



Homecare Association



A Minimum Price for Homecare

in Scotland
April 2025 to March 2026

Produced by
Homecare Association

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Executive summary

The Homecare Association's new calculation for the Minimum Price for Homecare in Scotland is **£32.88 per hour**.

In the [Scottish Budget 2025-26](#), the Scottish government announced funding of £125 million so that adult social care staff in private and third-sector commissioned services can receive the Real Living Wage (£12.60 per hour) by April 2025. This is an increase from the [previous minimum sector pay rate of £12 per hour](#) announced in September 2023 (ultimately, the same as the Real Living Wage in 2023-24).

The Minimum Price for Homecare has gained wide recognition within the health and social care sectors in all four UK administrations.

Our Minimum Price for Scotland is the amount required to ensure careworkers receive the Real Living Wage (excluding any enhancements for weekend or bank holiday working); their travel time; mileage; and various wage-related on-costs. The rate also includes the minimum contribution towards the costs of running a care business to meet quality and other legal requirements.

We do not suggest that the Minimum Price recognises the value of homecare services to society by providing a fair reward for the essential workforce. This would be a '*fair price*'. Instead, we have calculated a '*minimum price*'. Commissioners should not treat this as a national acceptable price capable of achieving a stable workforce.

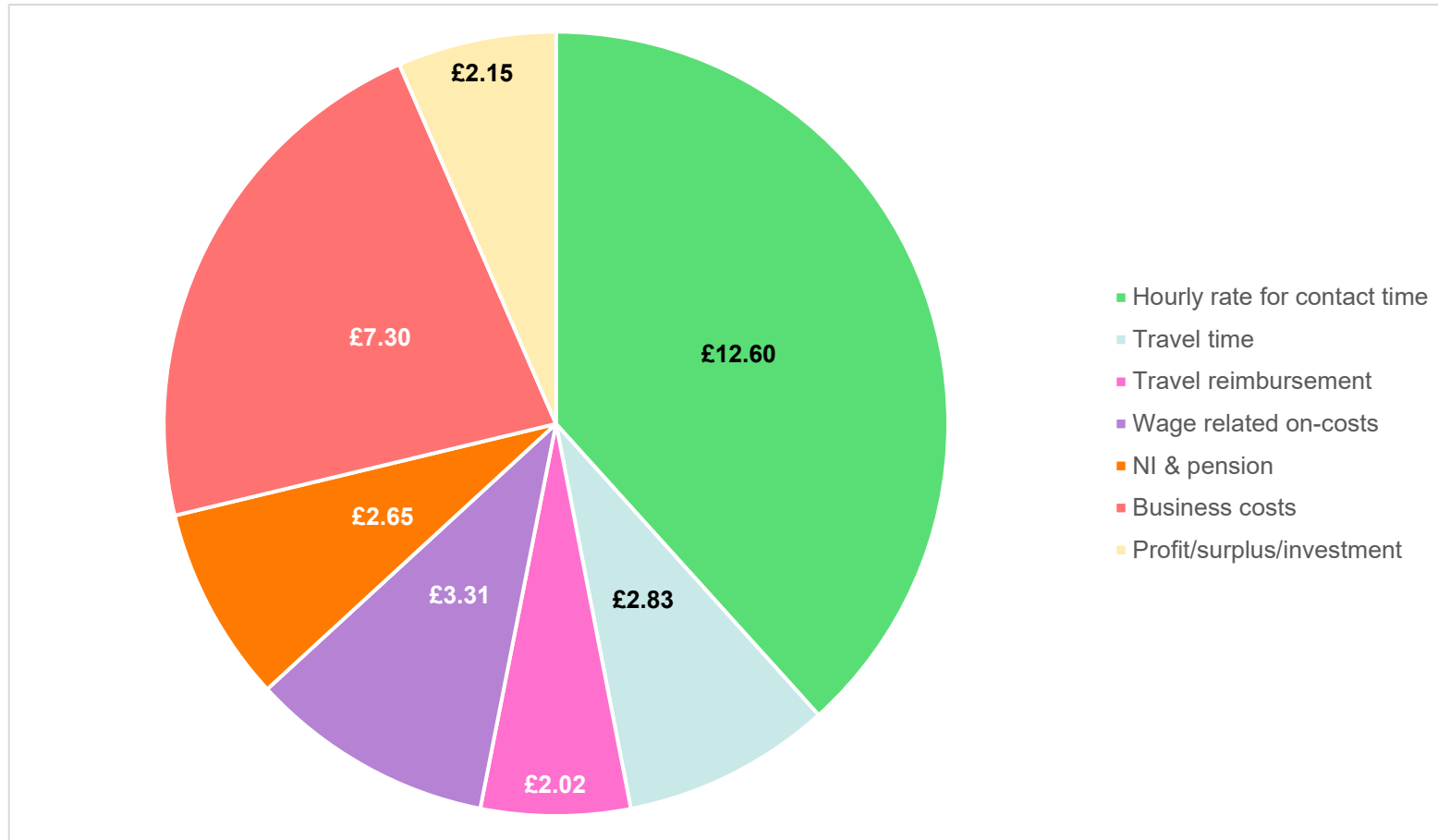
Staffing costs are the most significant driver of the cost of delivery of homecare, representing at least 70% of the total. Sometimes, they can represent 90% of the total. Increases in wage rates do not just impact on the rate for careworkers' contact time. They also result in rises to associated cost elements; these include employers' National Insurance, statutory pension contributions and holiday pay. There is also a knock-on impact on salary differentials and wage rates for roles above the lowest paid.

The Homecare Association continues to challenge central government on the overall funding of social care. It is, however, councils, the NHS, and Health and Social Care Trusts (in Northern Ireland) that determine the prices they pay for services at a local level.

We show the results of our analysis in the chart and table which follow.

NB. In this report, we have used exact figures when adding or subtracting numbers. As a result, there may be occasional rounding differences in the text and tables.

Minimum Price for Homecare 2025-26 at the Real Living Wage (Scotland)



Minimum Price for Homecare in Scotland at the Real Living Wage (announced in October 2024)				Costs per hour		
Careworker costs	Gross pay	Hourly rate for contact time	Real Living Wage	£12.60	£15.43	£23.42
		Travel time	Average travel time of 8.09 minutes per visit	£2.83		
	Mileage	Travel reimbursement	Average travel distance of 2.70 miles per visit	£2.02	£2.02	
	Other wage related on-costs	Training time	Based on 2,782 training hours per year	£0.45	£3.31	
		Sick/Maternity & paternity pay	5.32% of contact & travel hours	£0.82		
		Notice & suspension pay	0.14% of contact & travel hours	£0.02		
		Holiday pay	12.07% of contact, travel & other non-contact related hours	£2.02		
	NI & pension	Employers' National Insurance	15% liability above the threshold of £5,000 per employee	£2.09	£2.65	
		Pension contribution	Minimum pension contribution of 3%	£0.56		
Gross margin	Business costs	Management & supervisors	Estimated fixed cost	£2.75	£7.30	£9.46
		Back-office staff	Estimated fixed cost	£0.93		
		Staff recruitment	Estimated fixed cost	£0.40		
		Training costs	Estimated fixed cost	£0.52		
		Regulatory fees	Estimated fixed cost	£0.05		
		Rent, rates & utilities	Estimated fixed cost	£0.52		
		IT & telephony	Estimated fixed cost	£0.51		
		PPE & consumables	Estimated fixed cost	£0.36		
		Finance, legal & professional	Estimated fixed cost	£0.36		
		Insurance	Estimated fixed cost	£0.20		
		Other business overheads	Estimated fixed cost	£0.70		
	Profit	Profit/surplus/investment	7% of careworker costs & business costs	£2.15	£2.15	
Total price based on the Real Living Wage (announced in October 2024)				£32.88	£32.88	£32.88

Method

The method for calculating a Minimum Price for Scotland broadly follows that for England. We, therefore, refer you to the England report for full details.

Our model now closely follows the approach taken by ARCC Consulting, who co-developed the [Homecare Cost of Care Toolkit](#) used in the past [Fair Cost of Care \(FCoC\) exercises](#) undertaken by local authorities in England. We assume a provider delivers 1,500 hours of care in a person's home (i.e. contact time) each week, and employs 75 careworkers.

However, there are some differences and aspects to note for Scotland.

Careworker costs

Hourly rate for contact time

Unlike in England, the Minimum Price in Scotland assumes payment of the Real Living Wage to careworkers.

Training time

This determines the cost when a careworker attends training (as opposed to delivering care). We include other training-related costs, such as payment of trainers, in the 'business costs' section.

We can break careworker training down into three key items: induction, qualifications and continuous professional learning (CPL).

The Scottish Social Services Council (SSSC) and NHS Education for Scotland are developing a [National Induction Framework](#) for the social care sector, scheduled for launch by March 2026. In the meantime, we estimate the annual number of training hours for the induction per careworker, based on the assumption of six hours per training day.

[Regarding qualifications](#), we focus our attention on the SVQ Social Services and Healthcare SCQF Level 6 and the HNC Social Services. We do not consider higher (or other) qualifications, following a similar qualifications pathway for England. However, unlike England, careworkers require one qualification for practice in Scotland. We account for this in our model using [SSSC workforce skills data](#) on the number of qualification conditions for adult social care registrants to be met by each of these qualifications in 2025. Also, the SSSC has changed the [timescale to gain a qualification for new registrants](#) to three years.

[SSSC's new CPL model](#) no longer specifies the number of hours of learning required. For consistency with last year's Minimum Price, therefore, we assume support workers in a care at home service complete 12 hours of CPL per year.

Based on a provider with 75 careworkers, we estimate the number completing each training item per year. This uses [Skills for Care data](#) on both the starter rate of careworkers in the CQC, non-residential independent sector in England and the proportion recruited from within adult social care (equivalent data for Scotland are not available).

When multiplying the number of training hours by the number of applicable careworkers for each training item and summing, **we estimate an annual total of 2,782 training hours (or 37 hours per careworker).**

Finally, we use the annual training hours to compute a cost of training per year at the Real Living Wage.

In Scotland, organisations can apply for financial support from the [Voluntary Sector Development Fund \(VSDF\)](#) to help with the cost of meeting required qualification criteria. But as the scheme is only open to voluntary organisations, we do not include this in our model.

Holiday pay

The annual (and so hourly) cost of holiday pay relies on all contact and travel hours, as well as hours accrued from other wage-related on-costs. Figures will vary between different nations in our model, since the number of training hours per year differs in each administration.

Employers' National Insurance and pension contribution

We calculate these elements according to all working hours (contact, travel and all non-contact related hours), which diverge by nation.

Business costs

Regulatory fees

Regulatory fees comprise annual fees for the business (assuming a provider has previously registered) and the careworker (in Wales, Scotland and Northern Ireland only, where individual careworkers must join a professional register).

According to the Care Inspectorate, the size of the [annual continuation fee for Scottish care at home providers](#) depends on whether the service is 'Small', 'Medium' or 'Other'. A provider with 75 careworkers would fit into the 'Other' category ('employs

more than 15 whole-time equivalent persons to provide and manage the service’). Here, the annual fee is £2,255, or £0.03 per hour (1,500 contact hours delivered each week).

The [application and annual declaration fee for support workers in a care at home service](#) is £25 as part of their SSSC registration. Based on a provider with 75 careworkers delivering 1,500 contact hours per week, this equates to £0.02 per hour.

Thus, the combined hourly regulatory fee is £0.05.

NB. The SSSC are running a [consultation on increasing registration fees](#) that would see the charge for support workers rise to £28 in 2025-26 and by an additional £3 each year up to £40 in 2029-30. This consultation will close after publication of this report, and so we will reflect any decision to increase the fee in next year’s Minimum Price for Scotland.

Profit/surplus/investment

As for England, we use a profit share of 7%, but the hourly cost will diverge by nation, as the calculation is a percentage of all careworker and business costs.

Caution and disclaimer

Our Minimum Prices for Homecare in each administration are indicative rates. Providers should not use them as an alternative to the accurate pricing of individual tender bids. Likewise, commissioners should not use them to set maximum prices in contracts. The Homecare Association accepts no responsibility for actions taken or refrained from solely by reference to the contents of this briefing, or that in the reports for the other UK nations.

We do, however, encourage homecare providers to share our briefings with the Directors of Adult Social Services (or their equivalents) in homecare commissioning bodies across the United Kingdom.

Shaping homecare together

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