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Ideas that change health and care

Social care 360

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This is a PDF version of our online review, 'Social care 360'. For access to the interactive charts and data, please visit:

www.kingsfund.org.uk/social-care360

Summary

The key trends in adult social care in England outlined in this report are:

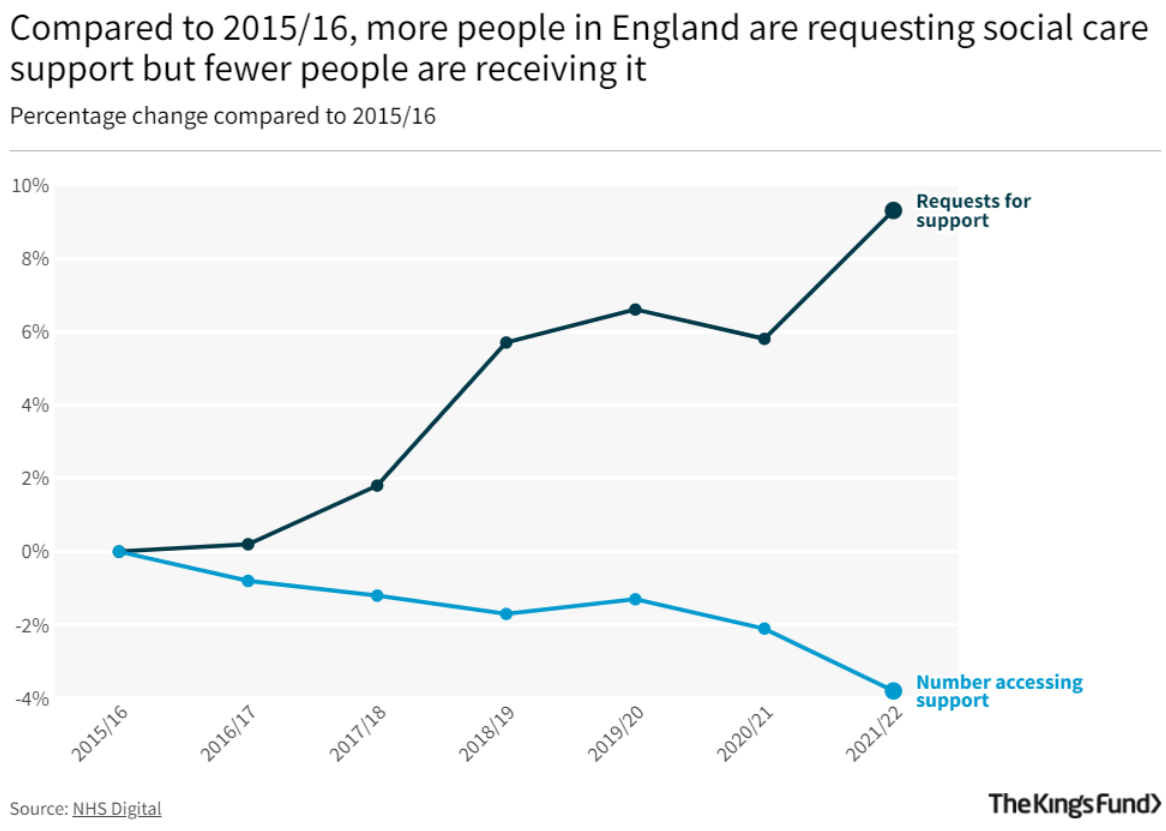
1. **Requests**: More people, particularly working-age adults, are requesting support
2. **Receipt**: The number of people receiving long-term care has fallen again
3. **Eligibility**: Financial eligibility is tighter and reform has been put back
4. **Spending**: Total expenditure has increased due to the Covid-19 pandemic and is now higher than in 2010/11
5. **Costs**: Local authorities are paying more for care home places and home care.
6. **Capacity**: The total number of care home places has declined slightly
7. **Vacancies**: The staff vacancy rate is the highest since records began
8. **Pay**: Care-worker pay continues to rise but struggles to compete with other sectors
9. **Carers**: Fewer unpaid carers now receive paid support and respite care has also fallen
10. **Quality**: Quality is largely stable but fewer ratings were published during Covid-19
11. **Personalisation**: Fewer people receive direct payments
12. **Satisfaction**: Satisfaction of people using services is edging downward

Introduction

Key social care trends in England in 2021/22 showed signs of a return to the situation before Covid-19.

Most importantly, the number of new requests to local authorities for support (indicator 1, requests for support) increased, but the number of people receiving publicly funded care fell (indicator 2, service delivery). This had been the case until 2020/21 but then, due to Covid-19, the number of new requests from older people fell sharply. Requests have now returned to pre-Covid levels.

The most likely reason for this long-term trend of falling receipt of long-term care, despite increasing demand, is the fall in local authority spending power. We explore this further in section 4 (indicator 4, expenditure).



* This chart combines the number of people receiving long-term care services with the number of packages of short-term care support to maximise independence (ST-Max) provided. There may be some overlap between these figures: some people who receive long-term care may also receive ST-Max in a year and some people may receive more than one episode of ST-Max.

There are, however, other noticeable effects of Covid-19 that have not yet stabilised.

The most dramatic effect is in workforce vacancies (indicator 7, vacancies). Before the Covid-19 pandemic, the vacancy rate in adult social care was a reverse mirror of the rate of unemployment in the wider economy. When unemployment was low, social care vacancies were high, and vice versa. Though the trend was in the same direction in 2021/22, social care vacancies increased by far more than the overall unemployment rate declined.

This change explains the current workforce crisis in adult social care.

Another continuing effect is in local authority expenditure on social care (indicator 4, expenditure). The long-term trend was a fall in real-terms spending between 2010/11 and 2014/15, followed by consistently above-inflation increases to 2019/20. Here again the trend remained the same but the increase in spending accelerated sharply in both 2020/21 and 2021/22. However, some local authority expenditure in these years was on support for the social care sector to deal with Covid-19 rather than on individuals' care so the years are not directly comparable.

One other change is the 'dog that did not bark'. In last year's Social care 360 we described the government's announcement of a programme of reform for social care that would have meant more people were eligible for publicly funded social care (indicators 1, requests for support, and 2, service users) as well as introducing a cap on lifetime social care costs.

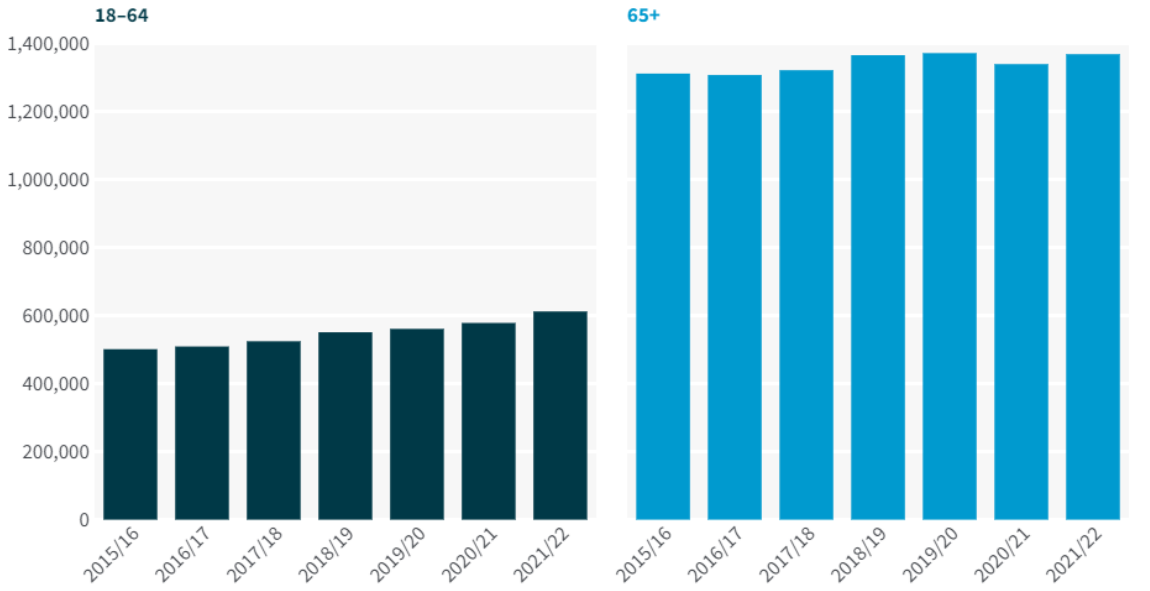
In this year's Social Care 360 we report on the postponement of those reforms.

1 Requests for support

More people, particularly working-age adults, are requesting support

The total number of new requests for social care support in England rose in 2021/22, both for working-age adults and older adults

Total number of requests from new clients, by age group



Source: NHS Digital

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Why is this indicator important?

New requests for support to local authorities are our best available marker of demand for adult social care services.

What was the annual change?

The total number of new requests for support increased from 1.92 million in 2020/21 to 1.98 million in 2021/22. Requests from both older people and – particularly – working-age adults increased. The number of new requests from working-age adults increased 5.8 per cent from 578,000 in 2020/21 to 612,000 in 2021/22. Requests from older people increased 2.2 per dent from 1.34 million in 2020/21 to 1.37 million in 2021/22.

Overall, requests for support were equivalent to 5,420 requests every day of the year. There were 1.5 requests per person, meaning that 1.36 million people asked for help during the year.

What is the longer-term trend?

Requests for support are 9 per cent higher than they were in 2015/16 but there is a significant age difference in the rates of growth. Among working-age adults requests have increased 22 per cent, from 501,000 to 612,000 in 2021/22. Among older people, they have increased 4 per cent, from 1.31 million to 1.37 million. Overall, the increase is 9 per cent, from 1.81 million to 1.98 million. At this rate of growth, requests for support will exceed 2 million for the first time in 2022/23.

The source of requests for support has not changed significantly since 2015/16: around 4 in 5 requests originate from the community and – despite intense government and media focus on this aspect of social care – only 1 in 5 from hospital discharge.

What explains the trends?

2021/22 appears to mark a return to the general trend since 2015/16 of increasing demand for social care services, driven particularly by working-age adults.

This, in turn, is likely to reflect increasing **disability** among working-age adults: 21 per cent of 18–64-year-olds reported disability in 2020/21 compared with 18 per cent in 2015/16 (and 15 per cent in 2010/11). Among older people, prevalence of disability has, if anything, fallen but balancing this has been an increasing number of older people in the population. Additionally, until Covid-19 life expectancy had been increasing and need for social care tends to increase with age.

This longer-term trend of increasing requests was interrupted in 2020/21 with a fall in requests among older people, which is likely to reflect a reluctance to come forward for services during the Covid-19 pandemic.

What has happened in 2022/23?

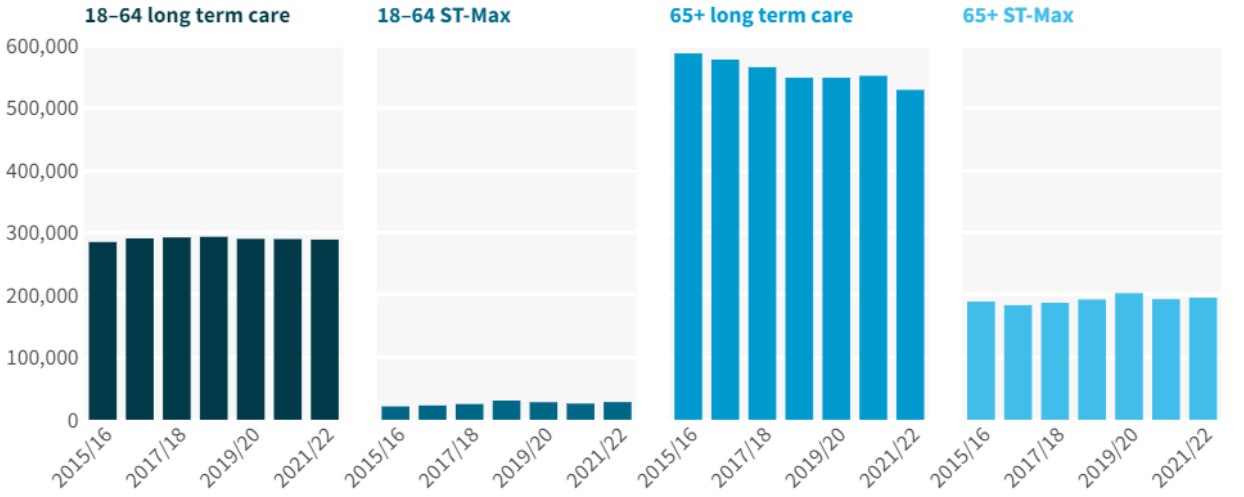
A survey by the **Association of Directors of Adult Social Services** estimated that in August 2022 246,000 people were waiting for assessments of social care needs, an increase from 204,000 in November 2021 (though a fall from 294,000 in April 2022). It is not clear, however, whether this represents an increase in new requests for support or difficulties in clearing a backlog of existing requests, or both.

2 Service delivery

The number of people receiving long-term care has fallen again

In 2021/22 the total number of people in England receiving long-term care fell but the number receiving short-term care rose for both age groups

Number of people receiving an episode of short-term care to maximise independence (ST-Max) or long-term care



Source: NHS Digital
The number of publicly funded ST-Max packages provided and the number of people receiving publicly funded long-term care in year. ST-Max is a subset of short-term care that refers to short-term support to maximise independence, as opposed to other short-term support.

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Why is this indicator important?

Receipt of long- and short-term care are the key measures available to assess the extent to which demand for social care (see indicator 1, requests for support) is being met.

What was the annual change?

The number of people receiving long-term care fell from 841,000 in 2020/21 to 818,000 in 2021/22. This decrease was made up of a very small fall in the number of 18–64-year-olds receiving long-term care, from 290,000 to 289,000, and a much larger fall in the number of older people receiving long-term care, from 552,000 to 529,000.

In short-term care to maximise independence (ST-Max), there was an overall small increase from 219,000 to 224,000, split fairly evenly between older people and working-age adults.

What is the long-term trend?

Since 2015/16, there has been a small increase in the number of working-age adults receiving long-term care, from 285,000 to 289,000 (1.4 per cent) but a much larger fall in the number of older people receiving long-term care – down from 587,000 to 529,000 (10 per cent). Overall, 818,000 people received long-term care in 2021/22 compared to 873,000 in 2015/16.

When increases in population size is taken into account, the fall is even starker. In 2015/16, slightly more than 6 per cent of people aged over 65 were receiving long-term care but by 2021/22 this had fallen to slightly more than 5 per cent. The percentage of the working-age population receiving long-term care was largely unchanged at around 0.8 per cent in both years.

With ST-Max, there has been an increase in new provision for both working-age adults up from 21,000 to 28,000 (32 per cent) since 2015/16, and older people, up from 190,000 to 196,000 (3.2 per cent). When population size is taken into account, this represents an increase in provision for working-age adults but a decrease in provision for older people.

What explains this?

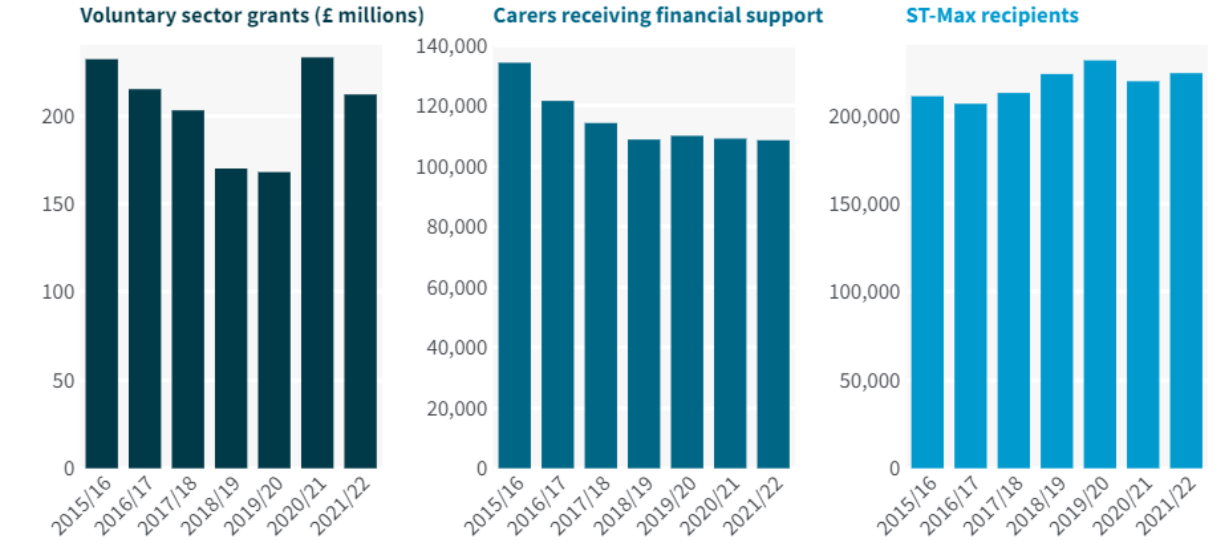
Local authorities say that the reduction in the number of people in long-term care in 2021/22 was in part due to the impact of the Covid-19 pandemic, which has led to a reduction in service availability and capacity, in turn due to staff shortages (see indicator 7, vacancies). The year 2021/22 also began with 14,000 fewer people in long-term care at the end of 2020/21 compared to the previous year. This was in part due to a Covid-related increase in **deaths**.

These year-on-year changes are likely to have compounded a longer-term trend for older people, which has seen the number of people receiving long-term care fall from 587,000 in 2015/16 to 529,000 in 2021/22. We have previously explained this trend as being largely due to local authority financial pressures. Government **funding for local authorities** fell by 55 per cent between 2010/11 and 2019/20, resulting in a 29 per cent real-terms reduction in spending power. This, in effect, has led local authorities to 'ration' social care to those in the greatest need. In October 2022, the **Local Government and Social Care Ombudsman** said it was seeing 'more cases where councils are failing to provide care, or are limiting care, while using cost as the justification'. It ascribed this to 'under-resourced system unable to consistently meet the needs of those it is designed to serve'.

A further possible explanation is an increasing uptake by local authorities of '**strengths-based**' and/or enabling approaches, which seek to focus on support that might be available from an individual's wider support network and community, rather than through the provision of formal long-term care and support. However, it is noticeable that there has been no significant change in indicators that might suggest such an approach has been taken, such as support for carers (which has fallen since 2015/16), investment by local authorities in the voluntary sector (which has also fallen) and use of short-term care to maximise independence (ST-Max) (which has seen relatively modest increases in packages provided).

Since 2015/16, voluntary sector grants and carers receiving financial support have both fallen, while short-term support to maximise independence has increased slightly

Voluntary sector grants adjusted to 2021/22 prices



Source: NHS Digital
Inflation calculated using September 2022 GDP deflators from HM Treasury. The GDP deflator in 2020/21 was heavily affected by the impact of Covid-19 on the economy.

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What has happened in 2022/23?

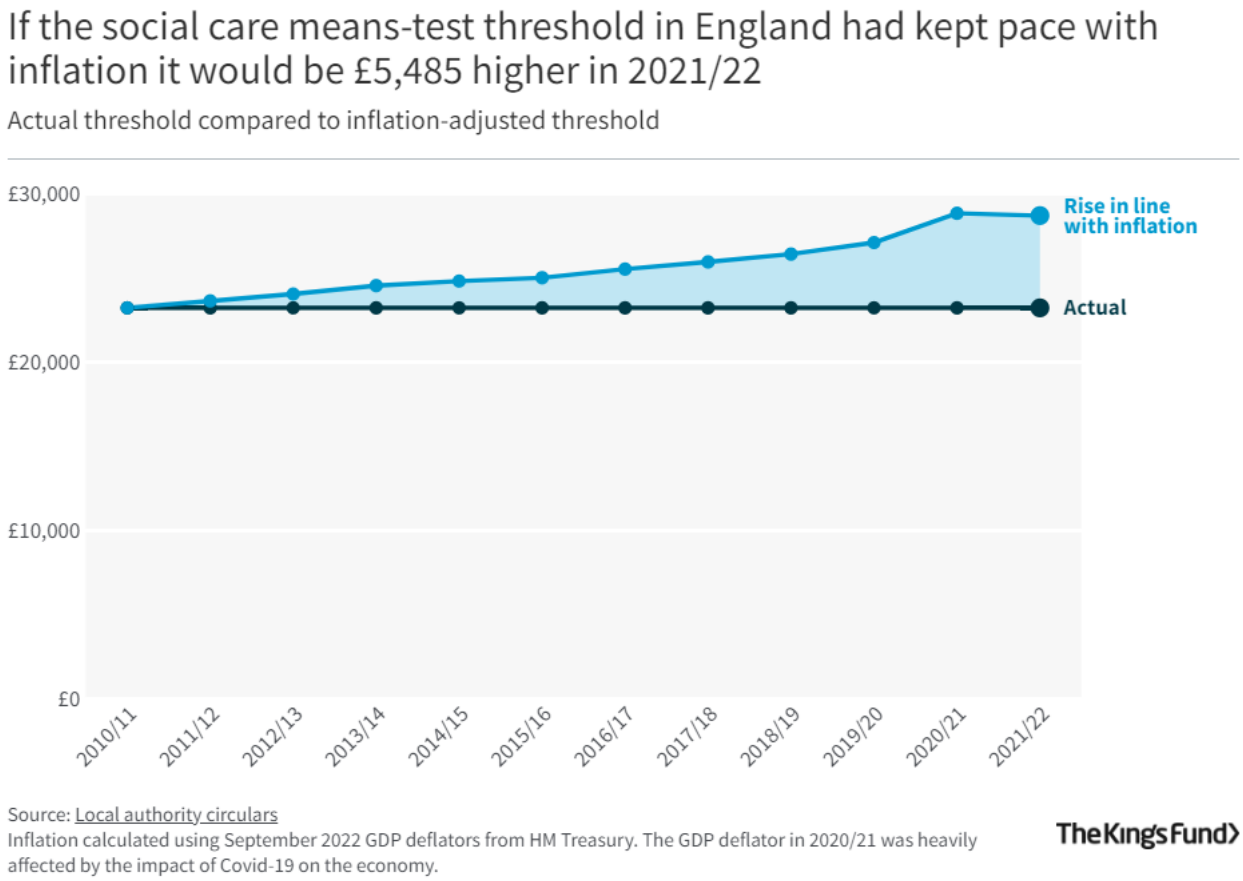
In November 2022, the **Association of Directors of Adult Social Services** reported that more than 9 in 10 adult social services directors in England did not believe there was the 'funding' or 'workforce' to meet care needs of older and disabled people in their area.

In the 2022 Autumn Statement, the government announced a funding package for adult social care of up to £7.5 billion in 2023/24 and 2024/25. The Chancellor said this would allow delivery **of an extra 200,000** social care packages, albeit providing no details on how this number was calculated.

However, as part of the Autumn Statement, the government also announced it was postponing reforms that would have seen more people become eligible to receive publicly funded social care from November 2023 onwards.

3 Financial eligibility

Financial eligibility is tighter and reform has been put back



Why is this indicator important?

Unlike the NHS, social care operates a financial assessment (a 'means test') to decide who is eligible for publicly funded care. The levels of this are set nationally and announced each year. The 'upper threshold' decides the level of savings and other assets people can have and still qualify to receive publicly funded care. The lower that figure is, the fewer the people who qualify.

What was the annual change?

The upper threshold remained at £23,250 in 2021/22.

What is the longer-term trend?

The upper threshold has not changed since 2010/11. If it had increased in line with inflation, in 2021/22 it would have been £5,485 higher at £28,735, so more people would qualify for support.

What explains this?

By not increasing the threshold in line with inflation, successive governments have made the means test even meaner: it has become harder for people to get publicly funded social care, reducing its cost to the taxpayer. Another key measure, the Minimum Income Guarantee, which defines the lowest amount of income an individual needing care at home must be left with after care charges, has also not increased in line with inflation. This effectively means that adults with disabilities can be charged more for care at home.

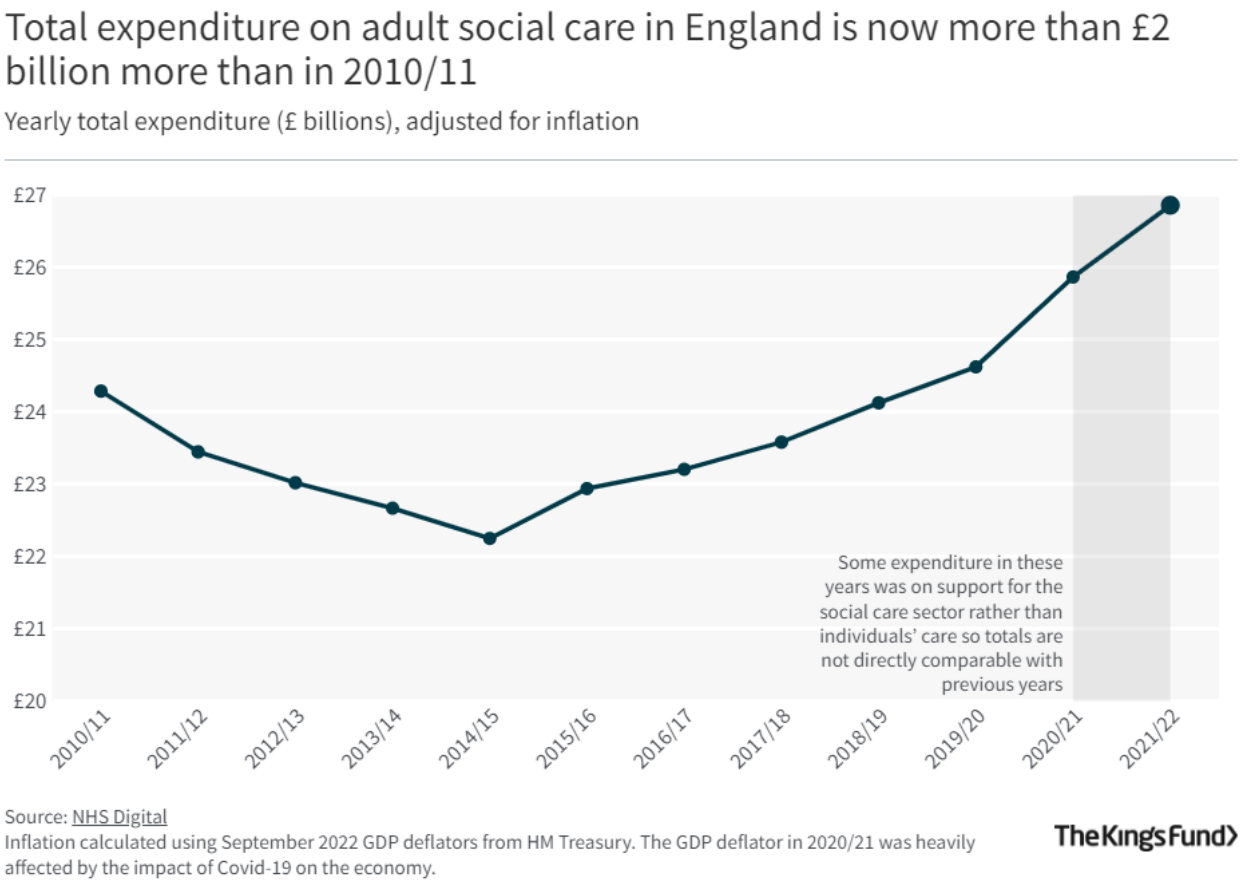
What has happened in 2022/23?

The upper threshold remained at the same level for 2022/23 and will be the same in 2023/24. In October 2023, as part of wider reforms of adult social care, which were to include the introduction of an £86,000 cap on care costs, the upper threshold was due to rise to £100,000 and the lower threshold was due to rise to £20,000. However, in November 2022, the government announced that these charging reforms would be delayed until October 2025.

However, from April 2022, the Minimum Income Guarantee rose. This was in line with government projections of inflation at the time, though has subsequently proved to be an under-estimate.

4 Expenditure

Total expenditure has increased due to the Covid-19 pandemic and is now higher than in 2010/11



Why is this indicator important?

Though total expenditure is not a perfect proxy for the amount and quality of care arranged by local authorities, currently it is the best overall indicator available. Total expenditure includes spending on social care resulting from NHS income whereas gross current expenditure, which is also used in this report, excludes this spending.

What was the annual change?

Total expenditure on adult social care rose in 2021/22 to £26.9 billion, an increase of 3.3 per cent in cash terms and 3.8 per cent in real terms over 2020/21.

Deflator

We use the GDP deflator to convert spending from cash terms to real terms (ie, taking into account the effects of inflation). The GDP deflator is a measure of general, whole-economy-wide inflation in the domestic economy, and is used by government bodies – including NHS Digital, on whose data much of Social care 360 is based – to adjust for inflation in measures of public spending. Due to higher inflation in 2020/21 because of Covid-19, unusually, in 2021/22 the GDP deflator records a small **negative** inflation compared to 2020/21 – that is, there was deflation rather than inflation. As a result, cash increases are **lower** than increases in real terms.

What is the long-term trend?

Total expenditure in 2021/22 was £2.6 billion more in real terms than in 2010/11. However, as a result of Covid-19, some expenditure in 2020/21 and 2021/22 was on support for the social care sector rather than individuals' care and so totals are not comparable with previous years.

What was the money spent on?

Local authorities spent approximately the same amount of money* – £8.3 billion – on long-term support for both working-age adults and older people in 2021/22. However, the pattern of spending was very different.

For 18–64-year-olds, most money was spent on community-based support: supported living (£2.2 billion), direct payments (£1.4 billion) and home care (£0.9 billion), though £2.3 billion was also spent on residential care homes. Local authorities also spent £190 million on short-term support for working-age adults.

For older people, most money was spent on care homes – either nursing homes (£1.7 billion) or residential homes (£3.4 billion), though £1.9 billion was also spent on home care. Local authorities also spent £578 million on short-term support for older people.

In terms of reasons for support, the two largest blocks of expenditure were on learning disability support for working-age adults (£5.7 billion) and physical support for older people (£5.3 billion). Other major areas are support with memory and cognition for older people (£1.5 billion), physical support for working-age adults (£1.5 billion), mental health support for working-age adults (£0.9 billion) and mental health support for older people (£0.6 billion).

Local authorities spent a further £1.9 billion on social work-related activities such as assessment and safeguarding, and £2.0 billion on commissioning and service delivery. In 2019/20, local authorities had spent only £1.1 billion on commissioning and service delivery; the increase in initially 2020/21 (£2.3 billion) and then 2021/22 reflects increased grant-funded support to social care providers due to Covid-19

*These figures are gross current expenditure (total £22.0 billion), so do not include spending that results from NHS income or income from fees and charges.

	Nursing	Residential	Supported accommodation	Direct Payments	Home care	Supported Living	Other long-term community care	Total
18–64	£0.3 billion	£2.3 billion	£0.5 billion	£1.4 billion	£0.9 billion	£2.2 billion	£0.7 billion	£8.3 billion
65+	£1.7 billion	£3.4 billion	£0.1 billion	£0.5 billion	£1.9 billion	£0.4 billion	£0.2 billion	£8.3 billion

For both older people and working-age adults, there has been a shift towards community-based expenditure and away from residential expenditure. These trends pre-date but may have been accelerated by the Covid-19 pandemic.

However, the increase in community-based expenditure may reflect an increase in costs rather than in activity. In 2021/22, 22,000 fewer people received community-based support compared to 2015/16. However, the unit cost of home care (the only aspect of community activities for which we have a unit costs) increased by 13.8 per cent in real terms between 2015/16 and 2021/22.

The share of spending on residential care has fallen since 2015/16 and community care has increased

Change in percentage of expenditure on long-term care by support setting between 2015/16 and 2021/22, adjusted to 2021/22 prices

Source: NHS Digital
Inflation calculated using September 2022 GDP deflators from HM Treasury. The GDP deflator in 2020/21 was heavily affected by the impact of Covid-19 on the economy.

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What explains this?

The increase in expenditure in 2021/22 is a result of continuing measures to cope with the consequences of the Covid-19 pandemic. Local authorities received £3 billion in additional grants from central government to support their

local care markets, which were facing extra costs particularly for staffing. Much of this extra spending involved support for providers of services rather than direct expenditure by local authorities on people in need of care.

The expenditure increase also reflects higher fees from care providers (see indicator 5, unit costs). The price of residential and nursing care for working-age adults has increased 7 per cent in real terms since 2015/16 and that for older people has increased 21 per cent. The price of home care has increased 13.8 per cent since 2015/16. These increases are in part driven by increases in staffing costs (see indicator 8, pay). All these trends pre-date the Covid-19 pandemic.

The increase in expenditure also reflects a continuation of increased income from the NHS, which – until 31 March 2022 – took over responsibility for paying for the first 4–6 weeks of social care after people were discharged from hospital. This was to ensure that people were able to leave hospital – and therefore free up beds – as quickly as possible during the pandemic.

What has happened in 2022/23?

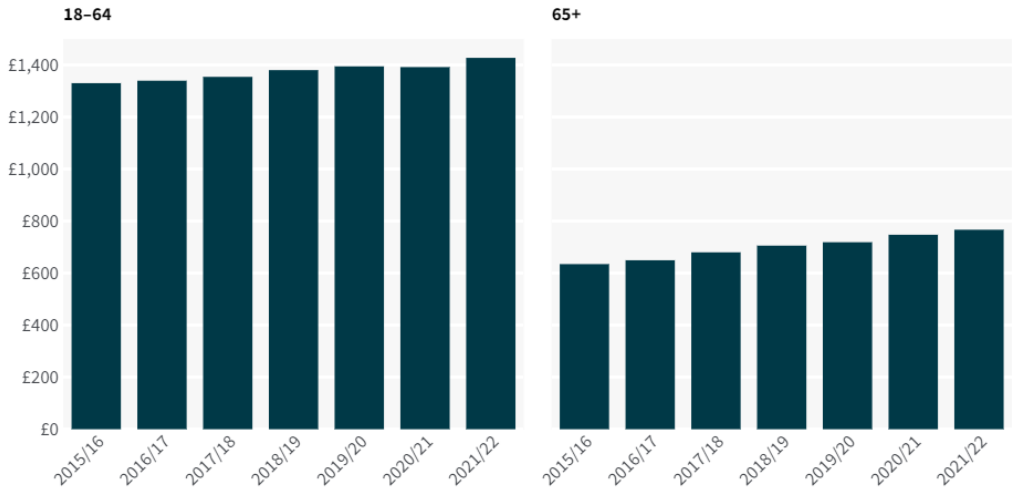
In the 2022 Autumn Statement, the government announced a funding package for adult social care of up to £7.5 billion in 2023/24 and 24/25. The next section has further details on this funding.

5 Unit costs

Local authorities are paying more for care home places and home care.

Once adjusted for inflation, the average weekly cost of residential and nursing care in England rose for working-age and older adults

Average weekly cost of residential and nursing care. Costs adjusted to 2021/22 prices



Source: NHS Digital
Inflation calculated using September 2022 GDP deflators from HM Treasury. The GDP deflator in 2020/21 was heavily affected by the impact of Covid-19 on the economy.

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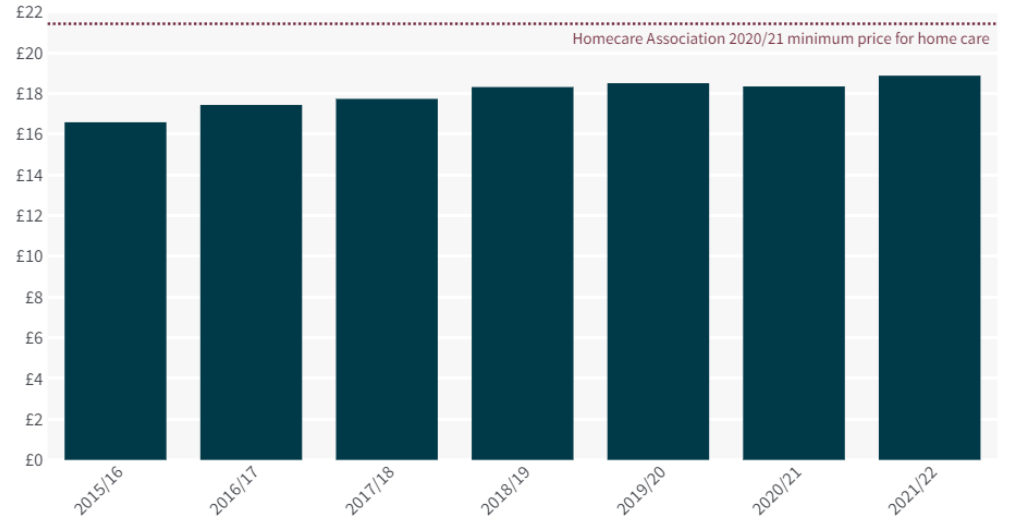
Once adjusted for inflation the hourly rate for home care rose in 2021/22

Average hourly rate for externally provided home care, adjusted to 2021/22 prices



Source: NHS Digital
Inflation calculated using September 2022 GDP deflators from HM Treasury. The GDP deflator in 2020/21 was heavily affected by the impact of Covid-19 on the economy.

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Why is this indicator important?

Local authorities do not usually directly provide services such as home care and care homes; instead they commission them from third-party providers, most of which are for-profit. Providers need fee levels to be sustainable to ensure they can provide good-quality services, attract and retain a workforce and, ultimately, continue to operate services.

What was the annual change?

In real terms,* the average weekly fee paid by local authorities in England for care homes places for working-age adults rose by 2.5 per cent, to £1,428 in 2021/22. The average weekly fee for older people's care home places increased 2.6 per cent to £767. The average hourly rate for externally commissioned home care rose 2.9 per cent to £18.88.

Deflator

We use the GDP deflator to convert spending from cash terms to real terms (ie, taking into account the effects of inflation). The GDP deflator is a measure of general, whole-economy-wide inflation in the domestic economy, and is used by government bodies – including NHS Digital, on whose data much of Social care 360 is based – to adjust for inflation in measures of public spending. Due to higher inflation in 2020/21 because of Covid-19, unusually, in 2021/22 the GDP deflator records a small **negative** inflation compared to 2020/21 – that is, there was deflation rather than inflation. As a result, cash increases are **lower** than increases in real terms.

What is the long-term trend?

In real terms, since 2015/16 the average weekly fee for working-age adults has increased by 7.3 per cent, the average weekly fee paid for older people has increased by 21 per cent and the average hourly rate for home care has increased by 13.8 per cent.

What explains this?

The above-inflation increases in care home and home care fees in 2021/22 represents a return to the trend since 2015/16 of local authorities increasing fees in order to stabilise the provider market and more accurately reflect the cost of providing care. This follows a blip in 2020/21 in which working-age adult care home fees and home care fees fell in real terms, albeit this was in part a result of the measure of inflation used in 2020/21 and they did increase in cash terms.

The increases in fees may also reflect Covid-19-related grant support from government to social care providers through local authorities.

Nonetheless, despite this support, there remain serious concerns that rates paid remain too low to be sustainable. In March 2021, the **National Audit Office** reported a Department of Health and Social Care assessment that most local authorities paid below the sustainable rate for care home placements for adults aged over 65 and below the sustainable rate for home care. It also noted estimates that self-funders pay around 40 per cent more for their care in care homes and around £3 more per hour for home care than publicly funded clients. The rates paid by local authorities for home care remain below the **Homecare Association's** minimum price of £21.43 for 2021/22.

The government recognised this problem in September 2021 when, as part of planned charging reforms, it set aside £1.4 billion to help local authorities move towards paying a 'fair cost of care' to providers. However, funding for this was subsequently subsumed into a wider package of support for local authorities announced at the Autumn Statement in November 2022 (see below).

The **Care Quality Commission** said that care home profits in March 2022 were at their lowest level since it began its market oversight regime in 2015 and home care profits had also fallen.

Providers faced significant cost pressures, particularly from wages, during 2021/22. In April 2021, the main rate of the National Living Wage increased by 1.7 per cent in real terms. Covid-19 also brought increasing costs in sick pay and for personal protective equipment, while increasing staff vacancies have left providers relying more on expensive agency-staff costs.

What has happened in 2022/23?

In October 2022, the **Association of Directors of Adult Social Care Services** said that most councils continued to report providers handing back contracts, closing or ceasing trading. 94 per cent of councils thought that funding was not sufficient to meet provider costs over the winter.

In the **Autumn Statement** in November 2022, the government announced a funding package for adult social care of up to £7.5 billion.* The total is made up of £1.6 billion of new funding via the Better Care Fund (shared between local authorities and the NHS) to get people out of hospital and into care settings; a £1.1 billion grant ringfenced for adult social care, which is also intended to support discharge; £3.2 billion of funding as a grant for adult and children's social care, transferred from the intended funding for charging reform, which has been postponed until October 2025; and up to £1.7 billion of revenue-raising powers for local authorities through increased flexibility for local authorities on Council Tax.

*Totals in fact add up to £7.55 billion, as set out in table above

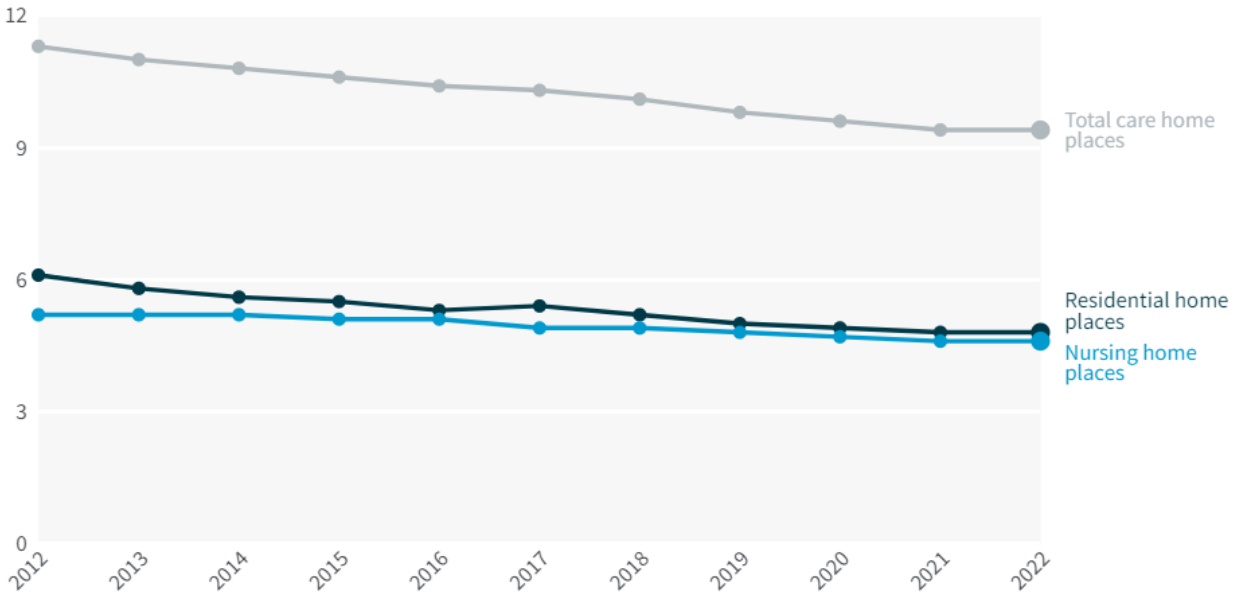
	2023/24	2024/25	Total
Better Care Fund (shared between local authorities and the NHS)	£600 million	£1 billion	£1.6 billion
Adult social care grant (also intended to support discharge)	£400 million	£680 milion	£1.08 billion
Adult and children's social care grant (transferred from the intended funding for charging reform)	£1.27 billion	£1.88 billion	£3.15 billion
Revenue-raising powers for local authorities through increased council tax flexibility	£550 million	£1.17 billion	£1.72 billion
Total funding package	**£2.82 billion**	**£4.73 billion**	**£7.55 billion**

6 Care home places

The total number of care home places has declined slightly

Since 2012 there has been a consistent fall in the number of nursing and residential home places in England compared to the size of the older population

Places per 100 people aged 75+



Source: Public Health England

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Why is this indicator important?

The number of places* in residential and nursing homes (collectively called 'care homes') is an important measure of social care capacity and usage. However, it is only a partial measure because social care support is far wider than care homes: much care is provided at home, for example, but there is no publicly available measures of home care capacity. In addition, the data captures the number of places, but not whether they are occupied, and occupancy levels have fallen in the wake of the Covid-19 pandemic.

What was the annual change?

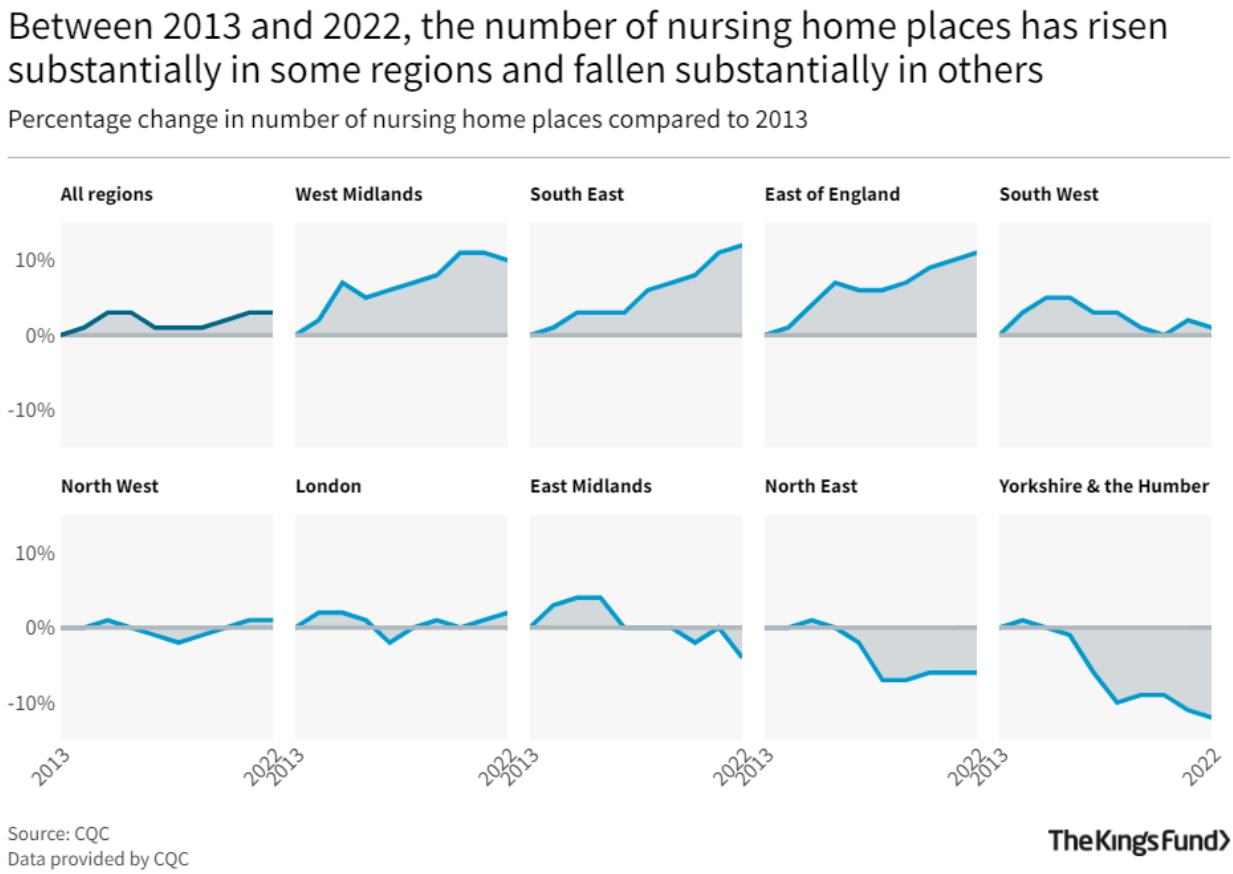
There was a fall in the number of residential and nursing home places during 2021/22, down by 1,785 and 589 places respectively. However, the older population also fell so the number of places per 100 people over 75 in the population remained steady at 9.4.

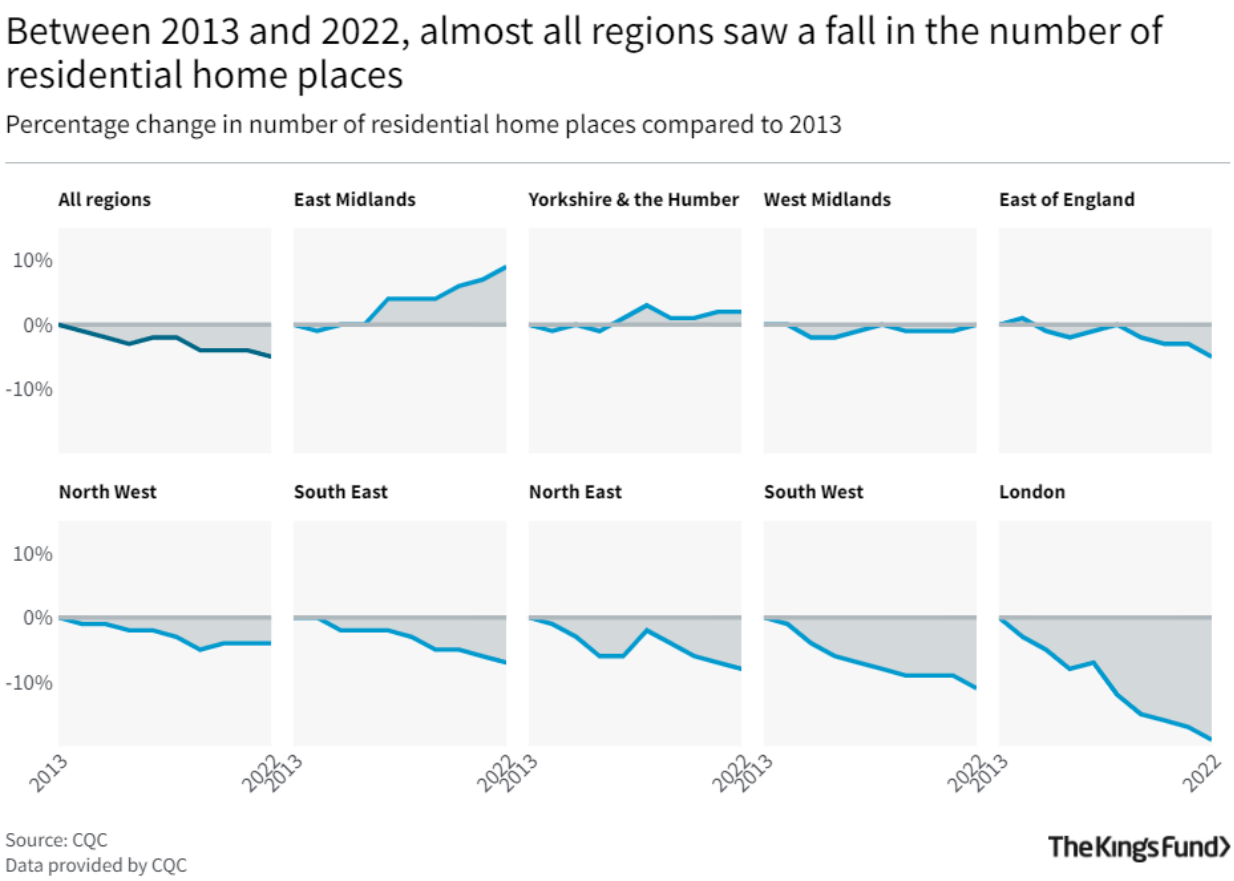
What is the longer-term trend?

Over the past decade, there has been **slight fall** in the total number of care home places, made up of a 15,000 decline in residential home places, offset by a 9,000 increase in nursing home places.

The trend is more obvious when population size is taken into account. In 2012, there were 6.1 residential home places and 5.2 nursing home places for every 100 people aged over 75, but by 2022 this had fallen to 4.8 and 4.6 respectively.

However, there is a great deal of variation within regions and between sectors, with the South East seeing a 12 per cent increase in overall nursing home places since 2013, the East of England 11 per cent and the West Midlands a 10 per cent increase but Yorkshire and the Humber seeing a fall of 12 per cent. Similarly, London has seen a fall of 19 per cent in residential home places and the South West 11 per cent, while the East Midlands has seen a 9 per cent increase.





What explains this?

Any explanation is hampered by a lack of data about people who fund their own care home places; most of this section is based on available data about people who are publicly funded.

An overall fall in the number of people using care homes is consistent with the **broad policy direction** of supporting people at home. It is also consistent with a people's **frequently stated preference** to remain independent in their own homes.

Covid-19 may have accelerated this trend because the high number of deaths in care homes, and the limitations on visiting, meant some people were r**eluctant to move to or use care homes**.

In 2019/20, 584 per 100,000 population had their publicly funded long-term care needs met by admission to a care home but in 2020/21 – at the peak of the Covid-19 crisis – that fell by 15 per cent to 498 per 100,000 population. In 2021/22, this had increased to 538.5.

However, it is not clear that long-term social care support for people in their own homes has increased as this policy would intend. In 2021/22, 574,000 people were receiving publicly funded community-based long-term support (outside prisons) compared to 597,000 in 2015/16.

The shift away from residential care to nursing care might suggest that those people who do enter care homes have higher needs. However, the growth in nursing care is surprising given that the number of registered nurses working in social care **fell sharply** from 51,000 in 2012/13 to 32,000 in 2021/22.

The regional variation in care and nursing home places is at least in part explained by the market for care. Self-funders of care typically pay around 40 per cent more for their places than council-funded residents so it is no surprise that there are more care homes places in areas with **higher numbers of self-funders**.

What has happened in 2022/23?

In December 2021, the government announced that £1.4 billion **would be available** to local authorities over three years to reduce or eliminate the self-funder subsidy through introduction of a 'fair price of care'. Elements of these reforms began to be implemented in 2022/23, though wider charging reforms were postponed until October 2025.

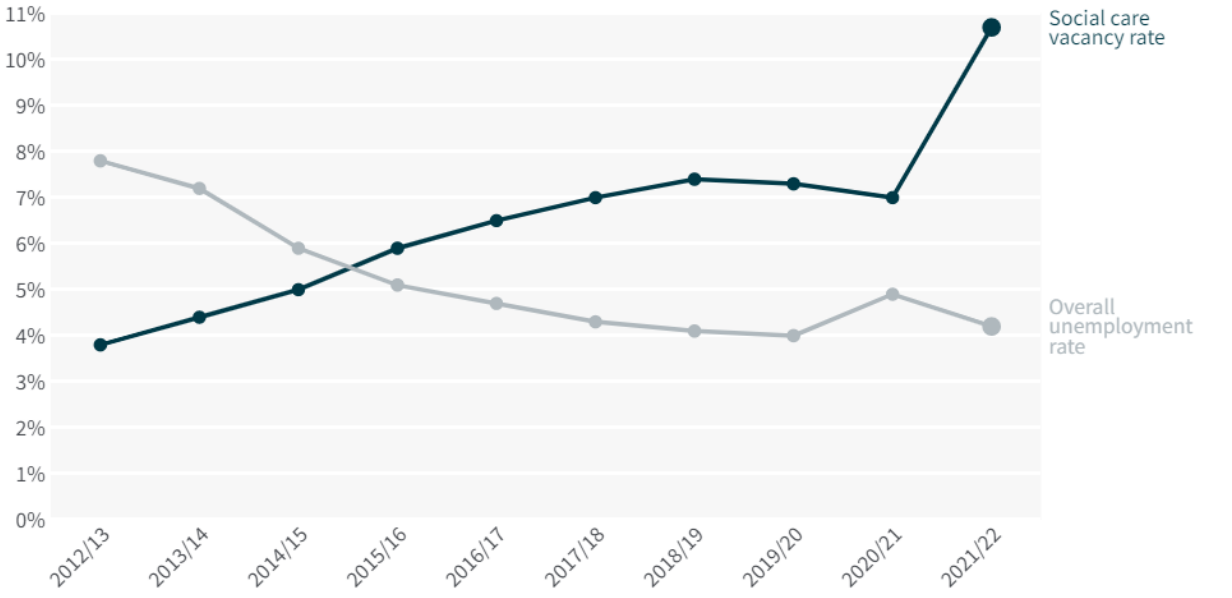
*We use the term 'places' in preference to 'beds'.

7 Vacancies

The staff vacancy rate is the highest since records began

Over the past year the overall unemployment rate fell, while the social care vacancy rate in England rose

Percentage of the population that are unemployed, and percentage of social care posts that are unfilled



Source: Skills for Care
Reproduced from Skills for Care analysis. Social care vacancy data are for the independent and local authority sectors only.

The King's Fund

Why is this important?

The vacancy rate is an important indicator of providers' capacity to deliver social care services. Staffing also affects quality: higher staff-to-bed ratios in care homes correlate with higher Care Quality Commission ratings. In an open jobs market, it is also an indicator of the relative attractiveness of social care as a career compared to other sectors.

What was the annual change?

Between 2020/21 and 2021/22, the vacancy rate rose sharply from 7.0 per cent to 10.7 per cent and the number of vacancies rose from 110,000 to 165,000. The gap between the vacancy rate in social care and that in the wider economy has grown to 4.3 per cent.

The vacancy rate was lowest in Yorkshire and the Humber, and the North East (8.7 per cent) and highest in London (13.2 per cent).

There was variation between roles, with higher vacancies in domiciliary care (13 per cent) than in residential care (8.6 per cent), and higher vacancies for registered managers (13 per cent) and registered nurses (15 per cet) than for care workers (12 per cent) and senior care workers (7.1 per cent). The vacancy rate for personal assistants is also high at 13 per cent.

What is the long-term trend?

At 10.7per cent, the vacancy rate in adult social care is the highest it has been since Skills for Care began collecting data in 2012/13.

What explains that trend?

Pay is a significant factor in recruitment. While pay for care workers has increased in real terms year on year since 2014 (**see indicator 8** pay), the rate of increase has failed to keep pace with some other sectors. As a result, **people can now earn more working in supermarkets** than as care workers.

The vacancy rate in social care remains much higher than the overall unemployment rate and it appears that as unemployment falls, social care vacancies rise. This suggests that, for many people, other work is more attractive than social care. Vacancy rates in adult social care are higher than in the NHS (7.9 per cent) and much higher than in other areas of the economy such as retail (3.6 per cent), education (2.7 per cent) and manufacturing (3.9 per cent). The gap between social care and the overall vacancy rate in the economy also appears to be growing. There are also around **500,000 more economically inactive people** due to sickness than in 2019.

However, pay is not the only factor in recruitment. Employees also value good working conditions, especially flexibility.

A further factor that may help explain the increased vacancy rate in social care, particularly in comparison to other sectors, is the introduction of a requirement for care home staff to be vaccinated against Covid-19 in November 2021. Though this requirement was withdrawn in March 2022, the government's **impact assessment** estimated that around 40,000 staff might leave their roles as a consequence of it. A **Department of Health and Social Care survey** of care providers found that staff not wishing to be vaccinated was thought to be the second biggest reason for them leaving posts in care homes. Unusually, the number of filled posts in social care **fell by 50,000** (3 per cent) between 2020/21 and 2021/22, though there is no evidence as to what proportion of people leaving adult social care did so as a result of the policy.

What has happened in 2022/23?

In February 2022, following recommendations from the Migration Advisory Committee, the government **made it easier for overseas social care staff to work in the UK**.

Monthly tracking data from Skills for Care, while not comprehensive, suggests that the vacancy rate in adult social care has increased since April 2022 (though may have peaked around October 2022) and in December 2022 stood at 10.8 per cent.

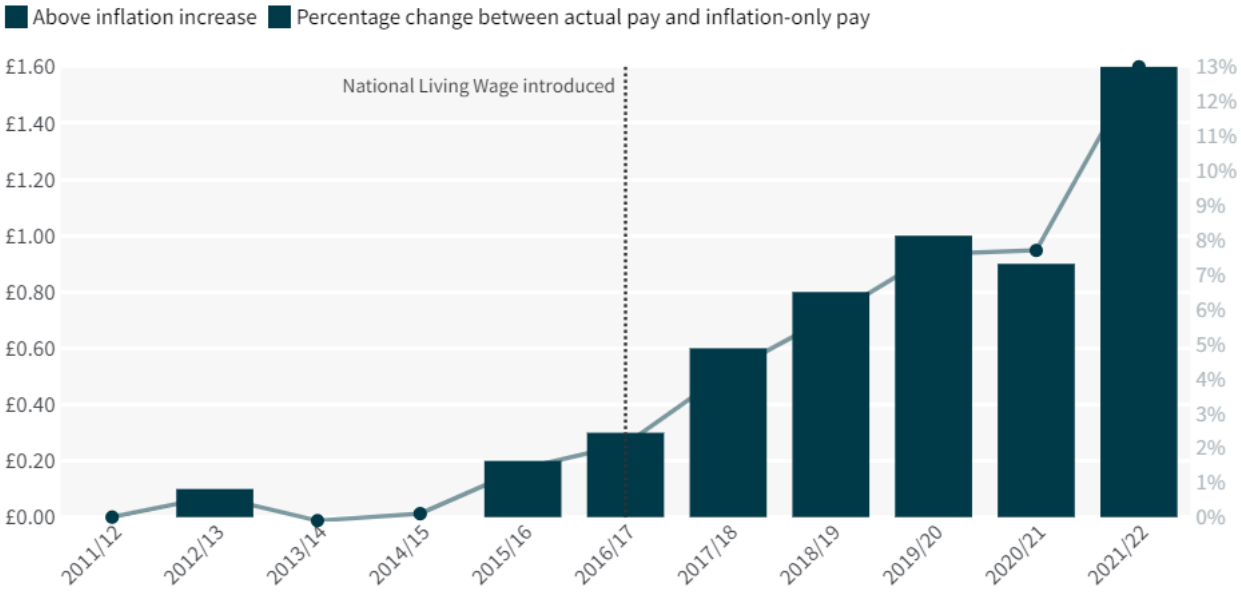
The vacancy rate was worst for home care (13.4 per cent). The latest data is **here.**

8 Pay

Care-worker pay continues to rise but struggles to compete with other sectors

Care-worker pay in England has consistently increased by more than inflation since the introduction of the National Living Wage

Difference between actual median pay, and 2011/12 median pay adjusted for inflation each year



Source: Skills for Care
Inflation calculated using September 2022 GDP deflators from HM Treasury. The GDP deflator in 2020/21 was heavily affected by the impact of Covid-19 on the economy.

The King's Fund

Why is this an important indicator?

Care workers make up around 860,000 of the 1.62 million jobs in the social care sector (other jobs include managers, ancillary and admin staff, jobs for direct payment recipients, nurses and social workers). Pay in the independent sector, which employs the great majority of staff, is a key factor in the sector's ability to recruit enough staff to meet demand. It also makes up a large proportion of provider costs. Level of pay also correlates with Care Quality Commission quality ratings.

What was the annual change?

Average* care-worker pay in the independent sector in 2021/22 was £9.66 an hour, an increase of 3.5 per cent in real terms since 2020/21.

Support and outreach workers were slightly better paid than care workers: £9.89 in the independent sector. Senior care workers earned £10.41 an hour. By comparison, a registered manager received £17.32 and a registered nurse £18.23.

Care workers employed by local authorities on average earned £11.03 an hour in 2021/22.

What is the long-term trend?

Since 2012, care-worker pay has increased by 16 per cent in real terms.

However, pay in other sectors has been increasing more quickly. In 2012/13, care workers were paid more than retail sales assistants but by 2019/20 they had been overtaken. Many care workers would be paid more in entry-level posts in supermarkets.

What explains that trend?

Care-worker pay has grown since 2015/16, driven by the introduction of the National Living Wage, which has risen faster than inflation. However, other sectors have proven more able to renumerate their lower-paid staff than social care.

While care-worker pay has increased, there has been a negative effect on the pay progression of more experienced care workers. Those with several years' experience on average earn just **7p more an hour than those with less than one year's experience**, down from 29p more an hour in 2012.

Uncompetitive levels of pay also have an impact on staff turnover (though **are by no means the only factor**). More than one-third of careworkers (36.1 per cent) leave their job during the course of the year, equivalent to more than 300,000 people. Most stay within social care, however. Turnover rates fell in 2020/21 , but crept back up again in 2021/22.

What has happened since?

As of end February 2023, the government had not yet announced plans for spending £500 million of funding for workforce development and training, announced as part of its **social care White Paper** in December 2021.

In its Autumn Statement in November 2022, the government made available £7.5 billion funding for adult social care over two years, though none of this money was specifically aimed at increasing pay for social care staff.

In December 2022, the Migration Advisory Committee (MAC), which had identified low pay in the sector as critical to its recruitment problems, **said**: 'Despite calls from the Health and Social Care Select Committee, the Public Accounts Committee, the NHS Confederation, Care England and numerous other

organisations alongside the MAC, the Government appears to have no ambitions to raise pay in a material and properly funded way.'

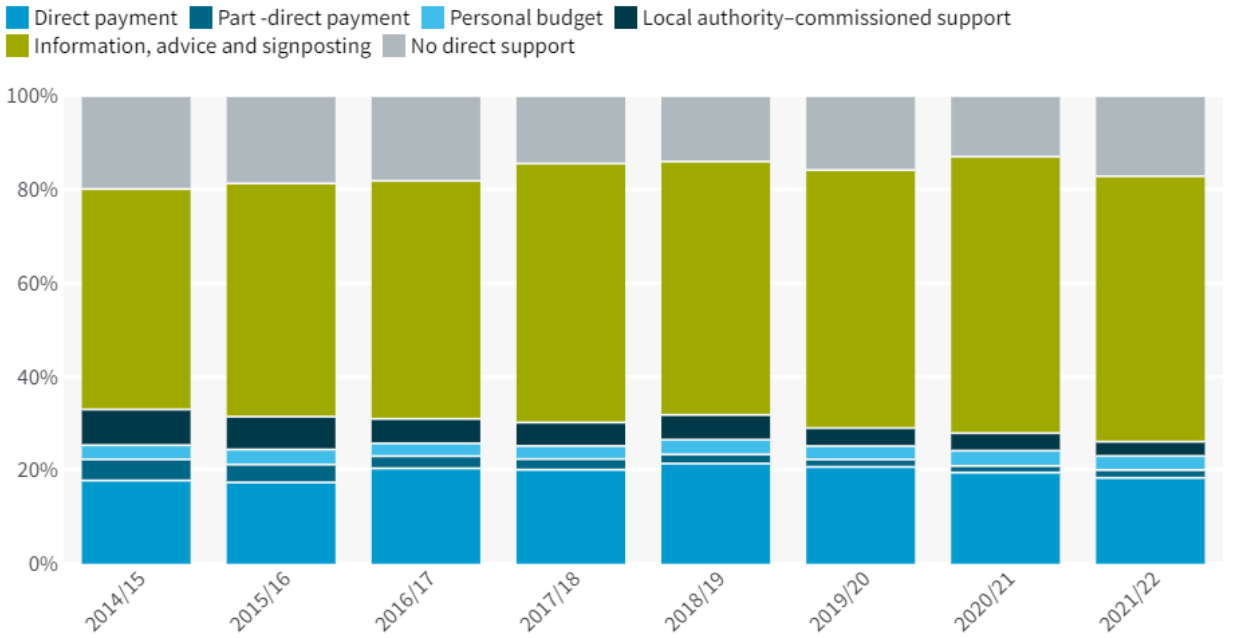
*Mean average. The median rate for care workers, which is used in the graphs in this section, was £9.50.

9 Carers

Fewer unpaid carers now receive paid support and respite care has also fallen

The proportion of carers in England receiving either no support, or information, advice and signposting is increasing

Percentage of carers by type of support received



Source: NHS Digital

The King's Fund

Why is this indicator important?

Unpaid carers – usually, but not always, family members – contribute care equivalent to **4 million paid care workers** to the social care system. Without them, the system would collapse.

What was the annual change?

The number of carers receiving direct support – which includes paid support such as direct payments, services and information and advice – fell from 338,000 in 2020/21 to 314,000 in 2021/22. The number of people provided with respite care (provided to support unpaid carers) stayed level at 33,000.

What is the longer-term trend?

The number of carers receiving direct support from local authorities was the same in 2021/22 as it was in 2015/16 – 314,000. However, there has been a

shift in the type of support they receive. Fewer carers now receive paid support (27 per cent compared to 31 per cent in 2015/16) and more receive advice, information and signposting (56 per cent compared to 50 per cent in 2015/16).

The number of people provided with respite care delivered to support their carers has fallen from 57,000 in 2015/16 to 33,000 in 2021/22.

What explains this?

The fall in support between 2020/21 and 2021/22 may reflect figures returning to normal after an increase in carer need during the peak of the Covid-19 pandemic.

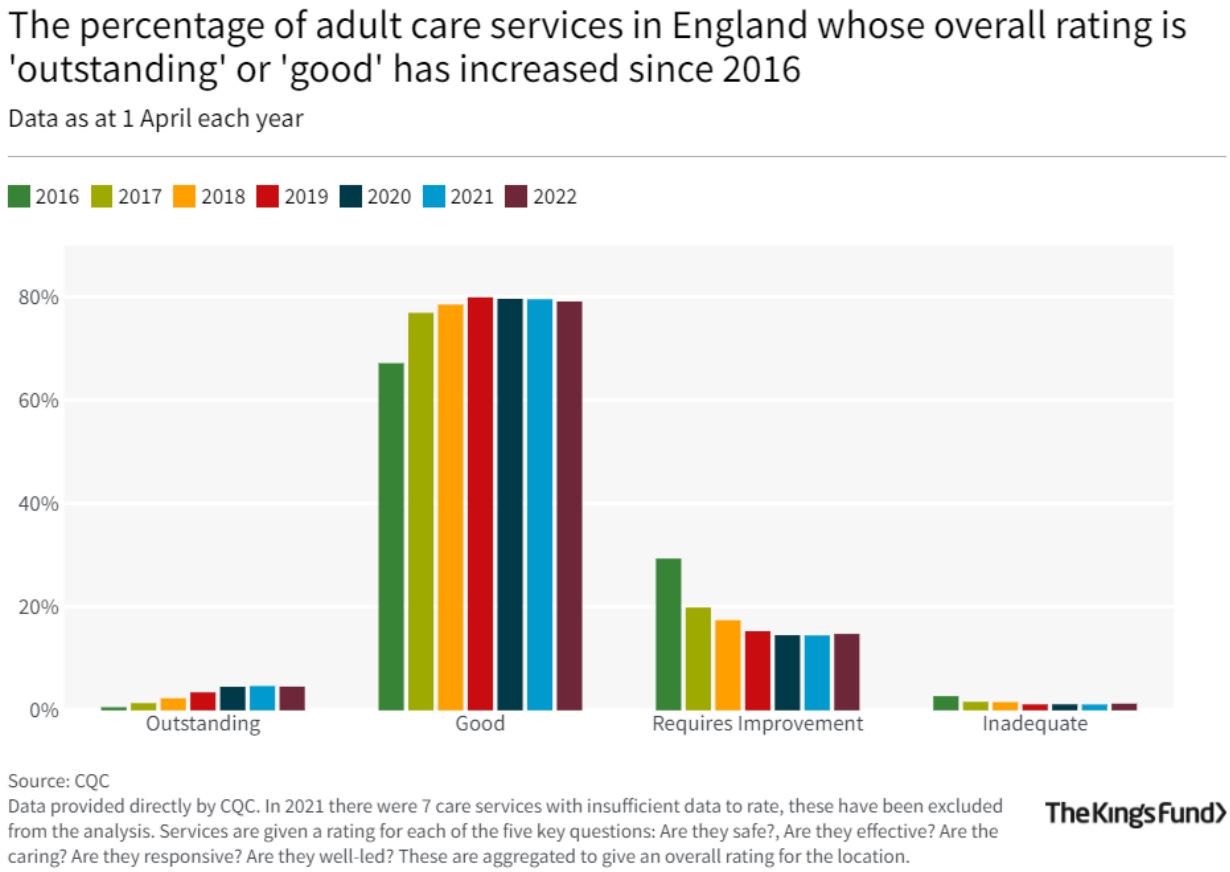
The longer-term fall in support for carers is best explained by pressure on local authority budgets rather than a reduction in demand because evidence about changes in the number of carers is mixed. The total number of people claiming Carer's Allowance in **August 2022** was 1.3 million, an increase from 1.2 million in **February 2016**. The **UK 2021 Census** estimated the proportion of the UK population that provides unpaid care at 9 per cent, a fall from 11.4 per cent in 2011, though the proportion providing 20 or more hours of care a week had increased.

What has happened in 2022/23?

In its 2021 **social care White Paper**, People at the heart of care: adult social care reform, the government announced a small £25 million fund to 'kickstart' changes in support for family carers but no plans for spending this money had been announced by the end of February 2023.

10 Quality ratings

Quality is largely stable but fewer ratings were published during Covid-19



Why is this indicator important?

The Care Quality Commission (CQC) inspects and rates care services, giving an overall picture of the quality of social care provision in England.

What was the annual change?

The pattern of quality ratings in April 2022 were almost identical to those in April 2021. 5 per cent of services were rated 'outstanding', 79 per cent were 'good', 15 per cent 'requires improvement' and 1 per cent 'inadequate'.

What is the longer-term trend?

In June 2017 the CQC published a new assessment framework that was adopted from November 2017. Ratings have been relatively stable since 2018 when the initial programme of inspections was completed, though there has been a small

overall improvement with the percentage of services rated good or outstanding increasing from 80.9 per cent in April 2018 to 83.8 per cent in April 2022.

What explains the trends?

The nearly-identical pattern of results for quality ratings in April 2022 and April 2021 reflects the fact that, due to Covid-19, in March 2020, the CQC paused routine inspections. Instead, it focused its activity on services where there was a risk to people's safety and on inspections to assess care homes' infection, prevention and control measures. These inspections did not result in rating and, as a result, far fewer ratings have been published in recent years – only 5,081 in 2021/22 compared to 13,337 in 2019/20.

The longer-term upwards trend reflects efforts by care services to improve ratings and is consistent with the high level of satisfaction reported by people who use publicly funded care services. It might also be expected in a residential care market where people are able to make choices between providers. CQC ratings correlate with higher occupancy rates which, in turn, leads to higher income.

Nonetheless, 1 in 6 services remain below standard and there **remains a problem** with services that stubbornly fail to improve: as of March 2020, 3 per cent of care homes and a similar percentage of community care agencies had never been rated better than 'requires improvement'.

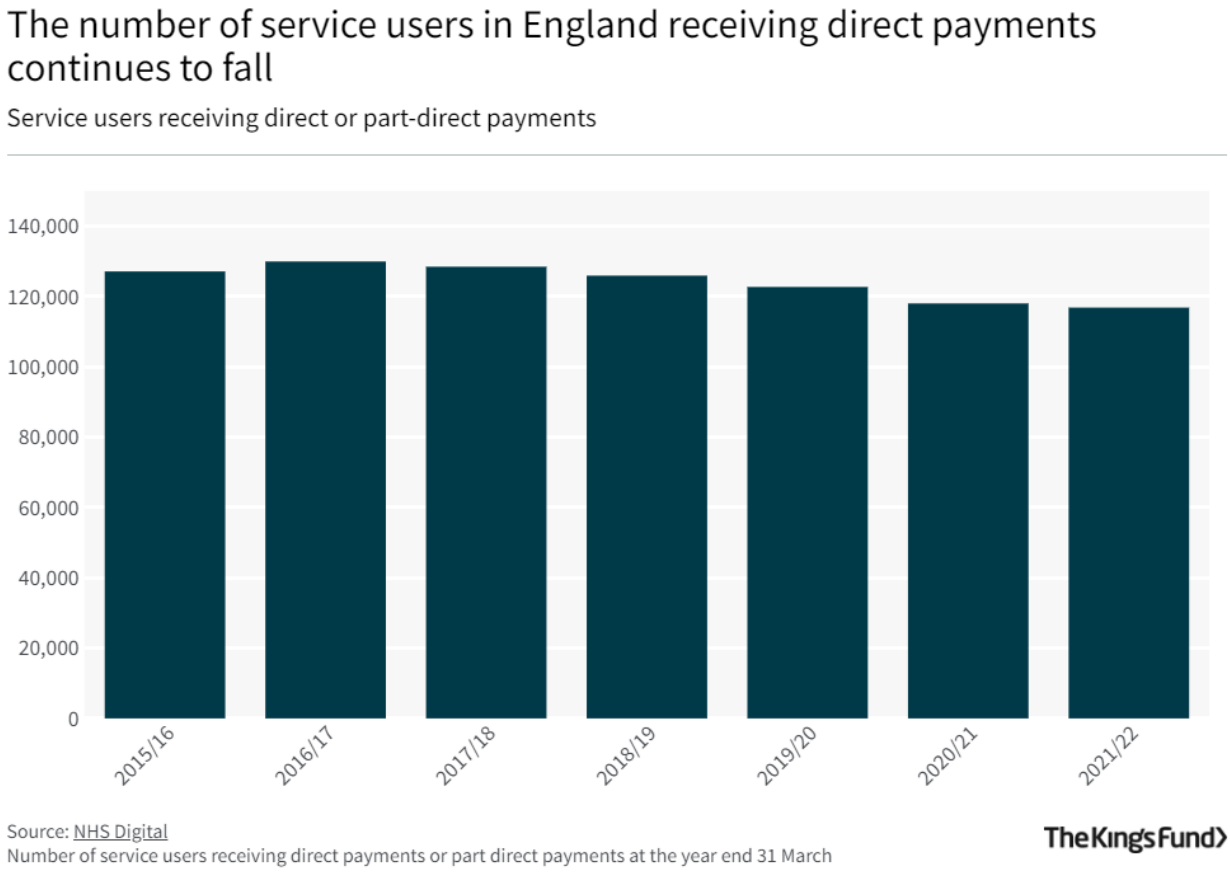
What has happened in 2022/23?

Since May 2021, the CQC has been operating to a new **five-year strategy.** A key element of this involves targeting its resources at services at greater perceived risk of failure and where care is poor.

In April 2023, the CQC is due to begin carrying out a duty to independently review and assess local authority performance in delivering their adult social care duties, as set out in the government's **2021 social care White Paper**.

11 Direct payments

Fewer people receive direct payments



Why is this indicator important?

Direct payments are intended to allow people using care services more choice and control over their own support. They were intended as a key route to reform of social care in the Care Act 2014.

What was the annual change?

The number of people using direct payments fell from 118,000 in 2020/21 to 117,000 in 2021/22.

What is the longer-term trend?

The number of people using direct payments is now lower than in 2015/16 and has fallen for each of the past five years. Overall, just 26.7 per cent of people (38.4 per cent of working-age adults and just 15.5 per cent of older people)

drawing on adult social care use direct payments, down from 28.1 per cent in 2015/16.

What explains this?

There is likely to be more than one reason for this. Opting for a direct payment requires more involvement and responsibility than simply receiving a service, and people may need support to manage one. Equally, if there is limited choice of local services on which to spend a direct payment, people may wonder whether it is worth the extra work.

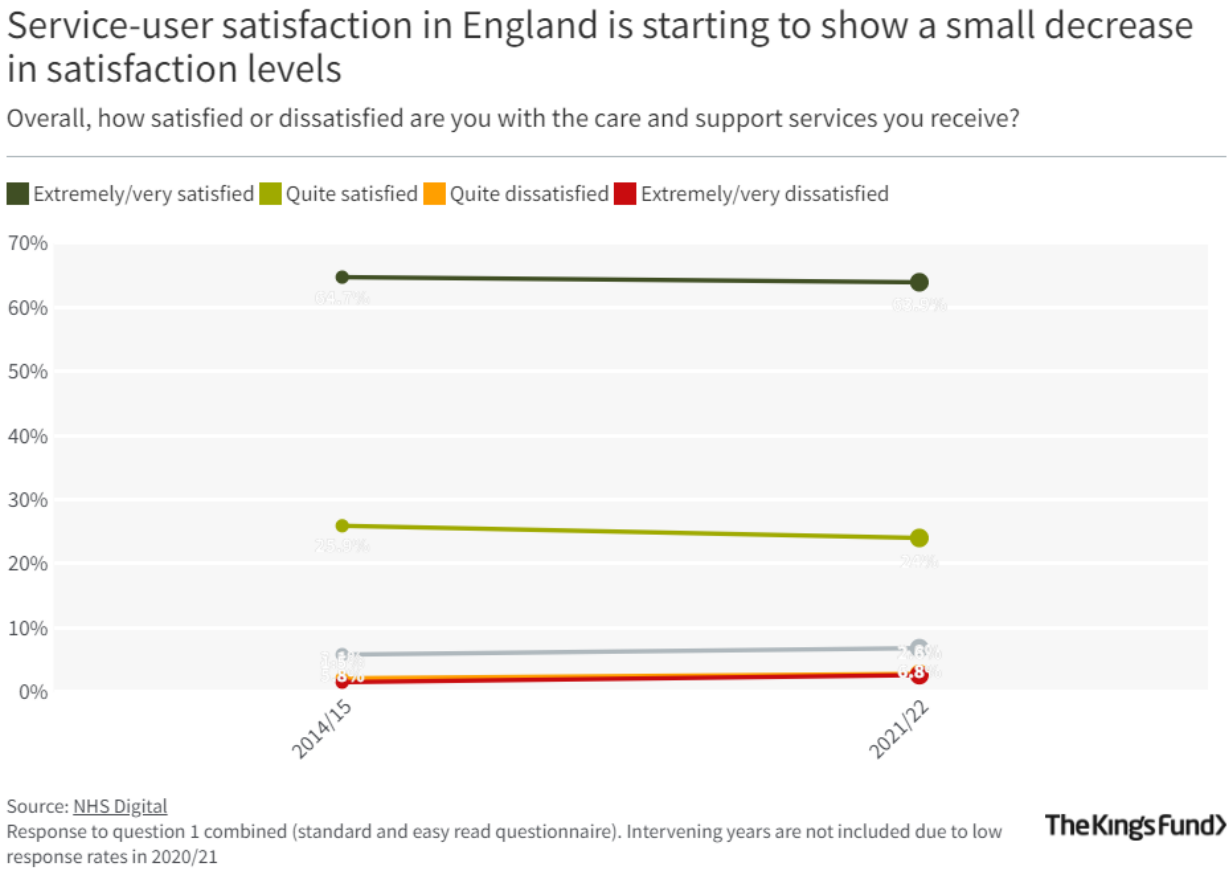
If an individual wants to employ their own care worker (personal assistant (PAs)), then direct payments make that possible. Skills for Care estimated that around **70,000 people receiving direct payments** were employing their own staff in 2021.For those not employing their own staff direct payments may be less appealing. However, it is proving difficult to recruit PAs. In February 2022, the vacancy rate **for PAs stood at 13.1 per cent,** even higher than that for care workers, so this may also reduce the attraction of using a direct payment to employ personal assistants. However, the turnover rate of PAs was much lower than for staff in the social care sector as a whole.

What has happened in 2022/23?

In December 2022, the **House of Lords Adult Social Care Committee** recommended the government should develop innovative models to make direct payments and personal assistance easier to access and manage.

12 User satisfaction

Satisfaction of people using services is edging downward



Why is this indicator important?

This annual survey by local authorities of people using publicly funded social care services **has limitations** but is one of the few available indicators of individual satisfaction with care and support.

What was the annual change?

The response rate was very low for the annual satisfaction survey in 2020/21 due to Covid-19 but between 2019/20 and 2021/22 the percentage of service users saying they were 'extremely' or 'very satisfied' fell from 64.2 per cent to 63.9 per cent.

What is the longer-term trend?

There has been a small overall fall in the number of people satisfied with their care and support – in 2014/15, 64.7 per cent expressed satisfaction, but by 2021/22 this had fallen to 63.9 per cent. There has also been a small overall

increase in the number saying they are 'extremely dissatisfied' or 'very dissatisfied' (from 1.5 per cent in 2014/15 to 2.6 per cent in 2021/22).

What explains this?

The simplest explanation is that service quality has largely held up quite well during a period when social care budgets were struggling (**see indicator 1**, requests for support). This suggests that that the most detrimental effect of underfunding has been on the number of people receiving services (**see indicator 2**, requests for support) rather than its quality. This would be consistent with the stability in quality as measured by CQC ratings.

However, satisfaction varies between service users and according to setting. Working-age adults are significantly more satisfied with their care than older adults; white service users report higher satisfaction than service users from Black and minority ethnic backgrounds; people using residential care report higher satisfaction than people using nursing care or community care; and service users in London report lower satisfaction than service users in England as a whole.

There are other reasons to be cautious, not least from surveys of carers. In 2021/22, only 36.3 per cent of carers **report** they are 'extremely satisfied' or 'very satisfied' with the services and support received by themselves and the people they care for; 8.5 per cent of respondents say they are 'extremely dissatisfied' or 'very dissatisfied'. The **2021 British Social Attitudes survey** of satisfaction with social care also reports low levels of satisfaction among people who have used or had contact with services, with 66 per cent dissatisfied. This survey includes both publicly and privately funded care.

What has happened in 2022/23?

There is no further data on user satisfaction.

How is Social care 360 put together?

This review draws on data that is:

- publicly available
- published at least annually
- comprehensive (or, at the very least, a representative sample)
- from a reliable source.

This approach gives a broad perspective on adult social care, and especially the large part of it that is publicly funded. It does, however, have gaps, notably around people who fund their own care (sometimes referred to as 'self-funders'), for whom there is relatively little data.

According to the Office for National Statistics, between 2021 and 2022 there were **approximately 126,000 people self-funding (34.9 per cent) their care in care homes in England**, compared with 235,000 (65.1 per cent) state-funded care home residents. There is no similar data available for people who use home care.

Methodology

	Definition	Methodology	Source
Introduction	Requests for support Long-term care recipients and number of episodes of short-term support to maximise care (ST-Max)	Calculated year-on-year change	
1. Requests for support	Number of requests for support received from new clients, by age group	As reported	**Adult Social Care Activity and Finance Report, NHS Digital**
2. Service users	New clients with an episode of ST-Max care and a known sequel, by age group Long-term support during the year, by age group Voluntary sector grants Carers receiving financial support	As reported	**Adult Social Care Activity and Finance Report, NHS Digital**
3. Financial eligibility	Upper capital limit	Adjusted to 2021/22 prices using September 2022 GDP deflators from HM Treasury	**Local authority circulars**
4. Expenditure	Total expenditure Gross current expenditure Expenditure by type of care	Adjusted to 2021/22 prices using September 2021 GDP deflators from HM Treasury	**Adult Social Care Activity and Finance Report, NHS Digital**

	Definition	Methodology	Source
		Calculated year-on-year change	
5. Costs	Unit costs for clients accessing long-term support – residential and nursing, by age group Unit costs, average weighted standard hourly rate for the provision of home care – external	Adjusted to 2021/22 prices using September 2022 GDP deflators from HM Treasury	**Adult Social Care Activity and Finance Report, NHS Digital**
6. Care home beds	Care home (residential/nursing home) beds per 100 people 75+ Care home (residential/nursing home) beds by region	As reported Calculated year-on-year change	Data provided directly by CQC
7. Vacancies	Vacancy rate (adult social care) Unemployment rate (whole economy) Number of adult social care jobs. Full-time equivalent jobs. Number of people working in adult social care.	As reported	**The state of the adult social care sector and workforce in England, Skills for Care**
8. Pay	Median hourly pay for care workers and other low-paid jobs	Adjusted to 2021/22 prices using September 2022 GDP deflators from HM Treasury	**The state of the adult social care sector and workforce in England, Skills for Care**
9. Carer support	Support provided to carers during the year,	As reported	**Adult Social Care Activity and**

	Definition	Methodology	Source
	by type of support provided Number receiving respite care		**Finance Report, NHS Digital**
10. Quality	Overall ratings for all active adult social care locations as at 1 April of each year	As reported	Data provided directly by CQC
11. Personalisation	Number of service users receiving direct payments and part-direct payments at the year-end 31 March	As reported	**Adult Social Care Outcomes Framework, NHS Digital**
12. Satisfaction	Question 1 combined – Overall, how satisfied or dissatisfied are you with the care and support services you receive?	As reported	**Personal Social Services Adult Social Care Survey, NHS Digital**
Methodology sources	GDP deflator Population estimates 75+ population estimates	As reported	**HMT GDP deflator** **ONS Census** **Palliative and End of Life Care Profiles, Public Health England**

Methodology

Thank you to the following people and their organisations for reviewing a draft of this report, though the final text, the analysis behind it and any errors or omissions remain the responsibility of the authors.

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