Soapbox: The Hidden Dangers of Unregulated Providers:

A Call for Government Intervention in the Care Sector

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The care sector faces a growing concern as unregulated providers offer Personal Care without the need for regulatory oversight. Two of the more worrying areas are "Introductory Agencies" operating in the gig economy, and the rise of direct relationships between service users and unregulated personal assistants (PAs) / cashin- hand carers. While the average person may not immediatelyrealise the lack of protection when engaging with unregulated providers, the absence of regulation becomes evident during crises when harm occurs.

Unveiling the Illusion

Service users and their families are often unaware of the distinction between regulated and unregulated providers may choose an Introductory Agency for cost savings, expecting protection and avenues for complaints. However, these agencies operate without the protections of the regulators and with limited recourse.

Strains on Regulated Settings

Regulated settings face significant costs associated with tasks like arranging substitute carers during unforeseen circumstances, managing holiday coverage, maintaining operational efficiency, and providing continuous service year-round. Moreover, regulations prevent regulated businesses from easily disengaging from challenging customers or transferring difficult-to-serve individuals. These factors contribute to increased staff turnover and are significant stressors for regulated providers.

Hidden Realities: Self-Employment in Care

For care workers, the prospect of self-employment holds a certain allure. It provides control over selfassessment tax returns and the freedom to be unsupervised, with higher gross pay, often facilitated by Introductory Agencies. However, it is crucial to recognise that this self-employed setup comes with its own set of risks, costs, and consequences.

The risk of inaccurate income disclosure by individuals poses challenges to tax compliance. Vigilant monitoring by organisations like HMRC and Benefits offices is necessary to address non-compliance, placing additional burdens on taxpayers. While gross pay or cash-in-hand may appear attractive, important factors such as pension contributions, Statutory Sick Pay (SSP), holiday pay, and National Insurance contributions are not included. This is especially pertinent for working mothers and second household income earners, who comprise a significant portion of the care workforce and face higher risks in building qualifying National Insurance years necessary to achieve the full state pension.

Is this just one business complaining about another

Self-employed carers reduce the available workforce for regulated providers, who often draw from the same limited pool of care workers. Is the care industry shifting from regulated PAYE with Local Authority oversight to unregulated self-employment with no visibility and planning? Both versions perform the same frontline role: delivering Personal Care. There is an apparent unlevel playing field with the burden and costs weighted on regulated providers but the same staff switching and service users finding a strikingly similar service outside the regulatory envelope.

The Hidden Dangers of Unregulated Providers

Our business encounters numerous instances where PAs and carers abruptly leave their positions, exacerbating the needs of care recipients and putting additional strain on the healthcare system. Isolated carers without strategic management rarely offer guidance on accessing other health services, leading to preventable deterioration in service user conditions. The absence of recourse or information from PAs, carers, or Introductory Agencies further burdens Local Authorities, Social Workers, and Regulated Providers. This diverts resources from other individuals in need, strains the system, and negatively impacts the morale of dedicated staff members, increasing the overall cost of care.

The Shift to Unregulated Gig-Economy Care

Since the pandemic, many employees in regulated roles have transitioned to working Self Employed for Introductory Agencies. The appeal of better working conditions, higher remuneration (with tax advantages), and increased flexibility has drawn care workers to this sector. However, this shift presents a dual challenge: decreased revenues for regulated providers that fund regulated activities and increased pressure on remaining staff, leading to further resignations.

Advocating for Change

To address the issues in the care sector and protect vulnerable individuals from the risks associated with unregulated providers, regulations should be expanded to encompass the broader "act of Personal Care" rather than solely focusing on the "payment of Personal Care." While this change may seem straightforward, implementing it presents challenges. Nevertheless, taking this crucial step can lead to meaningful improvements in Social Care and safeguard the well-being of service users.

The Cost of Inaction

The absence of overall market oversight allows unregulated providers to operate outside the protection of organisations like the Care Quality Commission (CQC). As a result, Local Authorities have limited options and often allocate care packages to unregulated businesses by providing Direct Payments to highly vulnerable individuals, further fuelling the gig economy. This shift to an unregulated gig economy significantly strains regulated providers and impacts our healthcare sector colleagues.

Recognising the Challenge

The rise of unregulated providers poses significant risks to the care sector. The lack of regulatory protection exposes care recipients and workers to unforeseen consequences and potential harm. Urgent intervention from the government is necessary to empower regulatory bodies like the CQC to effectively combat this issue. By recognising and addressing the challenges posed by unregulated providers, we can safeguard the quality and integrity of the care industry, protect vulnerable individuals, and support dedicated care professionals.

This article first appeared in the September 2023 issue of *Homecare* magazine and is reprinted with permission.