



ADULT SOCIAL CARE SECTOR

Cost Pressures Representation
for the Financial Year 2022-23

ABSTRACT

Our Cost Pressures report this year looks at both a) the additional funding providers will require from local authorities in 2022/23 to maintain 'parity' and b) what will be needed from the new Health and Social Care Levy to 'fix social care.

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A Message from the Chief Executive of Care & Support West (C&SW)

The Social Care Funding Crisis

This cost pressures report follows a letter sent to Senior Officers in the Bristol, North Somerset, South Gloucestershire & Bath and North East Somerset local social and health care area in early December 2021 underlining their Duty of Care to local citizens in relation to the delivery of Social Care. The letter also went to each Council's social care lead Elected Member and a number of local MP's.

Care and Support West (C&SW) is clear that the complex range of work care staff undertake, and care sector organisations deliver needs to be adequately funded if it is to be maintained and continue into the future. Whilst we welcome the recently announced planned 1st April 2022 rise in hourly rates for care workers from £8.91 to £9.50, we need to emphasise that the funding available from the local authority and CCGs to pay for care is insufficient for provider organisations to meet this rise.

This, added to the planned rise in National Insurance in April 2022 for both staff and employers creates an increasingly impossible challenge for care providers. Alongside this the significant and continuing rise in utility costs together with the failure over many decades of service commissioning fees to match the real cost of care places many care organisations in a situation where sustainability is being questioned on a weekly and monthly basis.

The letter was clear that if the government rhetoric of: "The care and support workforce are our biggest asset" is to be appropriately rewarded then the following areas require urgent attention.

- a) Fee rate increases to ensure continuity of care and recognise the extreme cost pressures will need to be >10% immediately to maintain status quo but see b) below for urgent ongoing work required to support the sector going forward.
- b) A minimum of £15 per hour for care staff is essential in the coming years to recruit and retain staff in the sector therefore urgent co-productive work needs to be initiated between providers and commissioners to achieve this.
- c) Communication with providers about fee rates should be by, or directly after, the beginning of the 2022 New Year to enable providers to plan the sustainability of their services.

As we publish this report, senior officers, and Councillors in the local authority, as well as their colleagues in the CCG will have had the original C&SW letter for over a month. Despite this social care providers remain in the dark about funding from the 1st April 2022.

We urgently ask that those in power review the analysis and recommendations contained in this report and immediately confirm the required funding for the next financial year will be available to social care providers. We also urge officers and Councillors to work with C&SW as the local Care Association representing the local social care sector so that we can work in partnership to achieve a long-term sustainable model of social care.



David Smallacombe
Chief Executive Officer
Care and Support West

EXECUTIVE SUMMARY

1. Our Cost Pressures report this year looks at both a) the additional funding providers will require from local authorities in 2022/23 in order to maintain 'parity' and b) what will be needed from the new Health and Social Care Levy to 'fix social care.
2. In terms of a viable annual uplift from local authorities for 2022/23, providers are clearly currently not able to pay the rates they require to recruit and retain the staff they need. They are facing a 6.6% increase in the National Minimum Wage which they will need to apply across the board to maintain existing (already inadequate) pay differentials between staff on different pay grades.
3. On top of this providers are also facing an increase of 1.25% on the employer National Insurance contributions that they make.
4. With inflation (even CPI) currently running at 5% and employees also facing a 1.25% rise in the National Insurance contributions that they make, this 6.6% is not going to help improve the lot of hard-working social care staff and despite being a significant increase, may well turn out to be a 'pay cut' in real terms.
5. Whilst we prefer RPI to CPI as an inflationary index, providers have consistently told us that not even RPI does justice to the somewhat 'specialist' inflationary pressures that they are subject to. They have already seen increases in the region of 18.8% (electricity), 28.1% (gas), 29.4% (fuel ... an issue for Dom Care workers) and even 80% (insurances) which were not factored into last year's annual uplifts. These and other costs are projected to increase still further in 2022.
6. In addition, providers have development and continuous improvement costs which are often associated with requirements (rather than nice to have). Historically these have not been factored into annual uplifts.
7. To at least start to 'stop the rot' and recalibrate following significant rises in inflation which have not been subject to previous additional funding, providers are looking for an annual uplift for 2022/23 in excess of 10% ... although this will be a sticking plaster ... not a solution.
8. Maintaining sustainable occupancy levels is also key to ensuring a care home's viability. Both care homes with nursing and care homes without nursing saw

their occupancy levels dramatically affected by the pandemic ... often in tragic circumstances. Whilst occupancy levels do appear to be recovering slowly, many services may still have levels significantly below what they need to remain viable and may need additional support on a case-by-case basis in order to survive.

9. In terms of 'fixing social care' staff vacancy levels have been increasing steadily overtime. Skills for Care report them being far higher in Domiciliary Care (9.1%) than they are in Residential Services (4.6%) but both far exceed levels of staff vacancies experienced by other sectors.
10. Whilst staff vacancy levels did decrease slightly at the height of the pandemic, they have risen again sharply and are currently as high as they have ever been.
11. Staff turnover in the independent sector has always been high and has risen steadily over time. Skills for Care estimate an overall staff turnover in Registered Care of 30.3% and in Domiciliary Care of 28.8% in 2021. Both far exceed the average staff turnover rate across all sectors in the UK which is estimated to be around 15%.
12. The estimated staff turnover rate for social care staff working for the local authority is 11.9%. This would indicate that it is very possible to provide terms and conditions that reduce staff turnover to more manageable levels.
13. Skills for Care estimate that 16% of the adult social care workforce identify as non-British, compared with 8% of the UK population as a whole. They also highlight that the proportion of EU (non-British) workers in social care had increased by 2% from 2012/13 to 2020/21 indicating that the sector had become increasingly reliant on them. Our exit from the EU and the government's subsequent immigration bill have therefore served to cut off a very valuable and much needed supply of staff.
14. The recent announcement that the roles of care workers, care assistants and home care workers will be added to the Home Office's shortage occupation list, whilst very welcome is not going to solve the sector's recruitment and retention problems. Many of these problems predate Brexit and the prolonged underfunding of the sector is the underlying cause of its difficulties.

15. We agree with Professor Brian Bell (Head of the Migration Advisory Committee) when he said ‘the social care sector must be fixed by properly funding it, not fiddling about with immigration’.
16. The better the pay and terms and conditions are for social care staff and the greater the positive differentiation there is in these things between social care and other sectors, the more likely social care will be to attract the domestic supply of workers that it needs.
17. Within this, social care doesn’t just need anyone working in the sector ... we need the right people ... otherwise they create more problems than they solve. Social Care is not for everyone and that’s okay, but given the nature of the work, we need people who actively want to work in the sector, not people who are just doing it because it is a job.
18. We need people with the right ‘human qualities’. The correct values, integrity, levels of commitment and people skills. These are all essential in a good social care worker and as attributes these things need to be valued and rewarded far more effectively than they currently are. If we want a sector built of the right people, social care workers need to be paid what they are actually worth.
19. The introduction of a professional register for adult social care staff, akin to the Health and Care Professions Council (HCPC) could help to raise the status of social care workers and promote a greater understanding and appreciation of the skills and qualities required to perform these roles to the standards required.
20. The Department of Health and Social Care have acknowledged the ongoing impact of low pay, in particular the recruitment and retention of staff in social care ... and have said that they are committed to ensure that pay is factored into forward looking work to strengthen the sector moving forwards. ([Social care: funding and workforce - Health and Social Care Committee - House of Commons \(parliament.uk\)](#) ... paragraph 52). This cannot come quick enough.
21. Until the terms and conditions available to social care workers are distinctly more advantageous than those than those available through other sectors, social care will never be fixed. The fixing will require new money finding its way into the pockets of social care workers (at all levels) in the form of significant pay rises which better reflect the actual worth of the work they do.

22. In their March 2021 report the ‘State of Health and Care; the NHS long term plan after Covid-19, the Institute for Public Policy Research talks about a living wage guarantee for (social) care workers and the advice by the government’s social care taskforce that longer term pay for social care staff should be brought in line with the NHS pay structure. ([state-of-health-and-care-mar21.pdf \(ippr.org\)](#) ... section 3.5). This is the solution to fixing social care.
23. We have put together a proposed pay structure for front line social care staff, senior care / support workers, Deputy Managers / Team Leaders and Registered Managers that we believe, if implemented, would fix social care ... or at least have a fighting chance of doing so.
24. We join the call for a coherent, costed and outcome focused ten-year plan for social care to enable the government to develop the workforce that we as a society will need to meet our existing and growing social care needs. However, we would caveat this with the statement that if the government wants there to be a viable social care sector in 10 years’ time, significant improvements to the terms and conditions of social care staff will need to take place in year one.

INTRODUCTION

1. Care and Support West is the Care Association responsible for supporting and representing providers of adult social care services across Bath & North East Somerset, Bristol, North Somerset and South Gloucestershire.
2. Each year we produce a Cost Pressures report for local authority commissioners, elected members and MPs across this region so that the situation facing social care providers is properly represented and understood. For three out of the last five years, we have used questionnaires to consult the local social care sector community about the cost pressures they face.
3. In early December 2021 Care and Support West wrote a letter entitled “The Social Care Funding Crisis” to the Director of Adult Social Care in North Somerset, Bristol, South Gloucestershire and Bath & North East Somerset setting out the dire staff and funding crisis being experienced by care providers in the adult social care sector. The same letter was sent to each Local Authority Lead Councillor and the local MP for each area.

4. This Cost Pressures report takes the content of that letter and builds on it, providing some of the supporting evidence upon which it was based. This report contains two elements.
5. Firstly, an analysis of what additional funding providers will require to maintain 'parity' given the forthcoming 6.6% in the National Minimum / Living Wage in April 2022 and the highest levels of inflation in almost a decade which providers have already been subjected to and which is projected to continue to rise into 2022.
6. The second element, given that the government has voiced a commitment to 'fix social care' and the introduction of a Health and Social Care Levy, through a 1.25% increase in National Insurance contributions, is an analysis of what would be required to do just that i.e. fix social care.
7. We would like to thank the four local authorities for their level of engagement throughout the pandemic. The sense we have is that in the main they have tried to understand and support the sector and that although not enough, they have tried to do what they can with what they have got. We recognise that for them to give more, they need to get more ... and that this is 'at the gift' of central government.
8. Throughout this report we use the term National Minimum Wage rather than National Living Wage, because it is not a living wage. It is the hourly rate below which people cannot legally be paid dependent upon their age ... it is therefore a minimum wage.

THE CURRENT STATE OF SOCIAL CARE ... A BRIEF OVERVIEW

9. In their 'The State of the Adult Social Care Sector and Workforce 2021' report, Skills for Care estimate that the number of people working in adult social care in 2020/21 was 1.54 million. ([The State of the Adult Social Care Sector and Workforce 2021 \(skillsforcare.org.uk\)](https://www.skillsforcare.org.uk) ... page 15). This is more than the 1.3 million people working for the NHS.
10. The role of the social care system in our society is critical. It enables vulnerable people to be supported and to maximise their potential and their opportunities. It helps keep people safe and protected from harm and

exploitation. It relieves pressure on the NHS by enabling people to have both their health and care needs met in the community, without which they would need to be supported in a hospital setting. It also enables family members and carers, who otherwise would need to spend their time caring for their dependants, to continue to work and contribute to the economy.

11. The need for social care is also increasing significantly. It is difficult to predict precisely what the increased demand will be, but in their March 2021 report, the National Audit Office highlighted that the Department of Health and Social Care's own predictions are that if current patterns of care continue, around 29% more adults aged 18 to 64 and 57% more adults aged 65 and over will require care in 2038 compared with 2018. ([The adult social care market in England \(Summary\) \(nao.org.uk\)](#) ... page 10)
12. The Health Foundation predict that close to 140,000 additional full-time equivalent social care staff and an estimated 70,000 additional care home places are going to be needed over the next 5 years. ([Health-Foundation-submission-to-HSC-social-care-funding-and-workforce-inquiry.pdf](#) ... page 3).
13. The reality however is that the sector is currently struggling to meet existing demand for social care. Skills for Care estimate that 105,000 social care jobs were being advertised on an average day during 2020/21. ([The state of the adult social care sector and workforce in England \(skillsforcare.org.uk\)](#) ... infographic). The number of vacant positions has got steadily worse over time.
14. The Nuffield Trust reported that there are indications that 42,000 staff have left the sector in the six months to the end of October 2021. ([Chart of the week: The tumbling numbers of social care staff | The Nuffield Trust](#) ... paragraph 2)
15. One of the consequences of these staffing shortages is that Domiciliary Care agencies often have long waiting lists of clients because they just cannot attract the staff they need to meet the needs of people in the community looking for care at home.
16. It is a crisis, exacerbated by the pandemic, and despite all the talk, as yet no one has grasped the nettle and put in place the measures needed to resolve the situation.

17. The detail and the scale of the problems facing social care and as a consequence society, are well known. Below are just a few recent examples or reports and representations that place central government firmly in the picture:

- Representations to the Health and Social Care Committee - [Social care: funding and workforce - Health and Social Care Committee - House of Commons \(parliament.uk\)](#)
- Reports by the National Audit Office directly to the Department of Health & Social Care - [The adult social care market in England \(Summary\) \(nao.org.uk\)](#)
- Report to the House of Commons Health and Social Care Committee - [Workforce burnout and resilience in the NHS and social care \(parliament.uk\)](#)

THE NEED FOR A PROPER SOCIAL CARE WORKFORCE PLAN

18. Despite the scale of the problem and calls by organisations such as the Care Quality Commission and the National Audit Office, The Department of Health & Social Care currently does not have a social care workforce strategy ... and there has not been such a thing since 2009.

19. In a representation to the House of Commons' Health and Social Care Committee about the impact of Coronavirus, Sir Simon Stevens said that he 'definitely thought that the social care system needed a 10-year plan and said that one fitting legacy of the pandemic should be to once and for all to resolve the question about fair funding and reform of adult social care'. ([Workforce burnout and resilience in the NHS and social care \(parliament.uk\)](#) ... paragraph 150). We couldn't agree more.

20. We join the call for a coherent, costed and outcome focused 10-year plan for social care to enable the government to develop the workforce that we as a society need to meet our existing and growing social care needs.

21. Given the increasingly desperate situation we face, this needs to be a priority ... available in months not years ... and we also agree that this should be 'in keeping with' the NHS People plan. ([We-Are-The-NHS-Action-For-All-Of-Us-FINAL-March-21.pdf \(england.nhs.uk\)](#)).

2022/23 ... THE ANNUAL UPLIFT THAT WILL BE REQUIRED

22. Each year we make cost pressures representations that are largely based around increases to staffing costs, inflationary costs and 'other' additional costs that providers are being subjected to. Despite doing this for almost a decade, the amount of money made available to and by local authorities is continuing to prove inadequate to develop the social care system we need, and in has led to many providers just not being able to survive financially.

INCREASES IN STAFF WAGE COSTS

23. We know from our previous reports that the outcome of the year on year rises in the National Minimum Wage is that the majority of social care providers are now National Minimum Wage employers. There was nothing in last year's uplifts that was going to reverse that trend. Any pay advantage that they may have historically had over other sectors has been systematically eroded over time.

24. Skills for Care estimate a median hourly pay rate for frontline care staff of £9.01 (or just 29p above the current National Minimum Wage of £8.91) ([Pay rates \(skillsforcare.org.uk\)](https://www.skillsforcare.org.uk) ... infographic). However, this includes the higher rates needed to attract staff to work in Domiciliary Care and / or with people with more complex support needs, such as challenging behaviours.

25. Our experience (based on the feedback we have received from providers in this area) is that in large part, social care providers are now National Minimum Wage employers.

26. We know that Domiciliary Care providers generally have to pay higher rates in an attempt to recruit and retain the staff they need. We also know that even with these higher rates, they still have significant staff shortfalls and high staff turnover.

27. Whether providers are paying the National Minimum Wage or just above it, the reality is that they are either going to need to increase staff hourly rates from the existing to the new National Minimum Wage or they are going to have to maintain some form of differential to try and recruit staff into and retain them in less desirable and / or more complex roles.

28. Whichever of these scenarios they face, they are facing an increase in their wage bill of 6.6% for front line staff.
29. We also know that the pay differential between roles is also being squeezed. This has been the feedback we have received from providers in previous annual cost pressures reports and the King's Fund highlight that 'Those with several years' experience on average earn just 12p more an hour than those with less than one year's experience, down from 29p more an hour in 2012'. ([Social care 360: workforce and carers | The King's Fund \(kingsfund.org.uk\)](https://www.kingsfund.org.uk) ... section 8: Pay).
30. This erosion in pay differentials is undermining provider's pay structure. It is removing any financial incentive for people to remain and progress within an organisation and so is adding to staff turnover.
31. The need for a fair and robust pay structure with clear pay differentials between all roles needs to not only be maintained but also rebuilt. To maintain parity therefore, the 6.6% is therefore going to be a minimum requirement across the whole wage bill.

INCREASES IN NATIONAL INSURANCE CONTRIBUTIONS

32. In addition, providers are going to be required to pay an extra 1.25% employer's National Insurance contribution for their staff. Whilst this is designed to raise much needed extra funding for social care and the sector is willing to do its bit, this will be an additional cost and this money will need to come from somewhere. For the majority of providers whose funding comes via local authorities, this will need to be included in the 2022/23 annual uplift they receive.

INCREASES IN INFLATIONARY COSTS

33. What needs to be recognised is that like the rest of us, social care providers have already experienced significant inflationary costs in 2021 ... and these were not factored into any annual uplift they received for 2021/22.
34. There is already a significant shortfall here that providers have been having to cover. Inflation is currently at its highest rate for almost a decade and rates are projected to increase still further well into 2022.

35. The average rise in RPI for the period of April to November 2021 was 4.58% and the average rise in CPI for the same time period was 2.96%. What is most concerning is that these indices are currently rising sharply with RPI rising from 2.9% to 7.1% and CPI rising from 1.5% to 5.1% over this period of time.
36. Hidden within this there are certain significant costs that providers cannot escape that have risen significantly above these rates of inflation.
37. There have been 12-month inflation rate increase of 18.8% for electricity and 28.1% for gas. ([Surging energy and fuel costs push UK inflation to near-decade high | The Independent](#)). These represent the highest annual increases since early 2009. We have had providers come back to us saying that due previous capped deals running out, they are looking at rises in utility costs in the region of 50%.
38. Petrol has risen to an average of 145.8p a litre in November 2021 compared to 112.6p a year earlier. ([UK inflation jumps to 10-year high as petrol prices soar | Inflation | The Guardian](#)). This is an increase of 29.4% ... and the November 2021 price is the highest on record. This will particularly affect Domiciliary Care workers within their work ... and most staff in terms of getting to work.
39. We have had a provider come back to us estimating a 20% increase in their food costs and a 70% increase in sick pay because the government funding was insufficient to pay all staff who were needing to self-isolate during the pandemic.
40. They also indicated a 1000% increase in their spending on recruitment and marketing as attracting both clients and staff to work in their services has become a full-time job.
41. Many providers have also seen significant increases in their insurance premiums (and reductions in their cover) as a consequence of the pandemic. ([Coronavirus: Care homes ask for insurance cost help - BBC News](#))
42. For reasons such as those cited above, we have long argued that the 'basket of costs' experienced by social care providers is not the same as that experienced by your ordinary consumer. Out of the twelve categories that make up the RPI and CPI indices, five of them, 'alcohol and tobacco ... clothing and footwear ... recreation and culture ... education ... and

restaurants and hotels', are not key things that are purchased by providers. ([Consumer price inflation basket of goods and services - Office for National Statistics](#)).

RPI OR CPI?

43. Neither measure seems to be particularly accurate for social care providers. As a local Care Association, we have always advocated the use RPI over CPI. Back in 2011 the government switched from RPI to CPI to calculate increases in social security payments and public sector pension benefits, essentially because it was lower.
44. However, the 'real world experience' of inflation for both individual consumers and providers didn't reduce as a consequence of the change to CPI ... and providers have consistently told us that their increase in annual costs have generally exceeded RPI.

DEVELOPMENT AND IMPROVEMENT COSTS

45. For providers it is not just about the effect of inflation on a fixed basket of items which represent the annual change in costs that they experience. Each year they also have additional 'continuous improvement' costs on top of any inflationary costs that they have to cover.
46. These will differ from year to year but over time have included things like additional staff training requirements, the introduction of improved quality assurance systems, the introduction of electronic systems for things like care planning, medication administration and / or rota management. The improvement of IT systems and IT support to meet enhanced data security requirements.
47. These requirements on providers to continuously improve the way they do things are always 'extra'. They are necessary and yet we would argue are never factored into local authorities' annual uplifts.
48. The use of the lower CPI figure by local authorities rather than RPI therefore adds insult to injury in this regard. It is in effect a 'double whammy' for providers.

RECOMMENDATIONS RE. CALCULATING INFLATIONARY MEASURES

49. Whilst we do not 100% approve of RPI, we recognise that some form of recognised inflationary measure is important when calculating annual uplifts and we have consistently argued that it is a better measure than CPI.
50. Rather than picking a random month (often September) to calculate annual inflation we have always taken the view that it is fairer and more accurate to take the average of the monthly inflationary figures for the previous financial year.
51. However, given the unprecedented increase in inflation over recent months, we believe that taking the average of the monthly inflationary figures from April to November 2021 is a more accurate measure currently available re. providers experience of inflation.

THE SPLIT BETWEEN STAFFING COSTS AND NON-STAFFING COSTS

52. Historically the indications have been that residential based services would experience a split in staff wage costs: non-wage (hotel) costs in the region of around 70:30 respectively.
53. However, between April 2016 and April 2021 we have seen an increase of £2.21 in the National Minimum Wage on its pre-April 2016 rate of £6.70 an hour. This is an increase of 33%. If you add in the additional £0.59 an hour which will be payable when the National Minimum Wage is increased again to £9.50 an hour in April 2022, this increase jumps to 41.79%.
54. This increase is greater than the increase in 'non staffing' costs experienced by providers over the same time period. We have indications that the split between staffing and non-staffing costs in a residential setting might currently be closer to 80: 20 respectively.
55. Domiciliary Care services have had lower 'non-wage' costs and so historically we have advocated a split of 85% staff wages: 15% non-wage costs.
56. However, an analysis of the Homecare Association's 2021/22 'Minimum Price for Homecare' figure (once you remove the surplus component and focus on the 'costs') indicates a split of 86.5% wage costs and 13.5% non-

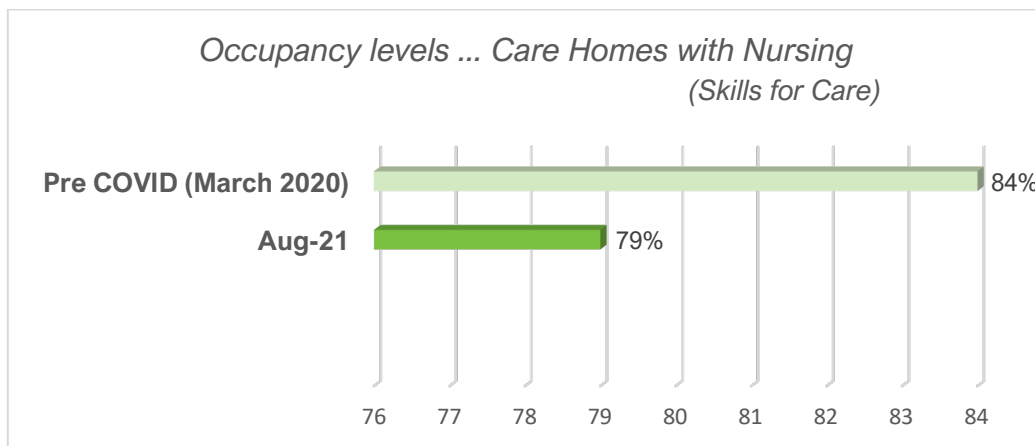
wage costs, which again represents a shift towards a higher proportion of these providers costs being made up of staff wages.

ANNUAL UPLIFT NEEDED

57. Staffing continues to be an 'ever increasing' proportion of a provider's costs. The 6.6% increase for staff will need to be applied across the board but in reality, is not even going to constitute a pay rise after inflation has taken its toll.
58. In addition, there is the 1.25% increase in employer National Insurance contributions that providers will need to contend with.
59. The sector is in crisis. In order to try and reverse staff turnover and the drain of staff from the sector, we need to do something now. We need to improve our ability to recruit staff and to rebuild viable pay differentials between roles and we would suggest that nothing less than 10% is going to 'stop the rot' ... and even this will be insufficient in the medium to long term as other 'competing' sectors increase wages to staff in order to attract and retain them.
60. Indices such as CPI or RPI do not properly do justice to providers' experience of inflation. They have already been experiencing almost unprecedented increases in key costs such as energy ... fuel if they are domiciliary care workers ... and insurances.
61. Increases for key bills of 18.8% ... 28.1% ... 29.4% ... or even 80% for insurances are typical of a provider's experience in these times. Although non staffing costs represents a smaller proportion of a provider's costs, they are probably experiencing an overall increase of 10% or more in this area as well.
62. Add to this the additional funds needed to keep pace with developments and improvements that are required of them and you are looking at an overall uplift of over 10% for 2022/23, just to stand still. In terms of cost increases, these are pretty unprecedented times.

OCCUPANCY LEVELS

63. Another key factor affecting a provider’s viability is obviously their occupancy levels. Whilst the demand for residential care has been relatively stable over recent years as more and more people are cared for in their own home, as our population continues to age, the demand for these services will continue to steadily increase.
64. Tom Hartley, Director at Carterwood estimates a shortfall of between circa 57,300 and 64,300 market standard beds by December 2024, and between 221,600 and 228,600 wet-room beds. ([Care home occupancy: Light at the end of the tunnel? | CMM \(caremanagementmatters.co.uk\)](#)).
65. Both care homes with nursing and care homes without nursing have had their occupancy levels significantly affected by the pandemic ... in many cases in tragic circumstances.
66. Although the extent of this impact will vary from provider to provider, in their ‘The State of the Adult Social Care Sector and Workforce 2021’ report, Skills for Care highlight that, despite predictions to the contrary, occupancy levels have not yet returned to their pre-pandemic levels.



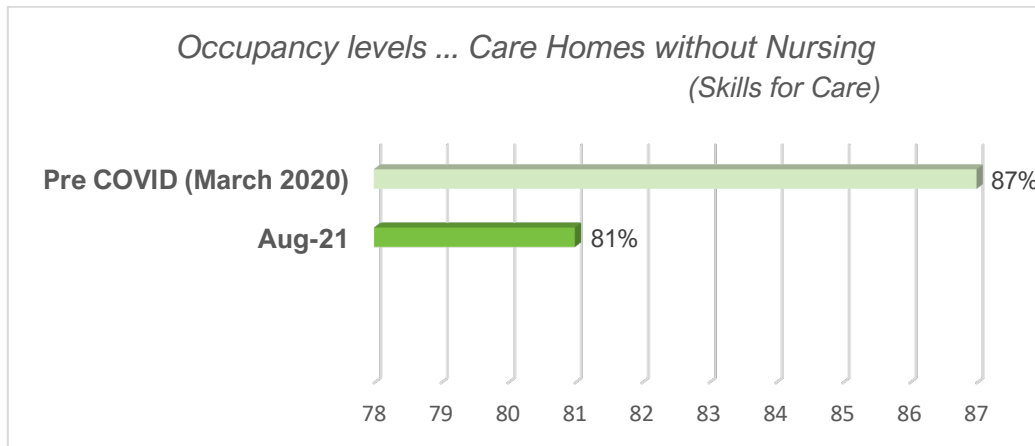


Figure 1 The State of the Adult Social Care Sector and Workforce 2021 (skillsforcare.org.uk) ... page 9

67. Whilst occupancy levels in both care homes with nursing and care homes without nursing appear to be recovering slowly, many of these services may still have occupancy levels below what they need to remain viable and on a case-by-case basis may need additional support in order to survive.

FIXING SOCIAL CARE

68. In their ‘The state of health care and adult social care in England 2020/21’ report ([20211021_stateofcare2021_print.pdf \(cqc.org.uk\)](#) ... page 5), the Care Quality Commission say that:

69. “If the funding for social care is to have any impact, there must be a sharp focus on developing a clearly defined career pathway for social care staff – linked to training and supported by consistent investment, higher overall levels of pay to increase the competitiveness of the market, and good terms and conditions to ensure employers can attract and retain the right people.

70. The alternative is that the sector will continue to lose staff to the retail and hospitality industries. This will lead to reduced capacity and choice, and poorer quality care for the people who rely on social care – resulting in a ripple effect across the wider health and care system that risks becoming a tsunami of unmet need across all sectors, with increasing numbers of people unable to access care”.

71. We would absolutely agree with the Care Quality Commission in relation to this. If we do not do something significant now to ‘fix social care’ it will

continue to haemorrhage staff and the knock-on effects on individuals, their families, the NHS and society at large will be unsustainable.

72. In September 2021, the government announced plans for the introduction of a Health and Social Care Levy, which is intended to generate £36bn in additional funding over the next three years from an increase to National Insurance contributions of 1.25%.

73. Great, there is some ‘new money’!

STAFF VACANCY RATES

74. As already highlighted, in their 2021 ‘The State of the Adult Social Care Sector and Workforce’ report, Skills for Care estimate that there was an average of 105,000 staff vacancies being advertised every day during 2020/21. ([The state of the adult social care sector and workforce in England \(skillsforcare.org.uk\)](https://www.skillsforcare.org.uk) ... infographic)

75. They also indicate that although staff vacancy rates fell during the pandemic, they have risen again sharply and are now at pre pandemic levels.

76. In their report Skills for Care estimate the current vacancy rates for the following key roles within the sector as:

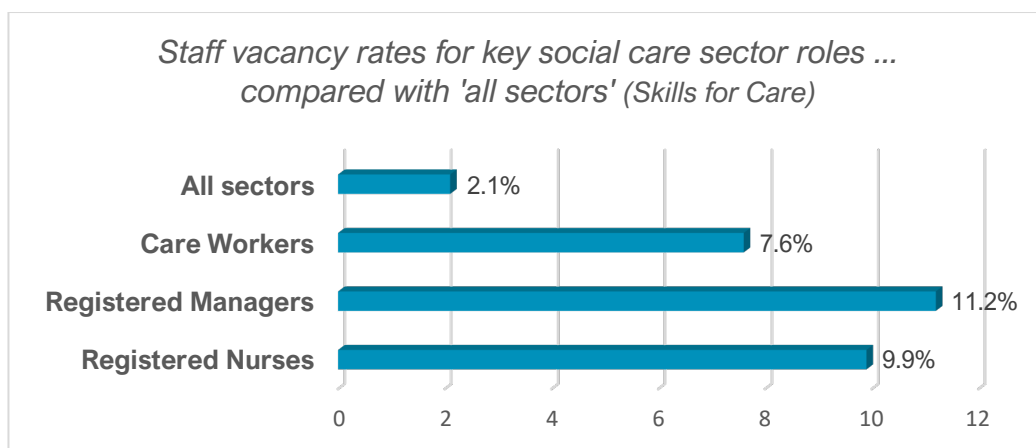


Figure 2 Staff vacancy rates for key social care sector roles

77. Please note how vacancy rates for key roles within social care compares with the average vacancy rate across all other sectors.

78. Skills for Care also show that staff vacancy rates have been increasing steadily over time. From 6.2% in 2012/13 to 9.1% in 2020/21 for Domiciliary Care services and from 2.7% in 2012/13 to 4.6% in 2020/21 for Care Homes.

79. The situation is therefore getting progressively worse ... and it is worst in Homecare when caring for people in their own homes is a central tenant of government policy.

80. In their report, Skills for Care also provide more detail of how the vacancy rates in social care compare with those in other sectors.

Estimated vacancy rates for adult social care ... compared with other sectors (2020/21) Skills for Care

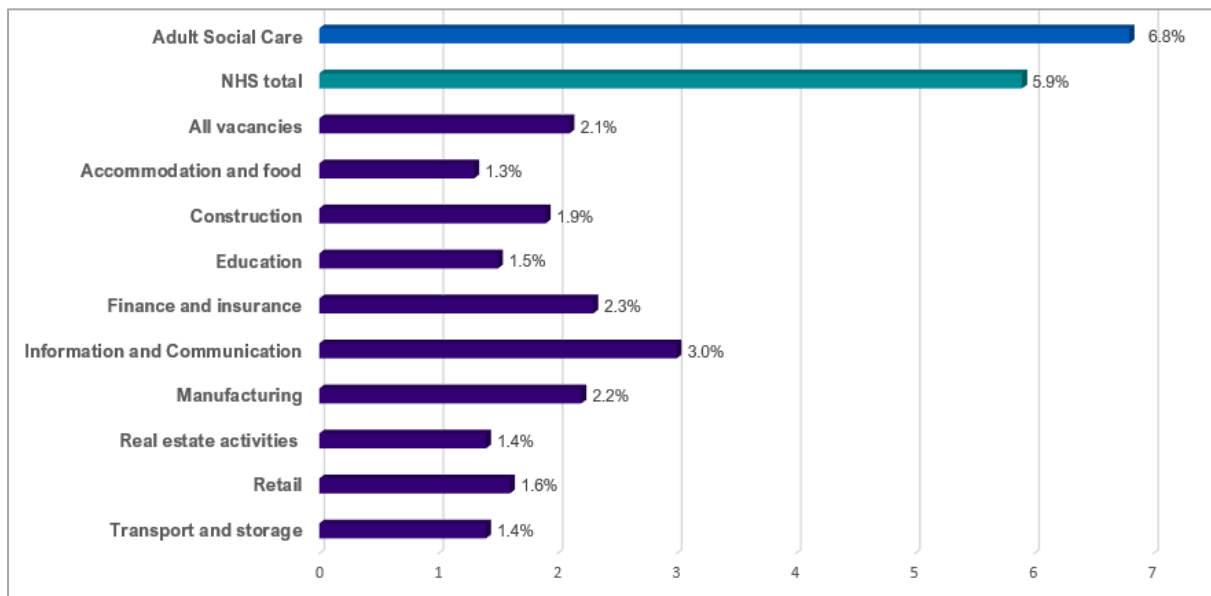


Figure 3 Estimated vacancy rates for adult social care

The situation is alarming ... and getting progressively worse.

STAFF TURNOVER

81. In their 2021 report, Skills for Care also estimate the following rates of staff turnover for the sector.

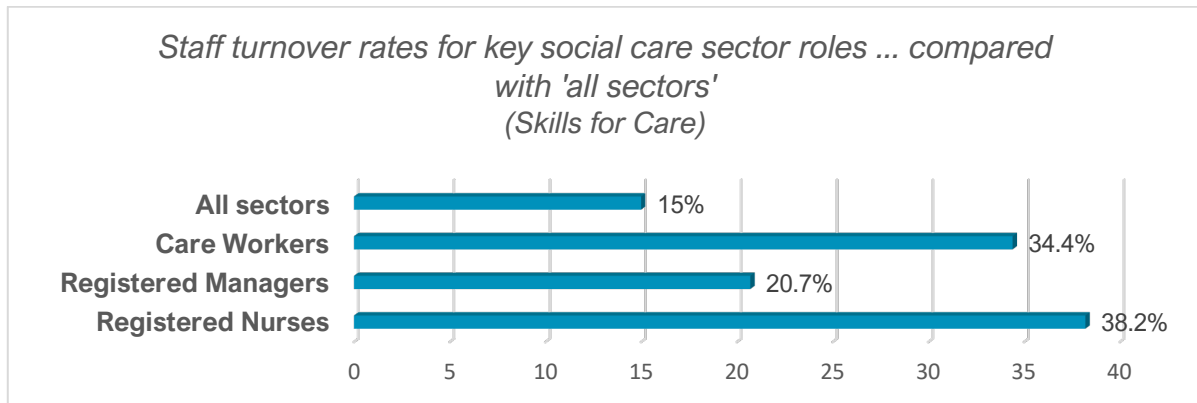


Figure 4 Staff turnover rates for key social care sector roles

82. The Skills for Care report estimates that in 2020/21, overall staff turnover in Registered Care was 30.3% compared to 28.8% for Domiciliary Care.

83. The report also shows that in the independent sector, staff turnover has risen steadily from 23% in 2012/13 to 31.1% in 2020/21. It actual peeked at 33.5% in 2019/20 but fell back slightly (although not hugely), due to the pandemic and there being less opportunities for staff to change jobs.

84. The average staff turnover across all sectors in the UK is estimated to be around 15%.

85. It should also be noted that the estimated 31.1% staff turnover rate experienced by the independent sector compares with an estimated staff turnover rate of 11.9% for social care staff working for the local authority. Clearly it is possible to provide terms and conditions that reduce staff turnover to more manageable levels.

BREXIT ... GOOD IDEA?

86. In their 2021 report, Skills for Care highlight that around 84% of the adult social care workforce identified as British, 7% (113,000 jobs) identified as of an EU nationality and 9% (137,000 jobs) of a non-EU nationality.

87. With 16% of the workforce identifying as non-British, adult social care has a workforce that is twice as diverse as the 8% of the UK population who identify as non-British.

88. The Skills for Care report highlights that whilst the proportion of the adult social care workforce with a British nationality has remained consistent

over the past seven years (from 2012/13 to 2020/21), over the same period, the proportion of the workforce holding an EU (non-British) nationality had increased by two percentage points and the percentage of those of non-EU nationality decreased by three percentage points. The sector had therefore become increasingly reliant on (non-British) EU nationals over this time period.

89. Our exit from the EU and the government's subsequent immigration bill have therefore served to cut off a very valuable and much needed supply of staff.
90. In 24th December 2021 it was announced that immigration rules will be relaxed for care workers, care assistants and home care workers, with these roles being added to the Home Office's shortage occupation list ... as long as the carers receive a minimum annual salary of £20,480. ([UK to ease immigration rules for care workers as shortage worsens | Care workers | The Guardian](#))
91. Whilst this is welcome, the relaxation is currently a temporary measure which will be subject to review after 12 months. Our question is, how many people are going to uproot their lives (and potentially their families) if it is unclear as to whether they will be able to remain after 12 months? Would you do that?
92. Also, Brexit has not ingratiated us to the world, and in particular to our EU neighbours. It has not exactly perpetuated a welcoming climate and it may well result in people who might have considered coming here to work, instead deciding to stay away.
93. Even if non-British nationals were to come in the numbers that they did prior to Brexit, it didn't solve the sector's recruitment and retention problem then and it won't now. The reality is that the current terms and conditions available in social care do not make it an attractive place to work.
94. Whilst the recommendation to include Care Workers on the shortage occupation is welcome, many of the issues faced by the sector predate Brexit and the prolonged underfunding of the sector is the underlying cause of its difficulties. Extending the shortage of occupation list to include social care is not going to provide the solution that the sector needs.

95. We would agree with Professor Brian Bell (Head of the Migration Advisory Committee) when he said ‘the social care sector must be fixed by properly funding it, not fiddling about with immigration. With proper wages, it would attract more people, cutting the need for migrant workers. ([Migration adviser: Social care needs 'proper wages' - BBC News](#)).
96. The better the pay and terms and conditions are for social care staff and the greater the positive differentiation there is in these things between social care and other sectors ... the more likely social care will be to attract the domestic supply of workers that it needs.
97. The irony is that the government is calling for a well-paid and highly skilled UK workforce seemingly without the appreciation that to achieve this in social care, they (via the taxpayer) are going to have to pay for it.
98. There is however evidence to suggest that there are certain jobs, truck driving, abattoir work, fruit and veg picking and social care work amongst them which are potentially always going to struggle to find the domestic workers they need. As a sector, we would therefore want to keep the door to migrant workers well and truly open.

WE DON'T JUST WANT ANYBODY WORKING IN SOCIAL CARE

99. When looking to address the recruitment crisis facing social care, it is often seen as a numbers game ... For example, there are currently an average of 105,000 staff vacancies every week for social care staff ... we will need an additional 140,000 full time equivalent social care staff over the next 5 years.
100. But actually, it is not just a numbers game. To look after societies most vulnerable, recruitment experience within the sector tells us very clearly that we don't just need anyone ... we need the right people.
101. The sector knows full well the plethora of problems associated with just employing anyone who turns up in a frantic attempt to address staff shortages.
102. We need people who are not afraid of hard work, who are willing to step up, to take responsibility, to be genuinely caring and compassionate ... to step in when people need help ... to step back when they need to be

encouraged to do things for themselves. People who are innately respectful ... people who can build high quality personal relationships ... people who are team players. We need people who understand boundaries and can apply them effectively to themselves and others ... people with common sense, with maturity and with insight.

103. We need people for who caring for and supporting others is not just a job but a vocation ... a 'calling'.

104. In terms of human qualities, you could argue that as a society we need more from a carer than we do from a graduate ... but none of this is ever factored in to identifying 'skills deficits' ... or viewing carers as 'skilled workers'.

105. We believe that the introduction of a professional register for adult social care staff, akin to the Health and Care Professions Council (HCPC) could help to raise the status of social care workers by promoting recognition of the role as a profession with career progression opportunities and promoting a greater understanding and appreciation of the skills and qualities required to perform these roles to the standards required.

106. The reality is that social care is not unskilled work, in fact to do it well is highly skilled work. Nor is it a minimum wage job, and until these factors are properly recognised and addressed, we will continue to be looking at a social care system that is sliding into deeper and deeper crisis.

107. Not only do we need to be paying people a premium to encourage them to work in social care rather than in other sectors, we should also be paying them a premium for their ability to consistently exhibit the human qualities required ... and we should actually be getting rid of people from the sector if they don't consistently exhibit these.

108. The sector needs good quality workers, not just anybody ... and the reality is that in terms of human qualities, many of our best care workers are not British nationals.

SO, MOVING FORWARD ...

109. In their analysis of the social care workforce, the Kings Fund highlight pay as a 'significant factor in recruitment' ([Social care 360: workforce and carers | The King's Fund \(kingsfund.org.uk\)](#) ... section 8: Pay).

110. Fixing social care is not rocket science ... in local authorities and the NHS, there are precedents all over the place. It just requires an understanding of the need to fix social care properly ... and an understanding of what will happen if we don't. It requires a commitment to resolving the issues ... and the money needed to make this happen.
111. Despite all the 'kind words' and hand claps for social care staff, the majority earn at levels that confine them to the ranks of the 'working poor'. They are part of a group of people who are going to suffer most as incomes are squeezed still further in 2022.
112. The pandemic has thrown the spotlight on social care. The sector has battled through supporting and caring for society's most vulnerable people. The best way to reward social care for the vital work that it does is to value its staff and to pay them what they are actually worth.
113. Social Care needs to be recognised for what it is ... hard highly skilled work (when done well), requiring people to work anti-social hours to provide the 24/7 x 365 days a year service that people need. You are not going to be able to get away from any of this, it comes with the territory, but if you are going to attract people into social care and keep them there, people need to be looked after and financially compensated for these things.
114. These factors need to be recognised in a wage premium which maintains a positive differential between social care workers and workers in other sectors.

ADASS'S POSITION

115. We agree with ADASS in their submission to the Budget and Comprehensive Spending Review (September 2021) when they call for a workforce strategy for social care staff including the introduction of a specific Adult Social Care Living Wage ([adass-sr-2021_final-submission-30_9_21_.pdf](#)), [ADASS recommended that the Government should](#) ... page 2).
116. Their call is for this to be at around £11.50 per hour or equivalent to NHS Band 3. Whilst we welcome this, we see it as an 'entry point' as there needs to be a clear pay 'range' in place for front line care staff to reward length

of service and / or the completion of health and social care related qualifications.

THE 'UNFAIR TO CARE' REPORT

117. We would like to take this opportunity to highlight Unfair to Care ([Home - Unfair To Care](#)) who produced a report in July 2021. ([Unfair-To-Care-Full-Report-Single-Pages.pdf \(unfairtocare.co.uk\)](#)).
118. We like this because they took the trouble to assess the demands and complexities experienced by front line social care workers and compare these those experienced by workers in other sectors.
119. The report concluded that the skills required of frontline social care staff exceeded those required of Police Community Support Officers, Teaching Assistants and Healthcare Assistants. It also concluded that the median salary for equivalent positions in the NHS would be £24,602 and to equal this, Support Workers being paid the current sector average would need a 39% pay increase.
120. Put in simple terms, to pay frontline social care staff what they are worth would require a mid-scale point hourly rate of around £12.61 an hour.
121. In a (October 2020) representation to the Health and Social Care committee, The Department of Health and Social Care 'acknowledged the ongoing impact of low pay ..., in particular on the recruitment and retention of staff in social care. The Department ... committed to ensure that pay is factored into forward looking work to strengthen the sector moving forwards'. ([Social care: funding and workforce - Health and Social Care Committee - House of Commons \(parliament.uk\)](#) ... paragraph 52).
122. Almost 15 months later ... we are still waiting.
123. What the government needs to recognise is that you can do all the glossy recruitment campaigns that you want, but until the terms and conditions available to social care workers are distinctly more advantageous than those than those available through other sectors, social care will never be fixed. The fixing will require new money finding its way into the pockets of social care workers (at all levels) in the form of significant pay rises which better reflect the actual worth of the work they do.

124. In their March 2021 report the ‘State of Health and Care: the NHS long term plan after Covid-19, the Institute for Public Policy Research talks (in section 3.5) about a living wage guarantee for (social) care workers and the advice by the government’s social care taskforce that longer term pay for social care staff should be brought in line with the NHS pay structure. ([state-of-health-and-care-mar21.pdf \(ippr.org\)](#) ... section 3.5).

125. Bang! ... That’s it! ... There is your solution!

126. Quite why this should be a longer-term initiative when the crisis is ‘now’ is somewhat beyond us but at least people are starting to articulate what will be necessary.

OUR PROPOSAL

127. The following table is for illustrative purposes ... rather than a definitive recommendation of what the rates would need to be in order for social care to be fixed. It is however designed to not only recruit but retain staff. It does seek to align the pay bands for social care roles with those of NHS staff where they hold similar levels of responsibility. ([Annual pay scales 2021/22 | NHS Employers](#)).

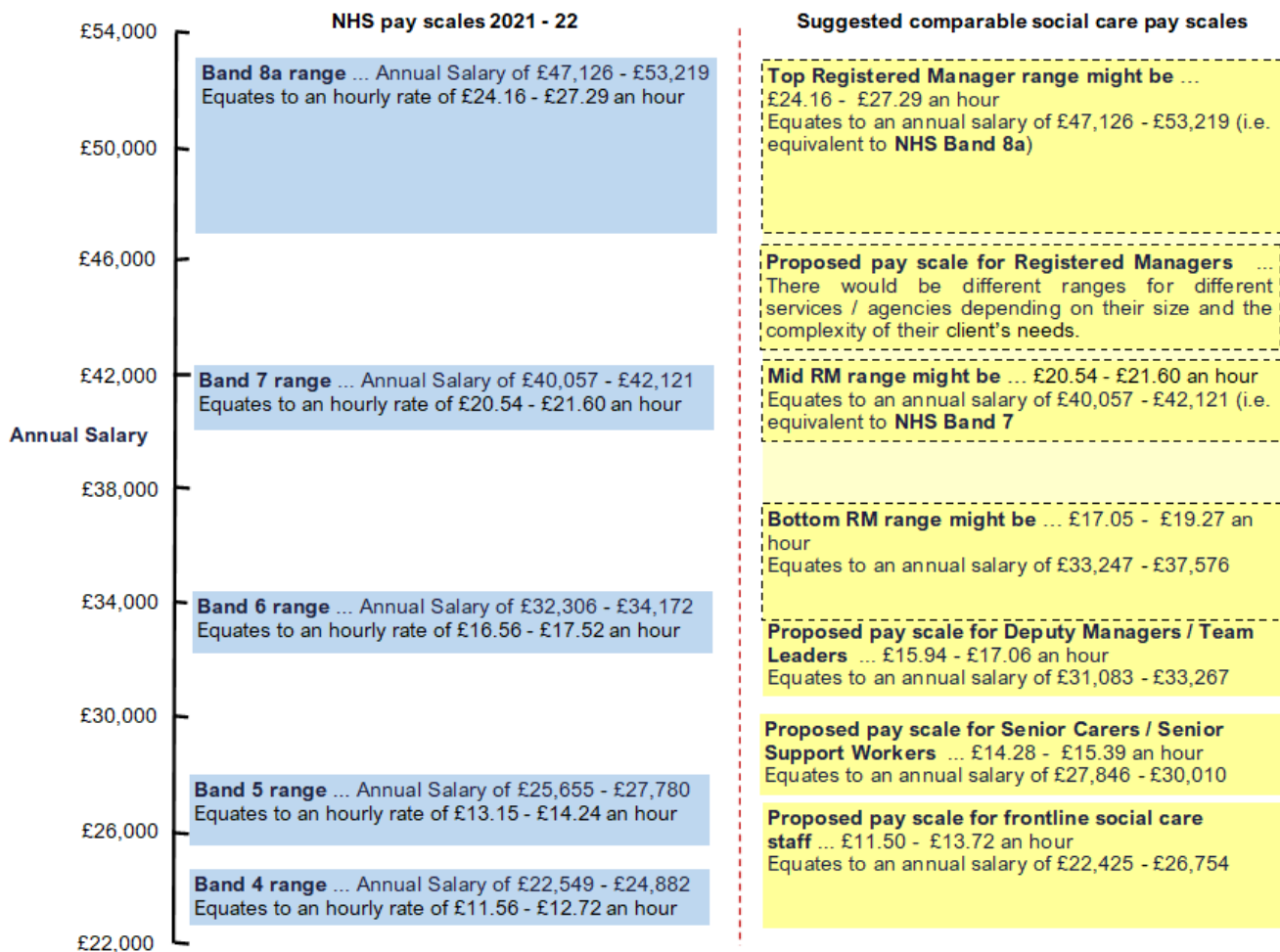
128. The use of a pay scale ... rather than a pay ‘point’ for each role is designed to enable providers to reward staff for things such as length of service, passing qualifications and / or taking on extra responsibilities ... and in doing this, to provide a sensible structure to aid career progression.

129. We believe that a starting hourly rate of £11.50 for front line care and support staff would currently provide an adequate ‘premium’ to recruit staff into social care as long as this was part of a pay bank that adequately rewards staff for their length of service and / or securing relevant qualifications.

130. We would set the mid-scale point for front line staff at £12.61 an hour and the top of scale at £13.72 an hour.

131. We would propose a pay scale range for Senior Carers and Senior Support Workers of £14.28 - £15.39 an hour. This would allow for some proper additional recognition for these more senior staff to reflect the additional responsibilities they take on ... and their length of service and / or additional qualifications they gain in this role. £15.39 an hour is a 'living wage' and so it would be a reasonable place to stop and would serve to retain staff. If people wanted to earn more, they would need further promotion.

132. For the next 'tier' (often Deputy Managers or Team Leaders), we would propose a pay range of £15.94 - £17.06 an hour. This again provides a sensible component to reward career progression and within that length of service and / or additional qualifications.



133. We are suggesting quite a large range for Registered Managers as the reality is that their level of responsibility can vary significantly depending on the size of the service(s) they are the Registered Manager for and the complexity of the needs of the clients using these service(s).

134. If you are Registered Manager for a small service for people with learning disabilities with moderate support needs, then you might not be paid that much more than a Deputy Manager ... although you would have greater scope for your progression to be rewarded.
135. If on the other hand you are the Registered Manager for a large older person's service which specialises in dementia care or a service for people who can present significant challenges, then you would be able to access a higher pay band to reflect this.
136. We believe that the proposed pay bands would actually work ... and could fix social care.
137. We also believe that there should be better sickness packages in place for social care staff along with access to counselling and support services and additional annual leave if they have on call responsibilities and / or they remain with the same employer for an extended period of time.
138. All of this would need to be reviewed on an annual basis with reference to cost of living rises and terms and conditions available in other sectors that might be competing for these staff.

THE HOMECARE ASSOCIATION'S MINIMUM PRICE FOR HOMECARE

139. For many years the UKHCA (now the Homecare Association) have produced a report in which they use the National Minimum Wage at the time to advocate a 'minimum price for Homecare'.
140. For 2022/23 they have calculated it using the following range of hourly rates.

	Wage rate per hour	Minimum price per hour
National Minimum Wage	£9.50	£23.20
Real Living Wage	£9.90	£24.08
Scotland ... Minimum Wage for Care Workers	£10.02	£24.35
NHS Band 3	£11.14	£26.86
Competitive labour market	£12.50	£29.90

([Homecare Association Minimum Price for Homecare 2022-2023](#))

141. Whilst the HCA are calling upon central government to provide local authorities with the funding to enable Care Workers to receive wages equivalent to Band 3 healthcare assistants in the NHS with 2+ years' experience (£11.14 per hour), by their own recognition, this is still below a competitive labour market rate. Anecdotally we are also hearing from Domiciliary Care providers who have been significantly raising their rates in order to recruit and retain staff and are still not able to do so.
142. Working in Social Care is challenging and we are competing with other sectors for staff. If we are not able to pay rates that make it 'worthwhile' working in social care, the sector will not be fixed.
143. The £12.50 an hour that the Homecare Association are citing as a competitive labour market rate is much more in line with the £12.63 an hour advocated by 'Unfair to Care' and which we are taking as the mid-scale point for front line social care staff. This is more equivalent to NHS Band 4 and gives us additional confidence that the pay scales we are proposing would have a realistic chance of 'fixing social care'.

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