

# Fixing Social Care

**Better quality services and jobs**

# Introduction

The Covid-19 pandemic has been the ultimate stress test for adult social care. The structural problems in the sector that trade unions, commissioners and policymakers have been concerned about for decades have been thrown into sharp, heart-breaking focus for all to see. Politicians have been playing political football with the sector for decades. Meanwhile, the numbers of people needing essential care are increasing, care workers are stuck with low pay and insecure contracts, and the commissioning model prioritises profit over quality care.

The pandemic is showing us how essential social care is to the fabric of our society. The social care workforce has gone above and beyond to care for society's most vulnerable, who have been particularly exposed to coronavirus thanks to long-term structural weaknesses in the sector compounded by bad government decisions. The pandemic has highlighted just how undervalued, underpaid and exploited this majority female and disproportionately migrant care workforce is. Too often carelessly categorised as "unskilled," it is this workforce - alongside the millions of unpaid carers, whose sacrifice and difficult emotional labour is seldom acknowledged – who are propping up a broken system, starved of funds and neglected for years by politicians. Meanwhile, the cost of inaction is falling on those who rely on the care system, in the form of spiralling individual care costs, erosion of the human rights of disabled and older people and a growing reliance on unpaid carers. The crisis must mark a turning point.

This report<sup>1</sup> looks to the future and at how we can build a better system. That means long-term, sustainable funding of services that provides value for money to the public purse while meeting the needs of individuals and communities. And it means showing our appreciation of care workers through decent pay and working conditions rather than tokenistic applause or badges.

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<sup>1</sup> The responsibility for social care is a devolved matter and is different across the UK's four nations. The analysis and recommendations of this report applies to England only.

# What has gone wrong?

## Funding

The government does not provide the social care sector with enough money for it to be able to deliver the safe and dignified care that we all deserve. Cuts to local authority budgets – the main source of funding for social care – since 2010 have been only partially compensated for by a series of short-term, ring-fenced increases in funding for social care since 2016/17, despite growing demand for social care.

Cuts and underfunding mean that the government is passing the costs of social care on to people who need care and to their loved ones in the form of rocketing social care bills and growing reliance on unpaid carers.

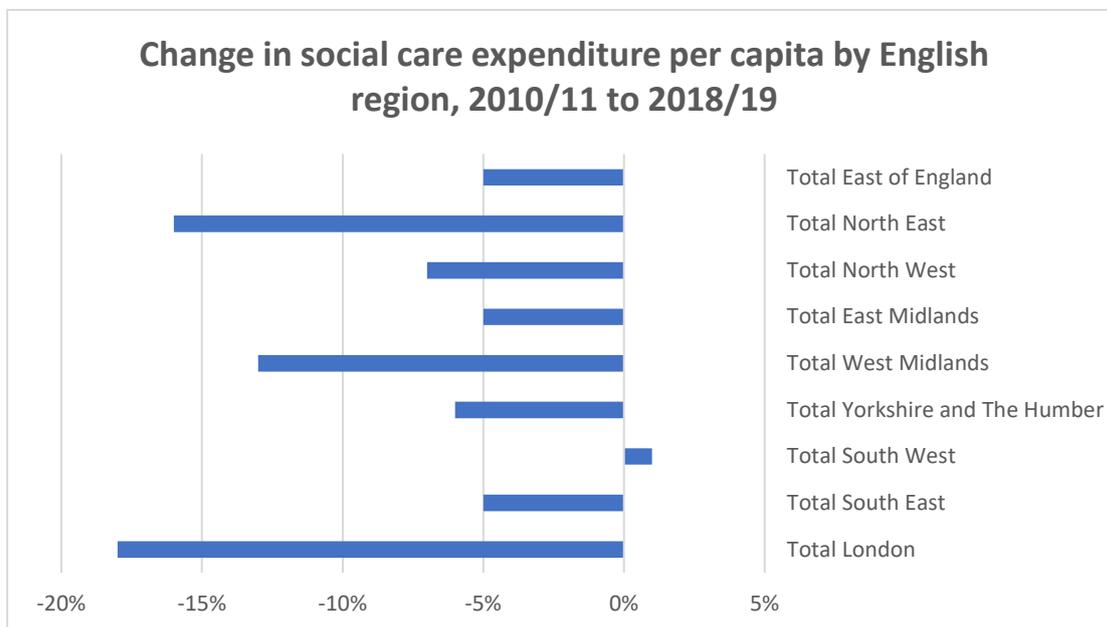
## Austerity

Social care is drastically underfunded and continues to be plagued by austerity. Local authorities have been among the hardest hit by austerity since 2010 and, despite councils' best efforts to protect it, they have been forced to pass large swathes of these cuts on to social care. As a result, local authority expenditure on adult social care was still 2 per cent lower in real terms in 2018/19 compared to a decade ago,<sup>2</sup> and that is after government introduced a number of short-term reactive measures to plug the social care funding gap since 2016/17, including additional funding of £1bn a year and an extension of the social care precept.

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<sup>2</sup> Cromarty, H et al. [Adult Social Care Funding \(England\)](#). House of Commons Library briefing, October 2019.

TUC research has found that, between 2010/2011 and 2018/19, social care spending has fallen by nearly £600m in England, representing an average reduction of £37 per head.<sup>3</sup> Thus total spending on adult social care is still lower than in was in 2010, despite the increases in demand since then from an ageing population with increasingly complex care needs.



### Eligibility thresholds

One of the ways councils have been forced to respond to shrinking budgets whilst meeting their statutory duties is to tighten eligibility thresholds, such that only those with critical or substantial levels of care need and whose assets are valued below financial thresholds qualify for publicly-funded care. Between 2009/10 and 2013/14, there was a 26 per cent (400,000 fewer) drop in over-65s accessing state supported care due to the tightening of eligibility thresholds.<sup>4</sup> It is estimated that around 1.5 million older people now have an unmet care need.<sup>5</sup>

Access to publicly funded care is also being squeezed due to the fact that financial thresholds – which set the maximum value of assets an individual can own to qualify for publicly-funded care even if they meet eligibility thresholds - have not been updated since 2010/11. This means that in 2018/19 these thresholds were 12 per cent lower in real terms than they were in 2010/11,<sup>6</sup> leaving growing numbers with care needs forced to cover increasingly unaffordable costs themselves. TUC analysis shows that since 2010, 179,000

<sup>3</sup> TUC analysis of social care expenditure 2010/11 and 2018/19. August 2020

<sup>4</sup> Ibid.

<sup>5</sup> Age UK. [Health and care of older people in England 2019](#). July 2019.

<sup>6</sup> Broadbent et al., [What's the problem with social care, and why do we need to do better?](#) The Health Foundation, the Institute for Fiscal Studies, The King's Fund and the Nuffield Trust, June 2018.

older people have sold their properties to meet the cost of moving into residential care, and estimate that a further 114,000 would have to sell over the next parliament if no action is taken.<sup>7</sup> The huge financial burden that social care is placing on individuals who need care and their families adds to the distress associated with deteriorating health conditions and is unfair and unsustainable.

### **Unpaid carers**

The combination of narrowing eligibility thresholds to access publicly-funded care and an ageing population with increasingly complex needs places significant pressure on unpaid carers like families and loved ones. Estimates of the value of informal care range from £58bn – £100bn per year.<sup>8</sup> This overreliance on informal care is taking a toll on carers, around 2 million of whom are aged 65 and over and many of whom have care needs of their own.<sup>9</sup> This is in no way a sustainable nor fair way for the government to run such a critical part of our public services.

### **Growing demand**

In England, between 2017 and 2040 the population of people aged over 65 is projected to increase by 49 per cent,<sup>10</sup> the number of people over the age of 85 is expected to double by 2030, and demand and cost pressures for social care are growing at 3.7 per cent a year.<sup>11</sup> These demographic figures do not account for disabled people who require care. The government cannot afford to choose inaction any longer.

## **Workforce**

Staffing is the single biggest challenge facing adult social care, with a vacancy rate of approximately 122,000 vacancies at any one time. In England, the turnover rate of the sector is 30.8 per cent. This equates to 440,000 leavers in the past twelve months.<sup>12</sup>

There is evidence of a link between the wellbeing of workers and the quality of care that people receive.<sup>13</sup> The recruitment and retention crisis in social care is inextricably linked to low pay and poor terms and conditions. Due to slashed budgets, councils are forced to resort to short-term, lowest cost commissioning, which suppresses wages and means care services are focused on a production line of task-to-time slots rather than what the cared for person needs, and the true labour costs to deliver this.

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<sup>7</sup> TUC analysis and projections using ONS population projections and NHS Digital data, December 2019.

<sup>8</sup> Ibid.

<sup>9</sup> Age UK. [Health and care of older people in England 2019](#). July 2019.

<sup>10</sup> Ibid.

<sup>11</sup> Charlesworth et al., [Social care funding options](#). The Health Foundation, May 2018.

<sup>12</sup> Skills for Care. [The state of the adult social care sector and workforce in England](#). September 2019.

<sup>13</sup> Dromey and Hochlaf. [Fair care: a workforce strategy for social care](#). Institute for Public Policy Research, November 2018.

## Pay

We rely on care workers to look after our loved ones and the work they do is often physically and emotionally challenging. Yet care workers are among the lowest paid in society. TUC analysis of key worker pay shows that more than 7 in 10 care workers earn less than £10 an hour.<sup>14</sup>

There is also very limited opportunity for pay progression. The hourly pay gap between the most experienced care workers and those new to the sector has halved in the past few years, from 30p in March 2016, down to 15p by March 2019.<sup>15</sup>

Staff rostering and payment reflects this task-to-time model in commissioning, with UNISON finding over half (54 per cent) of councils do not require domiciliary care agencies to pay workers for the time spent travelling between visits.<sup>16</sup> With domiciliary care workers not receiving the full and entitled hourly rate of pay over the working day, their pay can fall below the legal minimum wage.

## Insecurity

Low pay is also linked to insecurity at work, with the median pay for a zero-hours contract worker being around a third (£3.50) less an hour than for an average employee.<sup>17</sup> Almost one quarter of care workers are on zero-hours contracts. This increases to 43 per cent when just accounting for the domiciliary care workforce.<sup>18</sup>

## Demographics

82 per cent of the adult social care workforce are female<sup>19</sup> and low pay in the sector is likely a significant driver of the national gender pay gap. One quarter of workers (around 385,000) are aged 55 and over and so could retire within the next ten years.<sup>20</sup>

Nearly 17 per cent of the social care workforce is non-British national.<sup>21</sup> The government's immigration proposals which prevent migrant workers being recruited to roles paying below £25,600 will significantly hinder the urgent recruitment efforts of the care sector.

## Experience, skills and progression

Care workers have for too long been considered 'unskilled' by politicians and policy-makers – yet care work requires a range of skills, at all hours of the day and night, managing often challenging behaviour, delivering intimate personal care, undertaking risk

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<sup>14</sup> TUC. [A £10 minimum wage would benefit millions of key workers](#). May 2020.

<sup>15</sup> Skills for Care. [The state of the adult social care sector and workforce in England](#). September 2019.

<sup>16</sup> UNISON. [Vulnerable people suffering because care workers are pushed to the limit](#). October 2018.

<sup>17</sup> TUC. [Zero-hours contracts allow bosses to treat workers like "disposable labour", says TUC](#). March 2017.

<sup>18</sup> Skills for Care. [The state of the adult social care sector and workforce in England](#). September 2019.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

assessments and dispensing medication, to name a few. The work is emotionally and physically draining, never more so than during this Covid-19 pandemic.

Workers in the adult social care sector have an average of eight years' experience across the sector.<sup>22</sup> However, there is currently little structure to formally recognise both the skills that people bring to care work and those gained through working in a care role. Crucially, unlike in the NHS, the acquisition of new skills and experience does not necessarily lead to higher pay. With no formal pay and grading structure, essential skills go unacknowledged and promotion often means greater responsibility without fair reward.

## Provider market

The vast majority of care homes are run for profit. Independent care homes make up around 90 per cent of care beds in the residential care sector.<sup>23</sup> The five largest private chains offering residential care provide 20 per cent of publicly funded care home beds.<sup>24</sup>

Under the current funding system and fragmented provider market, any increase in funding for local authorities does not necessarily lead to increased funding for adult social care services or increased pay for staff. Limiting the privatisation of the care market and increasing accountability and value for money to the public purse must be introduced alongside higher funding. The government put an end to business models that are driven by perverse incentives to increase financial yields for shareholders over the needs of society's elderly and disabled people.

Privatisation of social care has been highly damaging for the stability, resilience and cost effectiveness of the sector. Big care providers routinely expect to offer 11 per cent returns to investors.<sup>25</sup> Such high rates of return imply a level of risk that is simply not justifiable in social care, because the sector is backed by the state, and as the demographic data shows, demand is stable and increasing.

The way many of the large for-profit providers are structured also hides the amount of public money leaking out of the social care sector and into private wealth.<sup>26</sup> This for-profit motive of maximum extraction and hiding money in complicated company structures – driven by perverse incentives to increase financial yields for shareholders – is not a just, sustainable nor cost-effective way to deliver a public service as important as adult social care.

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<sup>22</sup> Ibid.

<sup>23</sup> New Economics Foundation. [Big care providers are wasting taxpayers' money](#). March 2017.

<sup>24</sup> Burns et al. [Where does the money go? Financialised chains and the crisis in residential care](#). The Centre for Research on Socio-Cultural Change, 2016.

<sup>25</sup> Laing Buisson, [Care home funding shortfall leaves self-funders filling £1.3 billion gap](#). January 2017.

<sup>26</sup> Kotecha, V. [Plugging the leaks in the UK care home industry – strategies for resolving the financial crisis in the residential and nursing home sector](#). Centre for Health and the Public Interest, November 2019.

## What needs to change?

Social care has been deemed the poorer cousin to the NHS for too long. Nowhere has the impacts of this been felt more profoundly than during the past six months, with government policies of discharging NHS patients into care homes without testing, a shortage of adequate PPE and a reliance on agency staff without decent sick pay meaning the virus spread rapidly through the care home sector.

We urgently need a social care system that is properly funded, democratically accountable, has genuine parity of esteem with the NHS and can enforce sector-wide standards for both service users and workers, ultimately ensuring decent and secure work for all.

### How can it be achieved?

**A new long-term funding settlement**, as a matter of urgency, that offsets the damage done by cuts to essential services under austerity, meets rising demand and gives social care workers the pay rise they deserve. This must immediately relieve local authorities of cost pressures and tackle the high turnover rates in the social care workforce, ultimately expanding eligibility thresholds, lessening the load on unpaid carers and reducing costs for individuals and their families.

**A national care body**, representing the government, trade unions, employers and commissioners, mirroring the Social Partnership Forum in the NHS. This sectoral body should develop and negotiate a workforce strategy as a priority, and be used to facilitate negotiation, organise sectoral interests and coordinate rapid responses to on the ground information.

**Fair pay and decent work for the social care workforce**, including a £10 an hour minimum wage, an end to zero-hour contracts, better sick pay and a real valuing of care skills. A national skills and accreditation framework linked to a transparent pay and grading structure should be established, and negotiated by the national care body, ensuring genuine career progression, proper recognition and fair reward for all.

**The introduction of sectoral collective bargaining**, as the most effective way to negotiate standards of pay, pensions, health and safety and to ensure a fairer a share of productivity gains, better pay, terms and conditions and working practices and lower staff turnover.

**A limit on private sector involvement** in social care, through the introduction of legislative and regulatory measures to end financial extraction in the care home sector as a first step. Ending the for-profit model in a public service as essential as social care will ensure greater stability for commissioners, workers and the cared for, greater value for money to the public purse, and embed accountability, transparency and standards.

These changes can be made right away. Across the UK, the long-term aim should be for adult social care to be a **universal service, free at the point of use, and paid for from general taxation**. This would remove arbitrary and unfair eligibility thresholds, relieve

unpaid carers of their invisible labour, deliver higher quality care, deliver sustainable funding and ensure true accountability and transparency to the public.