MiHomecare scandal grows: company underpaying carers and 'clipping' visits in England

In March, Corporate Watch revealed [2] MiHomecare, one of the UK's biggest home care companies, was paying carers in two of its Welsh branches less than the minimum wage by not paying for their travel time, and cutting care visits to elderly and disabled people short. Since then we have been contacted by several carers in Devon and Surrey and have found:

- MiHomecare has not been paying for time spent travelling between appointments, and as a result has paid carers less than the minimum wage.

- Care visits are regularly cut short as the company does not schedule enough time for travel in between – with one carer’s timesheets showing 40% of visits were ‘clipped’
over a two week period.

- Mitie, the outsourcing giant that owns MiHomecare, paid £46m out to shareholders last year, according to its annual accounts.

- CEO Ruby McGregor-Smith is meeting HMRC officials this week as part of their inquiry into MiHomecare’s pay rates. Care Quality Commission Chief Inspector says “completely unacceptable”.

- The company has started paying carers in two branches for travel time following our previous investigation.

Click here[3] to listen to an interview with an ex-MiHomecare worker on BBC Radio 4’s Today programme, released with this investigation.

Click here[4] to read a personal experience of care provided by MiHomecare.

With hospital capacity increasingly stretched, the amount of district nurses dwindling and residential care budgets cut, elderly and disabled people who need support increasingly depend on carers visiting them in their own home.

Legally, these carers should be paid for the time it takes them to travel between visits. But as the companies that dominate the sector try to cut costs and increase profits, many carers across the UK are effectively being paid less than the minimum wage [5] because they are not being paid for their travel time.

In the last two months Corporate Watch has been contacted by several current and former employees of MiHomecare in Devon and Surrey – who all insisted they remain anonymous. They all say that, as in the two Welsh branches, the company has not included time spent travelling when calculating staff pay.

Corporate Watch analysed the timesheets of one current MiHomecare employee over a two week period from the end of last year. Although the stated rate on her payslips was above £7.50 an hour, most days her actual rate of pay was lower than the minimum wage of £6.50 when her travelling was taken into account. Using the RAC route planner [6] website to calculate the time taken to travel between appointments, we found that she was being paid an average of just £6.20 an hour. She told Corporate Watch:

“Carers are never paid for the time spent travelling from one appointment to the next. We have raised this with our managers but nothing ever changes. I’m speaking out because MiHomecare don’t have any loyalty to us so I don’t see why I should have any loyalty to them.”

One former carer said she had calculated that she had effectively been paid £200 a month less than the minimum wage while working for the company, after her travel time had been taken into account. She told Corporate Watch:

“This job is so much more important now because people are being taken out of hospital early. So we should be paid properly for all the work that we do.”
Three current MiHomecare employees complained that their pay is even lower than this when their appointments are spread out across the whole day. They say they often do not have enough time – or cannot afford the petrol - to drive home between appointments and that they have to wait in their cars. If this time is taken into account, they say they are effectively being paid just £2 or £3 an hour.

Staff working in rural areas appear to be particularly heavily underpaid, as they have to travel further between appointments.

MiHomecare employees also say they can be penalised if people have urgent care needs that mean they cannot leave them alone. One carer told Corporate Watch:

“On many occasions carers have needed to stay with service users who have fallen ill or been injured and wait for emergency services to attend. This can sometimes take up to two hours. In these instances carers are only paid for the original appointment time allocated for that call. We have often not been able to attend to following appointments, and consequently are penalised by getting no pay for missing them.”

UNISON head of local government Heather Wakefield said:

"Given the terrible impact not paying the minimum wage has on care users and care workers, the new government must take urgent action to stamp it out. Local councils should be checking that all care providers they commission are paying their care workers lawfully."

Corporate Watch put all the issues raised by carers to Mitie, the outsourcing company that owns MiHomecare. They said:

“The issues that have been raised are not new. As you quite rightly recognise the homecare industry has a historic issue getting travel payments right. MiHomecare is working with any carers who have brought concerns to our attention and we are resolving the issues on an individual basis.”

**Challenging pay**

Since our last article in March, Corporate Watch has been told that the company’s Hersham branch in Surrey has started paying carers for time on the road.

This comes after the Carmarthenshire branch announced it would start paying travel time, after our investigation and a follow-up [7] by the BBC.

However, MiHomecare has not said it will pay carers in those branches compensation for previous periods they were underpaid, or whether it intends to pay carers across its UK branches for their travel time.

The company is currently under investigation by HMRC for paying below the minimum wage and Mitie CEO Ruby McGregor-Smith is meeting senior figures at the regulator this week.

Emma Satyamurti from the employment team at law firm Leigh Day [8] said:

“Workers are legally entitled to be paid the National Minimum Wage (NMW) for any time spent working or doing something which is treated as being work. Travelling for the purpose of carrying out duties in the course of one’s work, for example travelling between home care...
visits, is treated as work unless the worker was travelling between home and an assignment. Travel between home care visits is therefore time for which home carers should be paid the NMW. If home carers are not receiving the NMW for travel time, they may be able to bring a claim and should seek legal advice as soon as possible.”

HMRC told Corporate Watch that anyone concerned that they are not receiving the minimum wage, or have previously been underpaid, could contact the free and confidential ACAS Helpline [9].

‘Pricing pressures’

Payments from local authorities account for 78% of the MiHomecare’s revenue and Ruby McGregor-Smith, the CEO of Mitie, the cleaning and outsourcing multinational that owns MiHomecare, has blamed “pricing pressures” caused by council cutbacks for low pay rates. She told the Daily Mail [10]: “The last thing that we want is to be seen to have done anything wrong”

But even with reduced payments from councils, MiHomecare, which employs 6,000 home care workers and has 10,000 clients, made £8.2m profit last year. Corporate Watch has found parent company Mitie paid £45.5m to shareholders in the same period.

According to the company’s 2014 accounts [11], shareholders received £38.1m in dividends and £7.4m through share buybacks [12], after the group made an overall profit of £49m.

Not enough money, not enough time

Carers who contacted Corporate Watch said that the ‘clipping’ of appointments revealed in the leaked company document was also widespread. All the carers we spoke to said they do their best to provide a good service but that many of their appointments are either scheduled back to back or without enough time for travel in between. They therefore have to either leave the first appointment early or get to the next one late – and are unable to spend as much time with the service user as they need. One carer told Corporate Watch “the lack of time between visits definitely has an effect on the quality of work”.

A carer’s timesheets seen by Corporate Watch show that over a two week period at the end of last year 40% of appointments were either scheduled back to back or so close together that there was not enough time to get from one to the next (calculated using the RAC route planner website).

Other carers gave examples of particularly excessive and unrealistic distances they have been expected to travel in short periods of time. A current MiHomecare employee said she was expected to get to one appointment in ten minutes when it took half an hour to get there, while one former carer told us she had been expected to travel almost 30 miles in just 15 minutes. Another carer said:

“Not allowing for sufficient travel time places carers in an awkward position as they need to cut short visits so that they will have enough time to arrive at their next appointment punctually. Service users can get distressed if we are late and they become concerned for our safety as we are driving through rural areas where roads can be unlit and often dangerous, not to mention the fact that we are unable to give them the best care in the shortened time available to us.”
A former MiHomecare employee told the BBC that carers have been told to leave a visit even if the client is in distress:

"You can be in a situation, and I've come across a number of these, where a carer has arrived at a client's home, and found them on the floor. The regulations say you are not allowed to lift them, we must call an ambulance. And they've rung the office to explain the situation and they've just been told: "Well, leave them, as long as the door's open, so the ambulance can get in and go on to your next call.""

Official reports have found appointments have to be cut short in other areas. A Care Quality Commission inspection into MiHomecare's Poole branch, published in December 2014, said analysis of rotas showed “there was no time allowance for care workers to travel between calls”. The regulator's report on MiHomecare's Bristol branch, published in October 2014, found staff often had to cut care visits short and did not have enough time to spend with service users.

The Wiltshire Times reported last week that a pensioner had raised concerns about the care he received following a fall at his home, when the carer arrived an hour late. Wiltshire Council had previously told MiHomecare it must improve its service, which it called “unsafe” or risk losing its contract after a critical CQC report published in March.

Mitie told Corporate Watch:

“The quality of the care that we provide and the safety and dignity of our customers is our highest priority. We are working hard to continually improve standards across the business and we are investing in our people and processes to achieve this.”

If you have information about a company that you'd like to share with Corporate Watch, email us at contact[at]corporatewatch.org or call 02074260005.

Category(s):
Public Services

Issue(s):
Home care
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