

Skills for Care board briefing March 2017

Skills for Care's Intelligence Monitoring update, prepared by us to give our Board a summary offering some insights into the social care and learning provider markets, as well as the state of the workforce.

1.0 Introduction

- 1.1 Social care continues to receive considerable coverage in the media. Following last year's autumn statement in which no reference was made to social care, pressure on government has increased. An announcement was made in January that councils could increase council tax by an extra 3% to fund social care. In addition to this there is to be a £240million "adult social care support grant" to help councils with care of older residents. [Cordis Bright](#) point out in their January briefing that the new precept equals 6% over 3 years and the old precept which was set up in the previous government, equals 3% over 3 years and even if all councils pass on the new precept, the package of measures, worth £900m, will not even cover further increases in wage costs this year: the national living wage rose by 4.2% in April to £7.50, which is larger than the proposed increase in council tax. Figures collected by Four Seasons¹ indicates that although more than 90% of councils increased council tax last year - using the earlier version of the precept, less than half of these passed it on to care homes.
- 1.2 Evidence mounts across the sector of the likelihood of significant market failure. The Guardian² revealed last year that 100 more care homes have collapsed since 2010 than previously thought, according to the Insolvency Service. The squeeze is being most keenly felt by sole practitioners, who may run one or two care homes, which accounts for 55% of the sector. Large companies are also struggling with large volumes of debt and concerns are frequently expressed that some of these companies are likely to pull out of the sector.
- 1.3 The squeeze on funding is also likely to lead to compromises to the quality of care and increases in costs for private clients. Private residents are experiencing increases in fees or top-up payments to make up the shortfall in state funding. The number of residents paying their own fees has risen by 28.5% in the last decade and the gap between private payers and council-funded residents is pronounced. Self – funders pay between £603 and £827 a week on average

¹ 'Care home closures set to rise as funding crisis bites', Guardian 11th January 2017

² 'Care home closures set to rise as funding crisis bites', Guardian 11th January 2017

depending on location, and councils pay between £421 and £624 a week. This is one of the reasons why the Competition and Markets Authority have been called in to investigate and look at the effectiveness of competition between care homes in driving up quality and value for money for both residents and tax payers.

1.4 In their analysis of the funding issue in their January briefing Cordis Bright ask the question why government is resistant to providing the necessary funding for social care. They argue that the £2billion deficit represents 1.9% of spend on the NHS, 5.7% of spend on Defence and around 0.3% of total public spending. They point to a combination of factors including:

- The narrative about inefficient local government and their inability to manage social care properly.
- The narrative that we are personally responsible for funding our social care needs in old age and should not plan on being dependent on the state.

In addition although 1.3 million people are receiving social care every year and this is projected to increase, this compares to 1 million patients every 36 hours using the NHS.

1.5 The transformation and integrated care agenda continues to dominate in the areas; engagement with Sustainability and Transformation Plans (STPs), Transforming Care Partnerships (TCPs) and Local Workforce Action Boards (LWABs) all health led strategic forums continues to be a challenge for our teams. All 44 STPs were published in December 2016. They set out how the NHS and social care (public health, adults and children's services) will save £22billion by 2020/ 2021 as well as deliver the vision for health and care as laid out in the NHS Five Year Forward View. The King's Fund has completed an analysis of all 44 plans ³ and expresses concerns that because of the huge financial and operational pressures now faced by the NHS, there are risks that efforts to transform care will be undermined. This is exacerbated by the cuts in social care and public health and a lack of earmarked funds to support reform of services. Proposals to reduce capacity in hospitals can only be credible if there are clear and funded plans to provide alternatives in the community before the number of beds are cut. Other concerns are the lack of proper consultation with staff, patients, the public, local authorities and the third sector as well as a more than challenging timetable. Skills for Care's role in representing and advocating for the needs of social care which is a diverse and fragmented sector is critical. It is not clear that these strategic, health-led bodies have recognised the importance of engaging with the sector; indeed the report makes reference to the fact that many local authorities have felt left out of the process.

³ 'Delivering sustainability and transformation plans: from ambitious proposals to credible plans' February 2017

1.6 Intelligence from engagement activities in the areas continues to emphasise the principal workforce challenges of recruitment and retention, highlighted to the board in previous reports on many occasions.

2.0 Social Care Workforce

2.1 Recruitment remains the top priority for all social care employers in the areas. Shortages of staff are reported across all roles and with all types of employer. A shortage of nurses and problems with recruitment is leading to de-registration of nursing homes and difficulties on being able to discharge individuals from hospital as there aren't enough nursing staff or staff with the necessary skills in the community and shortages of care services. In the south west the recruitment challenge is most acute in domiciliary care where the vacancy rate is significantly higher than rates for England as a whole as well as being the region with the largest proportion of elderly people in the country. Problems with staff recruitment and retention feature heavily in STPs with staff shortages linked to the quality and sustainability of services in some areas. These problems are exacerbated by 'hard' Brexit concerns. Currently there are over 90,000 EU nationals working in social care in England, which represents around 7% of the workforce with geographical variations showing a higher proportion working in London and the South East (12% and 10%). Employers are expressing their concerns that the likely impact of 'the right to stay' (or not) of current EU nationals working in care and health could spark an exodus. In addition we are hearing from employers in the South East that the ongoing low value of the pound is already having an impact on the supply of staff as the value of their wages depreciates.

2.2 There still appears to be reluctance amongst employers to consider employing young people and to develop apprenticeships. The potential impact of the new apprenticeship levy driving large employers to recruit via the apprenticeship route remains to be seen, partly due to a lack of knowledge amongst providers who will need to pay it. Degree apprenticeships are being welcomed and are being actively considered as part of all overall workforce strategy to recruit into the sector. As the new apprenticeship standards are predicated on recognisable occupations in the sector, this is hampering apprenticeship development new and emerging integrated job roles. There is a clear role for Skills for Care in promoting the value of apprenticeships as part of a recruitment and retention strategy.

2.3 Integration and collaboration between organisations through commissioners, TCPs and STPs is seen as the main way of tackling workforce problems. There is acknowledgement that social care must be prioritised to reduce delayed transfers of care. The Recruitment and Resourcing group of the Devon STP have placed social care on the agenda and included the sector in their workforce

strategy. In Lincolnshire, Leicestershire, Leicester and Rutland, social care has been incorporated within their sub- group structures. There is a willingness to offer joint careers events acknowledging the need to attract young people to both sectors and avoiding the situation where both sectors are competing for the same people from a shrinking pool. Health Education Kent Surrey and Sussex runs pre-employment schemes in local schools. SE ADASS are working on a generic recruitment campaign. Thames Valley Local Economic partnership have funded Skills for Care to develop an innovative partnership to tackle recruitment challenges for the six local authority areas in Berkshire including boosting the role of work experience in schools and colleges. One local authority in the NW is looking to attract the early retired into the workforce as well as target potential job changers.

- 2.4 Better Care Fund projects, Vanguard and Pioneer sites are looking at how roles might be delivered differently in the future, to reduce the future demand on both health and care. STPs are looking to how these pilots can be scaled up across their geographical footprints. Health Education England NE is working with Skills for Care to explore the potential benefits of care staff undertaking clinical training. In Newcastle and Gateshead there is work underway to develop competency frameworks and career pathways to facilitate integrated roles and services. There is a lot of interest in enhanced roles in East Sussex and the local authority is developing an Accountable Care Organisation. HE NW London has commissioned Skills for Care to co-lead on a project to up-skill care workers in care homes, home care and general practice. Concerns are often expressed that the private and independent care sector are not included in strategic forums and the focus for funding is to show how it will impact on health outcomes and that this is too narrow an approach to projects.
- 2.5 In the Individual Employer (IE)/ Personal Assistant (PA) sector we are seeing a growth in 'PA agencies' which are being set up to respond to the on-going difficulties in recruitment for this area. Many of these are user-led organisations which are increasing their support to Individual Employers to include help with managing employment, tax and pensions matters as well as more traditional domiciliary care agencies who are changing their delivery to include more personalised matching and live in care options. In addition there are several national virtual agencies which find and assign PAs to people via on line searches. This is an on-going issue as the mainstreaming of personal health budgets takes place and the demands for PAs with enhanced skills sets increases.

3.0 Social Care provider market

- 3.1 The CQC is approaching the end of their first year of inspection under the new regime. Overall 75% of providers are rated Good and 1 % Outstanding. 'Needs Improvement' and 'Inadequate care' are most prevalent in the NW and Y&H. The market appears to be relatively stable in terms of actual numbers. In the SW Virgin Care has recently entered the market and is picking up contracts previously delivered by local companies. The NW reports a very low level of Elderly Mentally Infirm (EMI) bed availability as the fee level doesn't support the level of care required. Solihull Council are experiencing an influx of care packages being handed back as many providers are unable to deliver safe care to the current price that is being offered. In the south east registered managers have reported that they are £40,000 to £50,000 in arrears from local authorities. Some have been handing back contracts and threatening legal action. They are struggling to stay viable, with reports of bills not being paid until the day of eviction. In London, registered managers have reported that there is too high an expectation from local authorities for the funding given and that this is likely to come to a head soon.
- 3.2 Progression from health and social care courses remains an issue. Research conducted on behalf of a London borough shows a lack of understanding from teachers and careers advisors about career opportunities in social care and consequently most young people see their future aspirations in terms of childcare and healthcare. Jobcentre Plus report in the same research that the majority of their employers who advertise with them want to recruit to bank staff for domiciliary care which is further reinforcing the poor image of the sector with low pay and zero hours contracts prevalent.
- 3.3 The main driver for change is budget pressures, requiring a rethink of how services across health and care can be delivered. The result means that provision of social care services are targeted at those only in substantial need. This is shaping the thinking of CCGs, Health and Wellbeing Boards (HWBs), Health Education England (HEE), STPs and Transforming Care Partnerships (TCPs). Levels of engagement with TCPs and STPs vary although our locality teams are persevering. Areas frequently report that Skills for Care are the only social care representative in attendance at these forums. New models of care are emerging from these collaborations examples such as in South Tyneside where service delivery is from GP hubs where different professions are working together and priorities identified on the basis of the individual's primary need. One area where we may expect to see further interest is in community engagement and volunteer recruitment, employment, development and management. CQC are consistently reporting that developing and maintaining strong community links and making use of volunteers is part of providing 'good' and 'outstanding' care.

3.4 Regional devolution is in its infancy in both Yorkshire and Humber and the North East and as yet has not impacted on the social care market. The London Health and Social Care Devolution Board has representatives from local authorities, Skills for Care and plans to include experts by experience and social care providers.

4.0 Developing Leaders

4.1 Key emerging issues arising from Registered Managers Networks, many of which have links with Skills for Care resources and which can inform work on the Well-led programme are:

- Problems with obtaining meaningful references from other care providers
- The need for support with core business skills- e.g. marketing, finance
- Need for peer support between meetings
- Preparing for CQC inspections and regulation
- Recruitment and retention
- Digital technologies
- Managing Issues around transfers from hospitals when they are pressed to take people without full assessments. Needs are often underplayed and then providers can't get the funds for the additional care.
- The need for support to combat the isolation – in particular in their first year
- Apprenticeships and the levy
- Leadership and culture
- Immigration
- Dementia
- Assessing the care certificate
- Changes to the qualifications framework
- Safeguarding

There are concerns raised by Registered Managers about inconsistent judgements by CQC inspectors. Also employers are beginning to question the relevance of the Provider Information Return (PIR), especially as there is often a significant gap between it being submitted and an inspection taking place, meaning that the information can be out of date.

5.0 Capability of the Workforce

5.1 College mergers following area reviews (review of post 16 education and training institutions) have now been identified leading to a reduction in most areas of standalone FE Colleges. At this stage it is too early to say what the impact of this might be.

- 5.2 There still appears to be a need for guidance for providers about the Care Certificate requirements. This is also the case in relation to claims and offers about the care certificate made by some learning providers.
- 5.3 Learning providers are reporting that there is little understanding about the new apprenticeship standards amongst employers.
- 5.4 Local Authorities in the NW are interested in the commissioning qualification and are keen to know about potential learning providers. There are issues about ensuring a sufficient number of learners to ensure a course is viable.
- 5.5 In the SW some learning providers are recognising the need to provide clinical skills training to support the integration agenda. At the same time employers are finding it difficult to source (due to specialism and cost) health-specific training e.g. tracheotomy
- 5.5 In a crowded market with some very poor quality provision there are still not enough endorsed providers, although this is slowly growing. Employers are desperate to know who to use.

6.0 Conclusion

- 6.1 The impact of Brexit on recruitment and retention in the sector is a matter of considerable concern for the sector. Skills for Care has a critical role to play in ensuring that the needs of the care sector are given prominence.
- 6.2 Transformational change across the boundaries of health and social care remains the greatest challenge. Likewise Skills for Care has a critical role in ensuring that there is sufficient attention to the needs of the sector in these challenging financial times.