Q1 What impact is the current social care funding situation having on the NHS and on people who need social care?


- The SC funding situation has affected working age adults and older people differently. Older people have borne the brunt of cutbacks, experiencing significant unmet need, and increased levels of self-funding. The quality of care has been compromised, increasing pressure on families and carers.
- Current difficulties are the product of other pressures as well as austerity. Until 2011, LA spending on ASC was increasing in real terms, but thereafter it declined, despite increases in need and demand. Gross spending reduced by 8% between 2009-10 and 2015-16. There was also a massive reduction in the real growth rate of gross spending on ASC, and in the ratio of gross spending to Gross Value Added.
- Councils protected social care expenditure relative to other areas of local authority (LA) expenditure, but faced additional demographic pressures, broader funding costs and higher costs (e.g. implementation of the national living wage). Over the period, per adult spending fell by 13.5% (Humphries et al., 2016).
- Piecemeal injections of additional funding were made including the ASC precept, allowing LAs to place an extra charge on Council Tax and transfers of funding from NHS budgets. This did not address underlying issues. Gross ASC spending reached £17.53bn, with a slight in-year increase, in 2017, but this was still lower than in 2010 (Cromarty, 2019).
- The Care Act 2014 has had minimal influence in practice; one review focused on the experience of carers found it was often poorly understood or ignored (Carers Trust, 2016).
- Spending on older people (on residential/nursing care and community, including homecare, services) fell significantly in real terms, to well below the level needed to sustain previous services.

Based on this analysis and our other research, we highlight the following impacts on people who need care:

(a) Increasing levels of unmet/under-met need and rising levels of ‘self-funding’

- The number of older people who do not receive adequate support with ‘Activities of Daily Living’ (getting out of bed, going to the toilet, getting washed/dressed, etc.) increased to 1.4m in 2017. [See Age UK’s (2018) analysis of the English Longitudinal Study of Ageing].
- One in seven older people live with some level of unmet need (14% of the 65+ population, up 19% since 2015). As eligibility criteria have tightened due to insufficient resources, some 400,000 fewer older people are receiving social care (Age UK, 2018), placing extra pressure on families.
More people are being forced to make their own arrangements, arranging/paying for their own care. Data on self-funding remain inadequate, but latest UK Household Longitudinal Survey data indicate that in England c350,000 people fund their own homecare or care home places, far more than had been thought (Henwood et al., 2018).

Self-funders tend to be isolated, marginalised and disadvantaged compared to people receiving publicly-funded support; those in residential/nursing care typically pay a premium of 40%, effectively cross-subsidising LA-funded residents (Henwood et al., 2018).

(b) Pressures on carers

The growth in unmet need is associated with growing pressure on carers (family members, friends and neighbours who provide unpaid support for people with social care needs).

- The 2019 ADASS annual budget survey found well over a quarter of LAs felt cuts to services had already reduced quality of life for carers; many more expected this to be the case in future (ADASS, 2019).
- In Carers UK’s 2019 State of Caring survey, 37% of carers responding said they were “struggling to make ends meet”; only one in ten felt confident the support they receive and rely upon will continue (Carers UK, 2019). Shockingly, as a result of caring 72% said their mental health had suffered and 61% reported poorer physical health.
- Other data suggest the proportion of carers reporting negative effects on their health has increased since 2016-17, with more carers reporting feeling tired, having disturbed sleep, and general feelings of stress and feeling depressed NHS Digital (2019a).

(c) Pressures on service providers

The widening gap between need and funding has meant the provider market (mainly for-profit providers) has faced severe and sustained financial pressure.

- A 2018 Competition and Markets Authority study of care homes in England concluded that, at current rates paid by LAs, existing care home markets were becoming unsustainable.
- ADASS’s recent Budget Survey found “75% of Councils (up from 66% last year) reported that providers in their area had closed, ceased trading or handed back contracts in the last six months, with thousands of individuals affected as a consequence” (2019: 30).
- The Care Quality Commission has reported that many national providers of homecare and residential care face severe financial problems and potential bankruptcy (CQC, 2018).

(d) Pressures on the NHS

Reduced access to ASC increases pressures on the NHS, which (being universal/free at the point of delivery) cannot ‘say no’ to people in need as ASC often does.

- A particular pressure point has been older people medically fit for discharge from hospital who are unable to vacate their bed due to lack of capacity in community services. Internal NHS factors account for most delays but since 2010, waiting for ASC services has grown as a reason for this.
- By October 2018, the most common reason for delay was patients awaiting a care package in their own home (rolling average, 1,008 patients delayed per day) while the third most common was awaiting a nursing home placement (rolling average of 673 patients delayed per day). Between August 2010 and February 2017, 1,185 more patients per day were delayed for social care-related reasons, a 96% increase (Nuffield Trust, 2019).
The social care crisis has also led to increased pressures on the police and other services (Cottam, 2018). Our previous (2010) analysis also showed that spending on ASC can affect people’s ability to work and expenditure of social security.

(d) **Problems with care quality**

There are increasing pressures on quality, as noted by the HoC Health & Social Care and Housing, Communities & Local Government Committees (2018: 12): “The quality of care provided is also suffering. We heard it described as ‘extremely patchy’, ‘variable’ and that the care given to people with dementia was often lower quality... Caroline Abrahams, Charity Director at Age UK, explained how the challenges in the workforce affected quality: ‘lack of continuity, never seeing the same person twice [...] rushed visits - maybe quarter of an hour rushing in and out - with no time to establish a proper relationship, let alone real communication’.”

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**Q2. What level of funding is required in each of the next five years to address this?**

Glasby et al’s paper sets out projected future costs of ASC for 2020-60, based on three reform scenarios where the driver of the increase is the ageing population (Table 1).

<table>
<thead>
<tr>
<th>Scenario - solid progress (costs of ASC constant)</th>
<th>2020</th>
<th>2040</th>
<th>2060</th>
</tr>
</thead>
<tbody>
<tr>
<td>18,121</td>
<td>20,162</td>
<td>21,292</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario - slow uptake (costs of ASC assumed to increase by 2%)</th>
<th>18,853</th>
<th>31,170</th>
<th>48,913</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario - fully engaged (costs of ASC assumed to decrease by 2%)</td>
<td>17,403</td>
<td>12,927</td>
<td>9,114</td>
</tr>
</tbody>
</table>

- Between 1997 and 2018, gross spending on ASC in England accounted for 1.053% (1997) to 1.419% (2009) of total GVA. **If the government maintains the current ‘slow uptake’ scenario, the share of gross spending on ASC to GVA will exceed 1.419% by 2031 (given 1% economic growth), 2028 (given 0.5% economic growth) and by 2026 (if economic growth remains at 2018 level).**

- Despite the Care Act 2014, policy in the 2010s has been even less ambitious than the ‘slow uptake’ scenario Glasby et al presented to government (2010) as the least attractive/feasible approach, that would lead to no increase in quality and a doubling of ASC costs within two decades. The result of this has been greater unmet/under-met need, more self-funding, lower quality care, a crisis among care providers, and much greater pressure on staff, families and partner agencies. **Unless something significant changes, current pressures will only increase, and the ASC system will become unsustainable.**

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**Q3. What is the extent of current workforce shortages in social care, how will they change over the next five years, and how do they need to be addressed?**

- A review of the ASC workforce (NAO, 2018) identified high overall turnover rates (27.8% in 2016-17) and vacancy levels (6.6% in 2016-17 - even higher for the care worker and registered nurse sub-categories), exacerbated by the difficulty of recruiting to low paid, low status roles. The HoC Communities & Local Government Committee (2017) drew attention to the stressful and uncertain nature of care work, with many social care staff facing low wages, zero hours contracts and poor training. In 2018, 47.8% of care workers left within a year of starting (p.3) and the...
mean number of sickness days for directly employed ASC staff in LAs was 10.3 days p.a. (compared with 4.3 days for all workers nationally) (NHS Digital, 2019b, p.19).

- Supply of the ‘live-in carer workers’ that self-funders’ often wish to employ is likely to be affected by changes in UK immigration policy. This could draw labour away from the conventional homecare, or cause self-funders to move to care homes.
- Reluctance or inability to move into a care home (related to Covid-19) may mean some homes cease to operate. Some staff may find work with other providers, but it will be important to ensure they are not lost to the sector.
- Increased interest in care work is expected, given the expected rise in unemployment, but improvements in the pay and conditions of care work will be needed to ensure this translates into taking up jobs.
- NHS and social care providers need to agree ways of ensuring the NHS does not attract social care workers away from the social care sector, exacerbating its staffing problems.
- Social care includes roles for nursing staff; in this segment of the social care workforce vacancy levels are especially high. Steps should be taken to promote the importance of nurses’ role in ASC and to make it more attractive.
- The NHS workforce strategy (People Plan), in development, needs to be accompanied by, or combined with, a parallel Social Care workforce strategy.
- Rising concern about care quality and sufficiency suggest the minimal training (Care Certificate) cannot continue to be non-mandatory. The lack of social care workforce registration in England should also be urgently reconsidered.
- If Skills for Care and HEE are to remain separate, attention should be given to ensuring they have parity of funding, esteem and status?
- ASC reform must take account of the workforce and not just focus on payments. It will be vital to ensure extra monies in social care get to the lower paid workers in the sector.
- Consideration should be given to whether nurse training focusses enough on ASC opportunities.

Migrant care workers in homecare

Our programme includes an ongoing study of migrant labour in England’s homecare sector, comprising: a review of existing evidence; a survey of experts (n=32) with knowledge of social care and migration, focused on supply/demand issues; interviews with migrant homecare workers (n=25); comparative analysis of the sustainability of migrant care work in 8 countries; and interviews with homecare service providers and national stakeholders (n=12). Our policy brief, Migrant workers in England’s homecare sector (2020), based on aspects of this, highlights that:

- For over a decade, migrant care workers have been important in homecare
- In the short-to-medium term, and in some regions, the sector will remain reliant on migrants to fill vacancies
- Demand for migrant homecare workers is driven by local labour shortages in a context of uncompetitive and unattractive employment conditions
- Past acute homecare workforce shortages occurred despite unrestricted access for EU workers
- Immigration rules and visa systems affect the number and type of migrants the sector attracts
- Live-in care, a growing market segment, attracts high proportions of migrant care workers. If migrant workers’ rights are restricted, the risk of exploitation in this segment could be high.
- Given expected continued, increasing demand, a sectoral visa scheme may be needed.
Our broader study also shows:

- Non-UK nationals currently make up 18% of England’s social care workforce; 10% are non-EU (non-UK) nationals and 8% are EU nationals [based on analysis of the ASC Workforce Data Set (formerly the National Minimum Dataset for Social Care)]. London, the SE, SW and E of England rely most on migrants to fill ASC vacancies.

- The overall share of migrant workers in social care jobs has been relatively stable, but after 2010 the share of EU nationals increased, while that of non-EU nationals decreased.

- In the short to medium term at least, some migration is needed to maintain an adequate supply of workers in social care (see ASC Workforce Statistical Appendix 2019, Tab 4.13).

- Our expert panel survey (2019) [https://www.pssru.ac.uk/project-pages/sustainable-care/] produced consensus that a decline in EU work migration was a major risk of Brexit for ASC. A sudden and significant decline in EU work migration would widen the gap between workforce supply and demand with potentially serious consequences for the availability and quality of care (see https://www.pssru.ac.uk/wp-content/uploads/2020/02/Delphi_Round1_final_report.pdf).

- Our interviews with home care providers and stakeholders highlighted the potentially important impact of the proposed immigration system on live-in care, a small but expanding sector likely to become more significant post-COVID, and in London and the South East.

Q4. What further reforms are needed to the social care funding system in the long term?

Our research and understanding of the literature/evidence base on ASC point to the following:

- It’s vital that funding reform creates more capacity in the care system.

- There is evidence of low levels of trust between LA care commissioners and private sector providers. Concerns include excessive profit extraction (Burns et al), underfunding of care homes and inability to cover capital costs.

- Abandoning Phase 2 of the Care Act 2014 (cap on care costs) occurred amid concerns about the complexity and cost of the reform and its administration. If a care cap is introduced, full assessment of its administrative impact on LAs, and how self-funders can be tracked is crucial (https://www.adass.org.uk/care-act-delay-understandable-and-inevitable/).

- Free personal care in Scotland appears to have led to rationing care to the highest level of need [https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/2075-scotland-care-older-people.pdf]. The Scottish example also shows the term ‘personal care’ is confusing to the public, who often do not appreciate that ‘hotel costs’ are excluded.

- The Care Act 2014 aimed to produce more support for family carers, but has failed in this. Attention must be given to why assessments have declined and to the staffing required to ensure LAs and voluntary organisations can provide the support carers need.

- Longer-term financial settlements for LAs (5 years?) would enable them to concentrate on delivering improvements, avoiding inefficient annual work processes.

- During COVID-19, previously ‘insuperable’ problems (e.g. ASC having NHS email addresses) have been resolved. It will be important to sustain such initiatives.

- Similarly, the Capacity Tracker developed to monitor care homes will be helpful, if retained, in enabling LAs to keep track of staffing pressures in the care sector.