

Agenda Item No: 5

**ADULT SOCIAL CARE INDEPENDENT SECTOR - LABOUR (WORKFORCE) MARKET
UPDATE REPORT**

To: **Adults Committee**

Meeting Date: **4 July 2019**

From: **Will Patten, Director of Commissioning**

Electoral division(s): **All**

Forward Plan ref: **N/A** *Key decision:* **No**

Purpose: **The report provides an update on the social care labour (workforce) market across the Independent Sector**

Recommendation: **To note and comment on the report.**

| <i>Officer contact:</i> | | <i>Member contacts:</i> | |
|--------------------------------|--|--------------------------------|--|
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1. BACKGROUND

- 1.1 This paper provides an update on the Adult social care labour (workforce) market across the independent sector, including an overview of current challenges faced and our approach to address these.

2. MAIN ISSUES

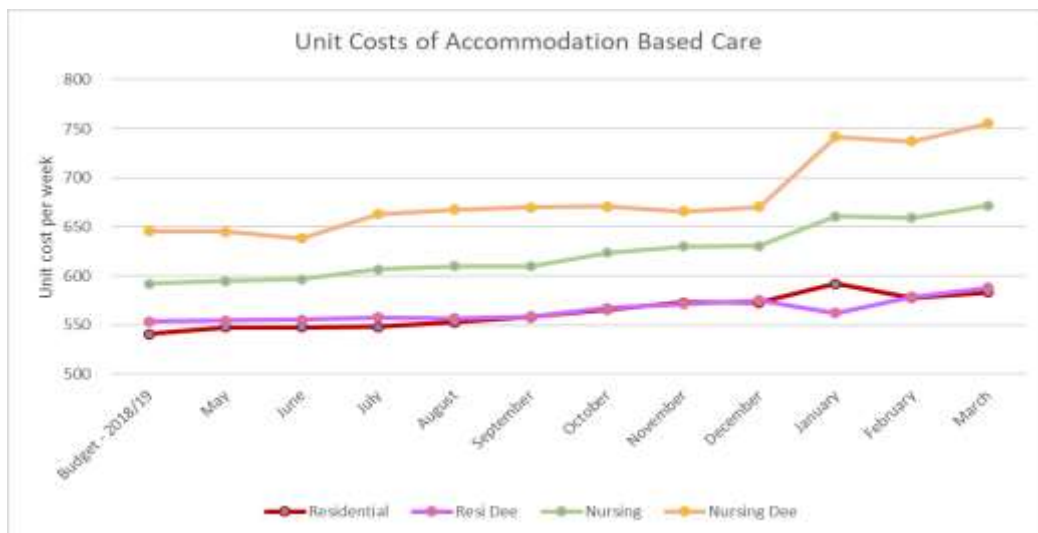
2.1 The National, Regional and Local Picture

- 2.1.1 Across the Eastern Region, the latest Skills for Care data shows us that the number of adult social care jobs across the Eastern region has increased by 8.6% since 2012 (by 13,500) jobs and increased by around 1.4% (2,000 jobs) between 2016 and 2017. 90% are on permanent contracts with 52% full time, 38% part time and 10% have no fixed hours. The staff turnover rate was 33.9% which equates to approximately 47,000 people per year. 83% of the workforce are female, with males having a slightly higher prevalence in senior management jobs (31%). The majority of the workforce are British, 10% had an EU nationality and 9% a non-EU nationality. Prior to the National Living Wage, care worker hourly rates increased by around 13p (1.7%) per year between September 2012 and March 2016. Since the launch of the National Living Wage, the average hourly rate has increased by 36p (4.7%) between 2016/17 and 2017/18. The proportion of the Eastern region aged 65 and over is projected to increase between 2017 and 2035 from 1.21 million to 1.76 million. If the workforce grows proportionally to this, an increase of 47% (80,000 jobs) would be required by 2035.
- 2.1.2 In Cambridgeshire there are an estimated 13,500 jobs in adult social care split between local authorities (8%), independent sector providers (84%) and jobs for direct payment recipients (8%). As at September 2018 Cambridgeshire contained 229 CQC regulated services; of these, 133 are residential and 96 are non-residential services.
- 2.1.3 Skills for Care estimates that the turnover rate in Cambridgeshire was 33.9%, which was similar to the region average of 33.9% and higher than England at 30.70%. Not all turnover results in workers leaving the sector, over two thirds (71%) of those recruited came from within the adult social care sector, therefore although employers need to recruit to these posts, the sector retains their skills and experience. Adult social care has an experienced 'core' of workers. Workers in Cambridgeshire had on average 6.8 years of experience in the sector and 65% of the workforce had been working in the sector for at least three years. 21% Skills for Care estimates that in Cambridgeshire, 8.4% of roles in adult social care are vacant, this equates to around 1,100 vacancies at any one time. This vacancy rate was similar to the region average, at 9.7% and similar to England at 8.0%.
- 2.1.4 The majority (81%) of the workforce in Cambridgeshire are female and the average age is 43.5 years old. Those aged 24 and under make up 10% of the workforce and those aged over 55 represent 25%. Given this age profile approximately 3,300 people will be reaching retirement age in the next 10 years.

2.1.5 Nursing provides a real issue for the sector and this is evidenced as a nation-wide issue. The recent Kings Fund report 'The Healthcare workforce in England: Make or Break' (November 2018) highlights that nationally across the NHS 1 in 8 nursing posts are vacant, which equates to a shortage of 36,000 nurses. There are increasing numbers leaving the profession, with 5,000 more nurses leaving in 2016/17 compared to 2011/12. The impact of Brexit has also seen a shift from an in-flow of nurses from the EU to an out-flow. Between July 2017 and July 2018, 1,584 more EU nurses left their roles than joined. There has also been an 18% drop in applications to nursing courses, largely to the loss of bursaries, with 11,750 fewer applicants to courses between 2016 and 2017. Across Cambridgeshire, this shortage is echoed with providers becoming increasingly reliant on recruitment from abroad from non-EU countries. This is resulting in significant recruitment costs for providers, impacting on the costs of care locally.

2.2 Financial Implications

2.2.1 Cambridgeshire County Council has experienced ongoing pressures associated with the rising costs of care, which is a symptom of a provider market where demand outstrips supply. The below graph shows the continued rising trend of average care costs.



2.2.2 Cambridgeshire has the second lowest ratio of care workers to population (aged 65 and over) with 919 care workers per 10,000 population. The challenge of recruitment and retention of staff impacts on available capacity and the costs of care, but this is coupled with additional provider financial pressures, including:

- The National Living wage increase of 4.9% on 1st April 2019.
- In November 2018 the RPI inflation rate was 2.9%.
- Increasing fees requested by the statutory regulator Care Quality Commission (CQC) are costing providers an extra £1.5m nationally.

2.3 Brexit Implications and Mitigations

- 2.3.1 Nationality of the adult social care labour workforce varies by region, in England 83% of the workforce were British, while in the Eastern region this was 82%. An estimated 77% of the workforce in Cambridgeshire had a British nationality, 15% had an EU nationality and 8% had a non-EU nationality, therefore there was a higher reliance on EU than non EU workers, with c. 2,000 workers being EU nationals locally. This is even more evident in relation to nurses, 25% of which had an EU nationality.
- 2.3.2 According to the 'Government's EU Settlement Scheme: Statement of Intent' the rights of EU citizens living in the UK will not change after 31st December 2020. 18% of workers with an EU nationality already have British Citizenship and 58% will be eligible to apply for 'settled status'. The remaining 24% of EU workers will be eligible for 'pre-settled status'.
- 2.3.3 Cambridgeshire County Council is currently planning for a no-deal EU Exit. However the lack of clarity regarding national Brexit policy and plans has made it difficult for providers to fully understand the impact of Brexit and effectively plan for mitigations. To date we have had anecdotal feedback from providers that they are starting to see a 'drip effect' of some of their EU nationals leaving the workforce to return to their home countries. However, this feedback is not quantified, partly due to the complexity of high staff turnover rates in this sector. There is also a continued risk of fluctuating exchange rates post Brexit, which may have a knock on effect on the workforce. If the value of the pound drops, then it may become financially unviable for some EU nationals to remain.
- 2.3.4 The Local Authority is working with independent sector providers in a number of ways to manage the impact of Brexit, including:
- Communicating the latest information regarding EU settlement to providers, to enable them to support their workforce with application information. The EU settlement application fee has now been waived and additional support to complete applications is available at local libraries.
 - Seeking assurance from providers that they have adequate business continuity plans in place and offering support where required to share best practice and learning amongst providers to support identified gaps and issues.
 - Ongoing dialogue with providers, including via existing provider forums, to ensure provider concerns and issues can be identified.
 - Oversight and management of risks at a health and care system wide level via the Local Health Resilience Partnership (supported by the EU Preparedness Health and Social Care Task Group). This is also ensuring a coordinated response across the system to managing wider communications and responding to emerging issues.

2.4 Actions to support wider workforce planning and development

- 2.4.1 Cambridgeshire County Council has been engaged in a significant level of partnership working with local independent sector providers and the wider health and care system, with the aim of tackling workforce challenges across the sector, including:

2.4.2 ***Alternative models of delivering care***

To support workforce pressures across the independent sector, the local authority has looked at improved utilisation of resources and alternative models of delivering care. For example, to support the in-house reablement team as the provider of last resort, significant additional investment was agreed to increase the reablement offer. An effective recruitment campaign has expanded provision within the service by over 42% since April 2017 and the campaign has received national recognition, being highly commended at the MJ awards.

2.4.3 In addition, the Council is committed to building on the learning from the 'Neighbourhood Care Teams' in Soham and St Ives to develop neighbourhood place based care provision, linking closely with the Think Communities agenda. There is close working with health partners at a system level to align approaches to enable a wider integrated neighbourhood health and care offer, with primary care networks being a cornerstone of delivery. This way of working will facilitate more effective use of resources, skills sharing and the maximising of community assets.

2.4.4 The Council is also exploring alternative commissioned options for the delivery of care, including increasing the use of direct payments. The direct payments contract is being re-tendered, with a view that the successful provider will increase uptake and expand the base of personal assistants. Learning will be taken from the recent procurement of the service in Peterborough, where an increase of direct payments is being evidenced. As part of the Adults Positive Challenge programme, Technology Enabled Care is a key work stream. There is a focus on embedding a TEC First approach across the system, supported by an aligned single county wide offer for TEC incorporating new and innovative technologies.

Market Capacity and Demand

2.4.5 The local authority has successfully commissioned additional domiciliary care capacity (13% increase) and residential care home capacity (5.6% increase) since April 2017. As part of the focused system wide work to manage Delayed Transfers of Care (DTOC) a detailed analysis of post hospital care demand and capacity was undertaken to inform future commissioning needs. The analysis focused on reablement, domiciliary care (including both social care and NHS); and further non-acute NHS care (including intermediate beds, intermediate care at home, residential and nursing care). The outcomes showed that, with the exception of reablement and intermediate care at home, we have adequate capacity at a global level. The issue is the way in which 'demand' presents itself. This means that we don't have the right capacity in the right place at the right time (**capacity mismatch**). There are a number of reasons for this, including; Flow in and out of services isn't 'average' or 'steady', we discharge in bunches, geographical variations, patient choice (e.g. male carers, time of calls), not all patients are eligible (e.g. ward design, entry criteria etc.), flow out services impacts on blockages in short term provision and 'Capacity' is hiding 'Process Delays' in some instances. The recommendations from this are that we need to think differently regarding how we match capacity to demand, including commissioning differently (e.g. better use of voluntary sector, increased use of personal budgets, place based commissioning). In turn, this means that we need to ensure that workforce developments are focused on supporting a sustainable workforce in the right areas, rather than just trying to do more of what we already have.

2.4.6 ***Education and Development***

Key recent developments to support workforce development amongst the social care workforce include:

- The Council is working with LGSS to implement the Social Work Degree Apprenticeship. Learning providers will design on-programme training and assessment to develop the knowledge, skills and behaviours required. In doing so they will work in partnership with employers. This will offer an opportunity for on the job training and development, supporting the development of qualified social workers.
- The Department of Health and Social Care (DHSC) launched a national recruitment campaign in February 2019 ('Every Day is Different'), with the aim of driving applications into the adult social care sector. The campaign includes national and regional media engagement and Google, online, radio and social media advertising. The adverts feature care professionals and the people they support, showcasing the wide range of rewarding and varied job roles in adult social care.

2.4.7 ***Wider System Partnership Working***

The Local Authority is working closely with NHS partners to develop joint approaches to workforce development to address the system wide challenges associated with recruitment and retention across the health and care sector. The Sustainability and Transformation Partnership (STP) is leading on the development of a system wide Workforce Strategy, which will articulate a clear vision and approach to developing a sustainable workforce across the system.

NHS England funding has been secured to develop and deliver a system leadership development programme which brings together some of the most enterprising and courageous clinicians and managers across the clinical, social care and public health systems to help redesign and lead changes for a better future for our local communities. This is built on the Frimley 20:20 programme and the programme is currently in design phase, with a view to launch the first cohort in January 2020.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

The following bullet points set out details of implications identified by officers:

- Ensuring the labour workforce is sufficient and sustainable to deliver appropriate care to people, ensuring a good quality of life.

3.2 Thriving places for people to live

The following bullet points set out details of implications identified by officers:

- Supporting the future sustainability of the labour workforce, supporting the workforce to thrive and enabling people to have the right support available to them in their communities.

3.3 The best start for Cambridgeshire's Children

There are no significant implications for this priority.

4. **SIGNIFICANT IMPLICATIONS**

4.1 **Resource Implications**

There are no significant implications within this category.

4.2 **Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

4.3 **Statutory, Legal and Risk Implications**

There are no significant implications within this category.

4.4 **Equality and Diversity Implications**

There are no significant implications within this category.

4.5 **Engagement and Communications Implications**

There are no significant implications within this category.

4.6 **Localism and Local Member Involvement**

There are no significant implications within this category.

4.7 **Public Health Implications**

There are no significant implications within this category.

| Implications | Officer Clearance |
|--|--------------------------|
| | |
| Have the resource implications been cleared by Finance? | N/A |
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| Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement? | N/A |
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| Has the impact on statutory, legal and risk implications been cleared by LGSS Law? | N/A |
| | |
| Have the equality and diversity implications been cleared by your Service | N/A |

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| Contact? | |
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| Have any engagement and communication implications been cleared by Communications? | N/A |
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| Have any localism and Local Member involvement issues been cleared by your Service Contact? | N/A |
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| Have any Public Health implications been cleared by Public Health | N/A |

| Source Documents | Location |
|-----------------------------|---|
| Skills for Care Data | https://www.skillsforcare.org.uk/NMDS-SC-intelligence/Workforce-intelligence/publications/Local-authority-area-summary-reports.aspx |