Social Care and Gender

Briefing from the UK Women's Budget Group on the gendered impact of a crisis in social care

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wbg WOMEN'S BUDGET GROUP

Social care: A system in crisis

*Briefing from the **UK Women's Budget Group** on the crisis in social care*

Key points

- ***Social care is widely recognised to be in crisis.*** *The increase of £1.5bn for social care announced in the Spending Round 2019 only meets the extra needed to return to the totally inadequate spending levels of 2015/2016. To meet the levels of 2009/10, when social care was already widely seen as underfunded, spending in 2018/19 would have had to have increased from £17.9bn to £24.3bn,* ***a rise of 36%****.*
- *Women bear the brunt of the care crisis. The* ***majority of the care workforce, paid and unpaid, are women*** *and the* ***majority of those in need of care are women****.*
- ***Local authorities have faced a reduction of over £7bn in social care budgets*** *between 2010 and 2019, for which the short-term funding measures of £11.5 billion dedicated to adult social care over the period 2017/18 to 2019/20 and including the £1.5 billion in the 2019 Spending Round, do not compensate. Further,* ***funding social care through council tax or local business rates will deepen regional inequalities*** *as the local authorities with the greatest need for services are those able to raise the least through local taxation.*
- *Since 2010/11 t****he number of adults in receipt of publicly funded social care services has decreased by 400,000.*** *In 2019 it is estimated that* ***approximately 1.4m people aged 65 and over in England (1 in 7) have unmet care needs, an increase of 50% since 2010****. Of these, 300,000 people need help with three or more essential daily tasks.*
- *The paid care sector is facing a* ***recruitment and retention crisis*** *due to poor pay and working conditions that Brexit can only worsen.* ***1.6 million more social care workers will need to be recruited and trained by 2022****.*
- *There are* ***over 7 million family members and friends providing unpaid care in the UK*** *and 58% are women. Reductions in formal care services put a greater burden on unpaid carers.*
- *At a time when the demand for paid care services is increasing,* ***the supply of domiciliary and residential care is becoming more fragile****. Between 2014 and 2019 the number of care homes in England fell by 11% to 11,333 compared with a 23% increase in domiciliary agencies to 9,528. Twice as many people (7,000) were affected by the closure of home care providers in the six months to May 2019 compared to last year.*
- *WBG calls on the government to redress the crisis in care by* ***establishing a National Care Service that provides care free at the point of delivery*** *and has equal standing to the NHS.*

The social care sector is widely recognised to be in crisis as a result of successive governments failing to adequately fund and plan for rising care needs. This is bad news for the growing numbers both of older people and those of working age whose needs for care remain unmet, as well as for the 1.5 million paid workers and over 7 million family members and friends who provide care. The lack of investment in social care has serious knock-on effects for hospital services. Conversely, the 10% cut in public health services and 45% cut in district nurses since 2010/11 impact negatively on social care provision. This is also a distinctly gendered issue. Not only are women the majority of those providing care, paid or unpaid, they are also the majority of those in need of care.

The Chancellor announced in the 2017 Spring Budget that an additional £2bn over three years would be allocated to funding social care. A further £650m was committed in the 2018 Autumn Budget and £1.5 billion in the 2019 Spending Round. While these are steps in the right direction, they are all time limited. Given the historic neglect of social care and the continuing and deepening effects of cuts to spending on both local authorities and households, they are not sufficient to reverse the current crisis and stabilise the sector as a whole.

After two major reports and a decade-old Green Paper[1] all containing proposals for putting the funding of social care on a firmer footing, nothing has been implemented. We are still awaiting the Green Paper which the Chancellor announced in the Spring of 2017 would set out the government's strategic approach to the sector the following Autumn. This was put back a year following the public's negative reaction to what became known as 'the dementia tax': the Conservative Party's Manifesto proposal to fund both domiciliary and residential care from the assets (including their home) above £100,000 of those using these services.

It is vital that this long promised Green Paper proposes a fair, comprehensive *and* long-term solution that translates into action. The urgency of ensuring that any new funding system is well publicised and transparent was underlined by a report from the Local Government Association in October 2018. This found that 44% of adults in England thought social care was provided by the NHS and 28% thought it was free at the point of need. Half did not fully understand what 'social care' meant. They were not adequately planning for their future.[2]

Unmet needs

The crisis in social care has been developing over 20 years as the number of people surviving to 65 and their subsequent life expectancy have increased. Since 2001, the number of people aged 85 and older has increased by 33%, and those aged 65 and over by 22%.[3] There were 2.9 million people with long-term conditions in England in 2018, 1.9 million more than in 2008. They currently account for 70% of social and health care spending.

There is also an increase in people of working age with disabilities or special needs. Between 2015/16 and 2017/18 23,000 more of them (an increase of 4%) approached local authorities for help. The percentage of people of working age reporting a disability has also increased – from 15% in 2010/11 to 18% in 2017/18.[4]

Age UK reported in 2019 that nearly 1.4 million people aged 65 and over are living with unmet care needs around daily activities.[5] This is a 50% increase in people with unmet needs since 2010. Nearly 1 in 7 older people now live with some level of unmet need.

The majority of them are women because although men's life expectancy has increased in recent years it is still lower than women's. Older men (over 65 years) are slightly more likely than women to be caring for a spouse but are less likely to be widowed.[6] Of those aged over 75 years old and living alone, 72% are women.[7]

Local authority funding and expenditure on care

Since 2010 local authorities have had their income from central government cut by 49% or 29% in real terms. Their expenditure on adult social care had fallen by 9.9% by 2016/2017.[8]

Some estimates of the social care funding gap calculate the amount needed to maintain provision at the 2015 level: £1.5bn in 2020/21 and £6.1bn by 2030/31.[9] But in 2015, provision was totally inadequate. Even just to return to the higher levels of provision in 2009/10, when social care was already widely seen as underfunded, spending in 2017/8 would have had to increase from £17.9bn to £24.3bn, a rise of 36%. To get to this level of provision in 2021/22 would require spending to rise to £27bn, and to £38.7bn by 2030/31. This represents a funding gap of £8bn and £15bn respectively**.**

The 2016 Budget allowed councils to raise council tax by up to a 2% precept to fund adult social care. Almost all local authorities opted to introduce the precept but the extra total of £380m failed to cover the shortfall in funding for social care services especially in the poorest areas with the greatest need**.**[10] Analysis of data from 326 local authorities shows that the precept raises the least in those councils with the highest concentration of older people and unpaid carers. In East Lindsey, where 30% of people are aged over 65, the 2% increase in council

[1] The King's Fund (2006) *Securing Good Care for Older People* (http://bit.ly/2nrJ1Ln), HM Government (2009) *Shaping the future of care together* Cm 7673 (https://bit.ly/2q1DQRe) and Commission on Funding of Care and Support (2011) *Fairer Care Funding* (http://bit.ly/2nrGd0M)
[2] Local Government Association (26 Oct 2018) 'Majority of people unprepared for adult social care costs' (http://bit.ly/2WiUKu6)
[3] Care Quality Commission (2016) *The State of Health Care and Adult Social Care in England 2015/16 https://bit.ly/2q0RWTd* (p.42, Figure 1.16.)
[4] Care Quality Commission (2019) The State of Health Care and Adult Social Care in England 2018/19 (http://bit.ly/2p8axQt) p. 40
[5] Age UK (2019) Briefing: Health and Care of Older People in England 2019 (http://bit.ly/2MPOoiG) p. 4
[6] ONS (2013) *Full story: The gender gap in unpaid care provision: is there an impact on health and economic position?* (http://bit.ly/2oqur8L)
[7] ONS (2015) *Life Expectancy at Birth and at Age 65 by Local Areas in England and Wales: 2012 to 2014* (http://bit.ly/2my29mD) (Figure 6)
[8] WBG (2019) *Triple Whammy: the impact of local government cuts on women* (http://bit.ly/2G6YC9M)
[9] Watt, T. Varrow, M. Roberts, A. and Charlesworth., A. (2018) Social care funding options: How much and where from? https://bit.ly/2EtdNwn
[10] ADASS (2016) *Council Tax Precept Fails to Close Adult Social Care Funding Gap* (http://bit.ly/2mSQcL4) (p.5)

tax raises just £30 per older person per year. In contrast, Richmond upon Thames, where just 15% fall into the over 65 age range, a 2% increase raises an additional £95 per older person per year.[11]

An additional £2 billion of central government funding was announced in the 2017 Spring budget. But of that £840 million was already accounted for by the pressures arising from demographic change, inflation and the countrywide introduction of the (welcome) National Living Wage in April 2017.[12] These pressures were distributed unevenly across councils; across England 43% of care workers prior to April 2017 were earning less than the minimum wage but in some areas the proportion was over three-quarters.[13]

The government's regressive plans to make local authorities 'self-sufficient' and more dependent on their own business rates also impacts unevenly across local authorities. Those with the lowest receipts from business rates are likely to have the poorest populations and the highest social care needs. This may result in the poorest localities having to charge a higher rate of Council Tax, even though their residents can least afford this.[14] The 2019 Spending Round is perpetuating these inequalities by assuming councils can raise £500 million of the £1.5 billion extra for social care from a 2% precept on council taxes and increased business rates.

User charges and patient payments are the most regressive forms of financing health and care. In 2016/17, local authorities earned £2.7bn from fees and charges in adult social care, accounting for 10% of gross social care expenditure. Two years later this contribution had increased to 13%.[15] Self-funders, without LA involvement bought care estimated at £10.9 billion.[16]

Unless there is a system of ring-fenced funds for social care taking account of greater local needs, councils will have to continue to ration funding more and more tightly, focussing on those with substantial needs to the detriment of services such as day centres and lunch clubs. These act as preventative services, reducing and delaying the need for more expensive residential and hospital care, as well as giving respite to carers.

Additional pressures on local government

The introduction of the National Living Wage increased the pressures on social care services arising from a decision by HMRC in 2017 requiring that social care providers pay carers the national minimum wage for 'sleep-ins'. The question of their right also to receive six years back pay was even more problematic as neither councils nor many in the provider market, let alone the 500,000 people employing personal assistants from their direct payments, were in a position to meet these costs.[17] The government nevertheless expected local government to meet these back-pay costs which on average per council come to nearly £1.8 million, a total of £600 million across England.[18] The question of whether sleep-in shifts should count as working time and be paid at least hourly minimum wage rates was resolved in July 2018 by the Court of Appeal in favour of the Royal Mencap Society who had opposed it, but Unison was given leave to appeal to the Supreme Court in February 2019. A decision is still awaited.

Care homes and the social care market

The social care market is dysfunctional. A report commissioned by Age UK in 2018 described it as consisting of 'hyper-local markets across the country, with major variations in quality and provision within and between counties, fragmented and varied'.[19] Altogether in 2019 there were 18,500 enterprises providing adult social care, comprising 39,000 establishments.[20] The five largest residential care providers account for a fifth of all residential care places. In their 2019 survey, the Association of Directors of Social Services (ADSS) found that three-quarters of councils (compared with two-thirds in 2018) reported that providers had closed, ceased trading or handed back contracts in the previous 6 months.[21] In the home care market half the councils had seen providers close or cease trading in the

[11] Franklin, B. (2015) *The end of formal adult social care: A provocation by the ILC-UK*, Report for Centre for Later Life Funding (http://bit.ly/1ozov7t)
[12] Ibid. (p.23)
[13] Skills for Care (2017) *The state of the adult social care sector and workforce in England* (http://bit.ly/2AI2VEf)
[14] Communities and Local Government Select Committee (March 2017) *Adult Social Care* (http://bit.ly/2jsjaCa) (p.1)
[15] Kings Fund (2019) Social care 360 (http://bit.ly/34iF3WP) p. 23
[16] National Audit Office (2018) op.cit. p. 10
[17] Ibid. p 14
[18] ADASS (2017) *Autumn Short Survey of Directors of Adult Social Services* (http://bit.ly/2mvr4vL)
[19] ADASS (2019) ADASS Budget Survey (http://bit.ly/2WoyOho)
[20] Skills for Care (2019) *The Size and Structure of the adult social care sector and workforce in England* (http://bit.ly/2ECHEmo) p. 1
[21] ADASS (2019) ADASS Budget Survey (http://bit.ly/2WoyOho)

previous six months, affecting 7,019 people, more than double the number reported the year before.[22] A third of postcode areas in England have no home care beds and nearly two-thirds have no nursing home beds.[23] This affects paid and unpaid carers as well as those needing the service – in other words disproportionately women.

According to Care England, 400 care home operators have collapsed since 2010. One of the largest care home providers, Four Seasons, owned by a complex private equity fund, has been attempting to re-finance its £565million debt for over two years. In October 2019 it failed to pay the £10 million monthly rent on their 320 homes, which house 16,000 residents and employ 22,000 care workers.[24] Over 80% of the residents are funded by local authorities and when these homes are closed or sold, they have a duty find places for them. Last year for the first time one of the largest home care businesses was collapsing, leaving 13,500 elderly and disabled people at risk of losing the services provided by the 8,700 employees of Allied Healthcare, another private equity company[25]

Since LAs have had to keep fees as low as possible and together with the introduction of minimum wages combined with shortages of staff, particularly nurses, there are real pressures on *all* social care providers. However, these large operators, who hold a quarter of the market, use complex and opaque financial structures involving many subsidiary companies, mostly listed offshore. Those with care homes are also debt ridden (up to £40,000 per bed). They pay little or no corporation taxes and their shareholders expect – and get – a 10-12% rate of return on their capital. This is a totally inappropriate business model on which to base the welfare of frail and vulnerable citizens.[26]

Investing in the care workforce

In 2019 women made up 83% of the 840,000 care workers and home carers.[27] The Communities and Local Government select committee's conclusion made in 2017 that there were 'severe challenges in the social care workforce', citing 'low pay not reflecting the amount or importance of the work involved, low status, poor terms and conditions, and lack of training opportunities and career progression'[28] as the roots of the problem, still stands.

Despite the size of the adult social care sector the workforce of 1.3 million is affected by high turnover, a lack of skilled individuals and limited levels of professionalisation in care work.[29] If health and social care services are to be better integrated the government will have to do a great deal more than 'explore options to align and integrate the two workforces'.[30]

The effect of the Brexit vote on the social care workforce remains to be seen, but significant planning in the sector will be needed if the EU care workers lose their right to live and work in the UK. 8% of care workers (115,000) have an EU nationality.[31] Skills for Care estimate that 47% of them are eligible to apply for 'settled status' and 33% for 'pre-settled status' (remaining 19% also have British citizenship).[32] A greater number (9%) of social care workers (134,000) were immigrants from outside the EU in 2019 and this flow of labour into care jobs is also under threat, with government plans to place very strict limits on both EU and non-EU lower-skilled immigration. The nursing home sector already has difficulty recruiting nurses since the required earnings threshold was raised for non-EU migrants in 2012.

Nursing is also struggling harder to recruit and retain social care workers and has vacancy rates at 7.8% compared with a national average of 2.7%.[33] IPPR estimated in 2017 that the UK will need to recruit and train as many as 1.6 million workers for basic skilled jobs in the social care sector by 2022 to tackle poor retention and increased demand.[34]

24% of the workforce overall were on zero-hour

[22] Ibid.
[23] Age UK and Incisive Health (2019) *'Care deserts': the impact of a dysfunctional market in adult social care provision* (http://bit.ly/2Pwki5P)
[24] Financial Times (3 Oct 2019) 'Troubled care home operator fails to pay landlords'
[25] Financial Times (30 Nov 2018) 'British home care group saved by last ditch sale'
[26] CRESC (2016) *Where does the money go? Financialised chains and the crisis in residential care* (https://bit.ly/2hs2tpi)
[27] Skills for Care (2019) *The State of the Adult Social Care Sector and Workforce in England* (http://bit.ly/31UezsV) p. 9
[28] Communities and Local Government Select Committee (2017) op. cit.
[29] Skills for Care (2018) *The state of the adult social care sector and workforce in England* 2018 (https://bit.ly/2xB5Glz) p 1
[30] Department for Communities and Local Government (2017) *Adult social care: government response to the Select Committee report* (http://bit.ly/2hAXK5b) (para.73)
[31] IPPR (February 2017) *Care in a Post-Brexit Climate* (http://bit.ly/2zERuAA)
[32] Skills for Care (2019) *The State of the Adult Social Care Sector and Workforce in England* (http://bit.ly/31UezsV) p. 10
[33] Migration Advisory Committee (2018*), EEA migration in the UK: Final Report*, (https://bit.ly/2OBiXLF) p 88
[34] IPPR (2017) *Care in a Post-Brexit Climate* (http://bit.ly/2zERuAA)

contracts (375,000 jobs) in 2018-2019.[35] This figure was 58% for domiciliary care workers and 18% for registered nurses. Retention is a challenge with staff turnover estimated at 30.8%, with 440,000 workers leaving jobs over the year 2018/19 and 122,000 positions in the care sector vacant.[36]

The quality of care was the subject of media scrutiny in 2017, with a series of 'poor care scandals' hitting the headlines. In 2018 report just 34% of the total adult social care workforce had achieved or was working towards their 'Care Certificate' which is designed to train workers in basic standards of care in their day-to-day work. Two-thirds had not started working towards the qualification.[37] In 2016 a third of domiciliary care workers had no training in dementia care and a quarter no training in the administration of medication.[38]

If the sector is to become more attractive to UK workers, it must dedicate substantial and long-term investment to improve the poor pay and conditions that currently lead to low levels of staff recruitment and retention, and 'strengthen opportunities for development and progression'.[39] As the Migration Advisory Committee argues: 'the sector's problems are not primarily migration related. A sustainable funding model, paying competitive wages to UK residents, would alleviate many of the recruitment and retention issues.'[40]

The All-Party Parliamentary Group on Social Care would go further. They recommended as a matter of urgency not only a national model of registration and qualifications for the social care workforce in England, in line with Wales, Scotland and Northern Ireland, but also recognised the need for parity between the sector's employees and equivalent colleagues in the NHS.[41]

The Women's Budget Group has long advocated for increased investment in developing the skills and career paths which care workers need, not only so that social care becomes an attractive occupation, but also to improve the quality of care provided. Analysis by the Women's Budget Group has shown that investing public funds in childcare and eldercare services is more effective in reducing public deficits and debt than austerity policies and would create more jobs than the equivalent investment in construction.[42] Such investment is vitally needed as the social care workforce will need to grow by 275,000 by 2025, with a further increase to 650,000 by 2035 just to keep pace with demographic trends.[43]

Unpaid carers

Carers UK estimate there are at least 6.6 million carers and possibly as many as 8.8 million carers in the UK in 2019, compared to 6.3 million identified in the 2011 census.[44] Altogether 58% of carers are women. Nearly a third had been caring for 15 years or more and 15% for 10-14 years. Altogether 32% were aged 55-64 and 19% were aged over 65 years.[45]

It is estimated that it would require 4 million full-time paid carers to replace the current level of informal care.[46]

Reductions in formal care services puts a greater burden on unpaid carers and threatens to undo some of the progress made in raising female employment rates in the past 20 years, particularly among older women. Carers UK found that 35% of carers had given up work to care and a further 16% had reduced their hours.[47] The Care Act 2014 stipulates the duty of local authorities to assess carers' needs for support, but the Carers UK *2019 State of Caring Survey* found that only 27% of the 7,525 participating carers had been assessed or offered an assessment in the previous 12 months. Of those offered an assessment in the last year, 18% had waited more than six months to be assessed[48] Altogether 1 in 8 carers reported they or those they support had received less care or support services during the previous year. NICE guidance on hospital discharge states the need for coordinated

[35] Skills for Care (2019) *The State of the Adult Social Care Sector and Workforce in England* (http://bit.ly/31UezsV) p. 8
[36] Ibid.
[37] Care Quality Commission (2018) *The State of Health Care and Adult Social Care in England 2017/18* https://bit.ly/2vXXSjf
[38] Skills for Care (2018) op. cit.
[39] Ibid.
[40] Migration Advisory Committee (2018), op. cit. p 90
[41] APPG on Social Care (2019) *Elevation, Registration and Standardisation: the Professionalisation of Social Care Workers* (http://bit.ly/34a6jGU)
[42] Women's Budget Group (2016) *Investing 2% of GDP in care industries could create 1.5 million jobs* (http://bit.ly/2lRoZZm)
[43] Skills for Care (2017) op. cit.
[44] Carers UK (2019) *State of Caring Report 2019* (http://bit.ly/2Wjr14g) p. 4
[45] Ibid. p. 2
[46] Social Market Foundation (2018) *Caring for Carers – The lives of family carers in the UK* (http://bit.ly/346jokn)
[47] Ibid. p. 19
[48] Ibid. p. 11

discharge with involvement from carers.[49] Carers UK found that 57% of carers felt that they had no choice about caring for the person leaving hospital.[50]

A carer's ability to care depends not only on their time but also on their proximity to those needing care and women are more likely to be providing care to someone who lives outside of their household. Current housing policies, which are breaking up communities, together with more precarious jobs with unpredictable hours, make it harder for families to provide care, as do the continuing cuts in local bus services. Ending free bus passes for pensioners would exacerbate the problems of carers – mainly women looking after someone living in another household.

Older women carers and the State Pension Age

Between 2010 and 2016 public finances benefited by a total of £5.1 billion as a result of raising the state pension age for women.[51] While 1.1 million women did stay in paid employment as their pension age increased from 60 to 63 between 2010 and 2016, their economic activity was still less than half (43%). Eligibility for the Carer's Allowance (CA) of £66.15 for those of working age providing at least 35 hours of care hardly compensates for the loss of a state pension worth more than twice as much.

Overall, among women affected by the rise in the State Pension Age household incomes fell, on average, by £32 a week and the proportion of these older women in poverty increased by 6% prior to the reforms to 21.2%.[52]

It is essential that any plan for putting formal social care services on a firm footing recognises the essential contribution of informal or unpaid carers and, along with that, the hardships facing older women carers as a result of raising women's state pension age to 65 years. If they are to continue in paid work they need flexible employers and access to social care services.

Instead, the new rules introduced in July 2019 which restrict eligibility to pension credit to couples in which both are of state pension age or over, are likely to make some of these women even worse off.

Some of the 115,000 couples which the DWP estimate will be initially affected, are likely to have caring responsibilities. Carers UK estimate that nearly half a million people had to give up work over the past two years as a result of their caring responsibilities.[53] IFS estimate that the median net incomes of affected couples is around £19,400 and once the policy is fully in place it will affect 250,000 households who will lose on average £4,500/year.[54]

This is yet another example of the harmful effects of the lack of joined-up thinking in relation to social care, social security and employment policies.

Recommendations

The Women's Budget Group is calling for a new settlement for social care that provides a stable, sustainable funding base to ensure that rising care needs are met now and into the future. We call for the establishment of a National Care Service that provides care free at the point of delivery and has equal standing to the NHS and is funded from general taxation at the national level to avoid the entrenchment of regional inequalities. In order to achieve this, investment in the training, pay progression and career development of social care workers to give them parity with health workers is urgently needed.

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WBG is an independent, voluntary organisation made up of individuals from Academia, NGOs and trade unions. See www.wbg.org.uk

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[49] NICE (2015) *Transition between inpatient hospital settings and community or care home settings for adults with social care needs* (http://bit.ly/2nJahkr)
[50] Carers UK (2016) *State of Caring 2016* (http://bit.ly/2Prluay)
[51] Cribb and Emmerson (2017) *Can't Wait to get my pension: the effect of raising the state pension age on income, poverty and deprivation* (http://bit.ly/2Am5v5y) IFS Working Paper W17/10
[52] Ibid.
[53] Carers UK (2019) *State of Caring Report 2019* (http://bit.ly/2Wjr14g) p. 4
[54] IFS (4 Jul 2019) 'Changes to pension credit rules for 'mixed age couples' mean a large number have to wait many years before they can claim' (http://bit.ly/2pjXfAj)