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Ideas that change health and care

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-care360

Contents

Introduction

This year's Social care 360 includes data from 1 April 2020 to 31 March 2021, encompassing both the first and second waves of the Covid-19 pandemic.

Several of the trends show marked changes from previous years. One of these is clearly related to the pandemic.

- Public expenditure on social care increased sharply, as the government channelled money into the sector to help fund the additional costs of Covid-19.

In others, Covid-19 is likely to have been involved but other factors might also have played a role.

- New requests for support from older people to local authorities went down, most likely as people avoided contact with formal care services, but requests for support from working-age adults increased.
- Overall, the number receiving formal long-term care services in fact went up.

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 2019 and 2020 there were approximately 144,000 people self-funding (36.7 per cent) their care in care homes in England, compared with 248,000 (63.3 per cent) state-funded care home residents. There is no similar data available for people who use home care.

The Covid-19 pandemic prompted action from government. In addition to extra money, Covid-19 brought about belated recognition by central government about the need for greater oversight of adult social care. As a result, important legislation has been introduced that will improve data collection and analysis in the sector and give the Care Quality Commission an assurance function with local government commissioning of social care.

However, the government's reform agenda has focused on areas not really affected by Covid-19, with reforms to address the 'catastrophic' care costs that some individuals face in their lifetimes and reform of the means test announced in a White Paper published in December 2021. Even planned reforms to the provider market, aimed at ensuring that local authorities pay providers a 'fair cost of care' are primarily driven by the requirements of introducing a cap on care costs. While these reforms are welcome, they do little to tackle the other fundamental problems in adult social care, including unmet need, underfunding and workforce, which were highlighted by the pandemic. These remain in urgent need of a response, which the government's social care White Paper largely failed to provide.

How the Covid-19 pandemic may have affected the statistics in this report

The pandemic caused major changes to local authority social care activity in 2020/21 and this may also have affected the data in this report. NHS Digital notes several limitations associated with the data, including those outlined below.

Changes to the way in which people who were discharged from hospital were funded may have meant more people were counted as receiving support than in previous years (*see* Indicator 2 for more details).

Local authorities reallocated resources in response to the pandemic and some activities would not necessarily have been counted in these statistics. Equally, some services, such as day centres, closed while Covid-19 restrictions and social distancing were in force, but people who had been using them might still have been counted as receiving support, even if they did not use alternative services, such as online support.

Expenditure totals may not be directly comparable because some expenditure by local authorities was spent to support care providers (funding, for example, personal protective equipment costs, infection control measures and compensating for extra staffing costs due to Covid-19) rather than directly on users of services.

Some weekly cost-of-care statistics may be distorted because some local authorities supported care homes through block bookings rather than for actual weeks of care delivered.

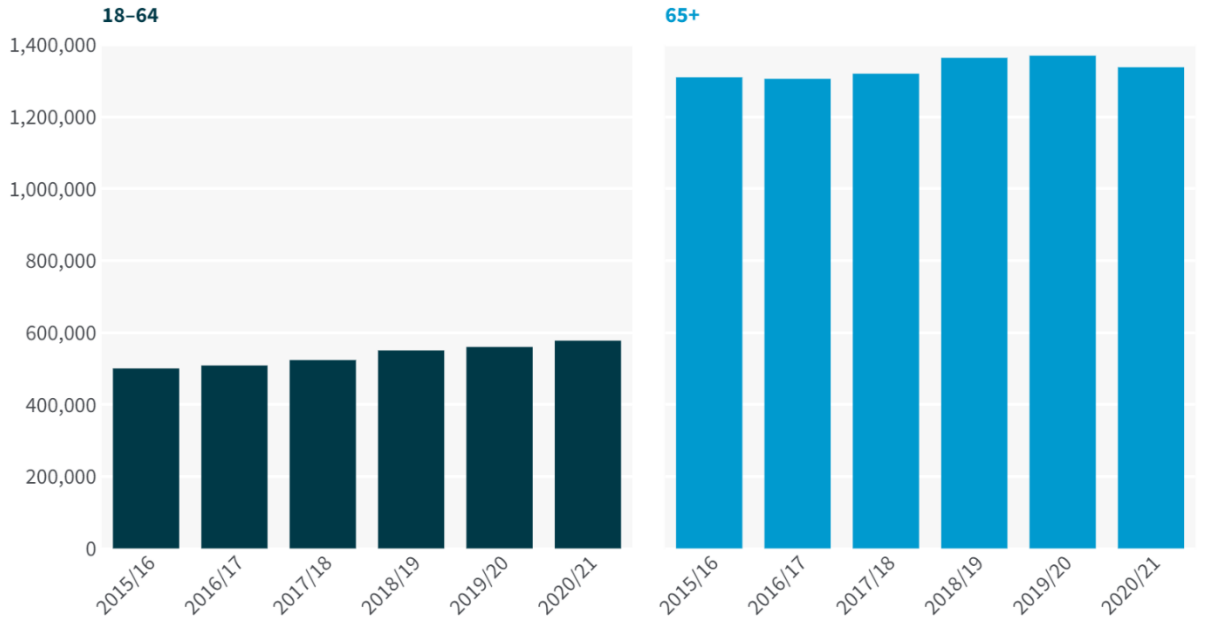
In addition, Covid-19 had significant effect on GDP and measures of inflation. In this review, we have therefore presented some financial information in both cash and real terms.

1 Requests for support

There were more requests from working-age adults but fewer from older people

In 2020/21 the number of new requests to local authorities from working-age adults rose, while the number from older adults fell

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 number of new requests for adult social care support to local authorities increased among working-age adults, from 560,000 in 2019/20 to 578,000 in 2020/21. However, requests for support by older people fell, from 1.37 million to 1.34 million.

Overall, requests for support fell slightly from 1.93 million to 1.92 million, which is still equivalent to 5,250 requests every day of the year. 1.3 million people asked for help during the year, making an average of 1.5 requests each.

What is the longer-term trend?

Despite the fall in 2020/21, requests for support are still 6 per cent higher than they were in 2015/16 (1.81 million). Among working-age adults they have increased 15 per cent, from 501,00 to 578,000 over the same period. Among older people, they have increased 2 per cent, from 1.31 million to 1.34 million.

The source of requests for support has not changed significantly since 2015/16: around 4 in 5 requests originate from the community and 1 in 5 from hospital discharge.

What explains the trends?

The fall in new requests among older people in 2020/21 is likely to reflect a reluctance to come forward for services during the Covid-19 pandemic. The Institute for Fiscal Studies found that almost three-quarters of people needing community or social care services in the first stage of the pandemic said they had not accessed them and almost half of these said they did not even attempt to contact services.

This exceptional annual change may therefore have temporarily masked the broader general trend, evident since 2015/16, of increasing demand from older people. This trend has been caused by an increasing number of older people who have been living longer – need for social care tends to increase with age. However, this may have been counterbalanced by a fall in the proportion of older people with disabilities that affect their independence: the Health Foundation estimates that there were 200,000 fewer older people living in the community with high social care need in 2018 than would have been the case if disability prevalence had stayed the same as in 2006.

Given the fall in new requests from older people in 2020/21, it is surprising that new requests for support from working-age adults in fact went up: it is not obvious why they would have been less concerned about the risk of Covid-19 transmission than older people. It may be that there is no single, clear reason for this change but it warrants further investigation.

What has happened since?

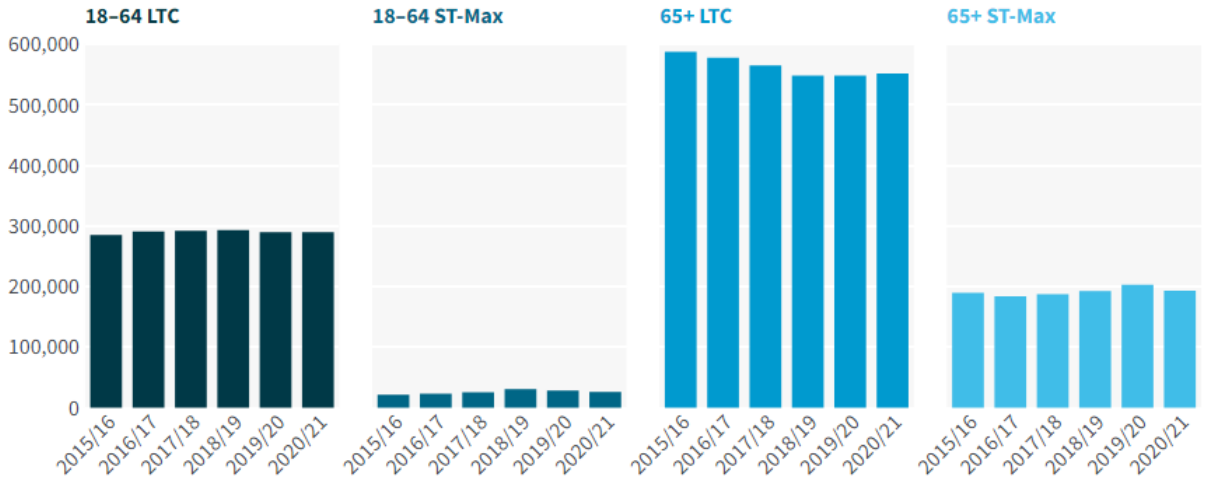
A snap survey in November 2021 by the Association of Directors of Adult Social Services estimated that more than 200,000 people were waiting for assessments related to adult social care. It is not clear, however, whether this is a consequence of new requests for support or difficulties in clearing a backlog of existing requests, or both.

2 Service delivery

The number of people receiving publicly funded long-term care rose slightly

In 2020/21 the total number of older adults receiving publicly funded long-term care rose, but the number of people receiving short-term care fell

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 publicly funded long- and short-term care are the key measures available to assess the extent to which demand for social care (*see* Requests for support) is being met.

What was the annual change?

The number of people receiving publicly funded long-term care in 2020/21 increased by 3,000 (0.3 per cent) to 841,000. This overall increase was made up of a very small decrease in the number of 18–64-year-old adults receiving long-term care, outweighed by a slightly larger increase in the number of older people receiving long-term care. However, when increases in population size is taken into

account, there was a small decrease in the number of people per 100,000 population receiving long-term care.

In short-term care to maximise independence (ST-Max), there was an overall fall from 231,000 to 219,000 (5 per cent). This was made up of 2,000 (8 per cent) fewer working-age adults receiving ST-Max and 10,000 (5 per cent) fewer older people.

What is the long-term trend?

Since 2015/16, there has been a small increase in the number of working-age adults accessing publicly funded long-term care, from 285,000 to 290,000 (2 per cent) but a much larger decrease in the number of older people receiving long-term care – down from 587,00 to 552,000 (6 per cent). When population size is taken into account, there has been a small fall in working-age adults receiving long-term care and a much larger fall in older people.

With ST-Max, there has been an increase in provision for both working-age adults, up from 21,000 to 26,000 (22 per cent) since 2015/16, and older people, up from 190,000 to 193,000 (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?

It is surprising that the number of older people receiving publicly funded long-term care increased in 2020/21 even though the number of requests for support (*see* Requests for support) fell. This is contrary to the general long-term trend between 2015/16 and 2019/20, which saw receipt of long-term care by older people fall to 548,000 people. We have previously explained this fall as being, at least in part, a consequence of the financial pressures facing local authorities. National Audit Office analysis finds that compared with 2010/11, resulting in a 29 per cent real-terms reduction in local government spending power. However, the fall in spending power largely plateaued from 2016/17 onwards and reversed in 2020/21.

It is possible that this overall trend was beginning to change by 2019/20: receipt of long-term care by older people stayed flat in that year rather than fell still further. However, it is also likely that the increase in 2020/21 was – at least in part – a consequence of changes to the health and care system due to the onset of Covid-19. In particular, the government introduced a hospital discharge fund under which the NHS paid for six weeks of care for those needing it when leaving hospital. As a result, people who would otherwise have been self-funding their own care after discharge from hospital were included in the long-term care figures for the first time. There are other possible explanations.

- The amount of ST-Max fell in 2020/21 and it may be that some people who would otherwise have received 'reablement' type support to help them get back on their feet quickly instead received long-term care.
- It may be that local authorities were responding to unmet need uncovered during the pandemic. The Association of Directors of Adult Social Services said directors had seen 'concerning increases' in older and disabled people presenting for domestic abuse and safeguarding, and carer breakdown.

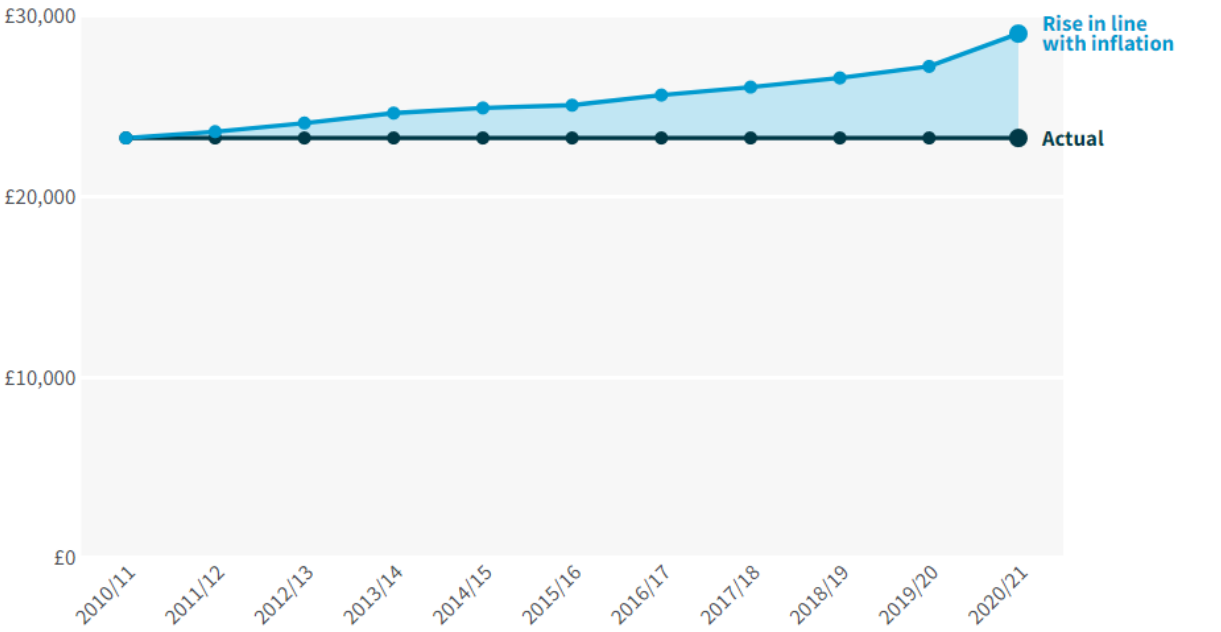
What has happened since?

In December 2021, the Association of Directors of Adult Social Services warned that workforce challenges caused by long-term recruitment problems and by illness and self-isolation due to Covid-19 were forcing local authorities to ration the support provided to people with social care needs.

3 Financial eligibility

Financial eligibility has continued to get tighter

If the social care means test threshold had kept pace with inflation it would be £5,781 higher than it currently is



Source: Local authority circulars
Inflation calculated using September 2021 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?

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 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 longer-term trend?

The upper threshold has not changed since 2010/11. If it had increased in line with inflation, it would be £5,781 higher at £29,031, so more people would qualify for support.

What explains this?

By not increasing the upper 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, as ministers have sought to limit 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 means that adults with disabilities can be left with less income to live on after care costs have been charged and so, in effect, they might be charged more for their care.

What has happened since?

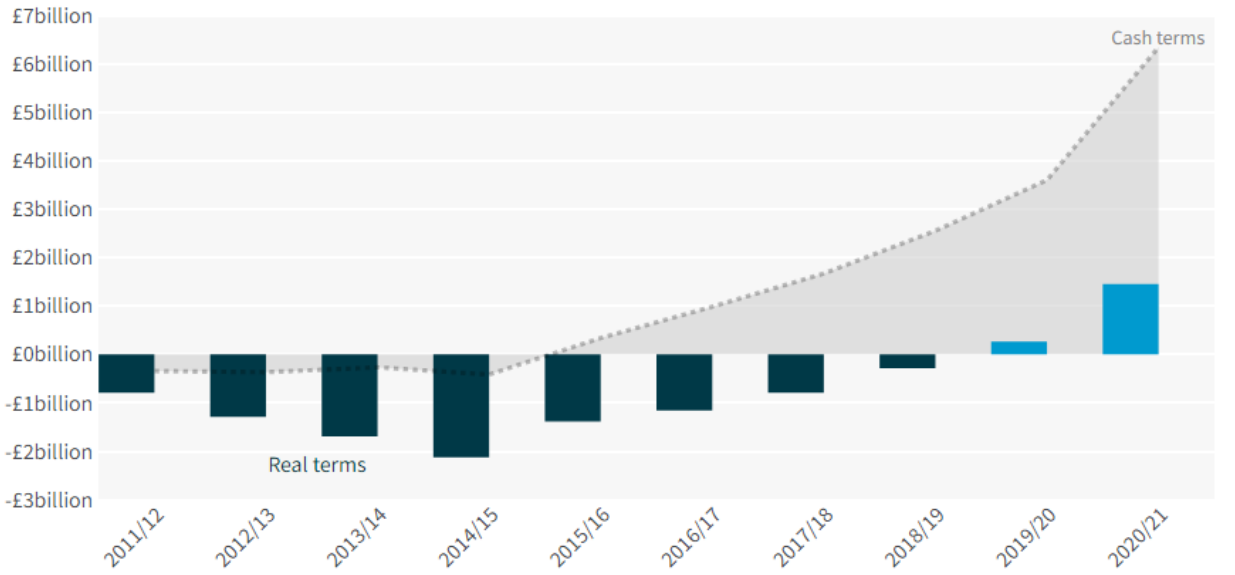
The upper threshold, and all other thresholds, remained at the same level for 2021/22. However, in September 2021, the government announced that from October 2023, as part of wider reforms of adult social care, which include the introduction of an £86,000 cap on care costs, the upper threshold will rise to £100,000 and the lower threshold – the point below which people pay nothing towards their care from their assets – will increase to £20,000. And from April 2022, the Minimum Income Guarantee will rise in line with inflation.

4 Expenditure

Total spending by local authorities rose sharply in 2020/21 due to Covid-19

Additional funding provided during the Covid-19 pandemic pushed the total real-terms expenditure on social care to more than £1 billion more than in 2010/11

Difference from 2010/11 local authority budget, in real terms (adjusted to 2020/21 prices) and in cash terms



Source: NHS Digital
Figures for bars chart are adjusted for inflation using September 2021 GDP deflators from HM Treasury

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Why is this indicator important?

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?

Total expenditure on adult social care rose sharply in 2020/21 to £26.0 billion from £24.8 billion in £2019/20, an increase of 4.8 per cent in real terms* and an increase of 11.8 per cent (£2.7 million) in cash terms. Spending per head of population also increased, from £560 to £585.

*In this year's Social care 360, we are presenting some financial information in both cash and real terms because of the impact Covid-19 has had on GDP and measures of inflation.

As before, in Social care 360 we use the GDP deflator to convert spending from cash terms to real terms. 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. The GDP deflator rose by around 6 per cent in 2020.

Measures of inflation that are specific to health services are being developed, but there is currently no single agreed measure for inflation specifically for the English health and care system. Other measures of inflation, including, for example, the Consumer Prices Index (CPI), which measures the change in prices for consumer goods and services, are constructed on a different basis to the GDP deflator.

What is the long-term trend?

Total expenditure in 2020/21 was £1.5 billion more in real terms than in 2010/11. However, taking into account the increase in the adult population since 2010/11, spending per head has fallen from £593 per person to £585 per person.

What was the money spent on?

Local authorities spent £7.9 billion on long-term support for working-age adults in 2020/21. Of this, they spent £4.8 billion on community support, including £824 million on home care; £2.6 billion on nursing or residential care, and £464 million on supported accommodation. They also spent £174 million on short-term support for working-age adults.

Local authorities spent £7.8 billion on long-term support for older people, of which £4.8 billion was on nursing or residential care, £2.9 billion on community support, including home care (£1.8 billion) and £115 million on

supported accommodation. They also spent £507 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 (£5.5 billion) and physical support for older people (£5 billion). Other major areas are support with memory and cognition for older people (£1.4 billion), physical support for working-age adults (£1.4 billion), mental health support for working-age adults (£831 million) and mental health support for older people (£583 million).

Local authorities spent a further £2.3 billion on commissioning and service delivery. This was an 11 per cent increase on the figure in 2019/20, reflecting increased support to social care providers with income from sources such as the Infection Control Fund and Workforce Capacity Fund (*see* below).

These figures are gross current expenditure (total £21.2 billion), so do not include spending that results from NHS income.

What explains this?

The large increase in expenditure in 2020/21 is a result of extraordinary measures taken during the Covid-19 pandemic. Local authorities received additional funds from central government, including to support their local care markets which were facing extra costs (for staffing and personal protective equipment) and – in the case of care homes – reducing occupancy levels, which threatened profitability and therefore market stability. Much of this extra spending therefore involved support for providers of services rather than direct expenditure by local authorities on people in need of care, and was intended to recognise the higher cost to providers of providing care for people.

The funding was typically time-limited and announced irregularly. In March 2020, the government announced £1.6 billion funding for local authorities to help them respond to Covid-19 pressures across all their services, including social care. In May 2020, the government gave local authorities £600 million through the Infection Control Fund to support adult social care providers to reduce the rate of Covid-19 transmission and support wider workforce resilience. In October 2020, a further £546 million was made available. In December 2020, a rapid testing fund of £149 million was created. In January 2021, an additional £120 million was made

available through the Workforce Capacity Fund to strengthen adult social care workforce capacity. Together, these funds total more than £1.4 billion.

The increase in expenditure also reflects increased income from the NHS, which took over responsibility for paying for the first six weeks of social care after people were discharged from hospital (paid for by £1.3 billion of government funding through a hospital discharge fund announced in March 2020). 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 since?

In April 2021, a further £341 million of funding for infection control and testing was made available and in October 2021 it was extended with a further £388 million. This brought the total ring-fenced funding for infection prevention and control to almost £1.75 billion and support for testing to almost £523 million in care settings.

Also in October, the Workforce Recruitment and Retention Fund made available a further £162.5 million, and in December 2021, a further £300 million was made available to help recruit and reward the social care workforce while a further £60 million was made available to support local authorities' Covid-19 responses over winter.

In October 2021, the government extended the hospital discharge fund until March 2022 but said it would end then.

The provisional local government financial settlement will increase local authority spending power by 4 per cent in real terms between 2022/23 and 2023/24.

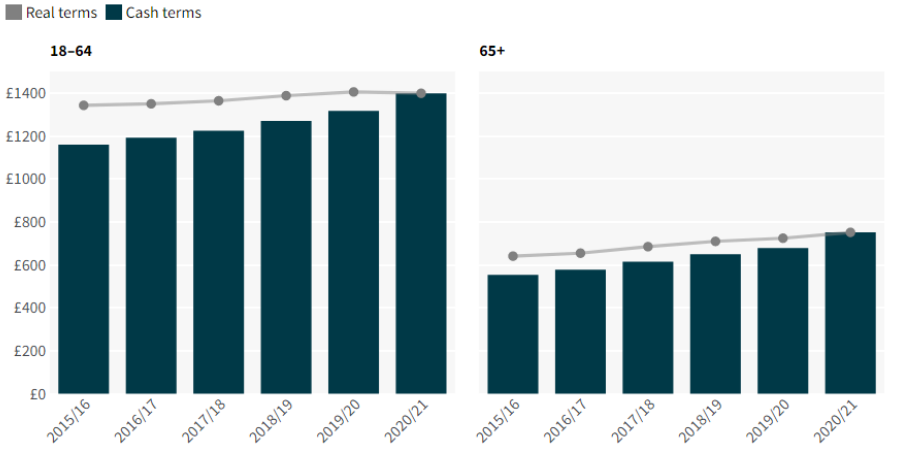
The government has also made available extra funding for social care reform. In the 2021 Spending Review, the government announced to meet the cost of introducing a cap on care costs, extending the means test and introducing a 'fair price for care'. It is funded from a 1.25 percentage point increase in National Insurance, due to be implemented in April 2022. Most of the £30.3 billion available over three years in England goes to the NHS, with social care receiving £5.4 billion over three years.

5 Cost of commissioning

The fees paid by local authorities for care rose in cash terms but in real terms the picture is mixed

The cost of nursing and residential care has continued to increase in cash terms for working-age adults and older adults, but not in real terms

Average weekly cost for residential and nursing care, in cash terms and in real terms (2020/21 prices)



Source: NHS Digital
Real terms figures are adjusted for inflation using September 2021 GDP deflators from HM Treasury

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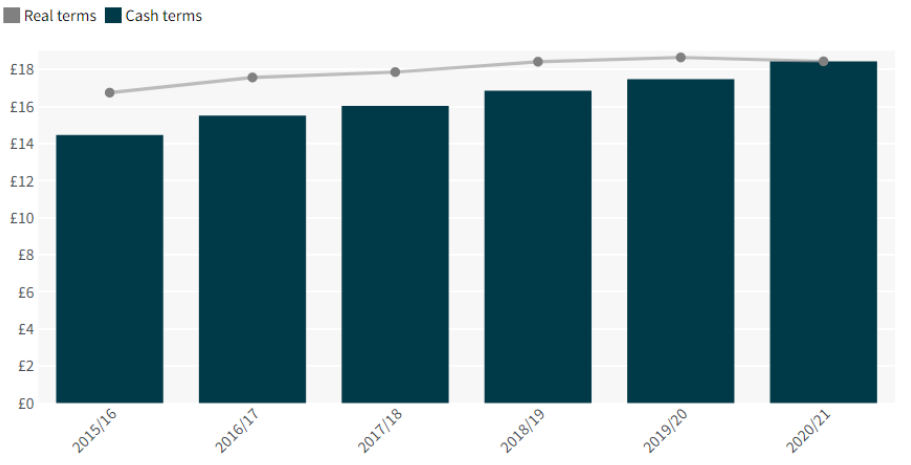
The average hourly rate for home care has continued to increase in cash terms, but has fallen in real terms

Average hourly rate for externally provided home care, in cash terms and in real terms (2020/21 prices)



Source: NHS Digital
Real terms figures are adjusted for inflation using September 2021 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.

What was the annual change?

Between 2019/20 and 2020/21, in real terms* the average weekly fee paid by local authorities in England for care homes fees for working-age adults fell 0.4 per cent, from £1,405 to £1,399. The average weekly fee for older people increased 3.7 per cent from £724 to £751. The average hourly rate for externally commissioned home care fell 1.1 per cent from £18.65 to £18.44.

In cash terms, the average weekly fee paid for care homes for working-age adults increased from £1,317 to £1,399 (6 per cent) in 2020/21 and in home care, the average hourly rate increased from £17.48 to £18.44 (5.5 per cent). The average weekly fee for older people increased from £814 to £898 (10.3 per cent).

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Measures of inflation that are specific to health services are **being developed**, but there is currently no single agreed measure for inflation specifically for the English health and care system. Other measures of inflation, including, for example, the Consumer Price Index (CPI), which measures the change in prices for consumer goods and services, are constructed on a different basis to the GDP deflator.

What is the long-term trend?

Despite the real-terms fall in 2020/21, since 2015/16 the average weekly care home fee for working-age adults has increased by 4 per cent, the average weekly care home fee paid for older people has increased by 17 per cent and the average hourly rate for home care has increased by 10.1 per cent.

What explains this?

The real-terms fall in the level of fees paid by local authorities for working-age adults' care homes and home care in 2020/21 does not necessarily represent a change to an overall trend which, since 2015/16, has seen local authorities increasing fees to stabilise the provider market.

First, 2020/21 did see significant increases in cash terms: The real-terms fall is therefore in part a consequence of the very high rate of inflation that emerges from use of the 2020/21 GDP deflator.*

Second, the government channeled significant financial support to social care providers through local authorities, which contributed to a 4.8 per cent real-terms increase in total expenditure by local authorities on adult social care (*see* Expenditure). This money did not necessarily feed through into the average fees rate in this indicator, however. For example, to support providers with cash-flow problems, some local authorities told NHS Digital that they were supporting care homes through payments based on care plans or block bookings, rather than the actual weeks of care delivered. NHS Digital notes that some weekly cost of care may therefore be distorted.

There are some indications this government support paid off in 2020/21. The Care Quality Commission told the Public Accounts Committee that fewer care homes had left the market in 2020 than might be expected, and said it was possible this was a result of government support.

Nonetheless, though there may not have been a major change in the trend of support for social care providers, there remain serious concerns that rates paid remain too low to be sustainable. 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. It also noted estimates that people who fund their own care pay up to around 40 per cent more for their care in care homes and around £3 more per hour for home care than people whose care is publicly funded.

Providers did also face significant cost pressures, particularly from wages, during 2020/21. In April 2020, the main rate of the National Living Wage increased by 6.2

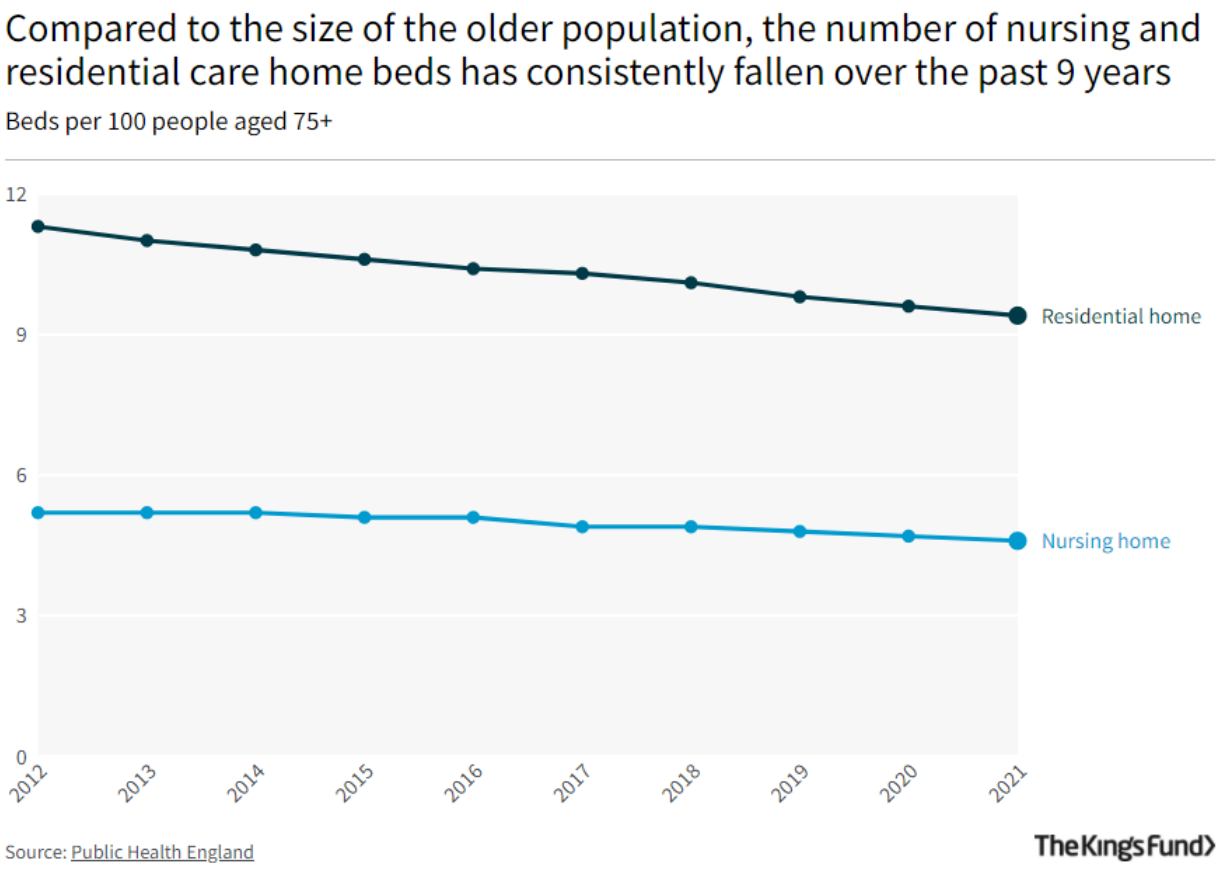
per cent. Covid-19 also brought increasing costs in sick pay and for personal protective equipment.

What has happened since?

The government accepted in its 2021 White Paper that 'in many local authorities, we see low fee rates and cross-subsidy between care home residents paying for themselves, and those who are funded by their local authority'. In December 2021, it announced that £1.4 billion would be available to local authorities over three years too reduce the subsidy of publicly-funded clients by people who pay for their own care through introduction of a 'fair cost of care'.

6 Care home beds

There were fewer places in nursing and residential homes



Why is this indicator important?

The number of places in residential 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: much care is provided at home, for example, but there are 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?

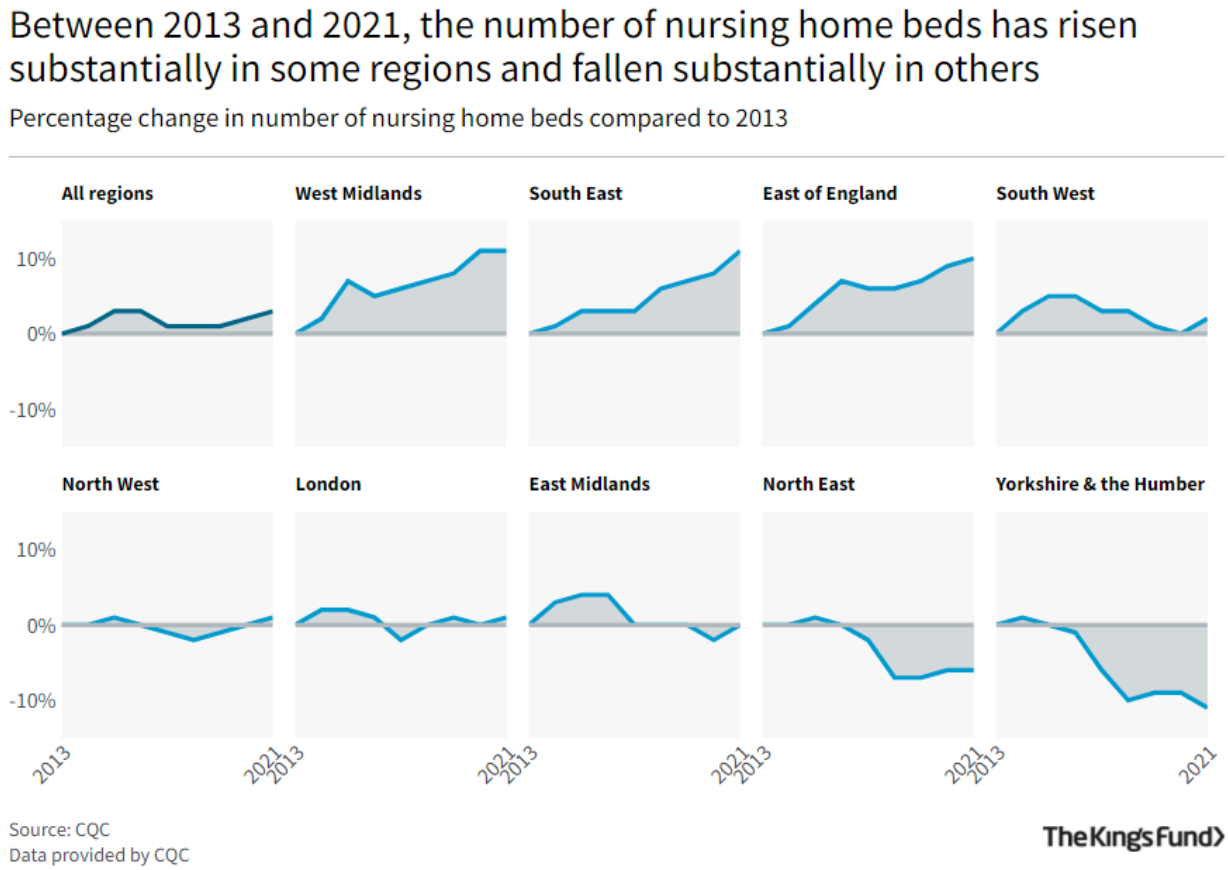
There was a small increase in the number of residential and nursing home places during 2020/21 to 235,000 and 223,000 places respectively. However, when the

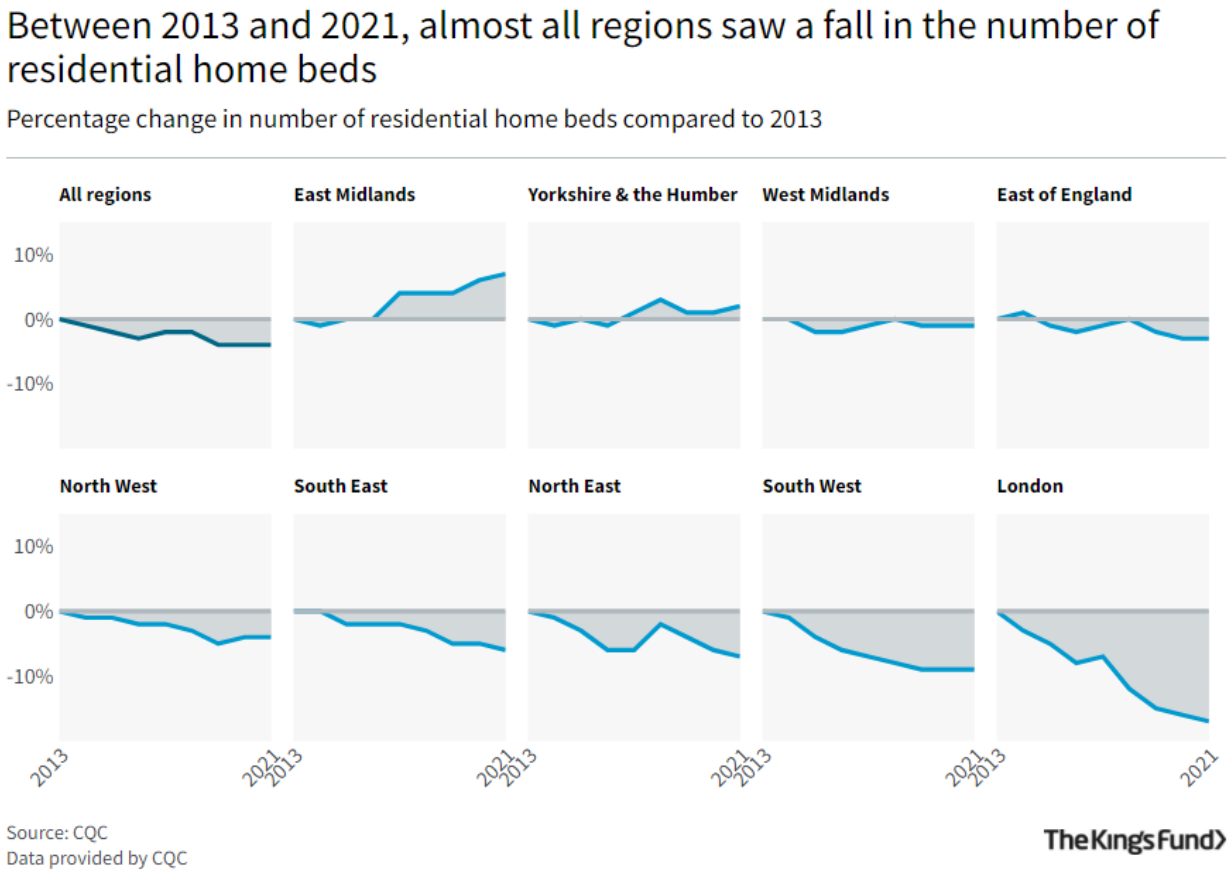
size of the over-75 population is taken into account, overall availability of places fell.

What is the longer-term trend?

Over the past decade, there has been slight fall in the total number of care home* places. The trend is more obvious when population size is taken into account. In 2012, there were 11.3 residential home places and 5.2 nursing home places for every 100 people over the age of 75, but by 2021 this had fallen to 9.4 and 4.6 respectively.

However, there is a great deal of variation within regions and between sectors, with the West Midlands and the South East both seeing an increase in nursing home places of 11 per cent but Yorkshire and the Humber seeing a fall of 11 per cent. Similarly, London has seen a fall of 17 per cent in residential home places, while the East Midlands has seen an increase of 7 per cent.





What explains this?

An overall fall in the number of people using residential care is consistent with the broad policy direction of supporting people in their own homes, rather than in residential care. Office for National Statistics data suggests that the percentage of adult social care expenditure on residential and nursing care fell from 45.3 per cent in 1996/97 to 32.3 per cent in 2018/19 (though the fall largely levelled off after 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. Covid-19 may also have accelerated a public preference to be cared for at home.

In 2019/20, 584 people per 100,000 of the over-65 population had their long-term care needs met by admission to a care home but in 2020/21 that fell by one-fifth to 498 people per 100,000 population. There was a smaller fall in the rate of admissions of working-age adults. However, it is not clear that long-term social care support for people in their own homes has increased to compensate for this. In 2020/21, 587,000 people were receiving community-based long-term support (outside prisons) compared to 597,000 in 2015/16, though there was a 13,000 increase between 2019/20 and 2020/21.

The regional variation in changes in residential and nursing home places is at least in part explained by the market for care. People who are self-funding their 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 people who are self-funding.

What has happened since?

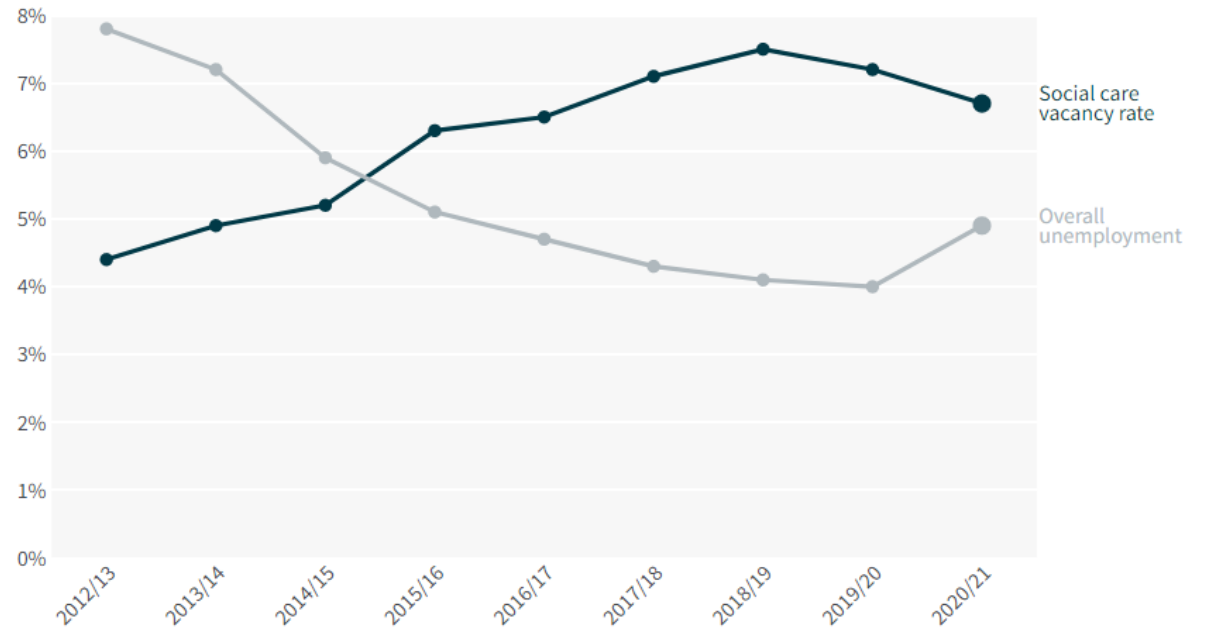
In December 2021, it announced that £1.4 billion would be available to local authorities over three years to reduce the subsidy for people who fund their own care through introduction of a 'fair cost of care'.

*we use 'care home' to mean residential and nursing home places combined

7 Vacancies

Staff vacancies fell in 2020/21 (but have since increased again)

In 2020/21, the staff vacancy rate in social care fell, while the overall unemployment rate for the whole economy rose



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 (CQC) 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 2019/20 and 2020/21, the vacancy rate fell from 7.1 per cent to 6.7 per cent and the number of vacancies fell to 105,000. However, vacancies have since increased again (*see* below).

The vacancy rate was lowest in Yorkshire and the Humber (5 per cent) and highest in London (8.9 per cent). There was variation between roles, with higher vacancies in home care (8.7 per cent) than in residential care (4.7 per cent), and higher vacancies for registered managers (11.2 per cent) and registered nurses (9.9 per cent) than for care workers (7.6 per cent) and senior care workers (3.7 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 2020/21, though it had fallen, was at its third highest level since 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), 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 as cleaners 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 for many people other work is more attractive than social care. Vacancy rates in adult social care are similar to the NHS and much higher than in other areas of the economy such as retail (1.6 per cent), education (1.5 per cent) and manufacturing (2.2 per cent).

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

What has happened since?

Monthly tracking data from Skills for Care, while less comprehensive than the annual figures, suggests that the vacancy rate in adult social care has increased steadily since April 2021 and in January 2022 stood at 9.5 per cent. The vacancy rate was worse for London (13.2 per cent) and in home care (12.7 per cent).

In September 2021, the government's Build Back Better programme for adult social care included £500 million over three years for workforce development.

In October 2021, the Workforce Recruitment and Retention Fund made available £162.5 million for local authorities, and in December 2021 a further £300 million was made available to help recruit and reward the social care workforce. Both funds end on 31 March 2022.

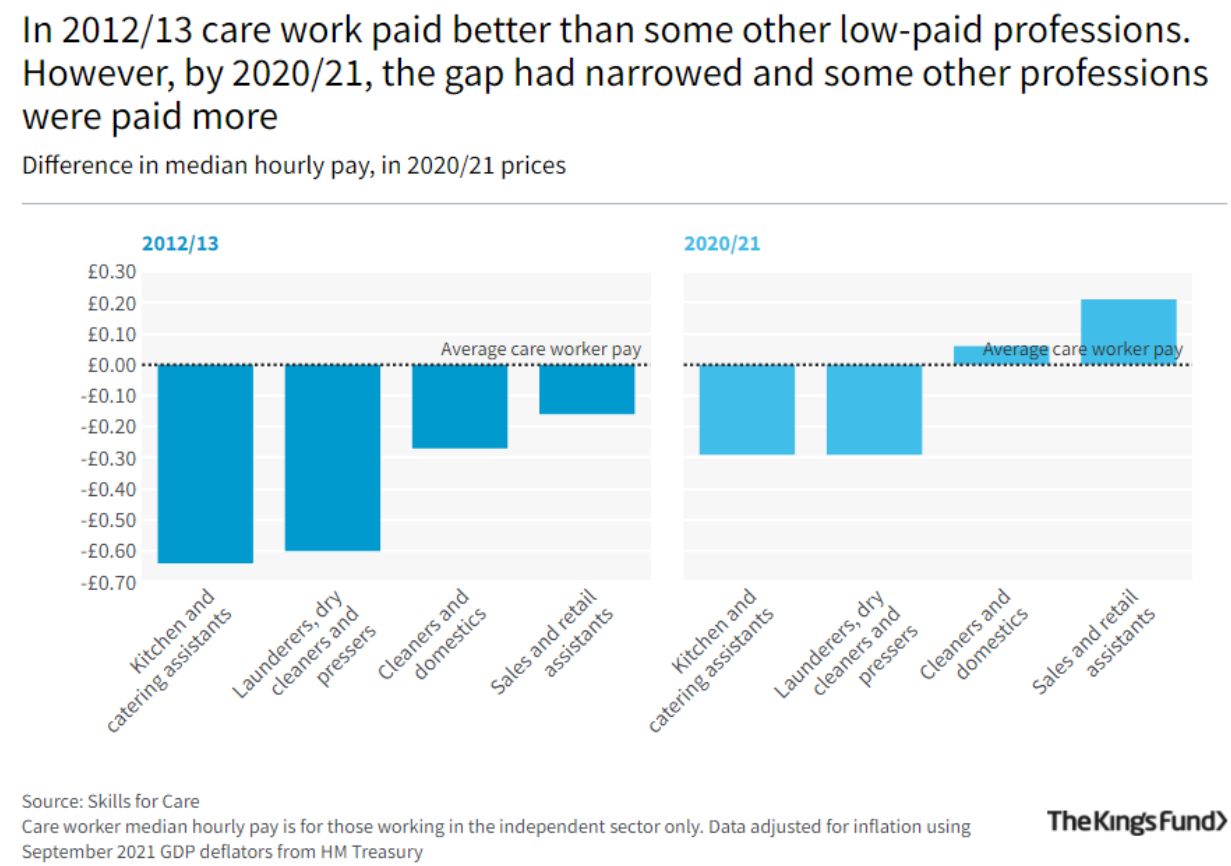
In November 2021, a government policy came into force requiring anyone working or volunteering in a care home to be fully vaccinated against Covid-19, unless

exempt. The government's risk assessment suggested that 40,000 care workers might leave their jobs as a result. However in January 2022, the government announced its intention to revoke this measure.

A five-month national recruitment campaign for social care also began in November 2021.

8 Pay

Care worker pay has increased but not as fast as other sectors



Why is this an important indicator?

Care workers make up around 895,000 of the 1.67 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. Level of pay also correlates with CQC quality ratings: Skills for Care notes that workers at the lowest scoring establishments had a lower average rate of pay than those with the highest scores.

What was the annual change?

Average* care worker pay in the independent sector in 2020/21 was £9.29 an hour, an increase of 5.7 per cent in real terms since 2019/20 (£8.79). Support and outreach workers were slightly better paid than care workers: £9.53 in the

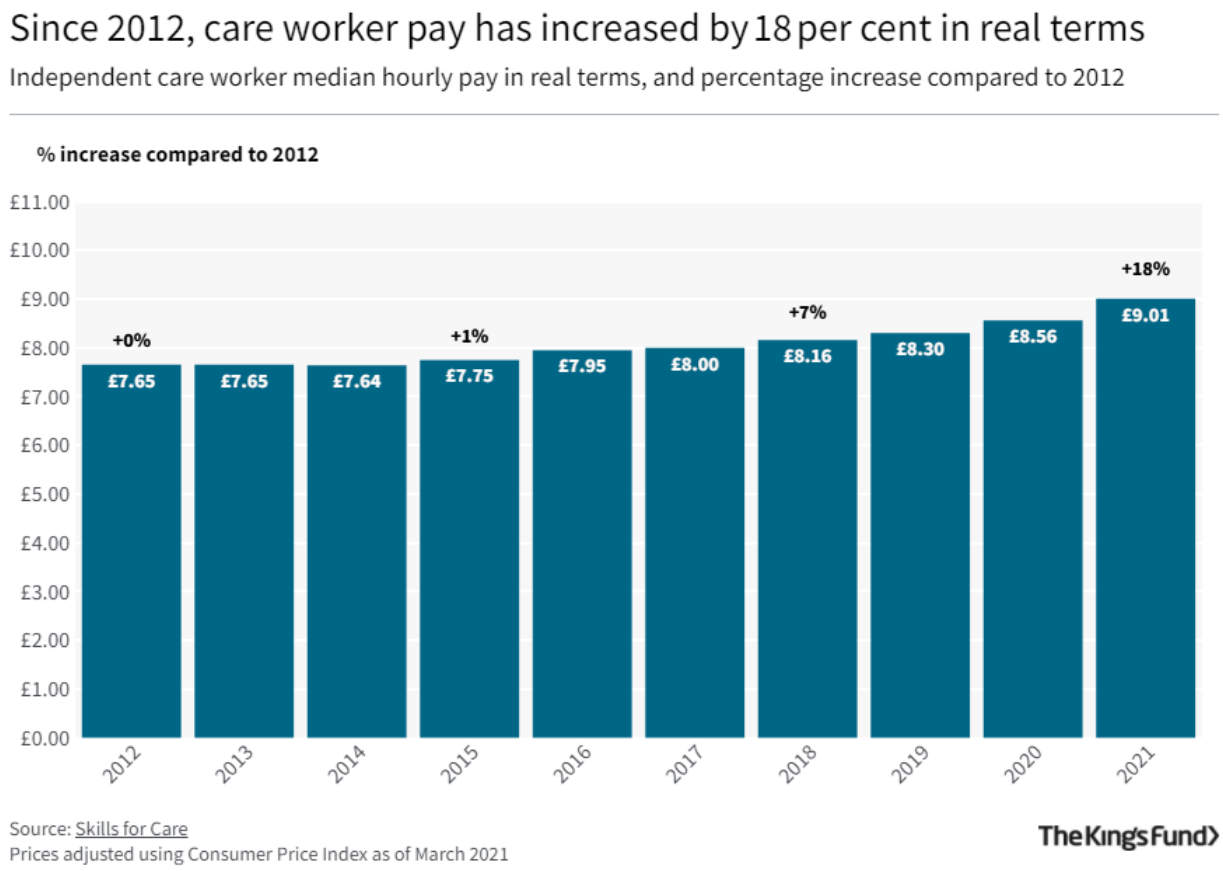
independent sector. Senior care workers earned £10.00 an hour. By comparison, a registered manager received £16.47 and a registered nurse £17.48.

Care workers employed by local authorities on average earned £10.77 an hour in 2020/21.

What is the long-term trend?

Since 2012/13, care worker pay has increased by 18 per cent in real terms (based on the Consumer Price Index).

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 their pay had been overtaken by pay in other sectors. Only hairdressers and barbers have fared worse in terms of pay.



What explains that trend?

Care worker pay has grown since 2015/16, driven by the introduction in 2016 of the National Living Wage, which has risen faster than inflation. However, other sectors have proven more able to renumerate their lower-paid staff more generously 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 6p 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 in four care staff (28.5 per cent) left their job during 2020/21, equivalent to 410,000 people. Most stay within social care, however. Turnover rates fell in 2020/21 but levels of sickness among social care staff rose to 9.5 days from 5.1 days, with staff having to self-isolate in addition to being ill.

What has happened since?

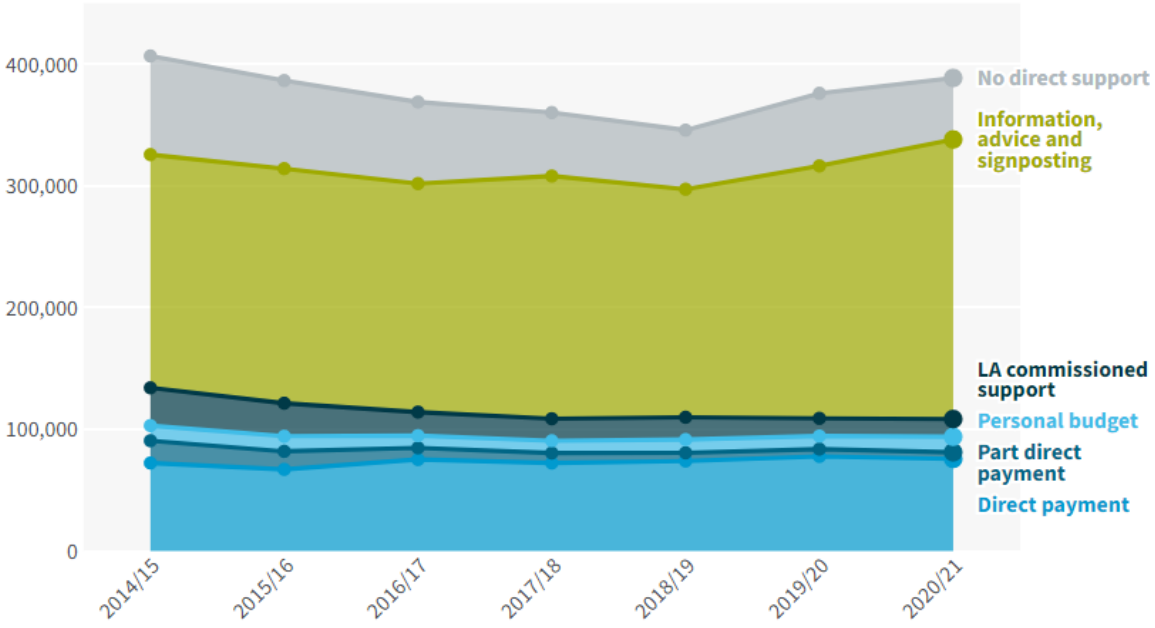
In October, the Workforce Recruitment and Retention Fund made available time-limited £162.5 million funding for local authorities, and in December 2021, a further £300 million was made available to help recruit and reward the social care workforce. Some local authorities used the money to bring forward the 2022 increase in the National Living Wage or to fund bonuses to social care staff.

*Mean. The median for care workers, which is used in graphs in this section, was £9.01.

9 Carers

More carers are getting support but it is mainly advice

The number of carers receiving support has increased in recent years, however an increasing numbers are only receiving information, advice or other universal services/signposting



Source: NHS Digital

The King's Fund

Why is this indicator important?

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

There are two main statutory sources of support for unpaid carers: local authorities offer financial support, services and advice; a national benefit, Carer's Allowance, is available to those caring for people receiving disability benefits.

What was the annual change?

The number of carers receiving support from local authorities increased from 316,000 in 2019/20 to 338,000 in 2020/21. However, all this increase was accounted for by a growth in carers receiving advice, information and signposting – up from 207,000 to 230,000. The overall number receiving paid support fell slightly.

What is the longer-term trend?

The number of carers receiving support from local authorities is now marginally higher than it was in 2015/16 – 389,000 rather than 387,000. However, there has been a shift in the type of support they receive. The number and percentage of carers receiving paid support has fallen, from 122,000 (31 per cent) in 2015/16 to 109,000 (28 per cent) in 2020/21. More now receive advice, information and signposting (59 per cent compared to 50 per cent in 2015/16).

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. National Audit Office analysis identifies a 29 per cent real-terms reduction in local government spending power between 2010/11 and 2019/20 although the fall in spending power largely plateaued from 2016/17 onwards and reversed in 2020/21 due to Covid-19.

There is little to suggest that the number of carers has fallen. The total number of people being paid Carer's Allowance in February 2021 was 1.3 million, an increase from 1.2 million in February 2016. The Department of Work and Pensions' annual Family Resources Survey does however show a small, long-term fall in the percentage of people saying they provide informal care from 8 per cent in 2009/10 to 7 per cent in 2019/20.

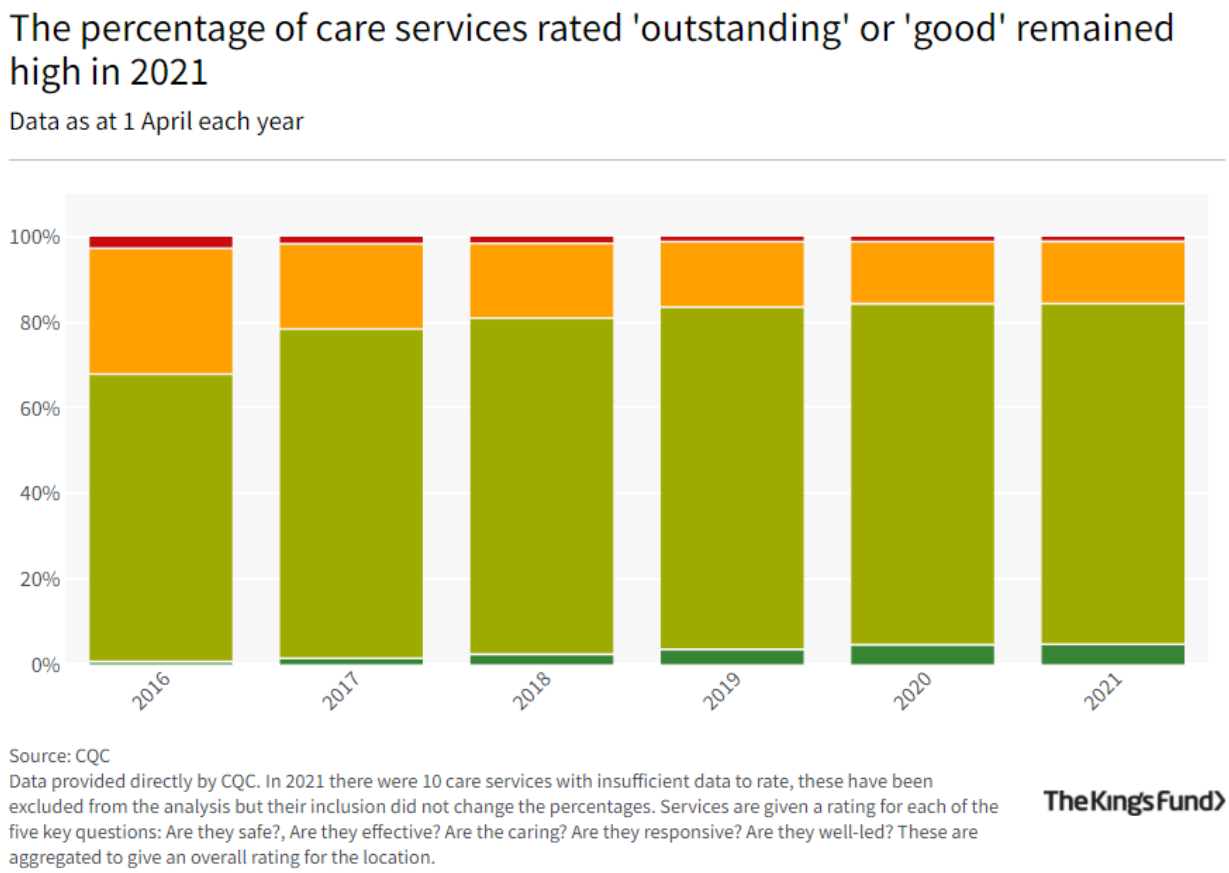
*In addition, NHS Digital notes that changes to some local authorities' year-on-year trends in carer support may be a result of data cleansing rather than changes to service provision.

What has happened since?

In its White Paper, the government announced a small £25 million fund to 'kickstart' changes in support for family carers.

10 Quality ratings

More services are being rated ‘good’ or ‘outstanding’, though fewer ratings were published in 2020/21



Why is this indicator important?

The CQC inspects and rates adult social care services, giving an overall picture of the quality of social care provision in England.

What was the annual change?

Quality ratings in April 2021 were almost identical to those in April 2020. 5 per cent of services were rated overall ‘outstanding’, 80 per cent were ‘good’, 15 per cent ‘requires improvement’ and 1 per cent ‘inadequate’. However, as a result of Covid-19, in March 2020, the CQC paused routine inspections and 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. As a result, only 3,038 CQC

inspections that resulted in an allocation of quality ratings were carried out in 2020/21 compared to more than 13,000 in 2019/20.

Service type differences

There are differences between the ratings of different service types in adult social care. At July 2021, community social care services had the highest overall ratings with 92 per cent rated 'good' or 'outstanding', followed by domiciliary care agencies (88 per cent 'good' or 'outstanding'), residential care homes (85 per cent) and nursing homes (78 per cent).

What is the longer-term trend?

Over the past six years, the percentage of adult social care services rated 'good' or 'outstanding' by the CQC has increased. 85 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 the trends?

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 84.3 per cent in April 2021.

This 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 made up largely of for-profit providers. CQC ratings correlate with higher occupancy rates, which in turn leads to higher income.

Nonetheless, 1 in 6 services remain below standard and the CQC says there remains a problem with small minority of underperforming services that have continually failed to improve: as at 31 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 since?

In May 2021, the CQC set out its new five-year strategy**.** A key element of this involves targeting its resources services at greater perceived risk of failure and where care is poor.

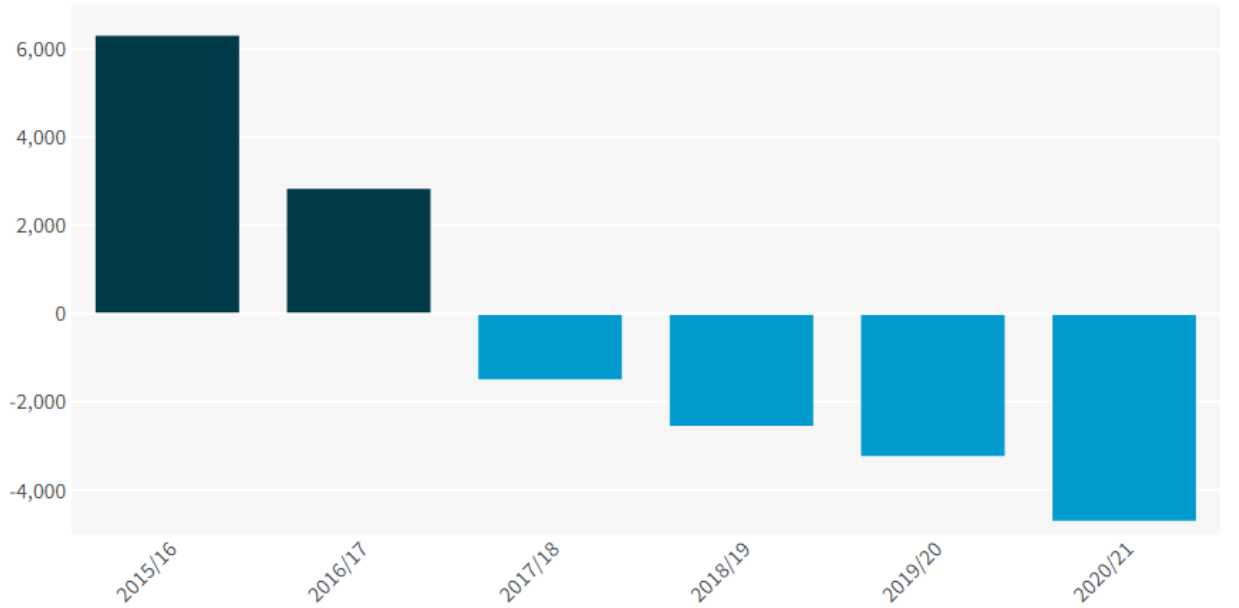
In its social care White Paper, the government announced a number of measures intended to improve care quality, including funding to support workforce training and development and up to £30 million for an innovative models of care programme to help mainstream innovation in the sector.

11 Direct payments

There has been a continuing fall in the number of people using direct payments

The number of service users using direct payments has fallen for the past four years

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

The King's Fund

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.

What was the annual change?

The number of people using direct payments fell from 123,000 in 2019/20 to 118,000 in 2020/21.

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 four years. Overall, just 26.6 per cent of people drawing on adult social care use direct payments, down from 28.1 per cent in 2015/16. This represents 38.4 per cent of working-age adults and just 15.3 per cent of older people.

What explains this?

There is likely to be more than one reason behind this fall and, despite government guidance that local authorities should be as flexible as possible in their oversight of direct payments during Covid-19, the pandemic seems to have made little difference to the long-term trend.

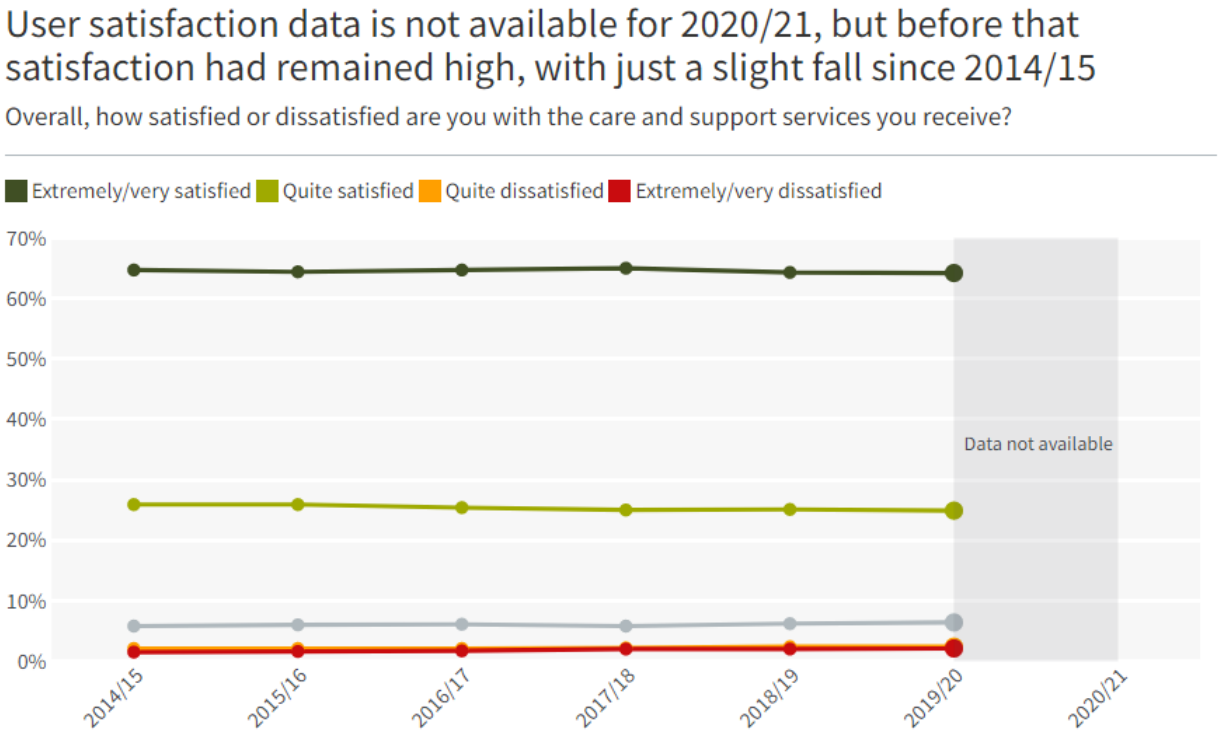
Opting for direct payment requires more involvement and responsibility than simply receiving a service, and people may need support to manage one. However, service-user groups say some local authorities offer far more support than others. Some are also more prescriptive than others about what direct payments may be spent on. 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 has happened in 2021/22?

In December 2021 the government published a White Paper on reform of adult social care which included commitment to a vision that people using care services would have 'choice and control over the care they receive'. However, there was no specific mention of how this would be achieved and no measures to increase the use of direct payments.

12 User satisfaction

User satisfaction is high but no data is available for 2020/21



Source: NHS Digital
Response to question 1 combined (standard and easy read questionnaire). In 2020/21 the Adult Social Care Survey was voluntary not mandatory and only 18 of the 152 councils completed it, the data for 2020/21 is therefore not comparable with previous years.

The King's Fund

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 change?

Due to Covid-19, the annual satisfaction survey became voluntary for local authorities in 2020/21 and, unfortunately but understandably, only 18 out of 151 took part. There is therefore insufficient data to gauge the annual trend.

What is the longer-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 explains this?

The simplest explanation is that service quality had held up quite well, at least before the pandemic, during a period when social care budgets had been struggling (see Indicator 1). This suggests that 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 surveys of 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 more satisfied with their care (68 per cent) than older adults (62 per cent); white service users report higher satisfaction than service users from Black and minority ethnic backgrounds; 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 has happened in 2021/22?

There is no further data on user satisfaction. Data for the 2021/22 period will be published in autumn 2022.

Acknowledgements

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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- Will Fenton, Skills for Care
- Matt Hibberd, Local Government Association
- Sarah Liley, NHS Digital
- Vic Rayner, National Care Forum
- Robyn Wilson, NHS Digital

Methodology

Indicator	Definition	Methodology	Source
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
Service users	New clients with an episode of short-term support to maximise care (ST-Max) and a known sequel, by age group	As reported	Adult Social Care Activity and Finance Report, NHS Digital
	Long-term support during the year, by age group	As reported	Adult Social Care Activity and Finance Report, NHS Digital
Financial eligibility	Upper capital limit	Adjusted to 2020/21 prices using September 2021 GDP deflators from HM Treasury	Local authority circulars
Expenditure	Total expenditure	Adjusted to 2020/21 prices using September 2021 GDP deflators from HM Treasury, difference calculated from 2010/11 budget, per person rate calculated using mid-year population estimates	Adult Social Care Activity and Finance Report, NHS Digital
	Gross current expenditure	Adjusted to 2020/21 prices using September 2021 GDP deflators from HM Treasury, per person rate calculated	Adult Social Care Activity and Finance Report, NHS Digital

		using mid-year population estimates	
	Mid-year population estimate	Aggregated data for all people aged over 18	ONS Custom Age Tool
Costs	Unit costs for clients accessing long-term support – residential and nursing, by age group	Adjusted to 2020/21 prices using September 2021 HM Treasury GDP deflators	Adult Social Care Activity and Finance Report, NHS Digital
	Unit costs, average weighted standard hourly rate for the provision of home care - external	Adjusted to 2020/21 prices using September 2021 HM Treasury GDP deflators	Adult Social Care Activity and Finance Report, NHS Digital
Care home beds	Care home (residential/nursing home) beds per 100 people 75+	As reported	Palliative and End of Life Care Profiles - PHE
	Care home (residential/nursing home) beds by region	Calculated year-on-year change	Data provided directly by the CQC
Vacancies	Vacancy rate (adult social care). Unemployment rate (whole economy)	As reported	The state of the adult social care sector and workforce in England (skillsforcare.org.uk)
	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 (skillsforcare.org.uk)
Pay	Median hourly pay for care workers and other low-paid jobs	As reported	The state of the adult social care sector and workforce in

			England (skillsforcare.org.uk)
Carer support	Support provided to carers during the year, by type of support provided	As reported	Adult Social Care Activity and Finance Report, NHS Digital
Quality	Overall ratings for all active adult social care locations as at 1 April of each year	As reported	Data provided directly by CQC
Personalisation	Number of service users receiving direct payments and part-direct payments at the year-end 31 March	Year-on-year change calculated	Measures from the Adult Social Care Outcomes Framework - NHS Digital
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