Homecare Association Response to Making Work Pay – Strengthening Statutory Sick Pay

Organisation: Homecare Association

Date: 4 December 2024

The Homecare Association welcomes the opportunity to respond to this consultation on strengthening Statutory Sick Pay (SSP). As the membership body for homecare providers across the UK, we represent over 2200 employers. Our members employ hundreds of thousands of homecare workers who provide essential support to people in their own homes.

Q1: What is your suggestion for the proposed percentage rate for those earning below £116.75/week?

70%

Q2: What is your rationale for the proposed percentage rate?

The Homecare Association supports reforms to strengthen Statutory Sick Pay. The government must protect workers whilst ensuring the sustainability of care providers. We propose setting the percentage rate at 70% of average weekly earnings.

Considerations

Worker Protection and Public Health

- Social care workers, many of whom are part-time and low-income, need financial protection when they are sick.
- Care workers should be able to take time off when sick to prevent spreading infections to those they care for.

- 70% provides meaningful income replacement while maintaining incentives to return to work when recovered.
- This rate helps reduce presenteeism, which is particularly crucial in healthcare settings.

Sector Sustainability and Public Funding

- Our analysis shows that SSP from day one would cost providers an additional 10-12p per hour
- With 79% of homecare services and 96% of supported living services purchased by public bodies using state funding, government must cover these costs.
- The social care sector operates on extremely tight margins, with local authority funding often not covering full provider costs.
- The proposed 70% rate balances worker protection with cost management, but must be supported by appropriate public funding.
- Without additional funding, these changes could disproportionately impact small and micro providers, which make up a significant portion of the homecare sector.

Implementation Considerations

- 70% is simpler to calculate than more complex percentages
- It provides a clear middle ground between the minimum 60% modeled and maximum 80% considered
- The removal of waiting days will help offset any reduction in weekly rates for those currently just above the LEL
- This rate aligns with international benchmarks for sick pay replacement rates

Specific Sector Context

- Care workers often work variable hours across multiple clients
- The 70% rate helps address situations where workers have multiple low-paid roles
- It provides meaningful support while avoiding scenarios where combined sick pay could exceed normal earnings

- The rate recognises the physically demanding nature of care work while remaining financially sustainable

Recommendations

Phased Implementation

- Consider a phased introduction to help providers adjust financially
- Allow time for updating payroll systems and processes
- Enable proper communication with affected staff

Essential Funding Requirements

- Government must ensure local authority and NHS commissioning fully reflects these additional costs (estimated at 12p per hour)
- With the vast majority of care services (79% of homecare, 96% of supported living) funded by the state, failure to fund these new requirements would effectively amount to an unfunded mandate on an already stretched sector
- Consider additional targeted support for small providers during transition
- Implement mandatory uplifts to existing contracts to cover these new employment rights
- Review impact on sector sustainability after implementation with particular focus on monitoring whether funding levels are adequate

Guidance and Support

- Provide clear guidance on calculating average earnings for variable hours workers
- Offer support with implementing new systems
- Consider simplified processes for small providers

The Homecare Association emphasizes that while strengthening SSP is vital for worker wellbeing and public health, implementation must be carefully managed to ensure sector sustainability. The proposed 70% rate strikes a pragmatic balance between these competing priorities.

We would welcome the opportunity to discuss these recommendations further and to work with the Department on implementation planning to ensure these important reforms succeed in practice.