

# Social care 360

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

**[www.kingsfund.org.uk/social-care-360](http://www.kingsfund.org.uk/social-care-360)**

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# Overview and recommendations

This year's Social Care 360 report uses the latest available data (2019/20) to describe the key trends in adult social care as the Covid-19 struck and to suggest what the impact of the pandemic might be. It paints quite a bleak picture of adult social care in England, with many key indicators already going in the wrong direction before the pandemic struck.

- Demand was increasing but receipt of long-term care was falling. Between 2015/16 and 2019/20, 120,000 more people requested social care support but around 14,000 fewer people received either long- or short-term support.\*
- The means test continued to get meaner because thresholds were not rising in line with inflation.
- User satisfaction with publicly funded care was showing a small, long-term decline.
- Fewer people were using direct payments, suggesting a fall in personalisation of care.

Even where indicators were going in the right direction, there were caveats.

- Total expenditure had finally returned to a similar level to that of 2010/11 but not if population growth is taken into account – per person spending was still well below that seen a decade ago.
- As a result of the National Living Wage, care worker pay was rising by more than inflation but was not keeping pace with other sectors.
- Staff vacancies were falling but remained at a high level.
- More carers were getting support but this was mainly in the form of advice.

In many cases, we expect Covid-19 to make the situation worse. Demand will increase but receipt of care will, likely, not. Costs will go up but expenditure is unlikely to keep pace. If we are to avoid reporting on a further bleak round of

indicators in future years, six things need to happen as part of a long-term wide-ranging reform programme for adult social care.

- More money is needed to fund the current system. The [Health Foundation](#) estimates that an extra £1.9 billion will be needed simply to meet demand for adult social care by 2023/24, while funding is also needed to meet existing unmet need and improve the quality of services. Further funding will be necessary to cover the additional costs of Covid-19, support the provider market, fill vacancies and pay staff a fairer wage.
- Eligibility needs to be improved, in the short term by easing the financial pressure on local authorities and allowing them to apply existing rules more fairly and in the longer term by changing those rules to make more people entitled to support.
- Workforce reform is essential. While vacancies may fall in the short term due to unemployment in the wider economy, the sector needs better pay, training and development to compete with other sectors and deliver the care needed.
- Personalisation needs re-invigoration. If the 2014 Care Act's principle around self-directed support has meaning, government needs to establish clear oversight so that the number and quality of direct payments, and other routes to choice and control, increase rather than decline.
- Prevention needs to take centre stage. Services such as reablement should be an even greater focus for local authorities and national government.
- Carer support needs urgent attention. As formal services closed during Covid-19, carers took on much of the heavy lifting (sometimes literally) of support. A new settlement for them ought to be part of reform.

\*These figures include people receiving long-term support and short-term care packages. Because some people receive more than one type of support or package of care in a year, these are not exact figures but are the best available estimates for the overall output of the care system.

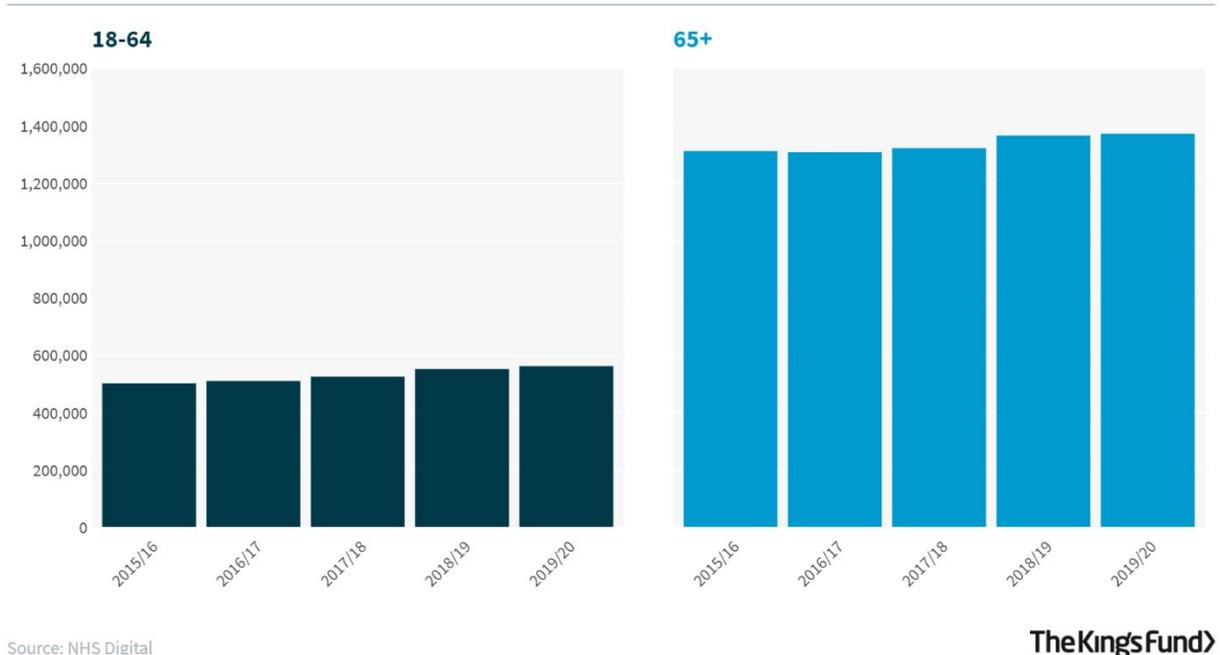
# 1 Access

## 1 Requests for support

### *Requests for social care support continue to grow*

The total number of requests for social care support has continued to grow, but more slowly than in previous years

Total number number of requests from new clients, by age group



### ***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 in 2019/20?***

The number of people asking for social care support from their councils increased in 2019/20 from 1.91 million to 1.93 million. The rate of increase was 1.8 per cent for working-age adults and 0.4 per cent for older people. Year-on-year growth in 2019/20 was slower than the previous two years.

### ***What is the long-term trend?***

Overall, there has been a consistent increase in people seeking support since 2015/16 – an increase of 120,000 people since 2015/16. Proportionally, the increase in demand has been greater among working-age adults (from 500,000 to 560,000, a 12 per cent increase) than among older people (from 1,310,000 to 1,370,000, a 5 per cent increase). In fact, when population growth is taken into account, demand has increased since 2015/16 by 10 per cent among working-age adults but fallen 2 per cent among older people.

### ***What explains this trend?***

Some of the increase is driven by demographics. There are now more older people, partly as a result of the post-war ‘baby boom’ and partly because older people generally are living longer (though, sadly, Covid-19 may affect this). Social care needs, and conditions such as dementia, increase with age.

In addition, there are more working-age adults with disabilities. This is because more people with severe disability now survive childhood but often with complex support needs, and also because more working-age adults now report disabilities – 19 per cent in 2019/20 compared to 15 per cent in 2010/11. By contrast, the level of disability among older people is largely unchanged since 2010/11: it has been between 44 per cent and 46 per cent in every year of the past decade. These trends in reported disability among older people and working-age adults are mirrored by disability benefits take-up: rates have increased for working-age adults but stayed flat for older people.

### ***What is the impact of Covid-19 likely to be?***

We don’t know yet. In the early stages of Covid-19, local authority directors of adult social care say fewer people made requests for support. This may be due to reluctance to use services and, perhaps, concern about adding to the huge existing pressure on the system. This led to more care being provided by families: Carers UK estimated that, since the start of the pandemic, 4.5 million people have started to provide informal caring. There may therefore be a backlog of demand for formal services building up.

Some people with Covid-19 will also have been left with care and support needs as a result of their condition: the government estimates that approximately 1 in 10 people with Covid-19 continue to experience symptoms beyond 12 weeks. This may add to requests on local authorities in 2020/21 and beyond. Other people’s

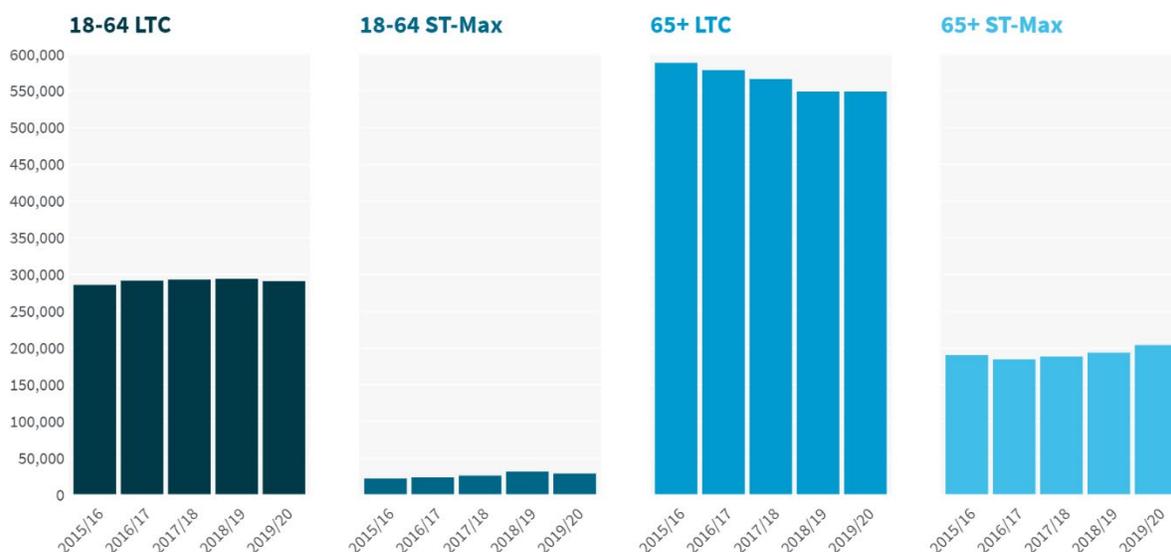
condition may have worsened as a result of the pandemic and the measures taken to tackle it.

Against this, Covid-19 led to an increased death rate among older people and working-age disabled adults who might otherwise have had need for social care support. One major study estimated that there were 29,400 excess deaths of care home residents during the first 23 weeks of the pandemic, equivalent to 6.5 per cent of all care home places in England.

## 2 Service users

### *The number of people receiving long-term care continues to fall*

Compared to 2018/19, the number of working-age adults receiving short- or long-term care fell, while for older adults long-term care remained static and short-term care rose



Source: NHS Digital • Numbers of ST-Max packages provided and numbers of people receiving long-term support. 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) is being met.

### **What was the annual change in 2019/20?**

In 2019/20, there was a decrease in the number of people receiving long-term care, from 842,000 to 839,000. The fall was driven by a reduction in long-term care for 18–64 year-olds, with long-term care for older people essentially static. There was also a fall in the number of working-age adults receiving short-term care to maximise independence (ST-Max), though an increase for older people.

### **What is the long-term trend?**

Despite the increase in the number of requests for support (see indicator 1), overall, the number of people receiving formal services has fallen since 2015/16. By far the biggest fall has been in older people receiving long-term care – down from

587,000 in 2015/16 to 548,000 in 2019/20. This is despite the older population increasing by 642,000 in that period. However, over the period, long-term support for working-age adults has increased slightly and short-term care to maximise independence (ST-Max) for both age groups has also increased slightly.

### ***Long-term and short-term care***

#### *What is long-term care?*

Long-term care is any ongoing service or support provided by a local authority to a person to maintain quality of life. It is provided after a formal assessment and is subject to regular review.

#### *What is short-term care to maximise independence (ST-Max)?*

Short-term care is an episode of time-limited support – for example, reablement – intended to reduce or eliminate the need for ongoing support. The numbers for ST-Max refer to the numbers of packages of support provided and there are an average of 1.2 completed episodes of ST-Max per person during the year.

### ***What explains this trend?***

Local authority financial pressures are a key driver of this. 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. As a result, local authorities, though they have protected social care budgets compared to other services, are having to restrict the number of people to whom they provide support. While it is true that their overall spending on adult social care has been increasing (see indicator 4), much of that extra spend has been channeled towards paying providers more (see indicator 5), which, in turn, has been to compensate for an increase in costs, particularly wage costs driven by the National Living Wage (see indicator 8).

However, other factors may be at work. Local authorities may be increasingly using effective short-term approaches that aim to help people regain independence rather than rely on long-term support. However, it is by no means clear the extent to which this is happening. It is also possible that the adoption of asset-based and self-help approaches, is leading to less uptake of formal services. However, it is currently impossible to measure how extensive – or indeed effective – such approaches are in practice, and there are concerns about the capacity of the voluntary and community sector and family carers to support them.

***How do asset-based approaches work?***

Asset-based approaches aim to signpost people to less formal types of support, often provided by the voluntary and community sector, while strength-based approaches aim to support an individual's independence, resilience and ability to make choices. The two terms are often used interchangeably.

***What is the impact of Covid-19 likely to be?***

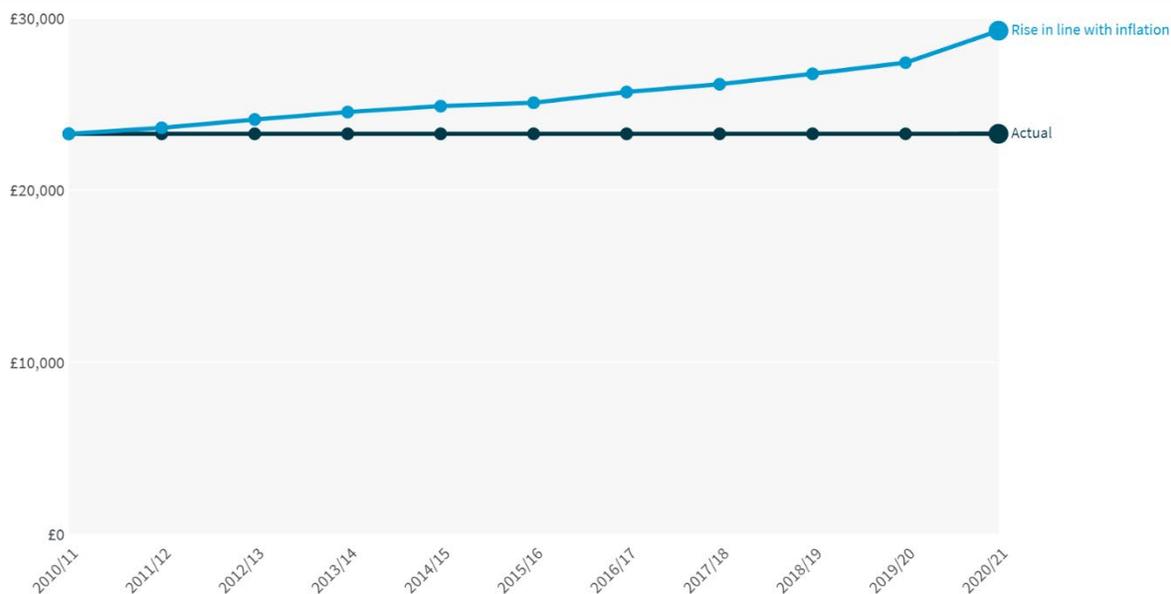
Even if Covid-19 were to increase demand still further (see indicator 1), pressure on local authority budgets means it is doubtful there will be a corresponding increase in service delivery: the long-term trend has been for increasing demand to outstrip service delivery because local authority budgets cannot afford it. This seems likely to continue in 2021/22: 41 per cent of local authorities with social care responsibility expect to make 'substantial' service savings to balance budgets and a further 53 per cent expect 'some' service savings.

In the initial stages of Covid-19, service use fell due to staffing disruptions, reduced demand from people using services because of fears about infection and closure of some services such as day centres due to social distancing measures. Admissions to care homes were particularly affected, with a one-third fall in people arriving with public funding (and a much larger fall in self-funders). However, the picture is less clear since then and more data will not be available until October 2021. Though local authorities were given temporary powers under certain circumstances to 'ease' their duties under the Care Act 2014, only eight did so. Local authorities do, however, say the pandemic has uncovered unmet need in some areas.

### 3 Financial eligibility

#### **Financial eligibility for social care continues to get tighter**

If the social care means test threshold had kept pace with inflation it would be £5,995 higher than it currently is



Source: Local Authority Circulars • Inflation calculated using December 2020 GDP deflators from HM Treasury. The GDP deflator in 2020/21 was heavily affected by Covid-19.

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#### **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 threshold is, the fewer the people who qualify.

#### **How does the means test work?**

Financial assets are typically people's savings and – if a person is moving into a care home – their property. The means test sets two important cut-off points ('thresholds') for these assets.

The lower threshold – currently £14,250 – is the point below which an individual does not have to contribute anything towards their care from their assets (though will most likely still have to contribute to the costs of their care from their income).

The upper threshold – currently £23,250 – is the point above which an individual will have to fund all their social care costs.

Between these two thresholds, individuals have to contribute on a sliding scale using a formula which assumes that individuals have £1 of income for every £250 of assets.

For more information on the financial assessment, see the Age UK website.

***What was the annual change?***

The upper threshold remained at £23,250 in 2020/21. This means that, when inflation is taken into account, the threshold in fact went down, so fewer people were eligible for publicly funded care.

***What is the long-term trend?***

The upper threshold has not changed since 2010/11. If it had increased in line with inflation, it would be £5,995 higher at nearly £30,000, so more people would qualify for support. And we know already that the threshold will stay at the same level in 2021/22.

***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, has also not increased in line with inflation, and this effectively means that adults with disabilities can be charged more for care at home. Letting these thresholds drift downwards in real terms is consistent with a failure to tackle the longstanding issues in adult social care and introduce proper reform.

***What is the impact of Covid-19 likely to be?***

The pandemic will have had no impact on financial eligibility.

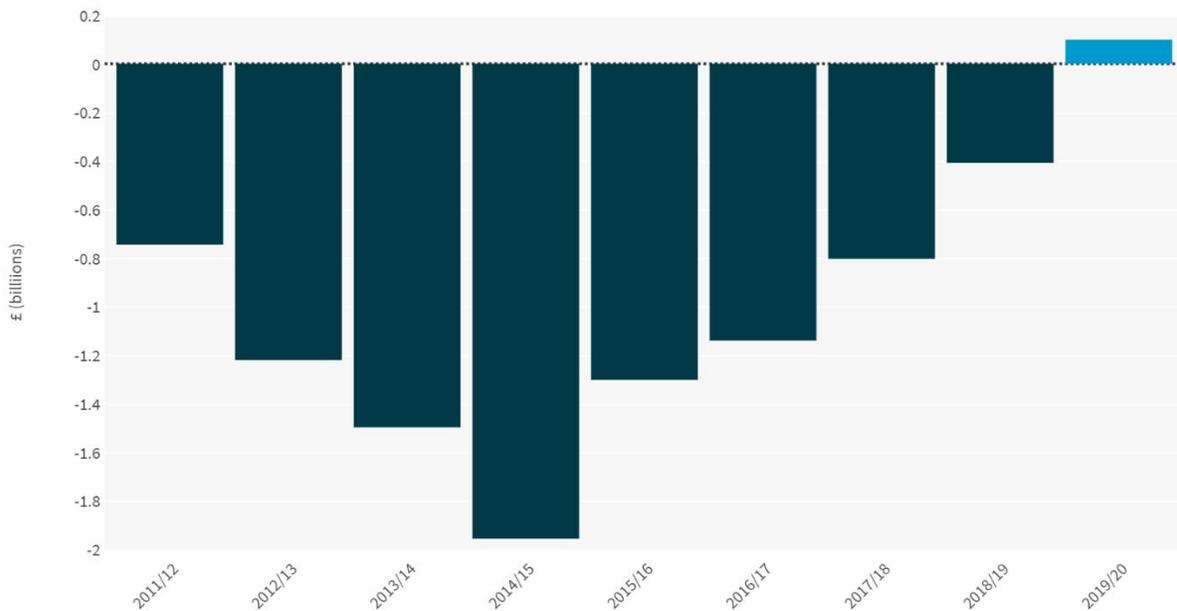
## 2 Expenditure

### 4 Local authority spending

**Total spending by local authorities is slightly higher than at the start of the decade**

In 2019/20 total expenditure on adult social care returned to 2010/11 levels

Difference from 2010/11 budget, in 2019/20 prices



Source: NHS Digital • Figures adjusted for inflation using December 2020 GDP deflators from HM Treasury

TheKingsFund

#### **Why does this indicator matter?**

Though spending is not a perfect proxy for the amount and quality of care arranged by local authorities, currently it is the best overall indicator available.

#### **What was the annual change in 2019/20?**

Total spending on adult social care increased by 2.2 per cent in real terms. In actual terms, it increased from £22.2 billion in 2018/19 to £23.3 billion in 2019/20.

***What is the money spent on?***

Local authorities spent £7.5 billion on long-term support for working-age adults in 2019/20. Of this, they spent £2.5 billion on nursing or residential care, £451 million on supported accommodation and £4.6 billion on community support, including home care. They also spent £159 million on short-term support for working-age adults.

Local authorities spent £7.9 billion on long-term support for older people, of which £5 billion was on nursing or residential care, £121 million on supported accommodation and £2.7 billion on community support, including home care. They also spent £450 million on short-term support for older people.

These figures are gross current expenditure, so do not include spending that results from NHS income or income from fees and charges.

***What is the long-term trend?***

As the graph shows, in the past decade spending on social care has been a tale of two halves. From 2010/11 until 2014/15 spending fell rapidly (and was greater in more deprived areas) but then rebounded as the government and local authorities responded to concerns such as providers leaving the market and increased pressures on the NHS. Total spending is now £99 million higher in real terms than it was in 2010/11.

***What explains this?***

Spending on adult social care needs to be seen in the context of overall reductions in local government expenditure. 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. Local authorities are also legally required to set a balanced budget each year.

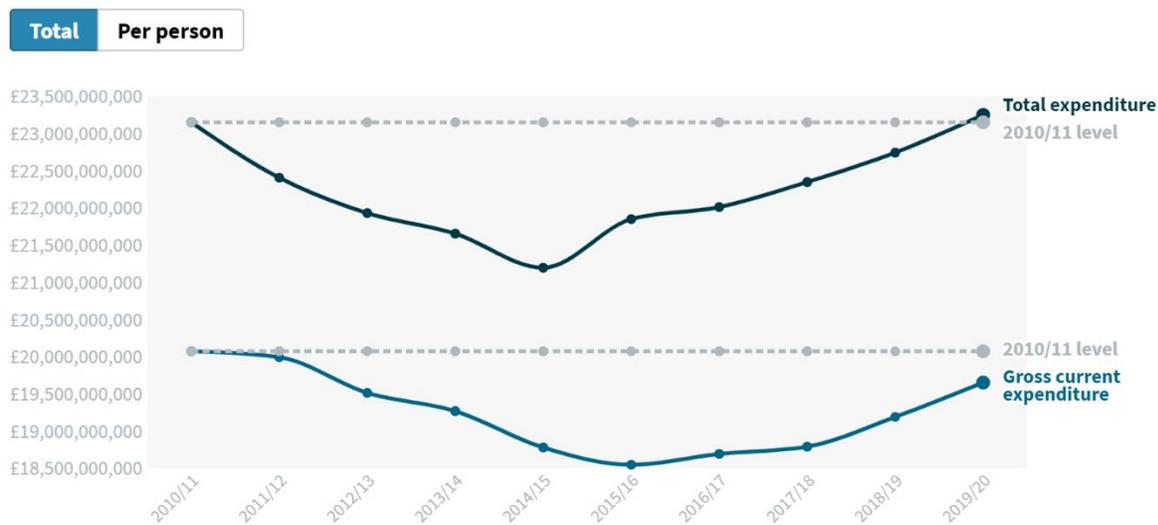
On average, adult social care represents more than 40 per cent of the total spending of local authorities. Local authorities face increasing financial pressures on their budgets from a growing older population and increasing numbers of working-age adults with disability, which leads to more requests for support (see indicator 1). The costs of providing care are also going up by more than inflation (see indicator 5).

Since 2014/15, the government has provided local authorities with more money to spend on adult social care, in the form of grants, often short-term, including monies channeled through the Better Care Fund). Local authorities have also been given the power to raise money locally, through the adult social care supplement to Council Tax, and have also raised more money from fees and charges on service users. All this has allowed total expenditure to rise.

However, other measures of expenditure have not risen as much. The measure of spending that omits NHS income ('gross current expenditure') still has spending below where it was in 2010/11. And spending per head of population is well below where it was in 2010/11. So, the money has not gone on providing services to more people, despite the increased demand. Unmet need for care remains high among older people (there is limited data about working-age adults) and in 2018 was twice as high in the most deprived areas.

In 2019/20 total expenditure on adult social care returned to 2010/11 levels, however gross current expenditure remained below, and both figures are well below 2010/11 levels on a per person basis

In 2019/20 prices



Source: NHS Digital, ONS Custom Age Tool • Figures adjusted for inflation using December 2020 HM Treasury GDP deflators. Per person values calculated using population estimate for people aged over 18.

In 2019/20 total expenditure on adult social care returned to 2010/11 levels, however gross current expenditure remained below, and both figures are well below 2010/11 levels on a per person basis

In 2019/20 prices



Source: NHS Digital, ONS Custom Age Tool • Figures adjusted for inflation using December 2020 HM Treasury GDP deflators. Per person values calculated using population estimate for people aged over 18.

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Increased spending has gone, at least in part, towards responding to the increasing costs of providing care. Provider fees (see indicator 5) have increased faster than inflation since 2015/16 (which in turn has been led by increasing workforce cost because of the National Living Wage).

**What is the impact of Covid-19 likely to be?**

Expenditure might be expected to rise, at least in the short term, as more money flows into local government to meet additional costs. Local authorities forecast that Covid-19 would create £6.9 billion of extra cost pressure in 2020/21, with more than £3 billion of these costs falling on adult social care. The government says it has provided £7.2 billion of additional funding to local authorities, of which sector-specific support included a £546 million adult social care infection control fund, a £149 million rapid testing fund and a £120 million workforce capacity fund (funding for these was extended in March 2021).

Longer term, the Spending Review for 2021/22 has given local authorities additional spending power of 4.5 per cent in cash terms. However, most of this is

accounted for through the ability of local authorities to raise Council Tax by up to 5 per cent and not all local authorities will do this.

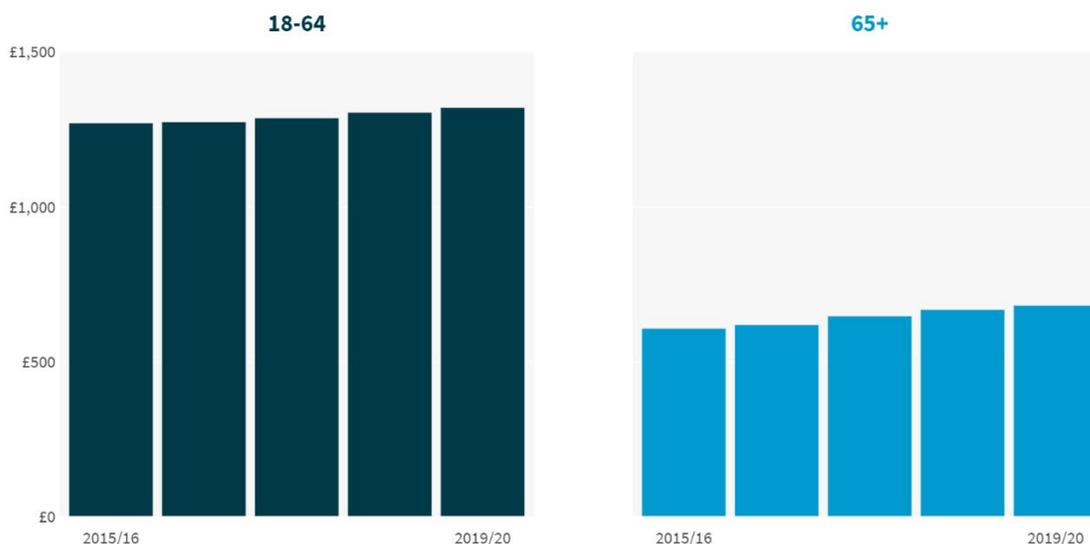
On the other hand, deaths of people from Covid-19, will, sadly, have reduced the number of people receiving publicly funded adult social care services, particularly in care homes. In addition, as part of the drive to free up beds in acute hospitals, the government made available more than £1 billion through the NHS to pay the social care costs of people leaving hospital. These factors will have reduced local authority spending.

## 5 Costs

### *The cost of commissioning care for local authorities continues to rise*

The cost of residential and nursing care has risen for both working-age and older adults, even when adjusting for inflation

Average cost per week in 2019/20 prices



Source: NHS Digital • Costs adjusted in line with inflation using December 2020 GDP deflators from HM Treasury

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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. Providers need fee levels to be sustainable to ensure they can provide good-quality services and, ultimately, stay in business. For local authorities, fee levels are a major part of

their expenditure: of the £23.3 billion spent by local authorities on adult social care in 2019/20, just £5.1 billion was spent on their own services and £18 billion was spent on provision by others.

***What was the annual change?***

The average cost of purchasing residential and nursing home care places and home care packages all increased by more than the rate of inflation. The average weekly cost of care home places (residential and nursing, for both older people and working-age adults combined) increased from £804.07 to £814.05, a real-terms increase of 1.2 per cent. Home care packages increased from £16.86 an hour to £17.48, also a real-terms increase of 1.2 per cent.

There were significant differences between age groups in cost of care home places (we do not have this data for home care). Places for working-age adults were nearly twice as expensive at £1,317.45 as older people at £678.95. However, the rate of increase in 2019/20 for working-age adults was only 1.2 per cent compared to 2 per cent for older people.

There was wide variation between local authorities in the amounts paid. The highest average rate for home care, for example, was £25.56 an hour and the lowest was £14.00.

***What is the longer-term trend?***

The cost of purchasing care home places has grown 9.0 per cent since 2015/16. However, the increase has not spread evenly across age groups – the cost of beds for older people has grown 12 per cent since 2015/16 against 4 per cent for working-age adults. For older people, the rate of increase may be slowing – the increase in 2019/20 is the lowest since 2016/17.

The cost of purchasing home care services has also increased by more than inflation – 10.6 per cent in real terms since 2015/16. Again, the rate of increase may be slowing. The 1.2 per cent increase in 2019/20 is the lowest annual increase since 2015/16. The average price of commissioning home care remains well below the minimum price recommended by the UK Homecare Association.

Despite an increase of more than 10 per cent since 2015/16, the rate paid for home care in 2019/20 was still below the minimum price recommended by the UK Homecare Association (UKHCA)

In 2019/20 prices

**What**



Source: NHS Digital, UKHCA • Prices adjusted for inflation using December 2020 GDP deflators from HM Treasury

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**explains this?**

Some of the expenditure on fees is being used to cover increasing workforce costs of adult social care providers, driven by increases in the National Living Wage. It is also possible that the unit price of packages is increasing because people have increasing complexity of needs.

Higher fees may also have helped restore margins in the sector, stabilising a market that has seen significant numbers of providers either go out of business or withdraw from the publicly funded sector altogether. Despite this increase in fees in 2019/20, 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 65 and over and below the sustainable rate for home care. The report noted that the Department for Health and Social Care does not challenge local authorities who pay low rates. The report also found that earnings before interest, tax, depreciation amortisation and rents (EBITDAR) had

been stable for the larger for-profit homes over the past four years but they had fallen for the larger home care providers.

***What is the impact of Covid-19 likely to be?***

The cost to local authorities of purchasing care is likely to have increased still further during 2020/21. Providers needed more personal protective equipment (PPE), had to cover for staff who were ill or isolating, and faced increasing insurance costs. The government provided additional funding through the Adult Social Care Infection Control Fund, introduced in May 2020, which local authorities were expected to pass onto providers. There was also additional funding for local authorities more generally, though providers reported variation in the extent to which these funds reached them. The additional costs of providing services may also feed through into increases to underlying rates for commissioned home care and residential care. This will only become clear in autumn 2021 when data for 2020/21 is published.

\*All the data in this section relates to commissioning by local authorities. There is no official, publicly available data about the prices paid by self-funders for their care.

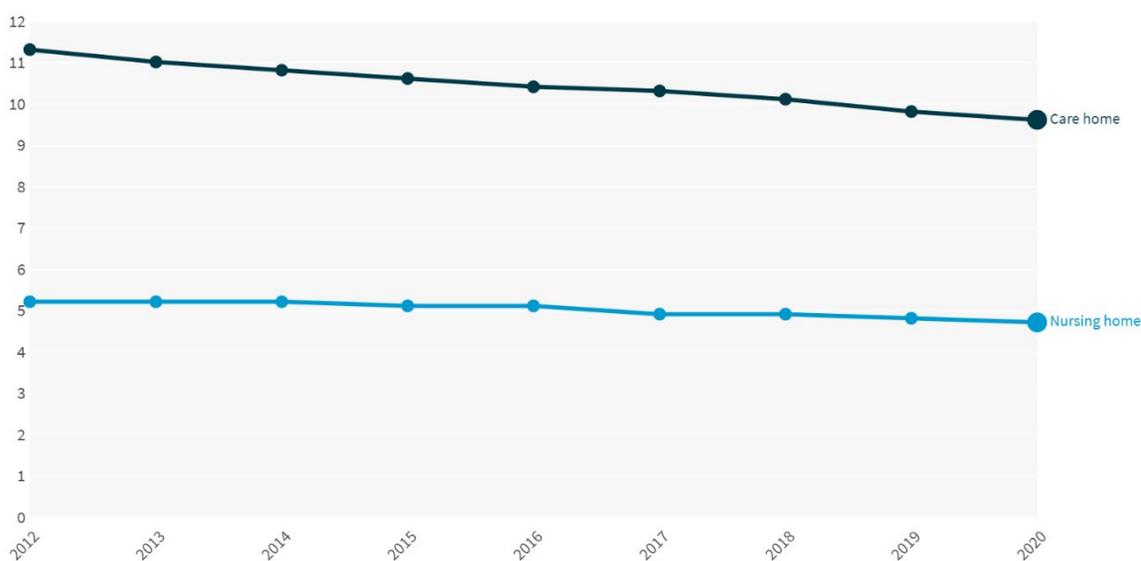
# 3 Providers

## 6 Care home beds

*There are fewer places in nursing and care homes.*

Compared to the size of the older population, the number of nursing home and care home beds has consistently fallen over the past 9 years

Beds per 100 people aged 75+



Source: Public Health England

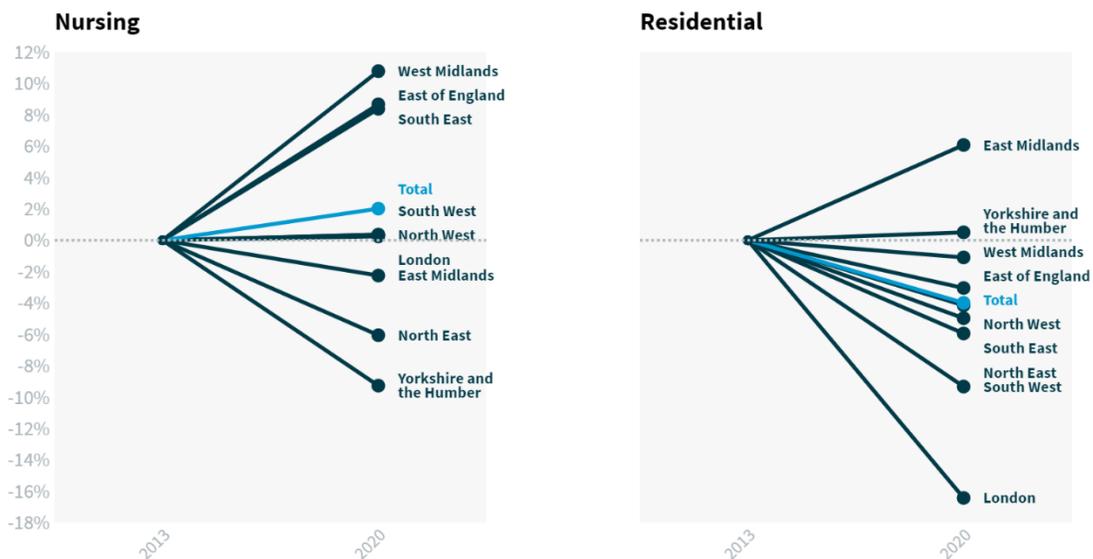
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### **Why is this important?**

The number of places\* in care and nursing 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. Support is provided in people's own homes, in community settings, such as day care and other day services, and in services such as [Shared Lives](#). In addition, the data captures the number of places, but not whether they are occupied or whether the occupancy is permanent or for short-term services such as respite or rehabilitation.

Between 2013 and 2020 some regions have seen a steep fall in the number of nursing or residential home beds, while others have seen an increase

Percentage change in the number of nursing home or residential beds 31 March 2013 to 1 April 2020



Source: CQC • Data provided directly by CQC

**What was the annual change in 2019/20?**

The overall number of places increased very slightly between 1 April 2019 and 1 April 2020, though this comprised a small increase in the number of nursing home places from 221,000 to 223,000 and a small decrease in care home places from 235,000 to 234,000.

**What is the long-term trend?**

Over the past decade, there has been slight fall in the total number of residential care places. The trend is more obvious when population size is taken into account. In 2012, there were 11.3 care home places and 5.2 nursing home places for every 100 people over the age of 75,\*\* but by 2020 this had fallen to 9.6 and 4.7 respectively. However, there is a great deal of regional variation with the West Midlands seeing an increase in nursing home places of more than 10 per cent but Yorkshire and the Humber seeing a fall of nearly 10 per cent. Similarly, London has seen a fall of more than 16 per cent in care home places, while the East Midlands has seen an increase of more than 6 per cent.

The number of care and nursing homes has fallen more quickly than the number of places in them because older, smaller homes are closing and larger, purpose-built ones are being opened.

***What explains this?***

An overall fall in the number of people using residential care would be consistent with the broad policy direction of supporting people in their own homes, rather than in residential care. Office of National Statistics data suggests that the percentage of adult social care expenditure on residential and nursing care has fallen from 45.3 per cent in 1996/97 to 32.3 per cent in 2018/19 (though the fall has largely levelled off since 2014/15). The growth in Disabled Facilities Grants and NHS England's Home First approach to discharge from hospital are examples of this policy direction.

However, it is not clear that social care support for people in their own homes has increased as this policy would require. In 2019/20, 574,000 people were receiving community-based long-term support (outside prisons) compared to 597,000 in 2015/16. And while the number of Care Quality Commission (CQC)-registered domiciliary care agencies has increased from 7,400 in 2013 to more than 10,000 in 2020, it's not necessarily an indicator of an increase in the number of people using home care: we don't know how many people they support.

Finally, while the number of people entering care homes fell between 2014/15 and 2018/19 – as you'd expect with a policy encouraging care at home – the trend has slowed and in 2019/20 it reversed. The reasons for this are not clear: it could relate to pressure to empty hospital beds, cost (care homes may be cheaper than very intensive domiciliary care packages) or increased acuity of older people needing care.

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 would be no surprise if more homes are being built in areas with higher numbers of self-funders.

***What is likely to be the impact of Covid-19?***

The chief executive of the CQC, Ian Trenholme, told the Public Accounts Committee in April 2021 that care home closures had slowed during 2020 and the first quarter of 2021, with the result that there were around 1,000 more beds in the market

than might otherwise have been expected. Government financial support during Covid-19 is likely to have been a key factor in this.

Longer term, it is possible that Covid-19 will decrease demand for residential care, which might speed up a decline in places. In the early stages of Covid-19, when there was wide reporting of the deaths in care homes, admissions to larger providers covered by the CQC's market oversight scheme fell by 28 per cent for council-funded clients and 65 per cent for self-funders. This, and the high rate of residents' deaths, saw occupancy levels fall to around 80 per cent (down from 90 per cent).

While occupancy rates may have recovered to some extent, it seems likely that some self-funders and local authority commissioners will give greater consideration to home care, live-in care and extra care housing as alternatives to residential care. Lower occupancy will also put further financial pressure on struggling care homes. The National Audit Office found that Covid-19 could have short- to medium-term consequences for the market's financial sustainability. Some homes may have to adjust their layouts and design to cope better with infection, particularly as most UK care homes were built before 2000.

However, while few people may aspire to live in a care home, many people in practice need to. Care homes have therefore – despite a poor, if largely undeserved, public image – remained a key element of the social care landscape and are likely to remain so for the foreseeable future.

\*We use the term 'place' rather than the overly medical term 'bed'. Both terms, as used here, mean the total number of people that could be accommodated at one time if occupancy was 100 per cent.

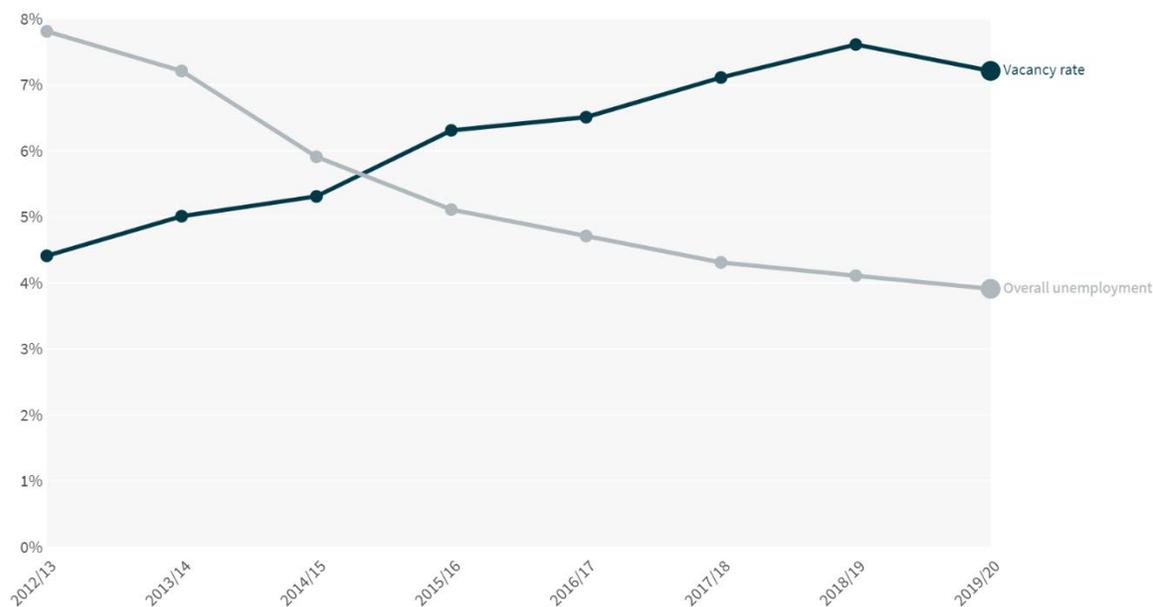
\*\*Though care homes are also used by working-age adults, the Competition and Markets Authority estimated that 95 per cent of places are for older people.

# 4 Workforce and carers

## 7 Vacancies

**Staff vacancies have fallen but remain at a very high level.**

The vacancy rate in social care fell for the first time in 8 years, however it is still much higher than the unemployment rate for the whole economy



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

TheKingsFund

### **Why is this important?**

The vacancy rate is an important indicator of providers' capacity to deliver social care services. 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?**

The vacancy rate fell to 7.2 per cent from 7.6 per cent and the number of vacancies fell from 122,000 to 112,000. The vacancy was lowest in the North East and Yorkshire and the Humber (5.5 per cent) and highest in London (9.5 per cent).

***What is the long-term trend?***

The vacancy rate remains much higher than in 2012/13, when it was 4.4 per cent, and the vacancy figure for 2019/20, though it had fallen, was the second highest in those eight years.

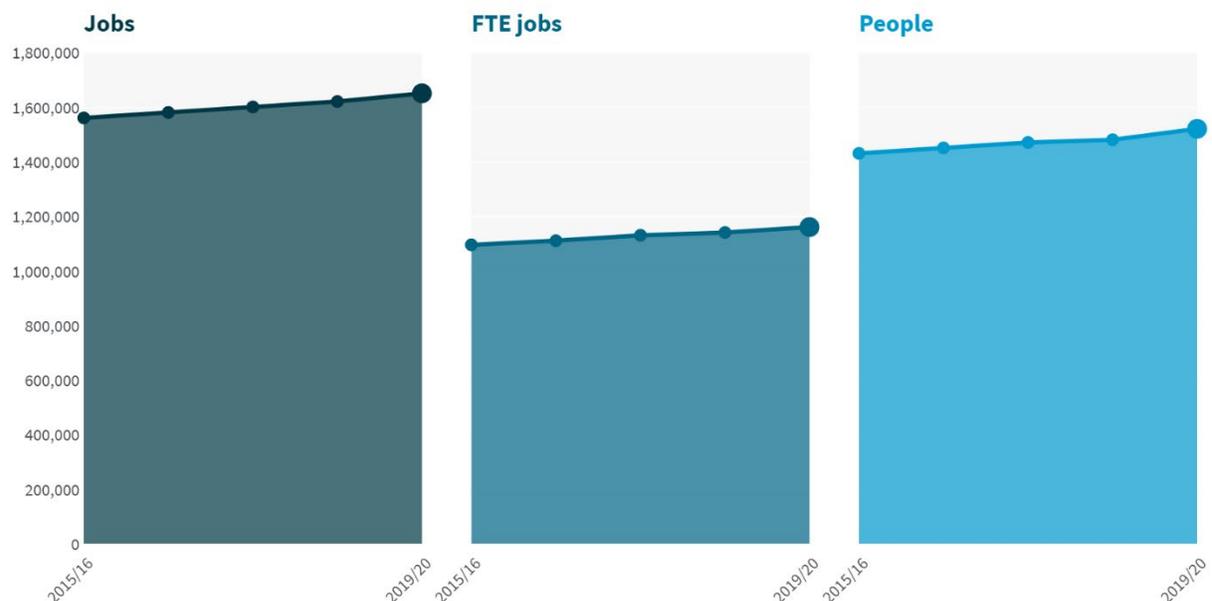
***What explains this trend?***

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), the rate of increase has failed to keep pace with some other sectors. As a result, people can now earn more working in supermarkets and cleaning than as care workers.

The vacancy rate remains much higher than the overall unemployment rate and it appears that as unemployment falls, social care vacancies rise. This suggests that other work is more attractive than social care for many people.

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

The number of jobs, FTE jobs and people working in the adult social care sector are all steadily increasing



Source: Skills for Care

TheKingsFund

### What is the impact of Covid-19 likely to be?

Covid-19 may reduce the number of vacancies in adult social care because of its wider economic impact. [Vacancies had already fallen by August 2020](#) in part because of lower occupancy rates in care homes, and it is expected that the pandemic will result in higher unemployment, forecast to peak at the end of 2021, and this in turn is likely to lead to more people opting to enter social care, where there are vacancies that often require little formal training or experience. More recent but more limited data on vacancies is available [here](#).

However, other factors may come into play. Some employers are adopting policies that require Covid-19 vaccination before employment is offered, which may create a barrier to some new entrants and conceivably lead to some existing social care staff leaving the sector. The government has now opened a consultation on mandatory vaccinations for staff working in social care.

In addition, there may be an impact on EU migrant workers in social care, who made up 7 per cent of the workforce before Covid-19 (with higher rates in London

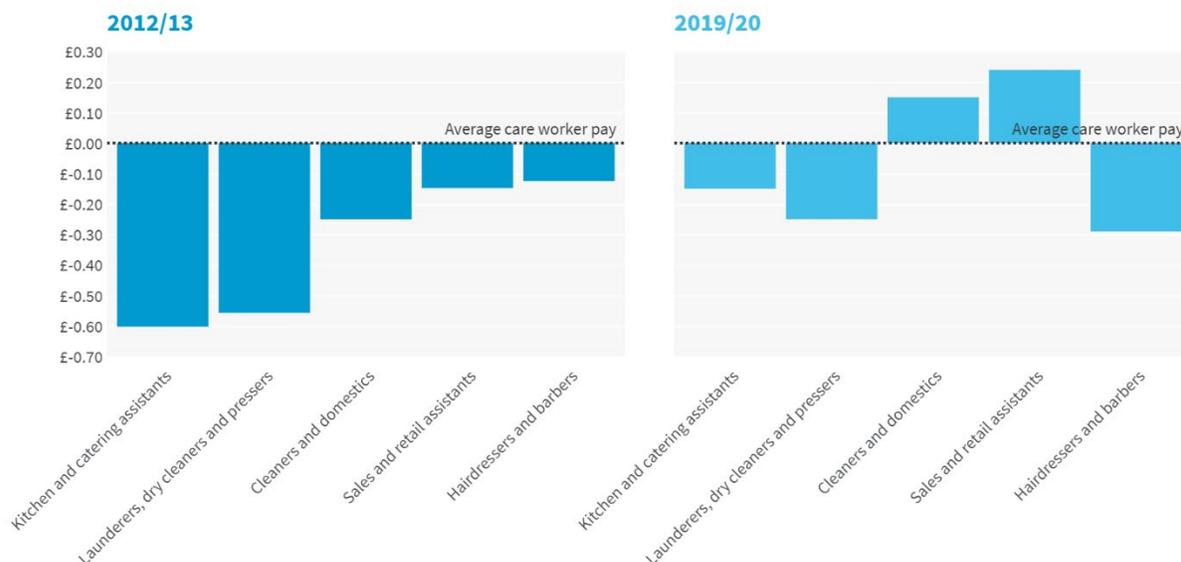
and the South East). The Office of Budget Responsibility notes an increase in EU workers leaving the UK during Covid-19 and, with the UK having left the EU, it may be more difficult for these workers to return. The Office for National Statistics has downplayed these statistics, however.

## 8 Pay

### Care worker pay is increasing but not as fast as other sectors

In 2012/13 care work paid better than some other low-paid professions. However, by 2019/20, the gap had narrowed and some other professions were paid more.

Difference in median hourly pay, in 2019/20 prices



Source: Skills for Care • Care worker median hourly pay is for those working in the independent sector only. Data adjusted for inflation using December 2020 GDP deflators from HM Treasury

TheKingsFund

### Why is this an important indicator?

Care workers make up around 865,000 of the 1.65 million jobs in the social care sector. 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.

### What was the annual change?

Average care worker pay in the independent sector in 2019/20 was £8.50 an hour, an increase of 3 per cent in real terms since 2018/19.

### What is the long-term trend?

Since 2012/13, care worker pay has increased by 11.8 per cent in real terms. However, pay in other sectors has been increasing more quickly. In 2012/13, care

workers were paid more than cleaners and sales assistants but by 2019/20 they had been overtaken. Only hairdressers and barbers have fared worse.

***What explains this 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 remunerate 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 12p 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). Nearly one in three social care staff (30.4 per cent) leaves their job during the course of the year, equivalent to 430,000 people. For care workers in the home care sector, the figure is closer to one in two. Most stay within social care, however.

These statistics relate to pay in the independent sector. Pay in the local authority sector, where around 52,000 direct care staff are employed, is better. There, care workers earned, on average, £19,600 in 2020.

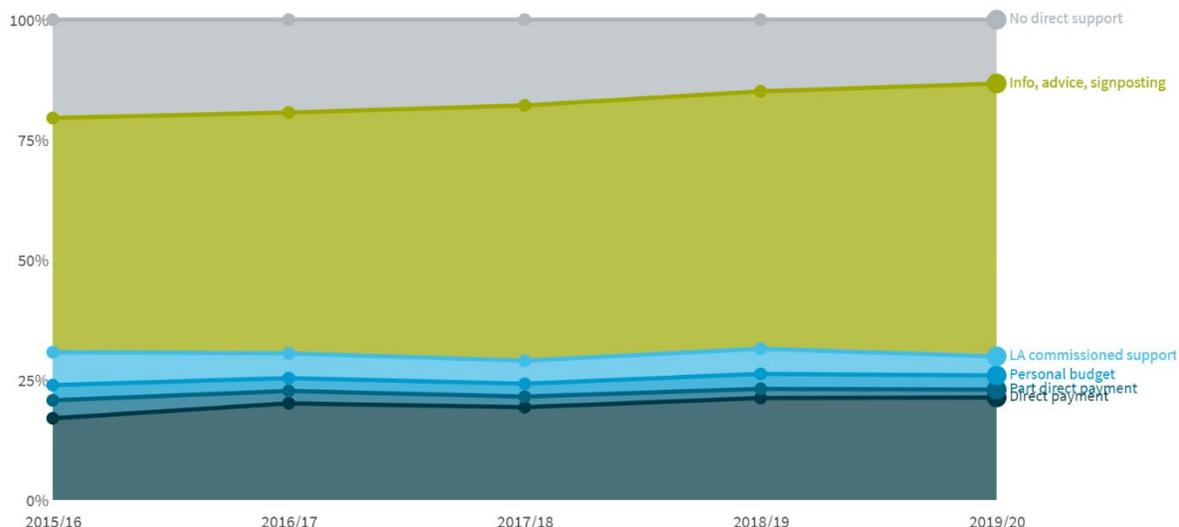
***What is the impact of Covid-19 likely to be?***

Pay will have increased during Covid-19, driven by a 6.2 per cent increase in the National Living Wage in April 2020. The Covid-19 pandemic is likely to have had limited impact on pay: unlike other nations in the UK, England did not pay a £500 bonus to staff for working during Covid-19, though some individual employers did pay bonuses voluntarily. Some care staff may have lost income if required to self-isolate on statutory sick pay. In April 2021, the National Living Wage increased by 2.2 per cent to £8.91, much lower than in previous years so care worker pay increases may also now slow.

## 9 Carer support

### *More carers are getting support but it is mainly advice*

While a greater proportion of carers are receiving support from their local authority, for an increasing proportion of people that is limited to information, advice and signposting



Source: NHS Digital

TheKingsFund

### **Why is this important?**

Unpaid carers – usually, but not always, family members – contribute the equivalent of four million paid care workers to the social care system. Without them, the system would collapse. The charity Carers UK estimates that carers in England have contributed more than £400 million of care each day since the start of the Covid-19 pandemic.

### **What was the annual change?**

Though 30,000 more carers were supported by their local authorities in 2019/20, the number receiving payments or services other than advice and information fell. Of the 316,000 who received direct support, the majority (207,000) received information, advice or signposting. There was, however, an increase in support such as respite care, provided directly to the person being cared for.

### ***What is the long-term trend?***

Despite the increase in 2019/20, there are still fewer carers receiving support from their local authorities than in 2014/15. The percentage receiving paid support has also fallen over time, from 31.4 per cent in 2015/16 to 29.0 per cent in 2019/20. Similarly, instances of respite care have fallen from 57,000 in 2015/16 to 46,000 in 2019/20.

### ***What explains this?***

The fall in paid support for carers, and in wider support over time, is best explained by pressure on local authority budgets. There is little to suggest that the number of carers has fallen. The total number of people being paid Carer's Allowance in August 2020 was 940,000, an increase from 885,000 in August 2019. The Department of Work and Pensions' annual Family Resources Survey does show a small, long-term fall in the percentage of people saying they provide informal care from 8 per cent in 2008/09 to 7 per cent in 2018/19.

### ***What is the impact of Covid-19 likely to be?***

Covid-19 has had a huge impact on family carers, though not necessarily on the support available to them. The closure of many formal services, particularly day centers, and unwillingness to use other services because of the risk of infection, led to many people taking on new caring roles. Carers UK estimates that the number of carers more than doubled during the pandemic from 6.5 million to 13.6 million. Research suggests that this has increased mental health problems of carers, particularly those caring for people with intellectual disability.

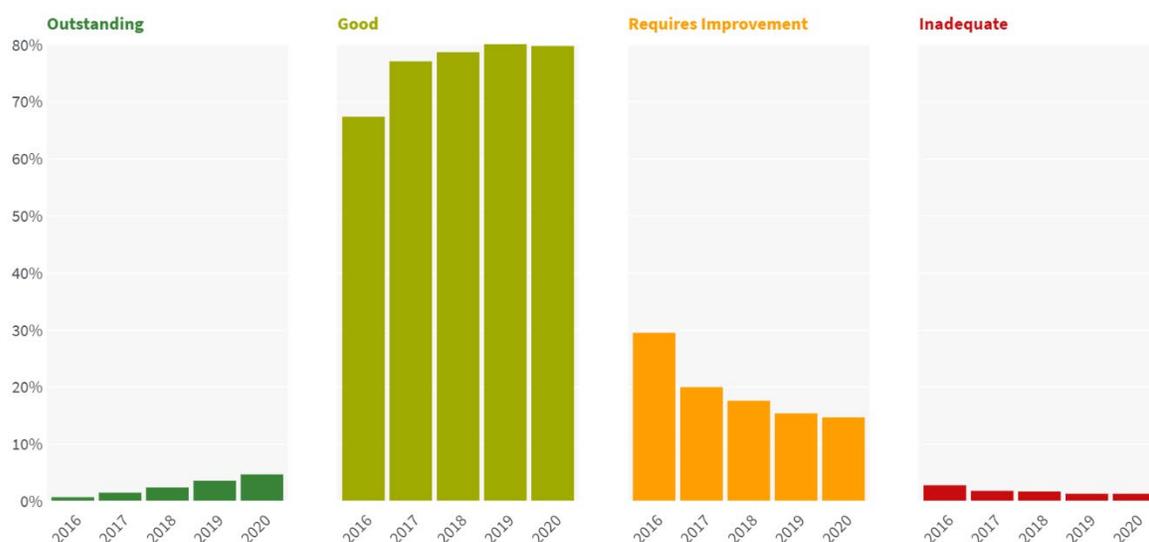
# 5 Quality

## 10 Quality

### ***More adult social care services are rated 'outstanding' or 'good'***

The percentage of care services rated 'outstanding' or 'good' has continued to increase

Data as at 1 April each year



Source: CQC • Data provided directly by CQC. Services are given a rating for each of the five key questions: 'Are they safe?', 'Are they effective?', 'Are they caring?', 'Are they responsive to people's needs?', 'Are they well-led?', and aggregated to give an overall rating for the location.

TheKingsFund

### ***Why is this indicator important?***

The 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 percentage of care services rated 'good' or 'outstanding' at April 2020 was slightly higher than in April 2019, with all the percentage growth coming in the outstanding category. At 1 April 2020, there were 1,073 services (4.6 per cent) rated 'outstanding' compared to 792 (3.5 per cent) in 2019.

There is variation between different sectors of social care in terms of quality ratings. Community services have lower percentages of services rated 'inadequate' or 'requires improvement' (7 per cent) while nursing homes have the highest percentage (23 per cent).

### ***What is the longer-term trend?***

Over the past five years, the percentage of adult social care services rated 'good' or 'outstanding' by the CQC has continued to edge upwards. 84 per cent of services are now in these categories compared to 68 per cent in 2016. The number of 'outstanding' services has increased more than ten-fold from just 77 in 2016 (0.6 per cent). The percentage of services rated 'requires improvement' or 'inadequate' has fallen.

### ***What explains this?***

There are some excellent care services in England to be celebrated (and learnt from: an Outstanding Society, comprised of care homes rated 'outstanding' by the CQC, exists to share experience and help to drive up quality across the sector). Similarly, people using publicly funded care services report high levels of satisfaction, although these have fallen slightly in recent years.

This drive to improve ratings might also be expected in a residential care market made up largely of for-profit providers. CQC ratings can correlate with higher occupancy rates which in turn leads to higher income. However, 1 in 6 homes remain below standard and there remains a problem with services that stubbornly fail to improve: 3 per cent of care homes and a similar percentage of community care agencies have never been rated better than 'requires improvement'.

### ***What is likely to be the impact of Covid-19?***

During the pandemic, CQC analysis of deaths in care homes shows a small 'skew' towards more deaths in homes rated 'requires improvement' but overall there is no clear correlation re the distribution of deaths and care home ratings.

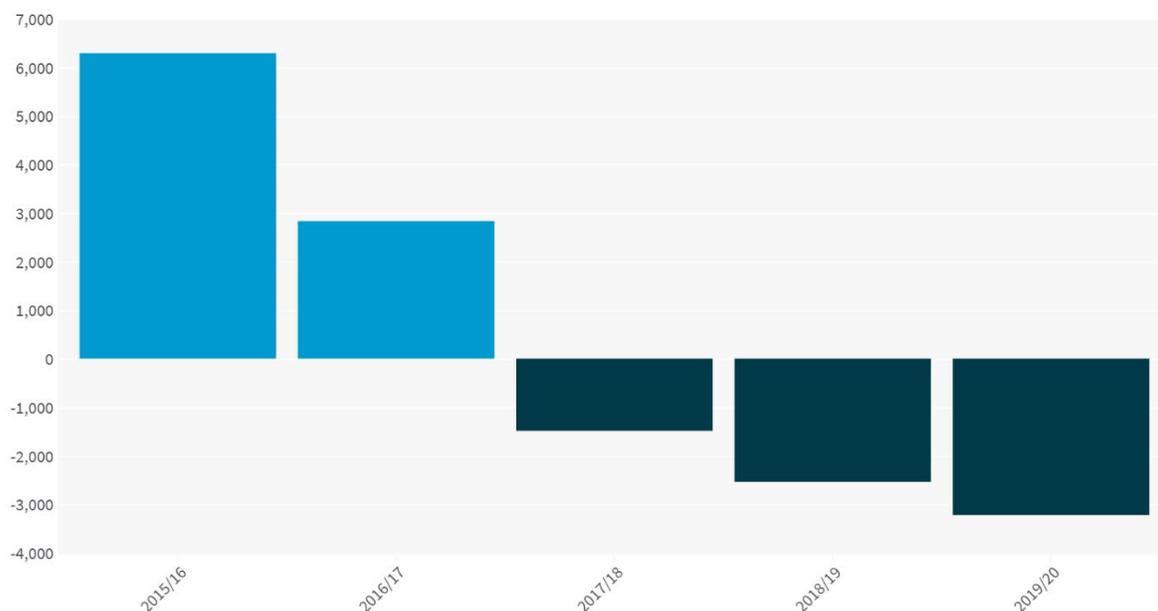
More broadly, since safety is a key element of quality, Covid-19 has clearly had a negative impact on quality of care. There have been around 27,000 excess deaths in care homes and residents have experienced months of limited interaction with other residents and, due to visitor bans, their families and friends. This was largely outside the control of the care homes, however, whose staff in many cases made major efforts to reduce the impact of the pandemic on residents and users of services.

## 11 Personalisation

### ***For the third year in a row, fewer people are using direct payments***

The number of service users receiving direct payments has continued to fall

Change in number of recipients compared to previous year



Source: NHS Digital • Number of service users receiving direct payments or part direct payments at the year end 31 March

TheKingsFund

#### ***Why is this indicator important?***

Direct payments 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.

#### ***How do direct payments work?***

Since 2015, everyone receiving support in the community from their local authority must receive a personal budget setting out the money allocated to meet their needs. People can choose how to receive their personal budget. One option is a direct payment – money paid to the person to organise and pay for their own care and support themselves (often by hiring someone to work for them as a personal assistant who carries out a wide range of support tasks for them in the home, at leisure or in work).

### ***What was the annual change?***

The number of people using direct payments fell from 126,000 in 2018/19 to 123,000 in 2019/20.

### ***What is the long-term trend?***

The proportion of people using direct payments has fallen to its lowest since 2015/16: 39.5 per cent of working-age adults and just 16.9 per cent of older people. The number of people using direct payments is also lower than in 2015/16 and has been falling for each of the past three years.

### ***What explains this?***

There is likely to be more than one reason. Opting for direct payment requires more involvement and responsibility than simply receiving a service, and people may need support to manage one. However, service-user groups say some local authorities offer far more support than others. Some are also more prescriptive than others about what direct payments may be spent on. Think Local, Act Personal, a national partnership of more than 50 organisations committed to transforming health and care through personalisation and community-based support, argues that 'People's experience suggests that the law has not been implemented as originally envisaged, and the full benefits of direct payments have not been realised.'

This may reflect different approaches to personal budgets by local authorities, or even individual social workers within those authorities. 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), then direct payments certainly make that possible. If they do not, then direct payments may be less appealing. Just under half (47 per cent) of people receiving a direct payment for their care and support needs were estimated to be employing staff in 2018/19.

### ***What is likely to be the impact of Covid-19?***

It remains to be seen whether Covid-19 will make any difference to take-up of direct payments, though there have been some positive stories about how they have been used. In the initial stages of the pandemic, some users of direct payments describe feeling abandoned by local authorities. The needs of direct payments users, especially where they employed their own personal assistants, was

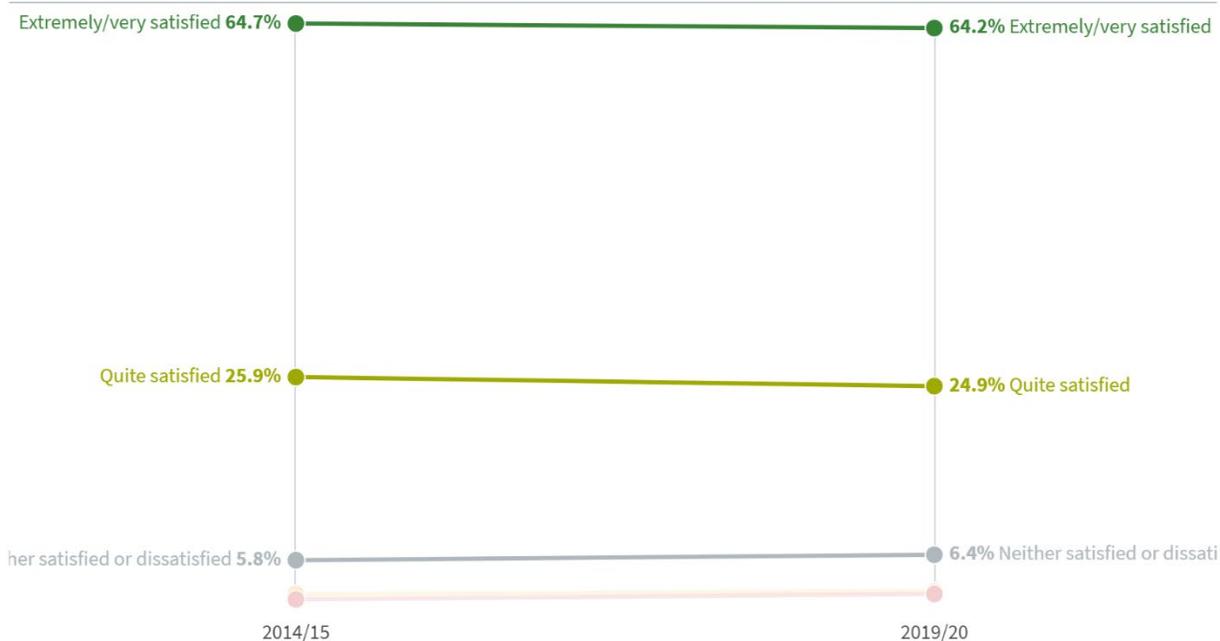
not understood so support and guidance from national agencies, for example, around usage of PPE, was slow to arrive.

However, some people did find that, during the pandemic, local authorities were less prescriptive in how direct payments might be used and, as the pandemic progressed, so did the quality of support and guidance from national bodies. Think Local, Act Personal says it has seen many positive stories of where the pandemic led to 'a proportionate approach to monitoring direct payments and increased flexibilities around expenditure, in line with the intentions of the Care Act.' It is possible these changes will be maintained.

## 12 Satisfaction

### *There has been a small, long-term fall in user satisfaction*

Service user satisfaction has been consistently high, however, a small downward shift has begun



Source: NHS Digital • Percentage of respondents, combined standard and easy read questionnaire responses

TheKingsFund

### **Why is this indicator important?**

This annual survey by local authorities of people using publicly funded social care services is one of the few available indicators of individual satisfaction with care and support. However, there is no data on the satisfaction of people paying for their own care.

### **What was the annual trend?**

The percentage of people saying they were 'extremely satisfied' or 'very satisfied' with their care and support fell very slightly from 64.3 per cent to 64.2 per cent.

### **What is the long-term trend?**

There has been a slight overall fall in the number of people satisfied with their care and support – in 2014/15, 64.7 per cent expressed satisfaction, but by 2019/20 this had fallen to 64.2 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 2.1 per cent in 2019/20).

***What might explain this?***

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

However, there are reasons to be cautious, not least from carers. Only 38.6 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. 7.2 per cent of respondents say they are 'extremely dissatisfied' or 'very dissatisfied'. There is also research to suggest that some people may be expressing gratitude for services rather than satisfaction. Satisfaction also varies between service users and according to setting. Working-age adults are significantly more satisfied with their care (68 per cent) than older adults (62 per cent); white service users report higher satisfaction than Black and minority ethnic service users; people using residential care report higher satisfaction than nursing care or community care service users; and service users and carers in London report lower satisfaction than service users in other areas of England.

***What is the impact of Covid-19 likely to be?***

It is not possible to forecast responses to this survey in 2020/21 and, unlike in previous years, participation by local authorities will be voluntary. Questions will, however, include ones specifically asking how users of services feel about the support they received from professionals involved in their care during the Covid-19 pandemic.

## 6 Acknowledgements

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