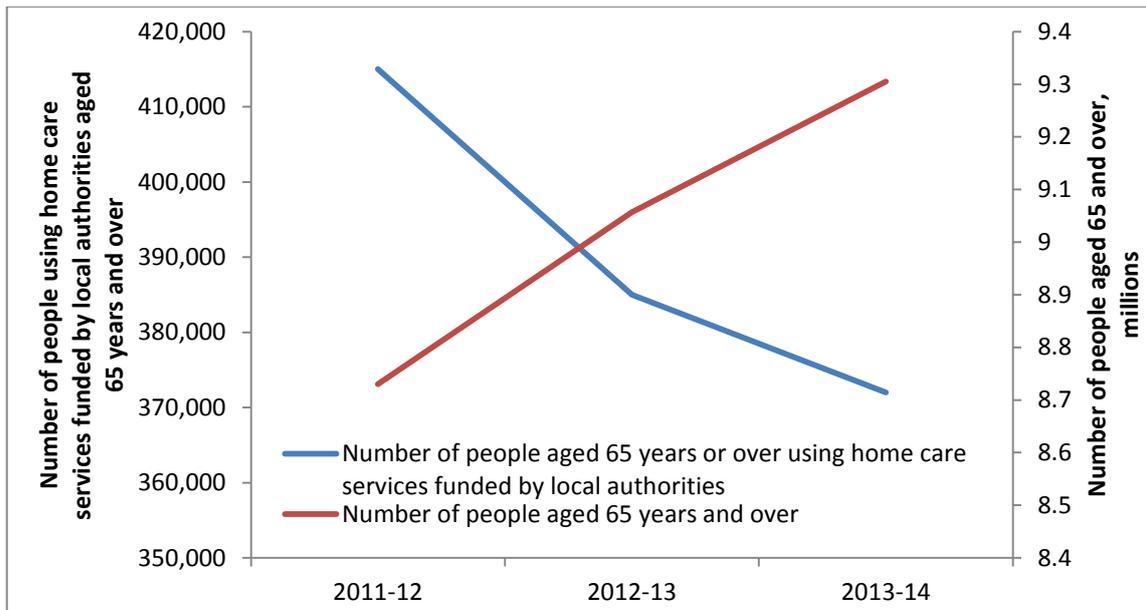


Figure 2 Number of people aged 65 years and over receiving home care funded by local authorities and total number of people aged 65 years and over in England in 2011–2014

Funding

- 3.5 Eligibility thresholds have risen over recent years and there is evidence that many local authorities now offer home care services only to those who have the highest levels of need.
- 3.6 The current financial threshold level for means-tested local authority funding in England is £23,250 in savings and investments. Property value is not included if the person’s partner or spouse also lives in the property.
- 3.7 In 2013/14 £8.8 billion of social services expenditure by local authorities was on older people. The majority of this (£4.7 billion) was on residential care, with £1.8 billion spent on home care. (‘Community care statistics, social services activity, England – 2013–14’).
- 3.8 The Association of Directors of Adult Social Services [budget survey 2015](#) indicates that £1.1 billion will be taken out of social care

budgets in 2015/16. The budget for adult social care has reduced by £4.6 billion from 2010/11 to 2015/16

3.9 In March 2015 the UK Homecare Association published [The homecare deficit](#) on the funding of older people’s home care across the UK. It states that the weighted average price paid by the local authority to the home care provider for older people in September 2014 was £13.77 per hour, with wide variation across England. The Association has calculated a [minimum price for homecare](#) of £15.74 per hour, as shown in table 1.

Table 1 Distribution of costs in UK Homecare Association minimum price for home care

Element	Cost
Care worker costs (including wages for time providing care, travel time and mileage, holiday pay, training time, employers NI and pension contributions)	£11.01
Running the business (including costs for branch staff, office, training, recruitment, IT equipment, marketing, consumables, finance, stationery, business travel, legal and professional)	£4.25
Profit/surplus that enables a sustainable business	£0.47
	£15.74 (rounded)

3.10 Only 28 local authorities (out of 203 where an average price was available) were found to be paying their providers at least £15.74 per hour. Low prices for home care services carry a number of risks. These include poor terms and conditions for the workforce, insufficient resources to organise the service and insufficient training for the complex work that supports the increasingly frail and disabled people who qualify for state-funded support (‘The homecare deficit’).

Provision

- 3.11 The majority of home care is provided by the independent sector. This accounted for 92% of home care contact hours in 2013/14, compared with 81% in 2008/09.
- 3.12 In June 2015 there were 8,186 home care agencies in England regulated under the Health and Social Care Act 2008 by the Care Quality Commission ([An overview of the UK domiciliary care market](#) UK Home Care Association).
- 3.13 A number of recent reports have identified concerns about the quality, reliability and consistency of home care services. A themed inspection of home care by the Care Quality Commission ([Not just a number: review of home care services](#)) also highlighted some specific key areas for improvement including:
- respecting and involving people who use services, and their carers
 - care and welfare of people who use services
 - safeguarding people who use services from abuse
 - providers' support for their staff
 - how providers assess and monitor the quality of services they provide.

4 Recommendations with potential resource impact

Recommendations that may have a local resource impact are discussed below.

Planning home care and support

Recommendation

- 4.1 Consider home care support for older people with low to moderate needs to avoid, delay or reduce future dependency on health and social care services (recommendation 1.3.2)

Background

- 4.2 Eligibility thresholds have risen over recent years and 88% of local authorities offer home care services only to those who have substantial or critical levels of need. Need is determined after an assessment that considers physical and cognitive impairment, environment and the availability of informal care. Table 2 shows the local authority needs thresholds for 152 local authorities in England in 2012/13.

Table 2 Local authority eligibility thresholds based on needs in 2012/13

Threshold for access to care and support	Number of local authorities setting their threshold at that criterion in 2012/13
Critical	3
Substantial	130
Moderate	16
Low	3

- 4.3 The Care Act 2014 (see [Care Act factsheet 3](#) Department of Health) introduced a national minimum eligibility threshold that all local authorities must comply with to ensure consistency across England. Assessments must now focus on what the person using the service wants to achieve, rather than what service should be provided.
- 4.4 Despite the increased need for home care because of an ageing population with complex needs and multiple long term conditions, local authority expenditure on home care has decreased in recent years.

4.5 The private sector is by far the largest employer of care workers in England. Workforce data are collected using the Skills for Care [National minimum data set – social care](#). This covers all care workers employed by local authorities and 55% of all Care Quality Commission registered social care establishments. Therefore data are extrapolated to estimate figures for the whole workforce. Around 630,000 adult social care workers are currently employed in home care (representing 38% of all adult social care workers).

4.6 Skills for Care reports in [State of the adult social care Sector and workforce in England 2014](#) that the number of home care jobs increased by around 35% between 2009 and 2013. It estimates that the number of jobs in all of adult social care will grow by between 15 and 55% by 2025 depending on government policy and resources. Figure 3 shows the increase in home care jobs since 2009 against the decrease in expenditure on home care in the same period, highlighting the increased need for self-funded care.

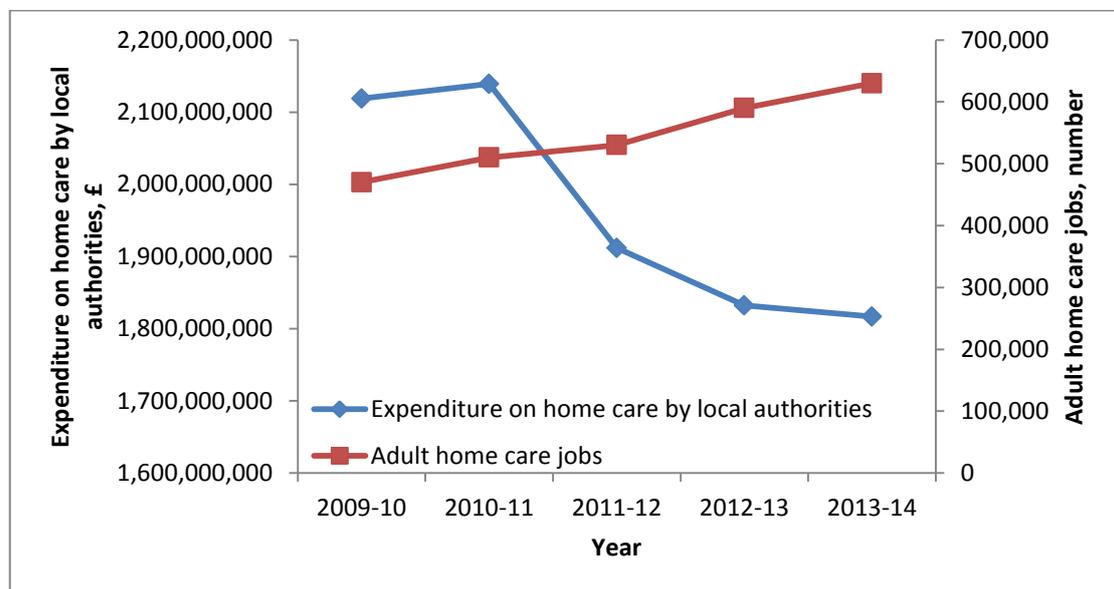


Figure 3 Local authority home care expenditure for people aged 65 years and over compared with adult home care jobs during 2009–2013

Source: [Community care statistics, social services activity, England – 2013–14](#) Health and Social Care Information Centre

4.7 Local authorities should be working towards supporting people in their own homes if possible, as an alternative to using hospital or residential care settings. This needs integrated and joint working with healthcare and other support services.

Costs

4.8 We anticipate that implementing the recommendations will lead to an increase in the number of people receiving home care and the number of hours of home care provided overall. To meet this additional demand independent organisations and local authorities may need to employ additional home care workers.

4.9 People who are not eligible for free care would still need resources from local authorities for assessment and to direct them to other sources of care ([Care Act 2014: How should local authorities deliver the care and support reforms?](#) Department of Health).

4.10 The average annual costs associated with each additional care worker are set out in table 3.

Table 3 Annual costs of employing home care workers

Role	Provider cost	Cost breakdown
Home care worker	22,000	£13,650 salary, £3,552 employers NI and superannuation contribution, £4,998 direct overheads
Senior home care worker	27,930	£18,197 salary, £4,735 employers NI and superannuation contribution (estimated), £4,998 direct overheads

4.11 The UK Home Care Association has designed [costing models](#) ('per hour' and 'breakeven') to help providers calculate a fair price for home care services.

4.12 Many local authorities have frozen provider fees for a number of years, and compliance with the national minimum wage in the home care sector has come under increasing government and public scrutiny.

- 4.13 The [Better Care Fund](#) was announced by the Government in June 2013 to improve integration in health and social care. It is underpinned by the Care Act and creates a single pooled budget to give the NHS and local government an incentive to work together more closely and make people's wellbeing of people the focus of health and care services.
- 4.14 The fund may be used to help implement the guideline recommendations once outcomes for the population and the pooled budget have been defined. Commissioners and providers will need to develop new models of care and agree how to share investment and risk through payment and contracting models.
- 4.15 We encourage independent organisations and local authorities to assess the resource impact based on their current circumstances and staffing levels, and the information provided above.

Savings and benefits

- 4.16 Providing home care for people with low to moderate needs may avoid the need for more intense home care, residential or hospital care in the future.
- 4.17 Comparison with expenditure on residential care costs illustrates the potential cost savings for local authorities of enabling people to stay in the community rather than in residential settings. The weekly cost of social care in the home and in residential settings is taken from the Personal Social Services Research Units [Unit costs of health and social care 2014](#). See table 4.

Table 4 Average costs of social care 2013/14

Service	Information	Cost
Hourly costs		
Home care worker ¹	Hourly rate for local authority funded home care	£37
Community nurse	Hourly rate including qualifications	£50
Weekly costs		
Home care – median cost	Based on 10 hours home care per week	£370
Residential care – private sector	Weighted average weekly fee for England	£553
Residential care – local authority	Local authority expenditure per resident per week	£995
1 This is based on PSS EX1 2012/2013 returns and includes the payment made to home care providers discussed in paragraph 3.9. It is assumed to be the fully absorbed cost for local authorities in providing one hour of home care.		

4.18 If hospital care is avoided or shortened because appropriate care is offered in the home, there will be savings for healthcare commissioners (clinical commissioning groups and NHS England) from reduced A&E attendance, admissions and bed days avoided beyond trim point (the length of stay where the standard tariff applies). The non-elective tariff for a hospital admission depends on the diagnosis and Healthcare Resource Group code used. Common reasons for admission for people aged over 65 include pneumonia (£3,050, DZ11A) and cardiac conditions (£537, EB01Z). The average cost per bed day beyond trim point is £222 (2015/16 Enhanced Tariff Option). Hospital providers may realise efficiency savings from reduced lengths of stay because of increased availability of beds.

4.19 Health and wellbeing boards should use the Better Care Fund to improve integrated working between health and social care so that people receive the most appropriate level of care, depending on their needs, and so that vulnerable people are identified.

4.20 The reablement funding allocated to clinical commissioning groups for people's health and social care needs after discharge from

hospital can also help to shorten hospital stays. In 2015/16 the £3.8 billion Better Care Fund included £300 million for reablement funding.

Delivering home care

Recommendations

- 4.21 Ensure service contracts allow home care workers enough time to provide a good quality service, including having enough time to talk to the person and their carer, and to have sufficient travel time between appointments¹. They should ensure that workers have time to do their job without being rushed or compromising the dignity or wellbeing of the person who uses services. (recommendation 1.4.1)
- 4.22 Home care visits shorter than half an hour should be made only if:
- the home care worker is known to the person, and
 - the visit is part of a wider package of support, and
 - it allows enough time to complete specific, time-limited tasks or to check if someone is safe and well. (recommendation 1.4.2)
- 4.23 Ensure home care visits are long enough for home care workers to complete their work without compromising the quality of their work or the dignity of the person, including scheduling sufficient travel time between visits. Take into account that people with cognitive impairments, communication difficulties or sensory loss may need workers to spend more time with them to ensure they give them the support they need. Some may need workers to spend more time helping them eat and drink. (recommendation 1.4.4)

Background

- 4.24 Home care is often commissioned using a 'time and task' approach, whereby services are delivered in short time slots and focus on

¹ This is aligned with the [Care Act 2014](#), which requires commissioners to pay due regard to all costs associated with delivering care and support.

completing personal care tasks. There is evidence from both people using services and home care workers that the demands of 'time and task' contracting by local authorities create unhelpful inflexibilities in the service. This approach can, for example, leave little time for home care workers to talk to people or to help them with additional minor tasks they mention during the visit. A Unison report into home care, based on an online snapshot survey in 2012, identified the practice of 'call cramming'. This is when workers are given an unrealistic number of visits too close together, reducing the quality of care and length of time spent with each person.

- 4.25 The UK Home Care Association 2012 report [Care is not a commodity](#) identified the inadequacy of contract terms issued by local authorities and the combined impact of cost cutting through real-terms price cuts and shortened visit times.
- 4.26 It reported that 73% of all home care visits in England appeared to be 30 minutes or shorter, with 16% of all visits lasting only 15 minutes. There was evidence of visits of 15 minutes or less in all local authorities.
- 4.27 [An overview of the UK domiciliary care market](#) (UK Home Care Association) reported that 19% of a home care worker's time is spent travelling.

Costs

- 4.28 We anticipate that implementing the recommendations will increase the number of hours of home care provided overall. To meet this additional demand home care providers may need to employ additional home care workers.
- 4.29 Time spent with people using services is governed by the hourly rates that commissioners are willing to pay. See paragraphs 4.7–4.14 for further detail on the resource implications for local authorities and home care providers.

Savings and benefits

- 4.30 There is evidence to suggest that people using services benefit from home care workers spending additional time with them, particularly if the person is isolated, or has physical or cognitive impairments, or does not speak English as a first language. This may prevent escalation to increased resource requirements in the future.

Recruiting, training and supporting home care workers

Recommendations

- 4.31 Ensure home care workers are able to recognise and respond to:
- common conditions, such as dementia, diabetes, mental health and neurological conditions, physical and learning disabilities and sensory loss (see also recommendation 1.3.8)
 - common care needs, such as nutrition, hydration and issues related to overall skin integrity, and
 - common support needs, such as dealing with bereavement and end-of-life, and
 - deterioration in someone's health or circumstances.
(recommendation 1.7.4)
- 4.32 Make provision for more specialist support to be available to people who need it – for example, in response to complex health conditions – either by training your own home care workers or by working with specialist organisations. (recommendation 1.7.5)
- 4.33 Ensure home care workers have the knowledge and skills needed to perform their duties safely by providing, as part of the full induction and ongoing training package, specific training on:
- what constitutes 'safe' care
 - identifying and responding to possible or actual abuse or neglect
 - identifying and responding to environmental risks

- safe care policies and procedures. (recommendation 1.7.6)

4.34 Ensure home care workers have opportunities to refresh and develop their knowledge and skills. (recommendation 1.7.8)

Background

4.35 The [Skills for Care](#) website lists the following benefits of qualifications: quality service, safety, value for money, retention and marketability.

4.36 The [workforce training profile](#) in the 'National minimum data set – social care' shows that only around 40% of care workers and senior care workers who provide home care to older people have received training on dementia care. Around 11% have received training on palliative or end-of-life care.

4.37 The workforce training profile also shows that 43.1% of care workers and 17.9% of senior care workers do not hold any formal qualifications.

4.38 Staff turnover for adult home care workers was reported to be 30.6% in 2013/14. Turnover rate is higher for home care than other areas of social care. An estimated 41.8% of directly employed staff working in adult home care services have been in their role for 12 months or less ('State of the adult social care sector and workforce in England 2014'). This makes it very challenging to ensure that home care workers are qualified and trained sufficiently.

4.39 Maintaining a caring and trained workforce in a sustainable provider market is now a key concern, particularly when 56% of directors of adult social services report that providers are facing financial difficulties. This anxiety has to be seen in the context of staff turnover, quality, the national minimum wage, and the need for an extra million social care workers in the future. ([All a president](#)

[can do today is warn...](#) Association of Directors of Adult Social Services).

Costs

- 4.40 The cost of providing staff training varies and should be assessed locally, according to the needs of the people using services and home care workers. [Skills for Care](#) and the [UK Home Care Association](#) provide information on qualifications and training available.
- 4.41 Skills for Care make [guidance and resources](#) available free of charge. These include support to develop specialist skills in dignity, dementia, care work, health and safety, end of life care and assisted living technology.
- 4.42 Providers of home care services may need additional staff so that there is sufficient time available for all staff to undertake training. See table 4 for costs.
- 4.43 To maintain a qualified and trained workforce, staff retention needs to increase. Improving conditions, particularly wages, for staff can help to achieve this.

Savings and benefits

- 4.44 Home care provided by workers with sufficient qualifications, training and experience may avoid the need for more intense home care, residential or hospital care in the future. See paragraphs 4.16–4.20.

5 Other related documents

- 5.1 The Social Care Institute for Excellence (SCIE) published [Commissioning home care for older people](#) in June 2014.

About this costing statement

This costing statement accompanies NICE's guideline [Home care: delivering personal care and practical support to older people living in their own homes](#) (NICE guideline 22) and should be read in conjunction with it. See [terms and conditions](#) on the NICE website.

The cost and activity assessments in the statement are estimates based on a number of assumptions. They provide an indication of the potential impact of the principal recommendations and are not absolute figures.

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