

## Skills for Care board briefing June 2016

### 1.0 Introduction

- 1.1 The adult social care sector has received a lot of publicity in the media recently emphasising the reduction in state-funded adult social care totalling £4.6 billion and representing 31% in real terms on net budgets. This year (2016/17) adult social care budgets will be reduced by a further £0.5 billion<sup>1</sup> in cash terms. Taking the growth in numbers of older and disabled people into account, ADASS estimate that this year an additional £1.1 billion would be needed just to provide the same level of service as last year. This situation has been further exacerbated by the National Living Wage (NLW) and will continue to be as the rate increases each year.
- 1.2 A recent report by Opus Business Services commissioned by Radio 4's *You and Yours* goes so far as to argue that the sector as a whole is no longer financially sustainable. The report states that one in four care homes – that's around 5,600 – could fail within the next three years. It highlights further risks to the residential care sector which is in need of finance to upgrade its properties (85% of which are over 50 years old) and unable to get capital finance from banks and is being forced to turn to private equity finance and US real estate that demands high returns in short time frames. The report also points to evidence that more care providers are now closing their doors to local authority funded clients.
- 1.3 Integration continues to be a critical theme which is having an impact on commissioning and the shape of local social care markets. New emerging roles - care navigator and care-coordinator - are demanding close collaboration with health colleagues. Areas have positive working relationships with Health Education England and are now actively engaged with Transforming Care Partnerships, supporting new models of care and integrated ways of working to deliver on the objectives of the national programme. Areas are positioning themselves to participate in, and inform, Sustainability and Transformation Partnerships.

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<sup>1</sup> ADASS budget survey 2015

1.4 Intelligence from engagement activities in the areas continues to reference the same workforce challenges of recruitment and retention, highlighted to the board in previous reports.

## **2.0 State of the social care workforce**

2.1 Employers continue to face challenges in recruiting to vacant posts for care worker and senior care worker roles despite in some cases paying above the National Living Wage (NLW). There is evidence that recruitment difficulties are impacting on the capacity of service provision. In one area commissioners are struggling to find providers who can take spot contracts or contracts at short notice and in other areas, domiciliary care providers are turning away packages of care. In London where the NHS is seeing high turnover and vacancies in bands 1-4 a number of well-funded schemes and initiatives around apprenticeships is creating a situation where health is now competing with social care for the same recruits.

2.2 Recruitment and retention of Nurses remains an issue, leading to some nursing homes having to re-register as care homes. The revalidation requirement for nurses is likely to exacerbate this situation.

2.3 Recruitment and retention of social workers and OTs for Local Authorities is also a concern. To support retention one Local Authority (LA) is looking to collaborate with other LAs across the North West on post qualifying programmes and a CPD programme. Other collaborative solutions to cope with workforce pressures are being explored in other areas, for example SE ADASS has commissioned Skills for Care to undertake work on its regional workforce plan.

2.4 Large employers find equal challenges in attracting, recruiting and retaining the right people to work in the sector, which is further exacerbated by low unemployment rates in specific areas. Some national employers also report problems with recruiting to registered manager posts in particular if the service has been rated as inadequate or requiring improvement – which in turn, has an impact on the quality of service provided.

2.5 One unforeseen consequence of the introduction of the NLW for over 25 year olds is believed to be a flattening of pay structures for care workers, senior care workers and registered managers. Large national employers attribute the

dropout rate of staff after 12- 18 months in employment to a lack of a career pathways within the service. This issue was endorsed by employers attending a recent Care Summit in the South West.

- 2.6 Other issues causing concern to employers and adding to the risk of market exit are auto-enrolment pension costs, travel payments and increases in CQC fees.
- 2.7 Concerns have been expressed that the reduction in the numbers of registered job seekers will have an impact of the Jobcentre Plus programme in areas where because of low levels of unemployment, the remaining applicants will be the most difficult to place. At a recent Care Summit in the South West, employers did not rate the service as a successful method for recruiting staff. Evidence from the same event suggests that employers are now actively exploring and experiencing the benefits of using social media including Gumtree and Facebook.
- 2.8 New Models of Care requiring the development of new roles with different skill sets is an area with a number of challenges including governance, the length of time needed to train care workers to complete health tasks, the lack of a professional body representing these new roles, the lack of standardised job descriptions and competencies as well as the need to ensure refresher training is available.

### **3.0 State of the social care provider and learning provider markets**

#### **3.1 Social care provider market**

- 3.1.1 The number of CQC registered providers in the areas remains stable with new provision broadly matching the numbers who are de-registering. Evidence suggests that the larger providers are absorbing a greater share of the market, largely by acquiring single owned providers or those that are part of a small group. Concerns are being raised about the decrease in the number of nursing home beds as well as the trend in providers turning down local authority (LA) generated work. There continues to be a shift in commissioning fewer residential beds and more home care. The home care market is growing in some areas possibly as a result of an increasing demand for self-funded home care support and the trend in LAs to commission home care rather than residential care.

## **3.2 Learning provider market**

- 3.2.1 The number of training providers engaged with social care appears to be stable. In London and the South East a number of mergers are taking place of large FE providers and others are being discussed. The impact of the Area Reviews of post-16 education which is due to be completed in March 2017 is likely to be further mergers and larger colleges. This may provide opportunities for the sector as colleges will be able to provide an enhanced vocational offer using economies of scale to partnerships of employers and to meet the training needs of specific initiatives. Currently too few learning providers are able to offer specialist training and the QCF short awards and certificates.
- 3.2.2 There has been an increase in the numbers of endorsed providers although there are not yet enough to meet demand. The challenge is to continue to develop this robust framework while keeping costs at a minimum, as we need to generate more of our own income.
- 3.2.3 Learning Providers are concerned about the impact of the apprenticeship reforms as well as the transition from QCF to the RQF and the confusion that this may give rise to employers. There is some understanding of the potential opportunities for learning providers to develop their Information and Guidance function. One area gives the example of a University working with the CCG in a bid to work on career approaches from Higher Apprenticeships to university.
- 3.2.4 There is a demand for integrated training across health and social care, as well as the need to increase understanding of social care for health colleagues. Areas are increasingly working with learning providers to increase their understanding of the integration agenda and opportunities that are emerging to develop provision for emerging roles – particularly care co-ordination and care navigation. Skills for Care is currently undertaking a research project about this area. Also supporting the integration agenda there is a demand for training in nutrition and hydration, incontinence, tissue viability and mobility. Other areas of need are safeguarding training linked to a safeguarding officer role, Mental Capacity Act training and specialised nursing training for people with learning disabilities.

- 3.2.5 Regional devolution has changed existing sub area partnerships of local authorities and has meant for example neighbouring boroughs will start to do more joint training.
- 3.2.6 The general trend for LAs to no longer provide training or considerably reduce provision continues. One LA in the North West has become a commissioning authority so they no longer offer in-house learning and development provision. In the North West some local authorities have outsourced economic development.

#### **4.0 Models of practice and commissioning**

##### **4.1 Models of practice and innovation in care**

- 4.1.1 Engagement with Sustainability and Transformation Plans is at an early stage. Planning is being done to a very tight time scale and workforce is clearly a key priority. Areas are looking to engage with local workforce advisory boards.
- 4.1.2 Transforming Care Partnerships (TCPs) are also working to a very tight time schedule. Areas have begun to engage with TCPs, where trailblazers are in place this engagement is more developed. Skills for Care has been commissioned to provide leadership programmes to all the Midlands, London and Kent, Surrey and Sussex HEE bodies.
- 4.1.3 There is evidence that 'agency' type services are being developed for the PA market where people want more choice and control over their support, but are reluctant to employ a PA directly. This is both within domiciliary care providers as well as User Led Organisations who are developing agency services.
- 4.1.4 There are a number of positive examples of innovative practice using new technology; examples include enhanced quality of end of life care through a telehub providing a video link to a nurse, the use of assistive technology in housing with care and testing robotics in social care.
- 4.1.5 There is a lot of activity across all areas to considering the skills and knowledge requirements of the emerging workforce e.g. Care navigator and care co-coordinators roles, care worker roles in integrated rehabilitation and reablement services. There is also the need for additional clinical skills

training to support complex care needs in the community following hospital discharge.

- 4.1.6 Areas are engaged with a number of Pioneer and Vanguard sites on workforce issues. In some cases it is still necessary to insist on including a social care perspective in discussions with health care colleagues.

## **4.2 Commissioning and market shaping**

- 4.2.1 The areas are actively engaged with ADASS, LAs, Pioneers and Vanguards. Commissioners are developing market shaping strategies with workforce elements and labour market shaping. There is interest from these groups in strengths-based approaches; outcomes based contracts, and commissioning as well as the use of co-production in procurement processes and financial modelling. There is also an interest in workforce profiling, help with stakeholder engagement, culture change and integrated apprenticeships. A number of areas are successfully sharing examples through regional groupings and events.
- 4.2.2 There is recognition that some commissioners have gaps in analytical skills and workforce knowledge.

## **5.0 Conclusion**

- 5.1 The implementation of the NLW has undoubtedly created additional financial pressures on the sector. Skills for Care needs to monitor the impact of the NLW as well as the impact that the introduction of the Local Authority precept will have on local markets.
- 5.2 Although at an early stage, the development of Sustainability and Transformation Partnerships and in particular, Local Workforce Advisory Boards, provides challenges and opportunities for the adult social care sector.
- 5.3 In spite of (and sometimes because of) the financial pressures faced by adult social care, there is a lot of innovative practice. However, this often means that good practice occurs in small areas, or that there is replicated effort rather than sharing, as there are few mechanisms to share and evaluate smaller initiatives.