QUESTIONS FOR LOW PAY COMMISSION CONSULTATION – 2015 REPORT

UKHCA Recommendations to the Low Pay Commission

1. UKHCA recommends the implementation of the principle findings in the Barker report to create a single source funding and commissioning approach to health and social care which would enable the development of the homecare sector over a longer investment period, thus allowing Providers an opportunity to invest in an improved wage structure
2. UKHCA recommends to both the Low Pay Commission and the HMRC that sector specific guidance be defined in partnership with Providers that addresses the many permutations of working hours that have, in the recent past, caused inadvertent breaches in the NMW regulations. This should include guidance on 'premium rate disregard' when calculations for aggregate NMW payments are calculated. We understand that Skills for Care may be able to fulfil this role in part; however, to the best of our knowledge the work described in paragraph 4.9 of the Commissions 2014 report has not yet begun.
3. UKHCA recommends to both the Low Pay Commission and the HMRC that the development of a clear set of acceptable 'operational rules' be defined in partnership with Providers that addresses the implications of recent judgements concerning carer sleep in duties.

QUESTIONS FOR LOW PAY COMMISSION CONSULTATION

- **What are your views on the outlook for the UK economy, including employment and unemployment levels, from now through to September 2016?**

UKHCA tends towards the school of thought that considers the UK economy to be a leader in the transitional stages of post-industrial development and whose economy will, in all likelihood, become the single largest in the EU in absolute terms, overtaking Germany sometime prior to 2030 (that is, within the next dozen years or so). We are concerned about the variability and unpredictability of the Eurozone and the infecting impact it continues to exert on UK market stability and long term development: we do not buy into the *declinist* model of the UK economy.

We do not therefore consider the UK economy to be anywhere near capacity, let alone overstretch, and we envisage capital spends to start in earnest by approximately Q3/16 as the enterprise economy completes its fiscal and debt readjustment. Our view is that although we consider the global economy to be out of synch, with several countries in very different stages of their cycle, we calculate that the UK economy has left the *repair phase* and is preparing for sustained growth.

Sustained grow for the UK economy will, in the initial stages, be dependent on certain elements within the EU regaining equilibrium as per the findings of the EU Sixth Report on Economic, Social and Territorial Cohesion of July 2014. We further consider that the complete transition from recovery to the start of the next expansionary phase will probably take another five years because this will be dependent on consumer and commercial confidence to be fully realised in tandem to EU readjustment. We are therefore working on the basis that financial and fiscal performance will return to 2007 levels by the end of the next parliament unless misguided action by the next government increases the debt burden and/or there is a failure to offset structural debt. We consider that a programme of economic restructuring will be the single biggest challenge for the next government, overshadowing 'austerity'

However, UKHCA is very concerned that converting a favourable outlook for the economy into improved wages and a sustainable homecare sector is another step conversion *process* that has yet to be initiated, let alone to become a fully evolved aspect of the economy or of local economics. (1) Also, the Economist reports that although the economy is growing, "real wages are stagnant or falling" (27 September, business section). The post-recession UK economy has geographical areas of improvement, notably in London and the south east, mixed with areas of continued distress where 'legacy' industries have yet to be fully replaced: the fiscal squeeze has not yet concluded and there is continuing pressure by central government on local authorities to make substantial cuts, including their social care budgets. Our view is that this situation is unlikely to change for the next three years at least and may stretch out to the end of the next parliament if total UK factor productivity unexpectedly sags, slowing growth expectations until possibly 2020 / 2022

UKHCA outlook on the UK economy recognises that there are pockets of resurgence balanced by areas of very considerable entrenchment that do not show encouraging signs of breaking out of recession and austerity. (1) This means there are geographical variations in the ability to employ care staff: for example, in the south east of England, the costs of living far exceed those elsewhere to such an extent that 'churn' has become a major problem for employers of a workforce that is often at, or just above, minimum wage rates. Conversely, in less affluent areas, staff move to new employment for small improvements in their hourly pay rate.

Our experience is that local authorities rarely take regional differences in the costs of living into account in their contracting for care. However, some local authorities have started to include contract clauses that stipulate payment of the 'living wage' and this is seen in some quarters as being a brake on the development of a sustainable homecare workforce as it is simply not affordable under current contract fee rates.

(1) http://blogs.ft.com/economistsforum/2013/04/global-economic-recovery-stuck-below-takeoff-speed/?

- **What has been your experience of wage growth in the UK during the last year and what do you forecast for the next twelve to eighteen months?**

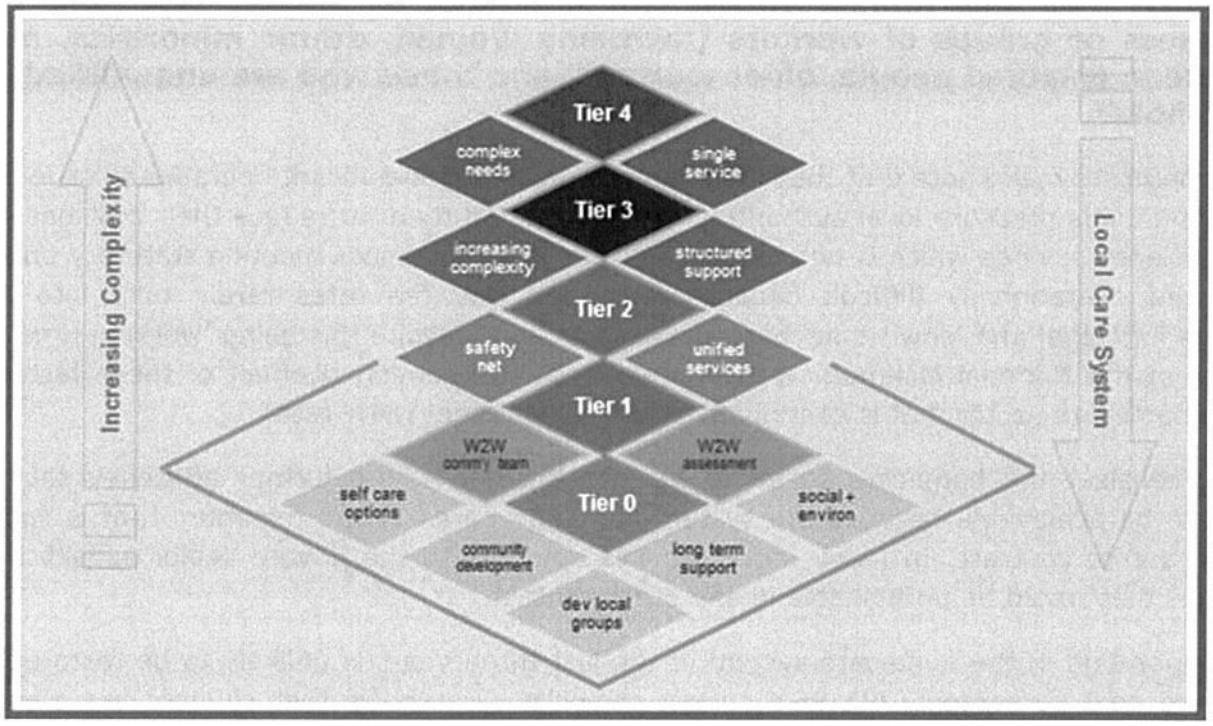
The homecare sector is still dominated by the purchasing activity of local authority commissioners and we estimate that some seventy percent of sector activity is funded by the state.

The sector is therefore disproportionately dependent on the terms dictated by Councils who, in this period, have continued to 'bottom slice' the number of people eligible to receive homecare at the same time as exerting downward pressure on fees with apparent disregard of the actual costs of providing care. UKHCA can find little evidence to suggest that the determination of local authority fee levels for homecare are calculated after meaningful consultation or engagement with providers to determine the cost base of providing homecare services. Fees continue to be set at rates that do not bear any relationship to the actual costs-of-care, or adjacent authorities or any degree of commonality between similar localities which indicates that in-house cost pressures are the determinants of fee rates rather than the actual costs-of-care.

We note the work undertaken by the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) into the prospective budgetary allocation for 2015 and 2016 for local authorities. The press release of 14 September 2014 shows that local authorities are not now in a financial position to provide homecare for over half-a-million people who would have been eligible in 2009 because of reductions in allocations. The combined pressures of an increase in demand and reductions in financial allocations now means that the average Council spends thirty-five percent of its budget on social care provision: to spread resources as widely as possible, we consider that local authorities are unlikely to underwrite fee increases that will enable care providers to improve wage rates, or pay improved rates for the skills required to work with the more acute problems that, by definition, now constitute the vast majority of referrals to homecare providers. (1) To put the levels of reduction calculated by the LGA into perspective a quote from the executive summary states "To put this in context, this £11.6 billion drop is equivalent to the total general fund expenditure (in 2013/14) on non-schools education, highways and public transport, housing, planning and development". UKHCA cannot see this situation lending itself to improvements in wage levels for the next eighteen months at least. (2)

The consequence of this is that wage growth has been virtually non-existent at a time when some Councils have taken a political position that homecare providers should not employ staff on zero hour contracts and, in some cases, an insistence that staff are paid at the non-statutory 'Living Wage' rate in disregard of the actual costs of providing care when there are strong indicators that this is a major destabilising force within some markets.

UKHCA members are keen to address these structural anomalies, false economies and arbitrary terms by securing a national agreement that identifies a minimum tariff for homecare services differentiated by the complexity of care required by the service user. We envisage a tier based approach with an ascending increase in the volume of care determined by need as illustrated in the following graphic: at Tier 0 there is familial and Neighbourhood Carewatch support, progressing through 'basic homecare' at Tier 1 to multi-disciplinary and multi-agency packages at Tiers 2 and 3 with hospital stays and long term care at Tiers 4 and 5



UKHCA views the current approach to commissioning homecare services as actively hindering both wage growth and the recognition of different skill levels in the workforce that should attract wage differentials. This is because of flat rate, fixed fee contracts that pay a single rate, despite the differing complexity of need for typically a three year period. Such contracts do not capture differentiated care needs that would elsewhere demand different skill levels at a premium, such as in Nursing & Care Homes or hospitals where patients are moved between departments able to deal with higher levels of clinical need, such as Intensive Care.

With current national economic policy firmly in favour of continued austerity, we see little scope for change in the immediate future. We do appreciate that aspiring political parties, in the current 'conference season' are keen to make manifesto commitments for better funded health and social care systems designed to address the structural issues we note in this consultation response. We look forward to the realisation of these ideas in due course as the status quo is unfavourable to wage growth or improved employment terms.

We consider the outline proposals made in the Barker Report for a conjoined health and social care budget from hypothecated taxation to replace the current fragmented funding structures to be eminently logical for a variety of reasons, not least for ease of management and cost

containment, but also the development of an improved commissioning approach based on fully integrated service-disposition.

(2) http://www.local.gov.uk/documents/10180/5854661/L14-340+Future+funding+-+initial+draft.pdf/1854420d-1ce0-49c5-8515-062dccca2c70

- **What has been the impact of the National Minimum Wage (NMW), (for example, on employment, hours and profits), in particular over the last twelve months? Has this impact varied (for example, by sector, type and size of business or groups of workers (including women, ethnic minorities, migrant workers, disabled people, older workers, and those who are unqualified)), and if so how?**

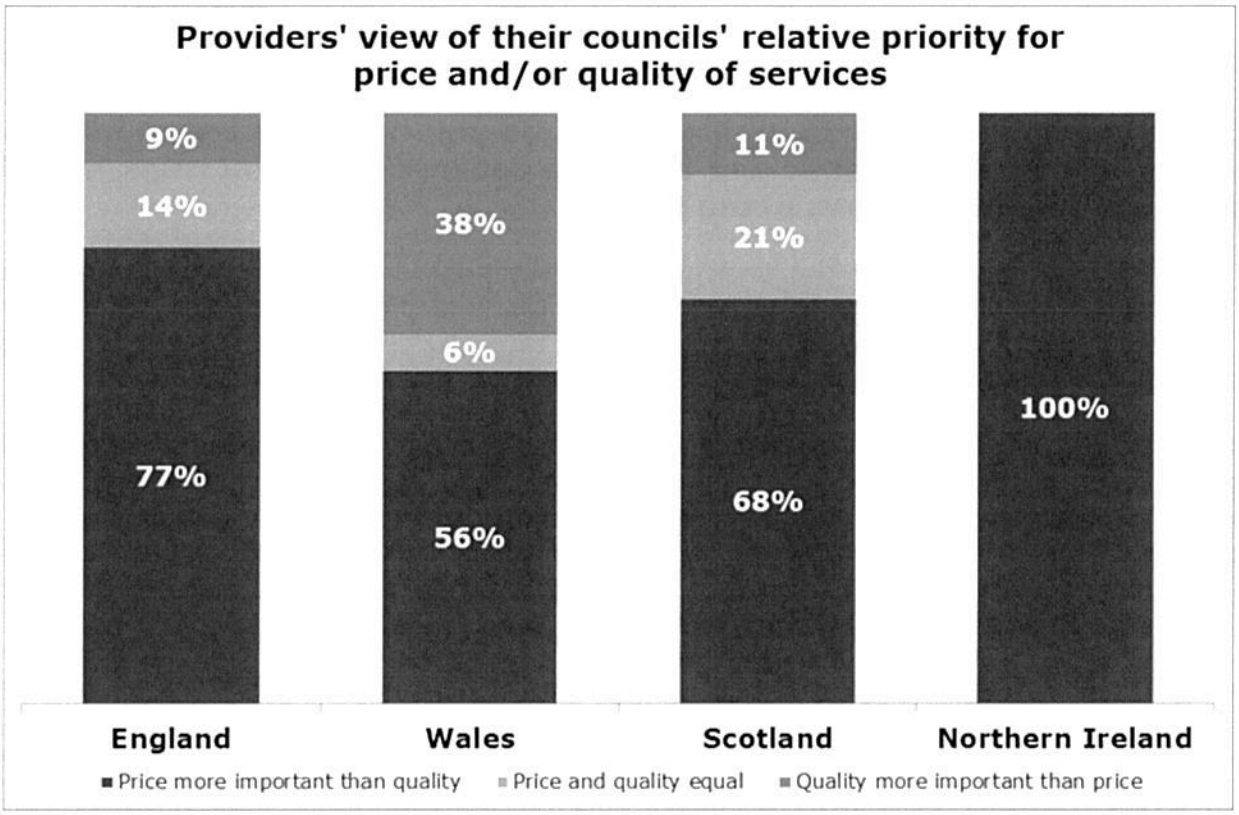
UKHCA members make note that the NMW has evolved into a significant operational issue because of the continuous pressure local authorities are exerting on them to reduce their cost base and to make efficiency savings which is not reciprocated. In some instances meeting statutory obligations has proved operationally difficult because local authority fee rates rarely take into account payments for travel and 'down time' between assignments despite this being 'working time' for the purposes of the National Minimum Wage regulations. The combined effect of these factors is to create a homecare sector that is continually struggling to meet NMW rates.

We now consider the homecare sector to be in a position where further efficiency savings are unlikely to be achievable because the system has been pared to the minimum that is capable of servicing a care contract. In many instances this amounts to the private sector subsidising local authorities that would be unthinkable in any other context.

This deterioration in the homecare system of the last three years is unlikely to be restored by the end of the next parliament. ADASS's survey of social care shows that councils are planning to further reduce their budgets after three years of austerity which has led to a vast reduction in the numbers of people able to access homecare services. Some £3.5bn of vired monies from the NHS to local authorities, has not provided any relief either to service users or to the system of providing homecare and this has resulted in a tangible 'flattening' of pay rates within the sector.

The net consequence of these pressures will be a protracted but significant contraction of the homecare services sector and consolidation of the provider market. Consolidation may offer some economies of scale and temporary relief until there is a resumption of public spending or until fully integrated joint funding between the health sector and social care becomes a reality, but in either case we see little scope for ameliorating the impact on wages or providers. UKHCA also note the findings of the BBC Radio 4 programme "File on Four" that identified earlier this year that only four of over a hundred local authorities paid homecare fee rates that were compatible with the UKHCAs minimum price for care model of £15.19 per hour.

Our evidence to the Commission last year illustrated that there is an anticipation of further downward financial pressure to be exerted by local authority commissioners and that ADASS felt that many providers would be under distress over the next two years, to 2016. We do not see any evidence that this situation has improved in the intervening twelve months since we last gave evidence to you. Current UKHCA research shows that the priority for a majority of local authority commissioners is price over quality of care:



Unpublished research findings UKHCA as at September 2014

In such a situation UKHCA members find it challenging to be optimistic that there may be a lessening of the impact of the NMW within the sector.

- **What do you estimate will be the impact of the 3 per cent increase in the adult rate of the NMW and 2 per cent increase in the youth and apprentice rates in October 2014?**

The impact of any increase in the NMW in a sector where over seventy percent of the work is commissioned by near monopsonistic local authorities, who are latterly characterised by fee reductions, is, by definition, deleterious. Fee rates in England and Wales are at best stagnant and in many instances there are actual reductions or value reductions through inflation over the duration of a three year contract. Any adjustment in the NMW that does not carry an automatic and mandatory fee increase for homecare providers means that the stability and sustainability of local care provision is challenged because margins are so thin as to undermine the viability of homecare services in many localities.

The homecare sector dominated by a monopsony purchaser is not in a position to pass through variations or increases in the costs of providing the service to the purchaser. There comes a point where the capacity of providers to absorb increased costs in a restrictive contract means that employment is curtailed, staff development programs become unaffordable and differentiated wages based on skills and qualifications cannot be offered.

- **In our 2014 Report, we made an additional assessment of the future path of the NMW. This looked at what economic and business conditions needed to be in place to allow a faster increase in the minimum wage rates taking into account the implications on employment. Do you have any comments on that assessment? What economic and business conditions do you think need to be in place for faster increases in the NMW?**

UKHCA have reservations about the principle of a faster increase in the NMW because of the economics of the homecare sector. Our concerns are twofold: first, the capacity of the majority of homecare providers to meet such increases is dictated by the fees paid by local authorities who have yet to indicate any intention to meet the actual costs-of-care.

Secondly, we are concerned that a perverse consequence could arise where employment in the homecare sector becomes more attractive because of an improved NMW but at a time of reduced demand for labour. As the volume of work decreases because Councils continue to reduce the number of people eligible for homecare, in tandem to reduced or flat fee rates, the net consequence could be a much reduced but significantly more expensive workforce in a sector where margins are already paper thin.

As fees in the sector remain static at best, with some inflationary erosion, the sector may not have the ability to pay higher NMW unless local authorities are compelled to elevate fee rates specifically to meet the higher remuneration. As things stand at present, homecare providers do not have the margins to meet ever increasing NMW settlements without recognition that there has to be an equal increase in income to cover the actual costs of care. Margins for most UKHCA members is currently about three percent, which is insufficient to sustain a business for very long, even less if NMW rates are increased out of synch with fee rates.

- **What has been the impact of the minimum wage on young people and what effect do you think it has on their employment prospects?**

We estimate that workers below the age of 21 years account for 6% of the domiciliary care workforce. (3) We are not aware of any widespread practice in the homecare sector where lower pay rates are offered to workers within this group and we do not have evidence that members use lower rates for younger people.

UKHCA members are keen to attract younger workers for a variety of reasons and understand that there will be strong competition to recruit as the unemployment rate continues to improve and the jobs market strengthens (4) UKHCA members are concerned about the lack of competitive employment *edge* within the sector because of an inability to pay differentiated rates for enhanced skills as local authority fee rates do not take into account the different skill levels needed within the sector. This factor alone prevents the development of a formal career structure which places the sector at a significant disadvantage in the recruitment market.

UKHCA members have an absolute interest in paying young people the best possible rate.

(3) Estimate from data in table 5.7 "Adult social care workforce by main service group, by age group" in Skills for Care (2012) The State of the Adult Social Care Sector and Workforce in England 2012, page 18. See: www.skillsforcare.org.uk/research/research_reports/SOASCW_2012.aspx

(4) http://www.economicsonline.co.uk/Updates/UK_Unemployment.html

- **What has been the impact of the Apprentice Rate on pay, provision, take up and completion?**

In our evidence to the Commissions last report for FY 2013-2014 we summarised the position of Apprenticeships in the homecare sector**:** the position has not materially changed since then. UKHCA members have not indicated that the apprentice pay rate has been a factor in either uptake or completion.

Apprentice schemes in the care provision aspect of the sector have yet to become the principle route of recruitment for young people and our members have not sought advice from our helpline concerning the recruitment, remuneration or uptake of apprenticeships for care roles.

UKHCA contributes to a number of working groups focused on workforce recruitment and retention where apprenticeships are being activity promoted and we support continued emphasis on this valuable route for young people into vocational schemes and long term employment.

We provide a single response to the following three questions because for UKHCA members these issues are closely related.

- **Do you think the structure of the Apprentice Rate should change? Could it be made simpler to help improve compliance? Do you think the Apprentice Rate should apply to all levels of apprenticeships?**
- **What do you think might help employers to comply with paying the right pay rate for apprentices?**
- **Do you have any further comments on apprentice pay?**

UKHCA response to the above three questions are combined because for our membership the issues are closely related**:**

UKHCA members see considerable value in a structured approach to apprenticeship schemes. We consider the Skills for Care scheme that comprises Intermediate, Advanced and Higher stages to be a valuable contribution to creating a credible staff developmental programme within the social care sector.

We consider that advancement through the scheme should attract improved monetary reward for achievement. We also think the achievement of Diploma level to be a particular benefit as this ties into recent regulatory changes around the development of 'fit and proper' leadership skills for social care.

On the broader question of simplification to create improved compliance with wage rates, UKHCA is always in favour of reducing unnecessary complexity in the management of care services. We are aware that BIS has recently focused on the underpayment of apprentices and we are concerned that mistakes can be made inadvertently. Our members welcome any initiative that diminishes the potential for unfortunate misunderstandings in the calculation of wages.

We therefore agree with the position of the EEF, the manufacturers' organisation, which states that the most obvious route to simplification is by applying *age specific* national minimum wage rates to

apprenticeships. The complexity of the current arrangements that tie age related rates to the duration of the apprenticeship creates double standards because people on longer term schemes can be penalised depending on what age they start or complete the apprenticeship. This level of complexity can lead to errors which tarnish the reputation of the sector, the employer and the apprenticeship scheme for no good reason.

For illustrative purposes we include the EEF diagram of apprenticeship rates over a four year period below: this clearly shows how the Apprenticeship Rate can disadvantage some participants at different stages in the scheme.

Age at start of Apprenticeship	Year 1	Year 2	Year 3	Year 4
16	£2.68	£2.68	£2.68	£5.03
17	£2.68	£2.68	£5.03	£5.03
18	£2.68	£5.03	£5.03	£6.31
19	£2.68	£5.03	£6.31	£6.31
20	£2.68	£6.31	£6.31	£6.31
21	£2.68	£6.31	£6.31	£6.31

with thanks to EEF *the manufacturers organisation* © September 2014

As an interim measure UKHCA would like to see considerably greater clarity around the rules and eligibility criteria with particular emphasis on service length and age combinations: a simplified matrix authorised by the LPC and HMRC would be a relatively simple undertaking to eliminate confusion.

- **What issues are there for compliance with the NMW? Do particular groups experience problems with NMW compliance (for example, apprentices, or interns and others undertaking work experience)? Does this non-compliance have implications for the level of the NMW rates, the quality and accessibility of official guidance on the NMW, or for the enforcement work of HMRC?**

Compliance with NMW in the homecare sector has historically been difficult because of the complexity of rostering 'contact time' with service-users that includes travel time between assignments for which payment is not received from local authorities. This can also mean that field workers could have significant periods of 'down time' between assignments, for which payment is also not received from local authorities.

Scheduling travel, 'down time' and refreshment breaks has therefore become exceptionally important within the sector because evidence from the HMRC report to March 2013 shows that payment errors are still arising. Whilst the average arrears are reported to be £138 per employee, it is evident that the regulations and operation of the NMW continue to exercise providers of homecare services. This indicates to us that there continues to be a lack of clarity within the regulations and that there are significant *grey areas* open to misinterpretation that have regrettably, on occasions, been seen as non-compliance rather than a matter of interpretation.

The sector is dominated by dependency on care fees paid by local authority commissioners who typically do not pay for significant aspects of the service as noted above. UKHCA has undertaken research into the actual costs of care based on the 2013-2014 NMW rate and has concluded that an hour of social care costs on average £15.19 to provide. Our members continually notify us about local authority contracts with fees as low as £9.98 per hour, rarely rising above about £12.80 per hour. UKHCA members surveyed demonstrate that margins are around three percent. It is clear to us that the sums do not add up and this means that expenditure on staff development and skills improvement has become progressively less viable for businesses working within a three percent margin.

Furthermore, the resources required to record the NMW pay data has, on occasions, proven difficult for some within the sector because of the complexities noted above. UKHCA recommend to both the Low Pay Commission and the HMRC that a clear set of 'operational rules' be defined, in partnership with Providers of social care, that resolves the many permutations of working hours and the sector specific factors including travel time, 'downtime', enhanced payments for unsocial hours and extended gaps between assignments. We think confidence building measures like this could simplify the system, eliminate errors and reduce non-compliance significantly.

In a similar way, the operation and management of sleep-in duties by homecare staff has been impacted by recent case law. As a consequence, UKHCA recommends to both the Low Pay Commission and the HMRC that a clear set of 'operational rules' be defined, in partnership with Providers of social care, to address the implications of recent adjudication concerning sleep-in duties with an approach that meets service-users choices whilst performing to the satisfaction of the tax authorities.

• At what level should each of the rates of minimum wage (for adults, 16-17 year olds, 18-20 year olds, apprentices, and the accommodation offset) be set in October 2015?

UKHCA considers that the NMW for young people and apprentices should be the same, as outlined in our response above. If it is considered impolitic to combine the young people and apprentices rates, we would suggest the rates illustrated below. We are aware that George Osborne, the current chancellor, has indicated that he preferred a rise in the NMW to £7 per hour for October 2014 but that the economic position would not support that rate. We consider that the next increase will follow soon after a general election and we err on the side of caution.

Following on from our analysis of the UK economy at the commencement of this consultation we suggest the following rates for 2015 with the absolute caveat that in the homecare sector it is axiomatic that any increase is matched equally by increases in fees from local authorities for their contracted services:

1. 21 years of age and over increases to £6.65 per hour (previously £6.50)
2. 18 years of age to 20 years of age increases to £5.30 per hour (previously £5.13)
3. under 18 years of age increases to £3.90 per hour (previously £3.79)
4. apprentice increases to £2.90 per hour (previously £2.73)

• Do you have any other views or evidence about the operation and impact of the National Minimum Wage?

We have a range of concerns that are specific to the funding and contracting structures within the homecare sector and how these factors impact on care staff wages.

Local authority contracts account for seventy percent of activity within the domiciliary care sector which means there is a near monopsony position in the market and this has a formative and profoundly negative effect on wages because of the pressure exerted on fee rates.

The approach of local authorities therefore has a direct impact on the operation of the NMW and it is an inescapable fact that local authority fee rates actively constrain providers from budgeting for enhanced wages for unsocial hours, offering differentiated pay for more complex care and other benefits including the education and development of the workforce:

- Local authority fee rates remain in the majority of cases far below the actual costs of care with scant attention to the relationship between the actual costs of providing care and the fees paid in contracts.
- We note with some concern that several local authorities have indicated that they have signed up to the Unison ethical care charter but we do not see any evidence of a willingness to pay for rates that meet the actual costs of care.
- UKHCA now considers that the problem of local authority low fee rates and continued expectations of provider capacity to absorb further funding pressure is so great that at some point clarifications of Councils responsibilities as care commissioners will have to be sought through judicial review: increased NMW, improved pension rights, escalating costs of providing care by competent staff now amounts to more than simple market dynamics or risk transfer. We consider that the current contracting disposition of many local authorities is untenable and is leading inexorably to the undermining of viability of the market for homecare services because of a refusal to work in partnership with the sector to determine the actual costs of care which has direct and immediate consequences for maintaining NMW payments.
- UKHCA is revising its analysis into the actual costs of care consequent upon the increase in the NMW. It is our intention to seek clarification from local authorities whose fee rates do not reflect the actual costs of care for a detailed explanation of how they have arrived at their fees and to determine which element of the costs of providing care that meet statutory requirements and/or the UKHCA model is not considered to apply in their locality.
- Local authorities sometimes include wildly optimistic contract clauses concerning wage rates, such as a requirement to pay a 'living wage' or a 'sustainable wage' and, in some recent cases, the requirement for providers to compulsorily move their staff from zero hours to permanent contracts. The following notes illustrate the logic and logistics around the continued use of zero hours contracts.
- In our evidence to the Commission for 2013-2014 we made extensive note of the deployment of zero hours contracts and the reasons why they have proved effective in the homecare sector. That position has not changed and it may be of value to reiterate the main points here for ease of reference:
    - UKHCA members continue to inform us that the homecare sector and individual businesses would not be able to operate without extensive use of zero-hours contracts and providers have indicated that if zero-hours contracts were banned, their businesses would face closure.
    - we are absolutely clear that the current commissioning of homecare services by local authorities makes the use of zero-hours contracts unavoidable in the homecare sector.
    - the Resolution Foundation analysis at the time of our last submission to the Commission (A Matter of Time: the rise of zero-hours contracts (2013), The Resolution Foundation, p.15) clearly identified growth in zero hours contracts arising because of cuts to local authorities' budgets by central government, which has caused them to drive down the fees paid to providers. The Foundation stated in that report that the removal of guaranteed block volumes of paid care to providers by councils in framework agreements *"incentivise the use of zero-hours contracts among providers as a means of managing risk."* This situation has not changed.

- Similarly, **the Commission's own commissioned research**, by Bessa, Forde, Moore, and Stuart, (The National Minimum Wage, earnings and hours in the domiciliary care sector, University of Leeds, February 2013, p-p. 6-7) reported that providers were unhappy about the rates that they could pay their workers *"and asserted that the move away from guaranteed volume meant that they had to employ care workers on zero-hours contracts – they believed that this affected the quality of the service they could provide."*
- Many providers continue to report the widespread attraction of flexible working for the homecare sector workforce, and the number of workers who combine employment in homecare with personal commitments, including childcare and variable income requirements over time.
- Employers were also clear that it was in their interests to ensure that their workforce understood the terms and conditions of their working arrangements and how they could make changes in their availability and their preferred number of hours known.
- Providers have repeatedly stated that as their income is generated almost entirely on the hours of care they deliver, they have every incentive to ensure that their workers receive as many opportunities to obtain as much work as they are willing to accept. Even those few who operate both guaranteed hours contracts and zero-hours contracts reported a significant proportion of their workforce who opted for zero-hours arrangements.
- UKHCA maintains that the ethical use of zero-hours contracts in the homecare sector is both inevitable because of the operating environment and meets a demand from a workforce who benefit from the flexibility it offers.
- Calls for a reduction in zero-hours contracts within the homecare sector would require a massive increase in the expenditure on social care by local authorities which we believe is entirely unachievable in the current economic climate.

UKHCA does not consider that the operational conditions within the sector have changed since we highlighted these issues last year and therefore these points retain traction twelve months after we initially reported them to the Commission.