

The Cost of Caring for an Ageing Population, Finance Committee inquiry, Social Care Wales response

Gerry Evans, Director of Regulation and Intelligence
Social Care Wales
ceri.williams@socialcare.wales
029 2078 0543

Social Care Wales is a Welsh Government sponsored body established under the Regulation and Inspection of Social Care (Wales) Act, 2016 to protect, promote and maintain the safety and well-being of the public in Wales.

Our aims are to:

- Provide public confidence in the social care workforce
- Lead and support improvement in social care
- Develop the early years and social care workforce

Key points

- **Social care services face significant demand pressures from an ageing population (par 1)**
- **Financial pressures have led to low pay in the social care sector which has a significant impact on recruitment (pars 2-6)**

To examine patterns in demand for social care services for those of pension age and the related costs of delivery of residential and non-residential care, taking account of the role of informal carers who provide unpaid services to those requiring care

1. Last year, we commissioned the Social Care Institute for Excellence (SCIE) to prepare a literature review about care and support at home. In terms of demand, the report found that social care services in Wales face significant challenges:

“The demand for social care services and care labour is growing in the context of significant demographic changes and the growing incidence and large prevalence of complex, long term conditions. ‘The ageing population means over a quarter of the population in Wales is aged 50 plus. Those aged over 65 are expected to increase from around 600,000 in 2013 to 900,000 in 2037 and the number of over 85s is growing at an even faster rate (Age Cymru, 2015). Wales also has a higher proportion of people aged 85 plus compared to the rest of the UK (StatsWales, 2012).’ Population growth and demographic profile projections indicate that the supply side of social care is struggling to keep pace with demand. The data indicates that across the UK over half a million new care workers/home carers will be needed by 2022 (Howat et al., 2015).¹”

To examine the financial pressures on the social care system, such as increases in wages, automatic pension enrolment and staff recruitment and retention difficulties, including the related financial impacts arising from the UK leaving the European Union

¹ Development of a strategic plan for care and support at home, literature review, Social Care Institute for Excellence (SCIE) for the Care Council for Wales (now Social Care Wales), 2016

2. Financial pressures have had a direct impact on the wages of social care employees. This in turn has had a significant impact on recruitment and retention. The terms and conditions of the care workforce are a significant obstacle to recruitment to roles which require increasing levels of complexity and skill and expectations to deliver more health-related tasks. This is further exacerbated by the disparity between NHS and social care pay levels.
3. SCIE's literature review on domiciliary care provided further evidence of the impact of low pay on recruitment:

“Frontline roles within the care sector are generally perceived as low-status, low-skills jobs. This is reflected in the rates of pay, with most workers being paid at or around the National Minimum Wage. Low wages impact directly on the ability to recruit and retain staff particularly in the context of other sectors, including retail, being able to offer higher pay. ‘Recent ONS data (Kirtton, 2015) shows that unemployment in Wales, at 6.4%, is now around pre-recession levels and that pay has performed relatively strongly in retail as opposed to the more constrained public and associated sectors. Social care pay rates risk falling further behind other competitor sectors.’²”

4. The limits of what can be expected of care workers for what they are paid has been reached or exceeded. This is being demonstrated in difficulties in recruitment and retention of care workers and managers of care when alternative employment opportunities do not bring the same pressures and offer greater financial reward.
5. The disparity in pay between NHS health care support workers and social care workers is likely to be a major inhibitor to joint social care and health collaboration and the desire for seamless delivery.
6. We have commissioned research³ which shows that the home care workforce is positively motivated by their role in providing care and support, however it also suggests that terms and conditions could act as a barrier to people who may wish to work in the sector.
7. The precise impact of leaving the European Union on the social care workforce in Wales is not known nor do we have accurate data on the proportion of EU workers in the social care workforce. In England it ranges from 4 per cent in the North East to 12 per cent in the West Midlands to 39 per cent in London⁴.

To consider the financial impact of current Welsh Government policies - including recent social services legislation and reforms to social care funding - on local authorities, care providers and service users;

8. There is widespread anecdotal evidence that people are confused about paying for social care when healthcare is free at the point of delivery. This is particularly evident when people have very complex and/or long term health and care needs, who may

² Development of a strategic plan for care and support at home: Literature review, SCIE

³ ‘Factors that affect the recruitment and retention of domiciliary care workers and the extent to which these factors impact upon the quality of care’, Care Council for Wales / Welsh Government 2016

⁴ The state of the adult social care sector and workforce in England, 2017, Skills for Care

also meet the NHS continuing healthcare threshold.

9. We have also received evidence from the sector that preventative support from community and third sector services are reducing, arising from councils and other bodies re-directing resources to statutory functions and critical services, due to budget challenges over recent years.

To consider future social care needs and related costs, including the projected increase in the proportion of the population of Wales of pension age

10. The demography of our society is changing, with increased need for public service support. We are an ageing society. The number of people aged 65 and over is projected to increase by 292,000 (44 per cent) between 2014 and 2039⁵. We see many more people in their middle years with significant disabilities who expect to live fulfilled lives. We are seeing many more children with significant disabilities or disadvantages who have high expectations of support that protects them and helps them to achieve their full potential.
11. Social care services are facing real and unsustainable increases in demand to meet society's needs. According to the Health Foundation, "pressures for adult social care are projected to rise faster than for the NHS, by an average of 4.1% a year. With funding unlikely to rise at the same rate, there is a real risk that the level of unmet need for care services could rise in Wales."⁶

⁵ National population projections, Office of National Statistics and the Welsh Government, 2015

⁶ The path to sustainability: Funding projections for the NHS in Wales to 2019/20 and 2030/31, Health Foundation, 2016