For quality go private

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At first glance the impact of whether a homecare provider works for both the State and private clients may not be apparent, until your service goes wrong. However, there are compelling reasons why those providers who try to serve two masters seldom please either one.

The market

Within the homecare market there are two principal types of funders: the State and individuals paying for themselves. There is a small insurance market but which is not yet sufficiently developed to make an impact.

A massive 81% of homecare is controlled by local authorities, either by funding the service (60%), or by contributing to the cost (21%). This means that most providers cannot ignore them (Institute of Public Care, 2010, cited in Glendinning, 2012:293). Unfortunately for them, with 31% of local authority budgets going on adult social care (Commission on Funding of Care and Support, 2011, cited p.293) few local authorities have increased what they pay since 2008, meaning those homecare providers are having to do more with less.

There has also been a significant expansion of homecare agencies from 1,881 in 2004 to 5,319 in 2009 (p. 295). Few of these providers have any prior experience with many being either investment vehicles for hedge funds and venture capitalists, conglomerates expanding into new markets, or franchises.

Robbing Peter to pay Paul

Against this backdrop, most local authority contracts put pressure on suppliers to take new care packages whether they can meet the needs of that client or not. If they don't, they risk losing the contract. As block contracts will typically represent 81% or more of their business, keeping the local authority happy is their number one priority.

When competing against such a dominant customer, individual private clients do not stand a chance.

Quality vs quantity

In order to win these contracts, local authority providers have to be extremely competitive, which means paying low or minimum wages (p. 296), and having the lowest possible management overhead. The associated high turnover of staff tends to result in frequent changes of carers, with visits often running late and cut shorter than they should be, regardless of how the care is funded.

The benefits of being private

As a private provider we escape all of these pressures. We can afford to have a high management to staff ratio, which means clients receive the personal attention they deserve. We can pay our carers a decent wage and train them well, which not only means they tend to stay with us, but are motivated to give a far-higher level of service. Also, by only taking on new clients when we are able to properly meet their needs, we avoid the otherwise associated problems impacting on our other clients. However, most critically, all our clients are important to us, with no one playing second fiddle to another.

When going private often costs the same or less than local-authority focused suppliers, quality suddenly looks excellent value.

About the author

Nick Bruce is a part-time doctoral student at the University of Liverpool and, with his wife, owns two small, specialist care homes and a homecare service.

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References

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