

PRESS INFORMATION**EMBARGO: NOT FOR PUBLICATION BEFORE 00.01 HRS 17 AUGUST 2011****PERSONALISATION AGENDA TAKES BITE OUT OF COUNCIL'S HOMECARE SPEND**

The pattern of year-on-year increases in the volume of homecare hours purchased by local authorities has come to an end, with the latest analysis by healthcare market intelligence provider Laing & Buisson showing that, after a 15 year run of growth, spending in 2009/10 was down 8% over the previous 12 month period.

However, rather than marking a shift away from central government policy supporting home-based support, the *Domiciliary Care UK Market Report 2011** argues that this change can be attributed in the main part to the personalisation agenda, which is seeing an increasing number of social services clients given the funds to purchase their own care services.

Research published by Laing & Buisson shows that independent sector homecare businesses continued to increase their market share, achieving an 84% slice of the hours funded by local authorities in 2009/10 compared with the 16% that local authorities provided through their own in-house teams.

The 8% drop experienced in 2009/10 comprised a 23% drop in in-house hours and a 5% drop in independent sector hours, illustrating the way that local authorities are increasingly struggling to justify the cost of running expensive in-house teams.

Councils' in-house teams are increasingly being used for limited-term or rehabilitative care packages, thanks to the fact that the costs associated with in-house provision, on average, are double the costs achievable through the use of independent sector providers.

The report warns, however, that in response to the changes brought about by the personalisation agenda, local authorities are evolving their commissioning processes so that after many years of consolidating purchasing into bulk homecare contracts they are now spot-purchasing against framework agreements instead. The North West has advanced the provision of personal budgets and direct payments the furthest, with 470 adults per 100,000 population in receipt of the new style funding, followed by Eastern England (380), Yorkshire and the Humber (340), North East (345), West Midlands (295), South East and London (285), East Midlands (280) and lastly the South West (215).

In March 2010 132,000 people were receiving personal budgets and/or direct payments, of which 48% were young disabled adults, 12% were older people aged under 75 and 40% were aged over 75. However, Laing & Buisson's research indicates that not all older people who are given personal budgets are willing recipients with some in fact signing up to these programmes because it is the only way the user can continue to receive care from their familiar care worker. While personal budgets in some cases result in no change in the amount of care given under former funding streams scheme, in other cases Laing & Buisson was informed that the change to a personal budget had resulted in less homecare being afforded to a user.

Laing & Buisson's research for the report indicates this practice of giving clients greater control on how they receive support is leading to a downward pressure on prices for council-arranged homecare. It may, however, also offer greater opportunities for new homecare providers to enter the market in a move which may reverse a hitherto polarisation of providers, with large businesses concentrating on local authority work and smaller ones seeking out self-funding clients.

The report shows that alongside claims that the private-pay market will continue to grow as people live longer and find that they do not qualify under tighter social services' eligibility criteria, the fastest growing market sector is that of NHS homecare with hospital discharge and admission-avoidance schemes fuelling much of this expansion.

Commenting on these latest findings, report author Philip Mickelborough said: 'The objectives of the NHS is clear - these schemes are designed to avoid the need to admit a client into hospital, to discharge them from hospital quickly or to avoid them going into a care home when they are discharged. One commissioner reported that its hospital discharge schemes had resulted in 70% of those initially deemed by doctors to need residential care being able to avoid it and stay in their own homes.'

In light of recent debate on adult social care funding, Mr Mickelborough added: 'One of the Dilnot Commission's less-expected, recommendations was that the asset threshold for those in residential care beyond which no means-tested help is given should be raised from £23,250 to £100,000. This could be of indirect relevance to the homecare sector. While the extended means-test threshold applies only to residential care there could be a knock on effect producing an incentive to use residential care instead of homecare under certain circumstances, such as where a person's assets excluding his house are worth between the threshold for homecare, £23,250, and the proposed residential threshold of £100,000.'

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**Domiciliary Care UK Market Report 2011 is available now priced at £760 for hard copy and £1,120 for hard copy and PDF. To purchase contact Laing & Buisson, 20 Angel Gate, City Road, London, EC1V 2PT. Tel: 020 7833 9123. Fax: 020 7833 9129. www.laingbuisson.co.uk*

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NOTES TO EDITORS:

Founded by William Laing in 1986, Laing & Buisson is the UK's leading provider of information and market intelligence on the independent health, community care and childcare sectors.

Laing & Buisson offers a uniquely focused range of expert services to providers, purchasers and investors in the health and community care markets. Information about the range of products and services provided is summarised below.

Market Reports & Annual Directories: Laing & Buisson publishes a series of special market reports and directories on the health and community care sectors. The research and conclusions within the reports are frequently cited in parliamentary questions and answers, official documents and company prospectuses, and are regularly drawn upon by the national media.

Events: In addition to one-off conferences on subjects selected for their special interest or topicality, Laing & Buisson's annual programme features a series of conferences on specific areas including long term care for the older people, learning disabilities and mental health, acute healthcare, insurance and children's nurseries. The Independent Healthcare Forum consists of two major conferences: the acute healthcare conference and the mental health conference and a workshop for private patient units. The Independent Specialist Care Awards and the Independent Healthcare Awards take place in March and September, highlighting the range of achievements and recognising best practice within the sectors.

Newsletters: Laing & Buisson publishes two authoritative monthly newsletters - *Community Care Market News*, which covers the long-term care sector and *Healthcare Market News*, which covers the acute healthcare sector.

CareSearch and Health & Care Data: CareSearch is Laing & Buisson's flagship data product, a 'one stop shop' with extremely flexible search facilities for those needing detailed, reliable and up-to-date information on care homes, care home groups, independent healthcare establishments, care commissioners, PCTs and inspection and registration agencies for the whole of the UK. Further to this, details of group operators, their holdings and financial information from statutory accounts offer subscribers an invaluable resource. Alternatively, individual data sets are available to supply as csv files by email. In addition to the data included on CareSearch being

available to purchase separately, home care agencies and groups can also be supplied.

[Consultancy and Market Intelligence](#): Market intelligence and consultancy work, focusing on non-clinical aspects of health and social care markets, is tailor-made for companies with an active interest in the sector. Examples of recent work include a report on the future of the independent healthcare sector for the Healthcare Commission, the seminal work conducted by Laing & Buisson on *A Fair Price for Care* for the Joseph Rowntree Foundation and *Improving Lives - Improving Life*, a report on the key strategic issues facing the long term care sector. Laing & Buisson also frequently assists investors in market due diligence work in the health and care sectors.