

Adult Social Care Market Stability Survey: South East region

An analysis of the key stability drivers for Adult
Social Care in the South East

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A regional arm of the national Care Association Alliance
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1 The South East Social Care Alliance



SESCA

South East
Social Care Alliance

The South East Social Care Alliance

SESCA (South East Social Care Alliance) brings together ten county-level care associations within the South East – covering the whole region.

County-level care associations represent Adult Social Care providers in their areas – including residential and nursing homes, home care and supported living. Some care associations also include non-CQC regulated services. Our members represent providers supporting both the self-funder, local authority and health markets.

SESCA brings these associations together to share ideas and best practice that will benefit their local membership, and the wider social care community. We work together to be a voice for providers across the South East, and encourage and support the best possible care for those using Adult Social Care services.

We also work in close partnership with key bodies regionally and nationally. As a regional arm of the Care Association Alliance (a national body representing 7,000 providers across the country) we link into national debates and initiatives. We also work at a regional level, providing a one-stop shop for regional bodies looking to engage with the wider provider market.



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2 Research context & objectives



Research context

Leaders in Adult Social Care have long warned that the continued neglect and underfunding of the Adult Social Care sector was having an adverse impact on the ability of providers to look after people needing care and support, and those who deliver it.

Recently, these warnings have gathered pace.

The Covid-19 pandemic came at a time when providers had already been warning that a decade of austerity imposed on them via local authority budgets had left staff and providers burnt out, demoralised and at breaking point.

Announcements from the government outlining their reform agenda have not alleviated these fears. While additional funding has been announced, the lion's share of this has been allocated, in the short term at least, to the NHS, leaving many to criticise the proportion allocated to Adult Social Care, the speed at which funding will reach the front line, and noting that far more money is needed to avert disaster.

In July, ADASS warned that the year ahead will be the most challenging ever for social care, and that the current desperate situation for providers has been further compounded by austerity, spiralling inflation and intense labour market pressures.

Research context

They also reported a reduction in the amount of social care provision available - with seven in ten Adult Social Care directors reporting that care providers in their area have closed, ceased trading or handed back contracts to local councils.

While demand continues to rise (Skills for Care estimate we will need an additional 27% of care posts by 2035), the Health and Social Care Select Committee have stated that social care and the NHS face the greatest workforce crisis in their history. 2022 saw the number of filled posts in adult social care dropping for the first time on record.

The Health and Social Care Select committee further noted that there is an absence of a credible government strategy to tackle the situation. Arguments for improving the pay and working conditions of Adult Social Care staff, to put them on an equal footing with the NHS (a key priority for reform identified by the sector), highlight this point.

The government contends that “most paid carers are employed by the private sector who set their pay and conditions independently”. This ignores the fact that the price paid for care and therefore the amount providers can pay their staff, is effectively constrained by government and local government funding.

Research context

As well as within political contexts, the care sector is often misunderstood in the media. In discussions about the fragility of the market, proposals to put more funding into care are often met with concerns that the majority of the money will disappear down a rabbit hole of corporate trickery, or creamed off by multinationals in widening profit margins and increased pay for top executives.

While this may be true for some, there are large numbers of small and medium sized providers – local family run businesses, for whom it is definitely not true, and who are feeling all the stresses outlined in this survey. LaingBuisson estimate that 75% of care home providers run just one home and 90% of care at home providers operate from one location. Within these settings, additional funding is vital to keeping the care sector afloat and absolutely will provide support to the frontline of our amazing workforce.

This sector-specific understanding is vital if we are to build an Adult Social Care sector that is fit for purpose and able to provide the world class care that we all want, and which people deserve.

Research context

It is within this crisis context that SESCA decided to ask providers, directly, to tell us what the main issues are for them. We looked at workforce, costs, income, future viability, and we asked providers what their future priorities would, and should, be.

We hope this report will facilitate further discussions directly with SESCA and its members, who represent not only many SMEs, but the full range of providers within the market.

Finally, SESCA would like to pay tribute to the many thousands of highly skilled and courageous staff and providers in the South East and across the country.

They continue to bring love, laughter and joy to millions of people every day through their dedication and delivery of the highest standards of care and support.

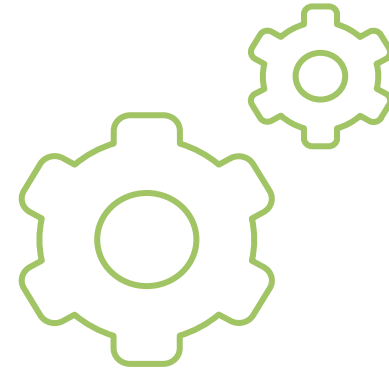
Research objectives

SESCA wanted to understand:

- The situation regarding the **workforce** within the South East: recruitment, retention and impact on services
- The situation relating to providers' **costs and income**
- Whether providers are concerned about the **future viability** of services
- What providers feel the **priorities** should be moving forward

3

Sample and methodology



Sample and Methodology

Between 11th May and 11th July 2022 we collected data via an online survey sent to 3,227 Adult Social Care provider contacts across eight counties in the South East – covering the whole region except for the Isle of Wight.

Overall, we received 198 responses (6%). Not all providers responded to every question, therefore, there are varying sample sizes throughout. We have indicated in the text where our analysis is based on a sample size lower than 30.

The types of providers represented are: residential homes, residential homes with nursing, domiciliary care providers, learning disability providers and mental health providers.

Methodology



A survey, scripted online, formatted for response on all electronic devices. Typical time spent completing: 8.5 mins



Focused on workforce, costs, income, financial stability metrics. With some info sought on the policy and reform agenda



Sent to providers across the South East via county-level care associations

4

Our respondents: Key characteristics



•
198 responses to our survey

5,724 = the number of beds our respondents represent, split across small, medium and large providers as shown:

Size of residential provider	% of our respondents	% of all beds
Small (1-35 beds)	66%	30%
Medium (36-60 beds)	18%	19%
Large (61+ beds)	16%	51%

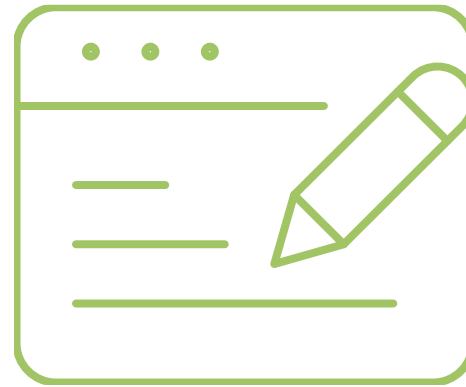
58,336 = the number of hours of care per week our respondents are delivering

Our domiciliary care providers are delivering between **39** and **9000** hours of care per week

Our respondents cover:

Residential care: (with nursing and without, learning disability providers, mental health providers), and **Domiciliary care**

5 Top-line findings



Workforce

Workforce pressures are the worst most providers have ever seen them

90% of providers report the situation regarding workforce is either worse than it's ever been, or somewhat worse

Providers have brought in a range of incentives to try and boost retention

These include travel expenses, additional training, bonuses / other incentives, staff well-being support and subsidised accommodation

Providers are losing more staff than usual and the majority are not managing to replace them

Retention:

64% of providers say the number of people leaving their service is more than average

Recruitment

The majority of providers (70%) have not been able to replace all the staff they have lost

83% say that recruiting to replace staff is more difficult than usual

Workforce continued...

61% of providers report losing staff to roles outside of adult social care; either to the NHS or to other sectors

55% of providers report staff leaving for reasons linked to burn out / mental health or low morale

Increasing staff pay was the issue providers mentioned most when asked what more they would like to do to improve recruitment and retention

However, many providers expressed the opinion that inadequate funding for their LA/NHS clients means they are unable to unilaterally increase pay

Workforce development was the second most cited need in relation to improving recruitment and retention

Workforce continued...

In more than 50% of cases, providers report the cessation of funding to pay staff wages while isolating with Covid-19 had a negative impact on their service

These grouped around three concerns: safety, impact on morale, financial hit to the provider

Impact on services

The workforce crisis is leading to a reduction in the amount of care available in the South East

18% of residential providers (nursing, non-nursing, MH & LD) reported having to either close beds or carry voids due to staffing pressures

25% of domiciliary care providers report having to hand back packages of care. 60% said they have been unable to take on new packages of care within the past 12 months

The care sector is losing valuable staff to other industries

38% of those leaving their roles are exiting the adult social care sector

Our providers have lost 722 employees to other sectors in the past 12 months

Costs and income

Costs are increasing significantly, while income is falling, for the majority of providers in the South East

Providers are anticipating costs to rise by up to 25% in the current tax year

Occupancy and capacity levels are below average (compared with prior years) in the South East with less than half expecting this situation to improve in the next year

58% of residential providers (nursing, non-nursing, MH & LD) report their occupancy being below average

72% of domiciliary providers report their capacity levels being below average – with 100% of these citing workforce issues as a driver of this

Less than half of providers expect their occupancy / capacity levels to improve this year

Worryingly, nearly half of domiciliary care providers are anticipating their capacity levels to decrease this year

42% of domiciliary care providers are expecting their capacity levels to decrease in the coming year

Costs and income continued

Funding increases for Local Authority / NHS-funded clients have not kept pace with actual cost increases

The average shortfall for residential care (nursing, non-nursing, MH & LD) was 17% in 2021, and 20% in 2022

The average shortfall for domiciliary care was 12% in 2021, and 15% in 2022

Future viability

Concerns about future viability are high

64% of providers are concerned that the future viability of their service is at risk

Nearly half of providers have considered exiting the market in the past 12 months

Future viability continued

Concerns over future viability are primarily being driven by the workforce crisis and concerns over fees not meeting the real cost of care

77% noted workforce issues and 74% noted fees not meeting the real cost of care

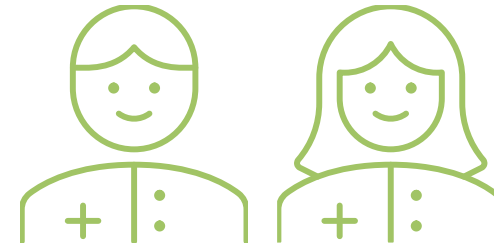
There is an indication that around half of providers who have a relationship with a bank / lender are concerned that the current climate could put them in a high risk position (this is based on a relatively small sample size)

Future priorities

We asked providers what SESCA should prioritise in our efforts to push for the best quality care, while promoting a sustainable business model. Their top two priorities were:

- 1. Pushing for fees that reflect the true cost of care**
- 2. Improving working conditions for their staff**

6 Workforce



Workforce: overall situation

90% of providers report workforce pressures are either worse than they've ever been, or somewhat worse

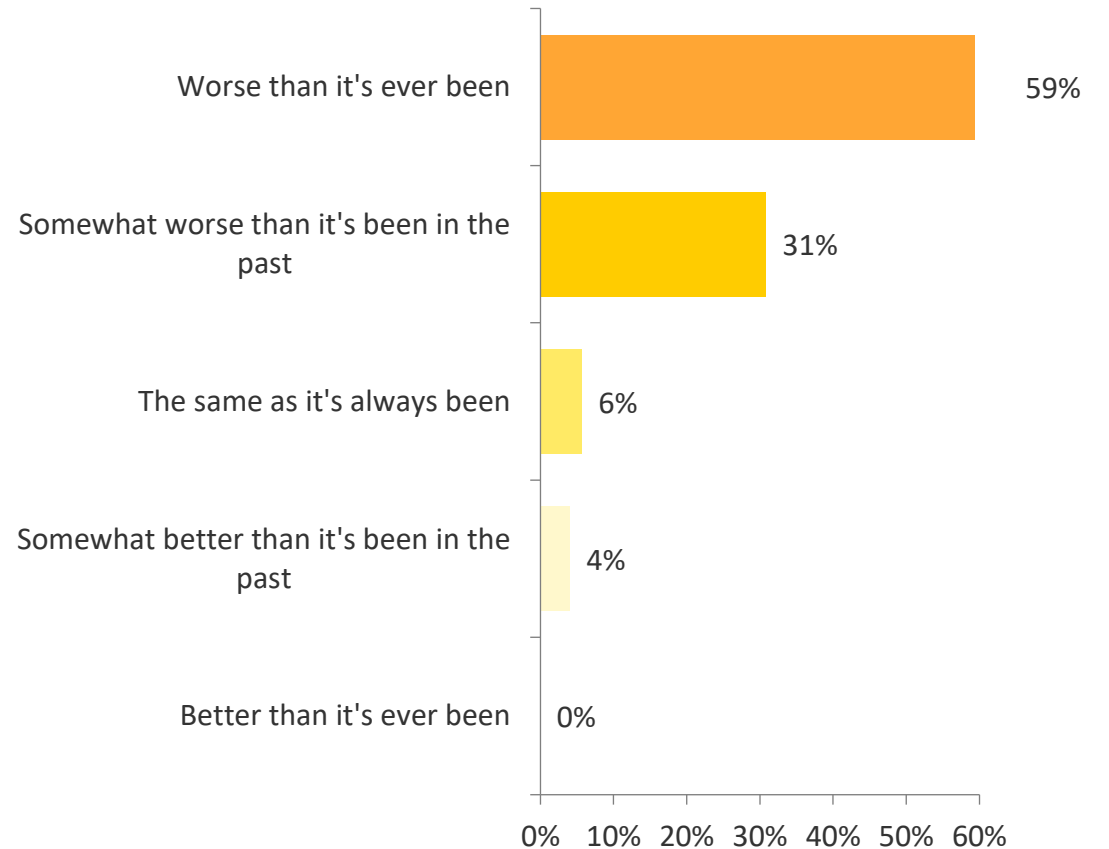
59% of providers state that the situation regarding workforce pressures is worse than it's ever been, with a further 31% stating that it's somewhat worse than its ever been

Provider quotes:

"The work situation is the worst that I have ever experienced. The job is the hardest I have ever known"

"I have been in the care industry for 30 years, I have never known anything like this"

"We're genuinely contemplating exiting the sector in the next 8 months"



Workforce: recruitment & retention

Innovation: Providers have brought in a range of incentives to try and boost retention

We asked providers what incentives they already have in place to retain staff. Answers ranged across the following areas:

Travel payments: e.g. increased travel expenses, increasing mileage payments, paying travel time

Training: e.g. additional training, free training, support with qualifications

Bonuses / other incentives: e.g. free meals, extra pay for overtime, refer a friend schemes, discount schemes (e.g. Blue Light), employee of the month rewards schemes and other reward and recognition strategies

Team building / pastoral support: e.g. mental health support including referrals to services, additional team meetings, team building activities, wellbeing checks

Support with accommodation costs: i.e. subsidising accommodation

Provider quote:

“We are doing all we can”

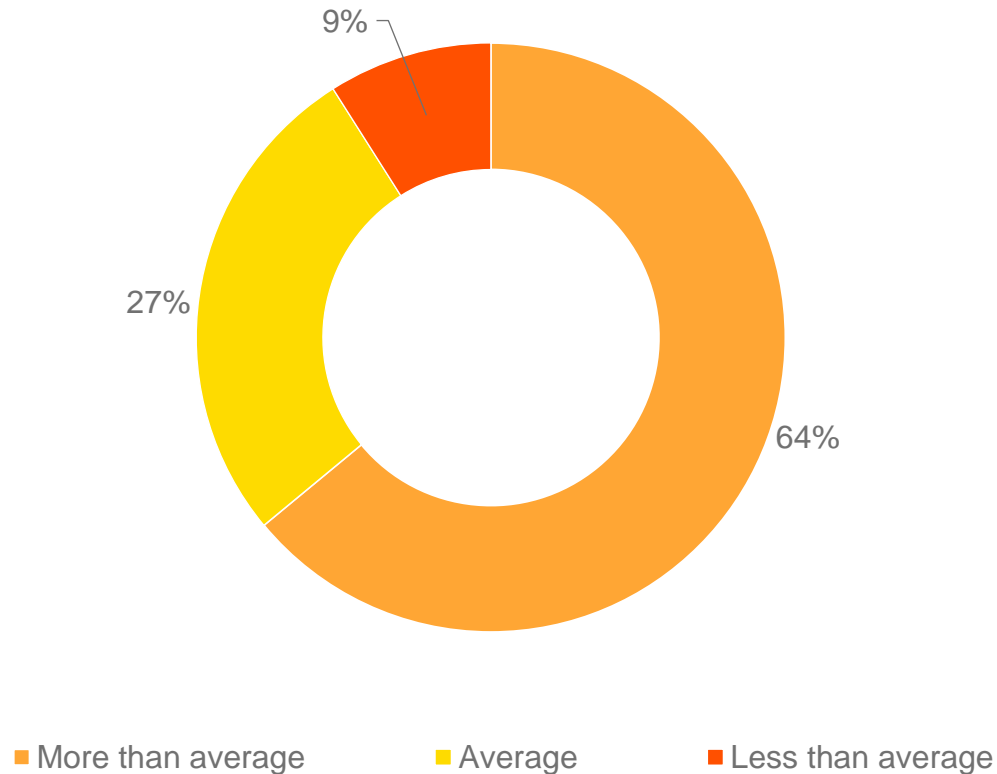


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Workforce: retention

64% of providers say the number of people leaving their service is more than average



Provider quotes:

“It seems to have gotten significantly worse since the new year... if this trend continues throughout 2022 then we will all be in real trouble”

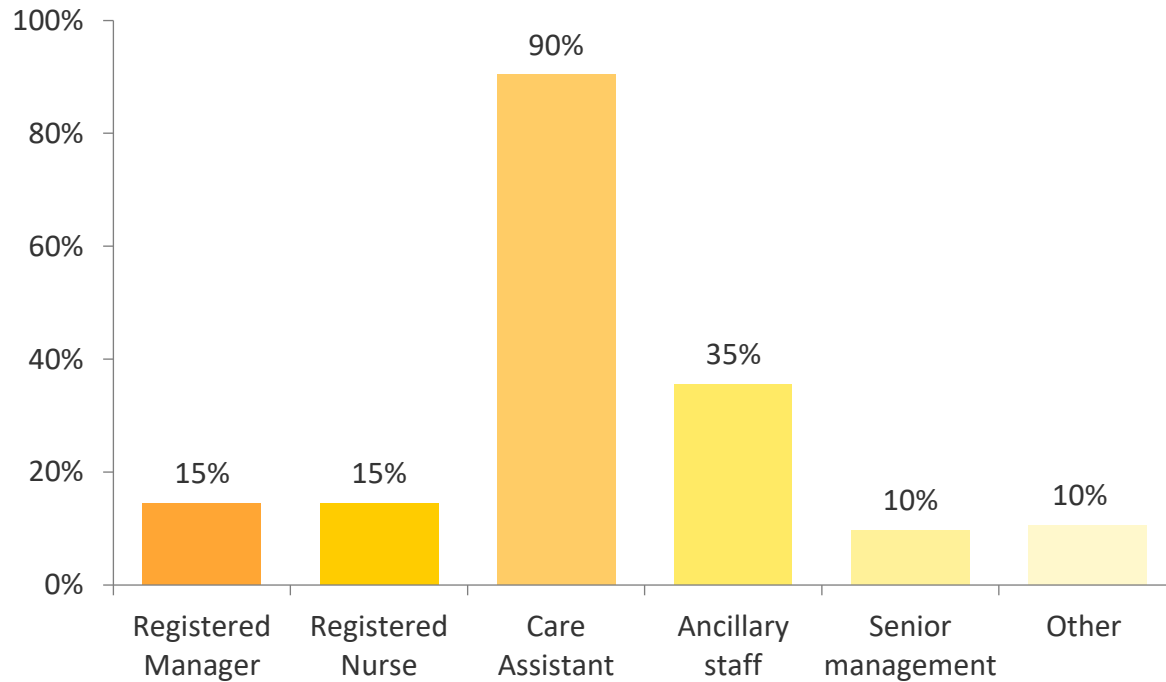
“Impact of exhaustion, under-appreciation and cost of living crisis [is] having such an awful impact”

“[The] workforce is tired and demoralised”

“I have never encountered so many people leaving the industry and we simply cannot replace the numbers”

Workforce: retention

Providers report losing staff from a wide variety of roles



Types of roles people have vacated

Provider quotes:

“Covid has adversely impacted the well-being and resilience of many people”

“Awful pay, lack of interest in care sector by government”

“Demoralised”

Workforce: retention

61% of providers report losing staff to roles outside of adult social care; either to the NHS or to other sectors

Reasons for leaving	% of responses
Wanting to move to a different job but remain in the sector	43%
Competition from other sectors	40%
Burn out / mental health reasons	39%
Moving to the NHS	22%
Feeling underappreciated / demoralised	21%
Other (please specify)	40%

As this is a multi-response question, the % shown is a % of all responses, rather than a % of individual providers

Provider quotes:

“Staff are able to earn more income by doing a far less stressful job”

“I think staffing in care is at a all time low... they can stack shelves for more money and less responsibility”

“Care assistants are expected to take higher risks than other industries for less pay”

“Lots of competition from other sectors, paying better than care”

Workforce: retention

55% of providers report staff leaving for reasons linked to burn out / mental health or low morale

Reasons for leaving	% of responses
Wanting to move to a different job but remain in the sector	43%
Competition from other sectors	40%
Burn out / mental health reasons	39%
Moving to the NHS	22%
Feeling underappreciated / demoralised	21%
Other (please specify)	40%

As this is a multi-response question, the % shown is a % of all responses, rather than a % of individual providers

Provider quotes:

“Pressures of the care sector”

“Staff are burnt-out, exhausted and under-appreciated”

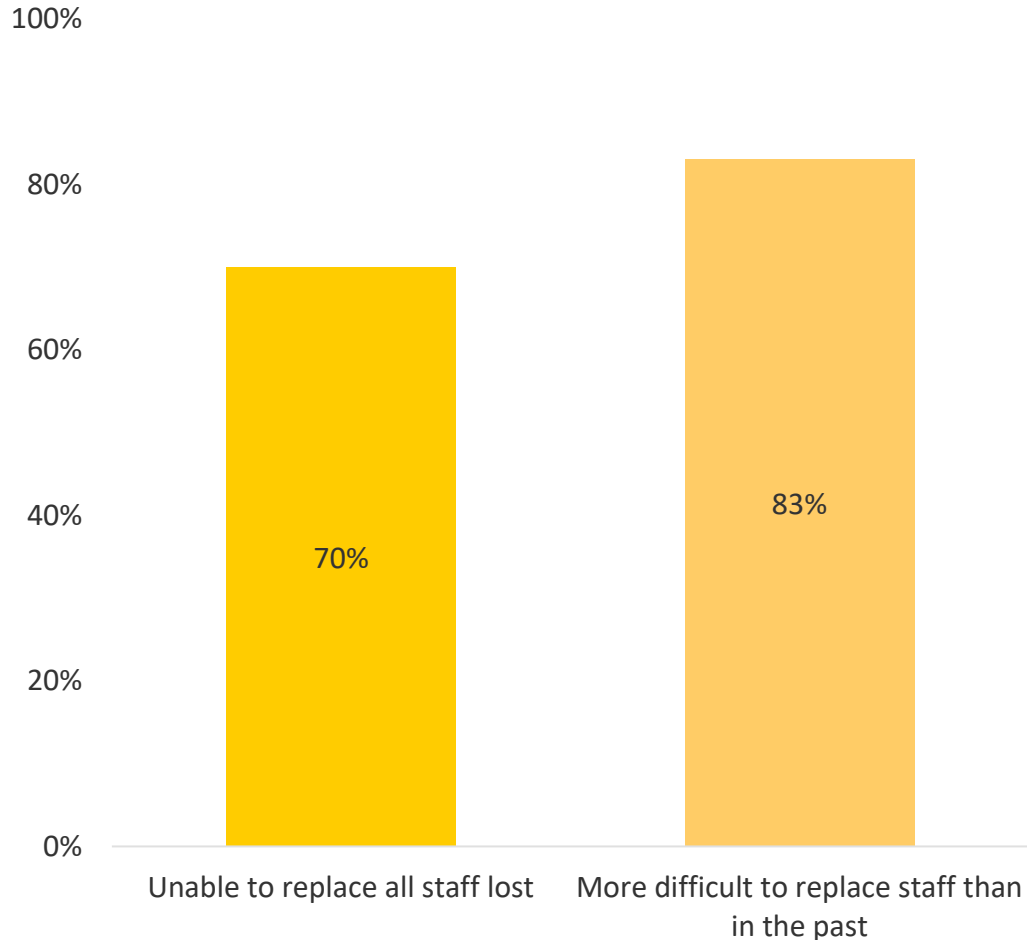
“In my role the hours have increased to around 60 hours per week and there is no work life balance”

“My staff are becoming increasingly fed up with being treated differently and this means they do not want to stay”

“Care assistants are expected to take higher risks than other industries for less pay”

Workforce: recruitment

The majority of providers have not been able to replace all the staff they have lost, with even more saying that recruitment is more difficult than in the past



Provider quotes:

“I have worked in the care sector for over 20 years and I have never found it so difficult to recruit or retain staff”

“There is a significant decline in the number of applicants applying for a job”

“Good candidates with suitable availability are very scarce”

“In 24 years I have NEVER known recruitment to be as non-existent as it is now”

“The hurdles to recruit staff are disabling”

Workforce: recruitment

Providers report their usual recruitment efforts are not producing the same results

Whilst by no means a majority, there is some evidence to suggest recruitment efforts are not yielding the same results as previously

Provider quotes:

“We are... finding that each £1 spent goes much less far... The cost per interview has almost quadrupled.”

“The cost of recruitment is going up, we are having to pay extra to sponsor advertisements to have any chance and then [that] doesn't work. We pay for the social media platforms, everything possible, we do”

“Good applicants are simply not out there in the numbers they used to be. We are doing all we can; more money allocated to the recruitment budget won't improve the situation”

“We have not recruited anyone to replace the staff we have lost in the past few months, despite frequent advertising”

“Before Covid a recruitment campaign would yield around 10 shortlisted candidates, last week our campaign yielded 1 shortlisted candidate”

“Far more no-shows for interviews”

Workforce: recruitment

Increasing staff pay was the issue providers mentioned most when asked what more they would like to do to improve recruitment and retention

Provider quotes:

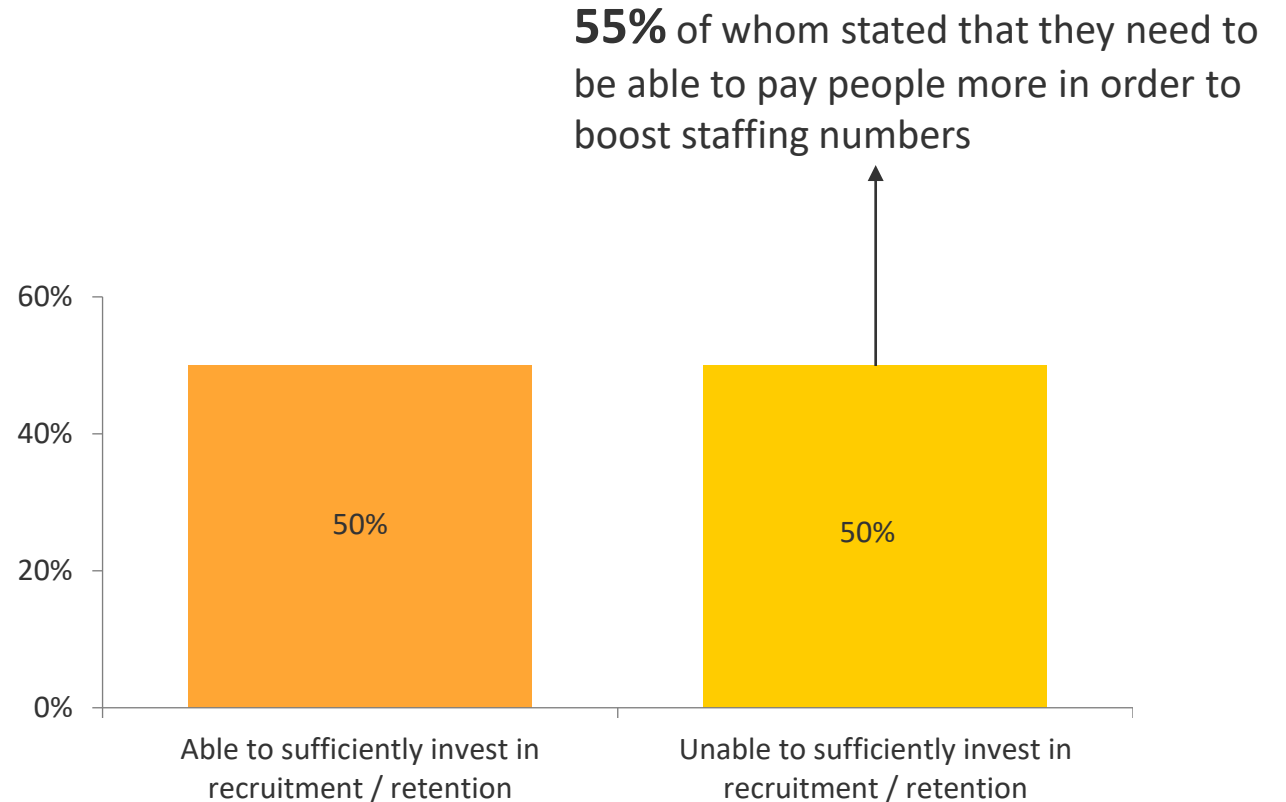
“The care staff need to have a higher rate of pay for the job role they complete, they are very under –paid, work long hours and no reward for this”

“Carers work very hard and are so caring yet their salary does not reflect this”

“I'd like to be able to offer higher wages to encourage people to the sector”

“The income we receive does not support paying our staff sufficiently to compete with other sectors”

“Pay a living wage that is compatible to the level of responsibility care staff have”



Do providers feel able to invest sufficiently in recruiting and retaining staff?

Workforce: recruitment

Workforce development was the second most cited need in relation to recruitment and retention

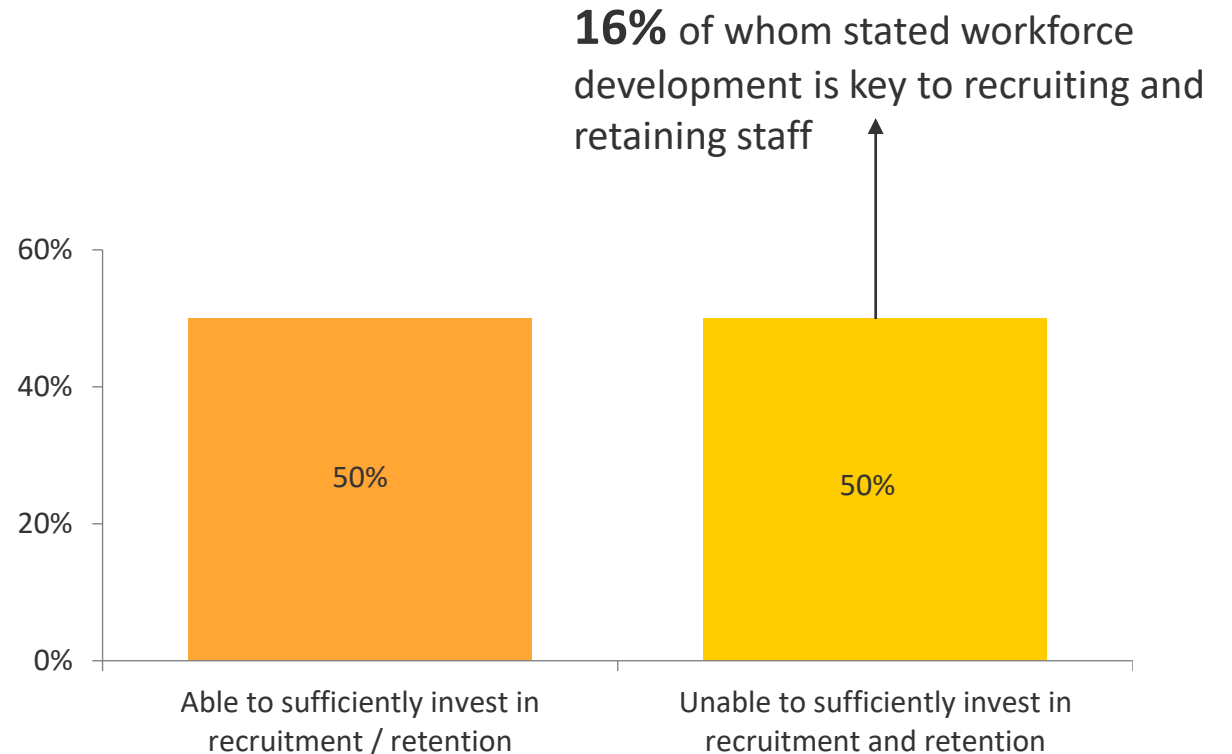
Provider quotes:

“Investing more heavily in building a better offer for support workers”

“The social care staff should be recognised the same as NHS and be paid on a tiered basis dependent on qualifications and experience”

“Offer access to benefits that NHS receive”

“Improve the image of the sector to entice new workers”



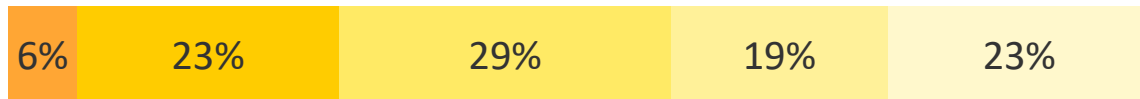
Do providers feel able to invest sufficiently in recruiting and retaining staff?

Are providers able to unilaterally increase pay?

We asked providers how much they agree or disagree with the statement from the government that:

“The vast majority of care workers are employed by private sector companies, who determine their pay, terms and conditions of employment”

■ Strongly agree ■ Agree ■ Neither agree nor disagree ■ Disagree ■ Strongly disagree



Whilst there is a fairly balanced view on whether the government’s statement is correct, when we dig a bit deeper into the comments in this question, we see providers expressing the opinion that they are restricted by the level of funding made available to them from local authority / NHS-funded contracts.

We have included a selection of provider comments below:

Provider quote:

“While it is accurate that private providers will determine colleague pay and terms and conditions, they are restricted by the level of funding made available to them - providers are pay accepters not pay setters - it is the LA and Health commissioners who determine the rate of pay”

Provider comments on their ability to unilaterally determine employees' *pay, terms and conditions of employment*

“Local authorities and CCGs commission the majority of our services, the funding they receive from central government determines our fee levels. Those levels only allow us to track living wage levels”

“We can only determine wages as set by the funding determined by the government. We provide the local authorities with placements to support the NHS, is it not time to fund appropriately or we will need to consider private only”

“The amount that we are able to pay our workers is hugely dependent on the fees we are able to achieve. The majority of our residents are LA funded”

“Locally funded residents has a big impact on our staff pay as the local authority rate is so low”

“We can only pay what we are paid. Local authority placements do not cover the true cost of care”

“We are reliant on Local Authority/NHS funding and increasing costs are not factored into any fee uplifts”

“We can only match pay/T&Cs to our contract revenues, e.g., in Dom Care, if the LA pays us 'by the minute' and at a low rate, we can only pay Carers by the minute”

“Wages are determined by the unrealistically low rates paid by our local council”

“Agree, but the income that the private sector receives is to a greater or lesser extent driven by the rates that local authorities pay”

“The wages we are able to offer are dictated by the figure we can charge for the care. Almost all of our service users are LA funded”

In more than 50% of cases, providers report the cessation of funding to pay staff wages while isolating with Covid-19 had a negative impact on their service

Provider quotes:

These negative consequences fell into three broad categories:

Safety concerns: providers reported fears that staff may not correctly report results for fear of losing pay

Impact on morale: providers reported staff feeling punished and unable to afford to live on statutory sick pay especially in the midst of a cost of living crisis

Financial hit to the provider: some providers reported paying for this themselves

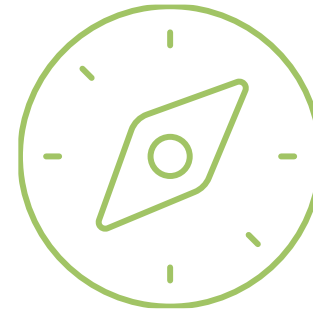
“Staff are unable to afford to lose money for isolating and this concerns me that they may not report a positive result”

“Increased costs for the service as still paying from day 1 for sickness / positive test”

“Carers feel that they are not worthy and worthless”

“Staff have to isolate and cannot afford to live on SSP with the costs of living going up”

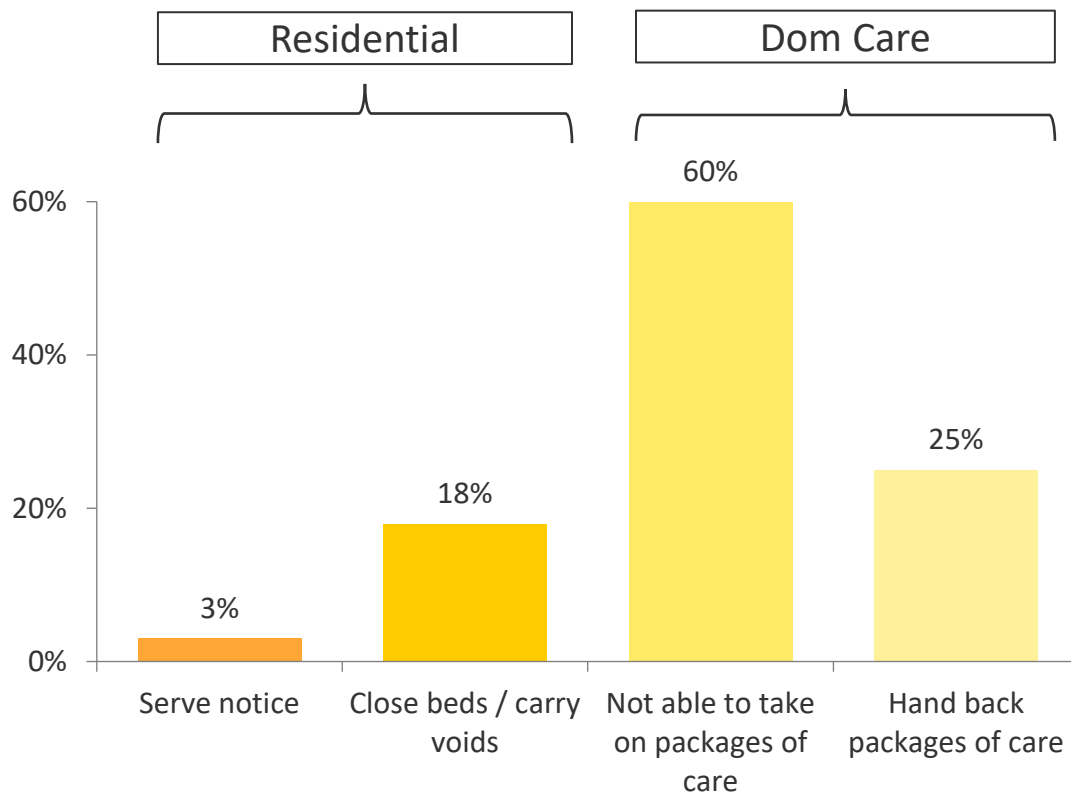
7 Impact on services



The workforce crisis is leading to a reduction in the amount of care available in the South East

Residential (nursing, non-nursing, MH & LD): 18% have either closed beds or carried voids in the past 12 months

Domiciliary: 25% have handed back packages of care. 60% have been unable to take on new packages in the past 12 months



Provider quotes:

“As a consequence of not being able to recruit staff to replace leavers, we have gone down from providing safe care of 150 hours weekly to just 39 hours per week”

“We do not have capacity to take on new business, we can't risk burning out our existing team either”

“Insufficient staff to meet demand”

“We turn down packages of care all the time due to a lack of staff”

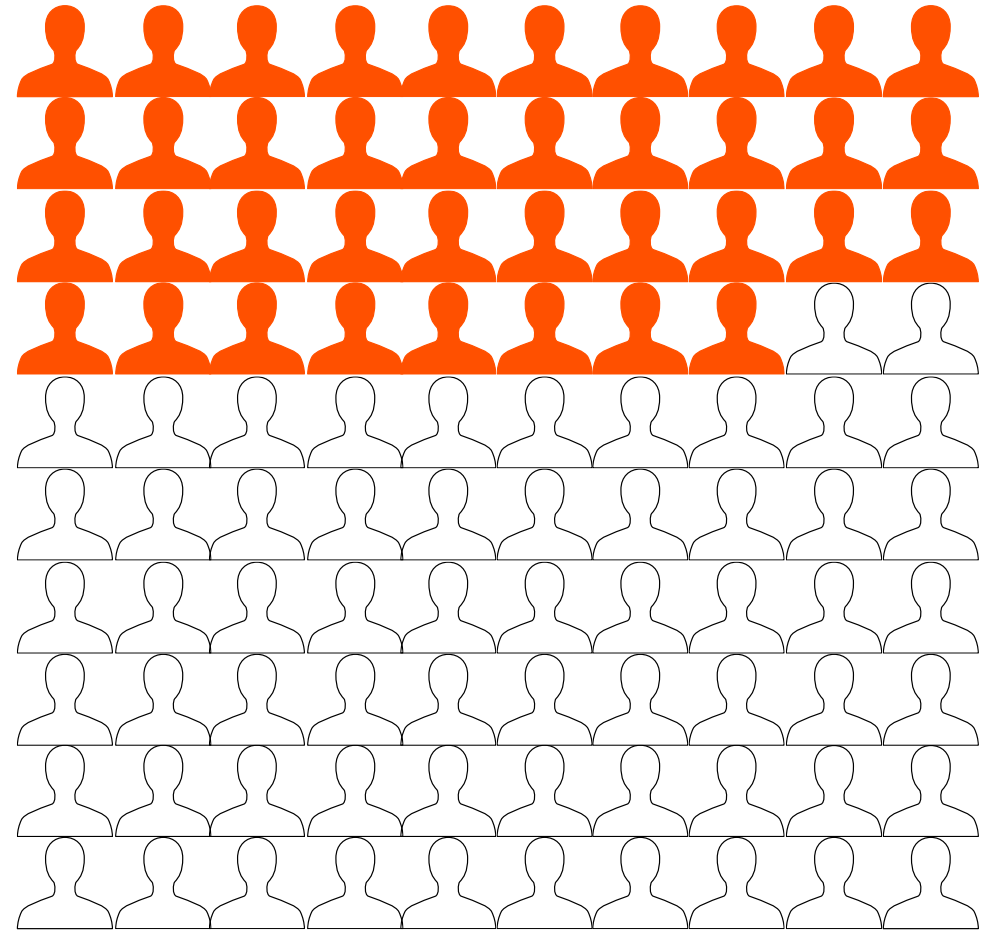
“We have handed back packages to the council as well as having a long waiting list in some areas where we cannot build the business due to no staff”

“Notice has been served on high dependency [individuals] as we do not have the staffing levels to meet the needs of the service users”

38% of those leaving their role are exiting the Adult Social Care sector

Providers report **1,910 people have left** their service within the past 12 months

Providers in our sample report that **722 people have left the care sector** in the past 12 months (38%)



8 Costs



Providers are anticipating costs to rise by up to 25% in the coming year

Cost increases are anticipated across the full range of cost drivers

In both residential and domiciliary care settings, >95% of providers expect workforce costs to increase



On average, residential providers are expecting their costs to increase by 25% this tax year compared to the last tax year

On average, domiciliary care providers are expecting their costs to increase by 19%* in this tax year compared to the last tax year

Provider quotes:

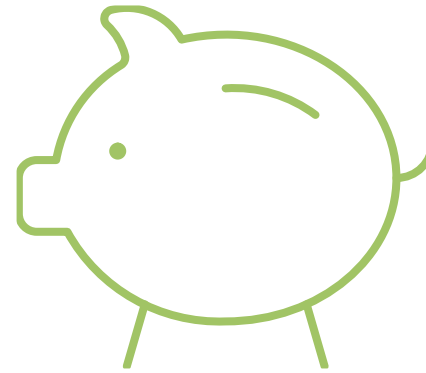
“Cost of living is increasing across all areas.”

“Energy and insurance are increasing at scary levels”

“Increases in staff costs account for 86% of increases in costs”

*this is based on a sample size of 28

9 Income



Residential occupancy levels are below average in the South East

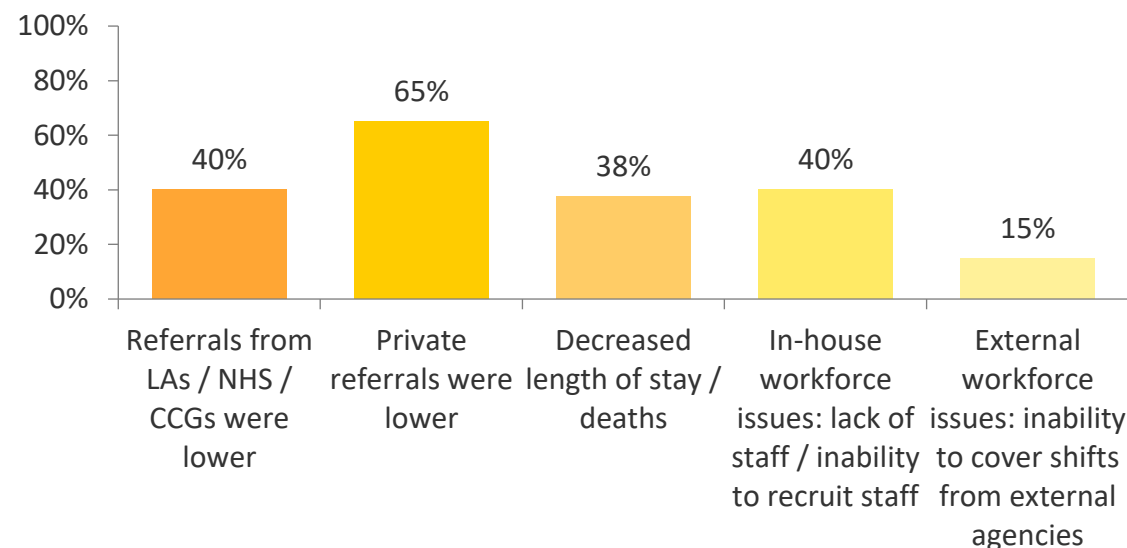
58% of residential providers (nursing, non-nursing, MH, LD) report their occupancy levels are below average (for the past tax year)

On average, occupancy was **24%** lower than usual during the previous tax year

Provider quote:

“Private patients seemed to stay at home with family as there were worries around care homes being safe / so much negative press around Covid within care homes”

Reasons cited for lower occupancy in residential settings



Domiciliary care capacity levels are below average in the South East

72% of domiciliary providers report their capacity levels being **below average** (for the past tax year)

On average, capacity levels were **22% lower** than usual in the previous tax year*

Provider quotes:

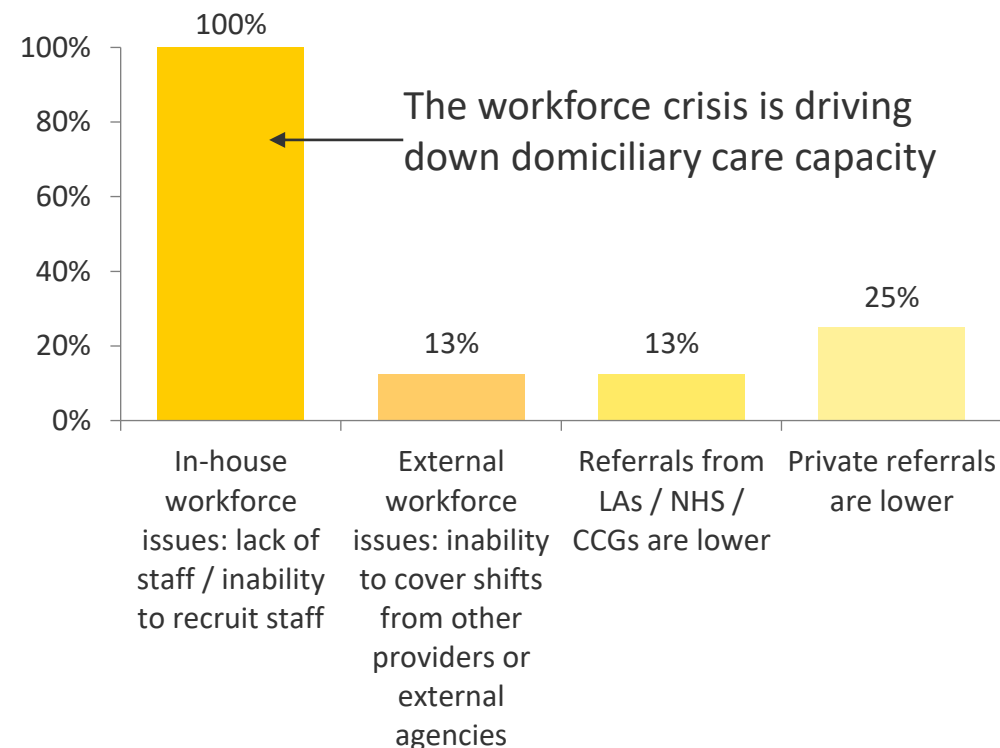
“No staff means no turnover or profit, making it a very unstable market”

“We cannot build our hours back up due to poor recruitment. Our hours have halved and it is not financially viable for us to keep running like this”

“Due to lack of staff we do not have the capacity to take any more care packages”

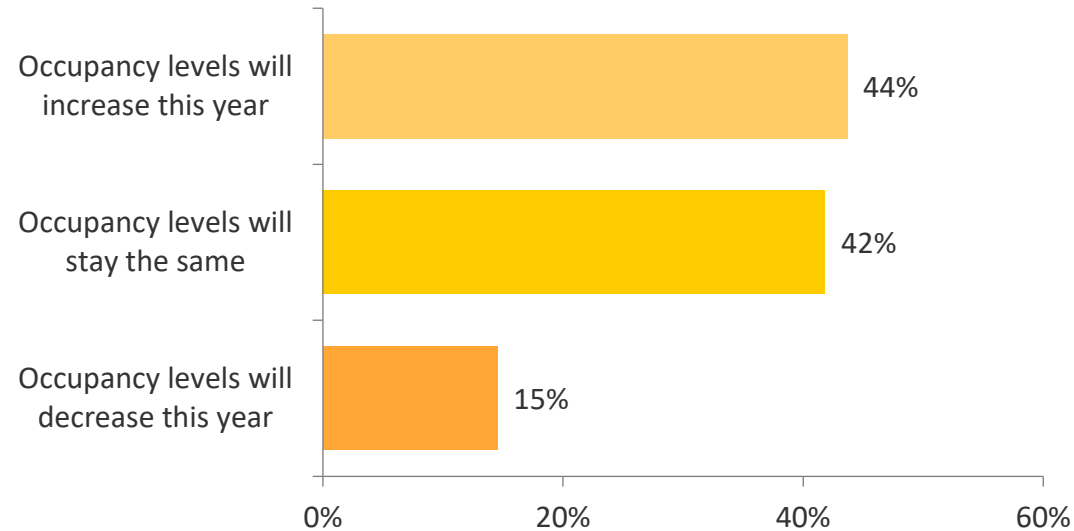
*These figures are based on a sample size of 22-24

Reasons cited for lower capacity in domiciliary care settings*



Less than half of providers expect their occupancy / capacity levels to improve this year.

Residential providers (nursing, non-nursing, MH, LD)

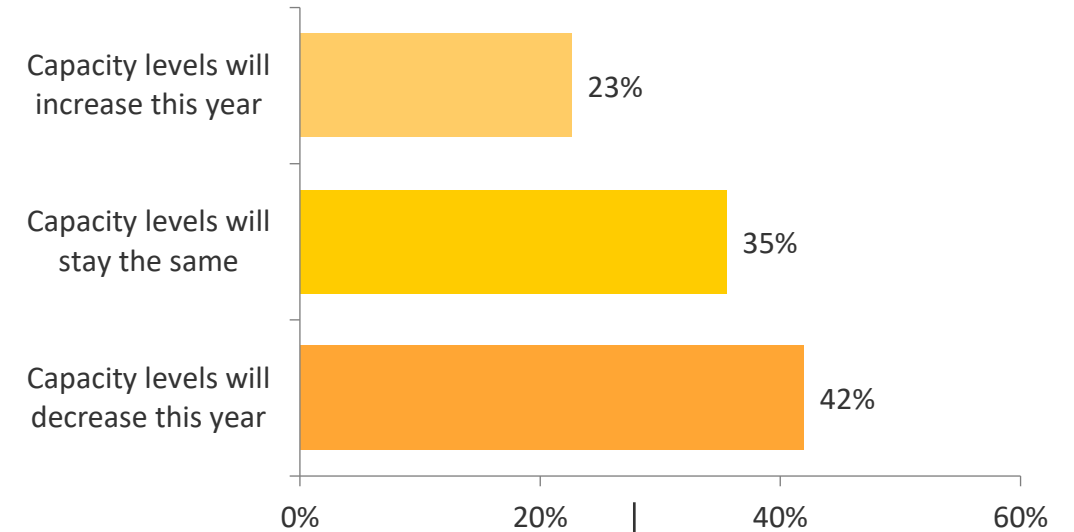


Domiciliary care provider quotes:

“Optimistic view. We are focusing efforts on filling the gaps in the workforce”

“Due to lack of staff we do not have the capacity to take any more care packages”

Domiciliary care providers



Worryingly, 42% of domiciliary care providers expect their capacity levels to decrease this year

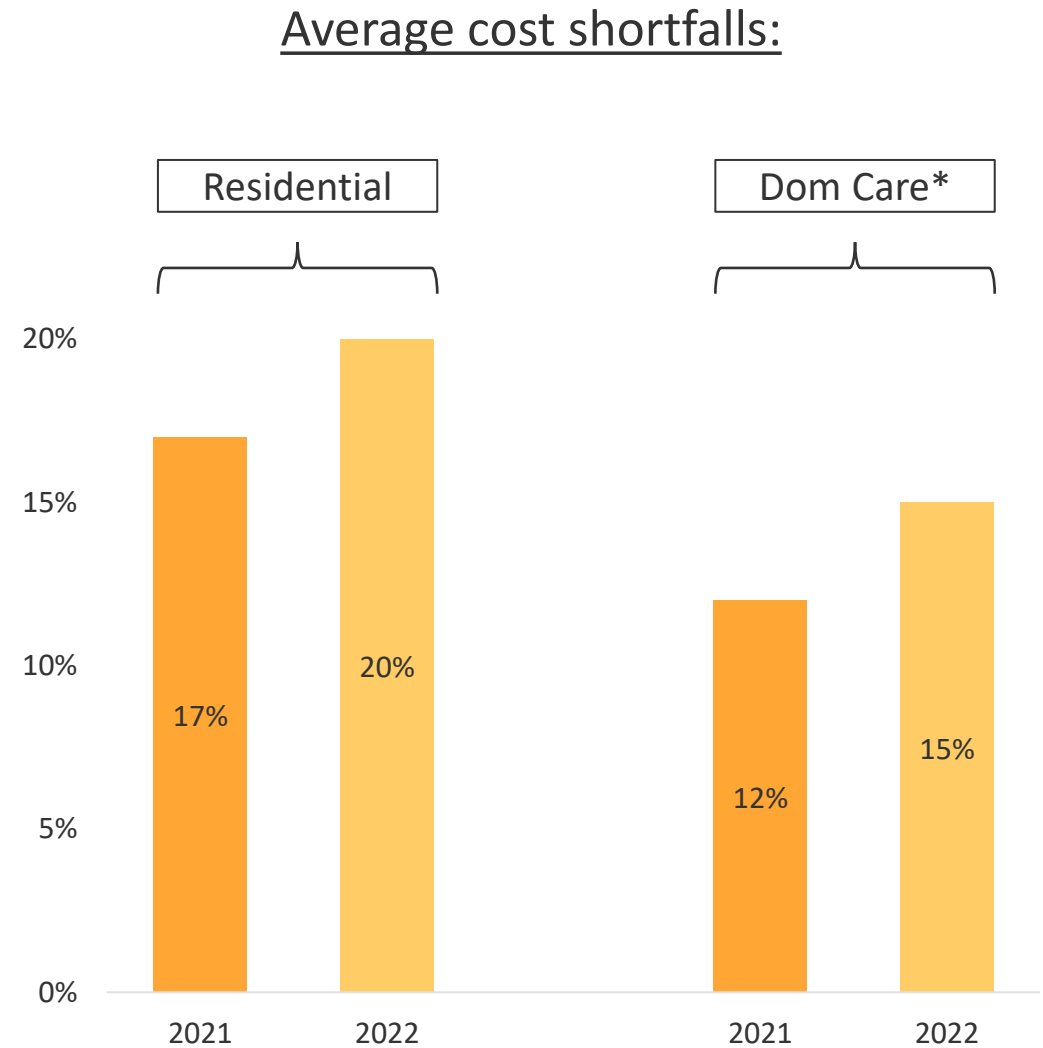
Funding increases for Local Authority / NHS-funded clients have not kept pace with actual cost increases

75% of residential providers (nursing, non-nursing, MH, LD) and **97%** of domiciliary care providers said that **funding increases** for their local authority / NHS funded clients **have not kept pace** with actual cost increases (for the April 2021 and April 2022 % uplifts)

Residential care: For those who stated the increases had not kept pace, the average shortfall quoted was 17% in 2021, and 20% in 2022.

Domiciliary care: For those who stated the increases had not kept pace, the average shortfall quoted was 12% in 2021, and 15% in 2022*

* These figures are based on a sample size of 24



Provider quotes regarding the shortfall in funding for local authority / NHS clients

“The 22/23 uplift was good, unfortunately it is being applied to a low base rate. Uplifts have not met real cost increases for over a decade”

“April 2022 uplift did not keep pace with known cost drivers such as NMW, utilities costs and insurance costs let alone trends in inflation and operation costs related to recruitment and retention”

“With the exception of 2021-22 when Covid pressures meant the council revised their offer from 0% to 2%, Local Authority increases are never at the rate of inflation 2022-23 3% vs Inflation of nearer 8%”

“The funding never does. The cost of inflation is at an all time high and the increase in funding barely covers 75% of the costs”

“We don't take LA clients because the LA don't pay enough, and when a client's needs increase they are reluctant to allow extra time and funding”

“Does not reflect the true price of care”

“The lack of funding has resulted in inability to increase wages to address the cost of living crisis”

“I will not be taking on any new NHS work due to their unwillingness to pay my required fee levels”

“It is plain to see that rising costs, particularly in workforce, insurance, and supplies, have fuelled the disaster and local authorities have not kept pace”

This shortfall in funding impacts all areas of providers' services

Providers report the impact of this being felt across their services – from being unable to raise wages for staff, a more pressured workforce, cutting staffing levels, passing on costs to private clients, decreasing their quality of life spend and delaying or cancelling planned investment in the expansion of services, equipment and facilities

Provider quotes:

“Disappointingly - the maintenance of a safe and compliant service is the priority and many of the desirable extras giving a quality service are undeliverable”

“At present we have not let this impact staff through cuts but feel going forward we will need to”

“Taken on more debt to cover costs”

“Less office staff to more clients and so it is difficult to provide a quality customer service on phone and email when people have changes in care needs etc”

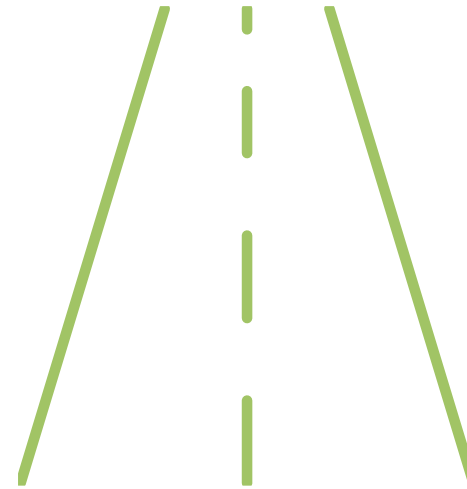
“LA/NHS clients subsidised by private clients”

“Had to cut the services we provide”

“Less opportunities to grow and develop the business”

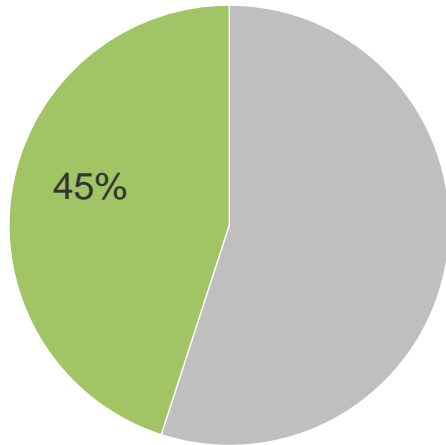
“We are reluctant to take on LA/CCG work and have to penalise self-funders with higher increases”

10 Future viability



Concerns about future viability are high

Nearly half of providers have **considered exiting** the market in the past 12 months

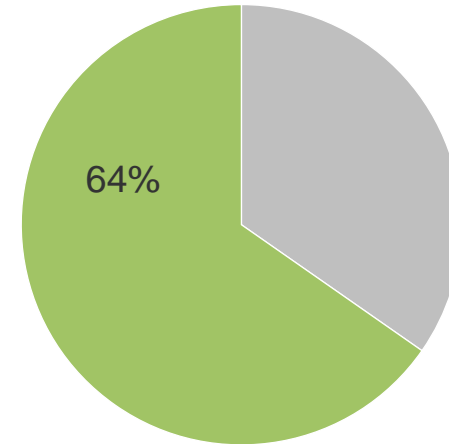


Provider quotes:

“Serious concerns regarding financial viability. Increasing costs (mainly staff costs) are likely to result in unsustainable losses”

“Costs may force closure”

64% of providers are concerned that the **future viability** of their service is **at risk**



“Major uncertainty about business continuity under these considerable pressures currently, and likely to get much worse”

“I think everyone in care is [concerned about future viability], the last 2 years have hurt an already difficult industry”

Concerns over future viability are primarily being driven by the workforce crisis and concerns over fees not meeting the real cost of care

77% of those with concerns about their future viability selected the **workforce crisis** as one of the drivers of this

74% of those with concerns about their future viability selected **'Fees not meeting the real cost of providing care'** as one of the drivers

Provider quotes:

"Increased costs and no uplift yet is putting incredible strain on the business"

"The care sector is in crisis, everyone knows that"

"If costs keep increasing at current levels I am not confident funding will keep pace"

"If we cannot find and retain staff and the funding situation remains challenging then of course this gives cause for concern"

"So much risk and pressure, very little support"

"Ever increasing pressures from financial to public, government, CQC expectations. Residents are ever increasingly coming into care needing extremely high input and one to one care"

Provider quotes about future viability

“Lack of clear government direction, extreme financial pressures have eaten into reserves and we are now buying basic supplies from our own savings as owners of the business”

“We will not go bust because we run out of money, it will be running out of staff”

“It’s a very worrying time at present especially for the financial aspect, we have been established for 20 years and if nothing changes this leaves us in a vulnerable position”

“We face an uncertain future especially with Energy and Food prices soaring”

“Not enough funding”

“If we cannot recruit we cannot sustain viability”

“Our services are heavily relied on therefore at present we will carry on until finances run out”

“Energy, food and staffing costs have soared and working through the pandemic was not a pleasant experience for those of us in the care sector. We did not have the luxury of working from home or virtual working. The rewards do not match the level of risk”

“We work tirelessly to provide the best service possible but are under constant pressure to work for a pittance”

Provider quotes about future viability

“Financial viability and rising costs coupled with recruitment concerns”

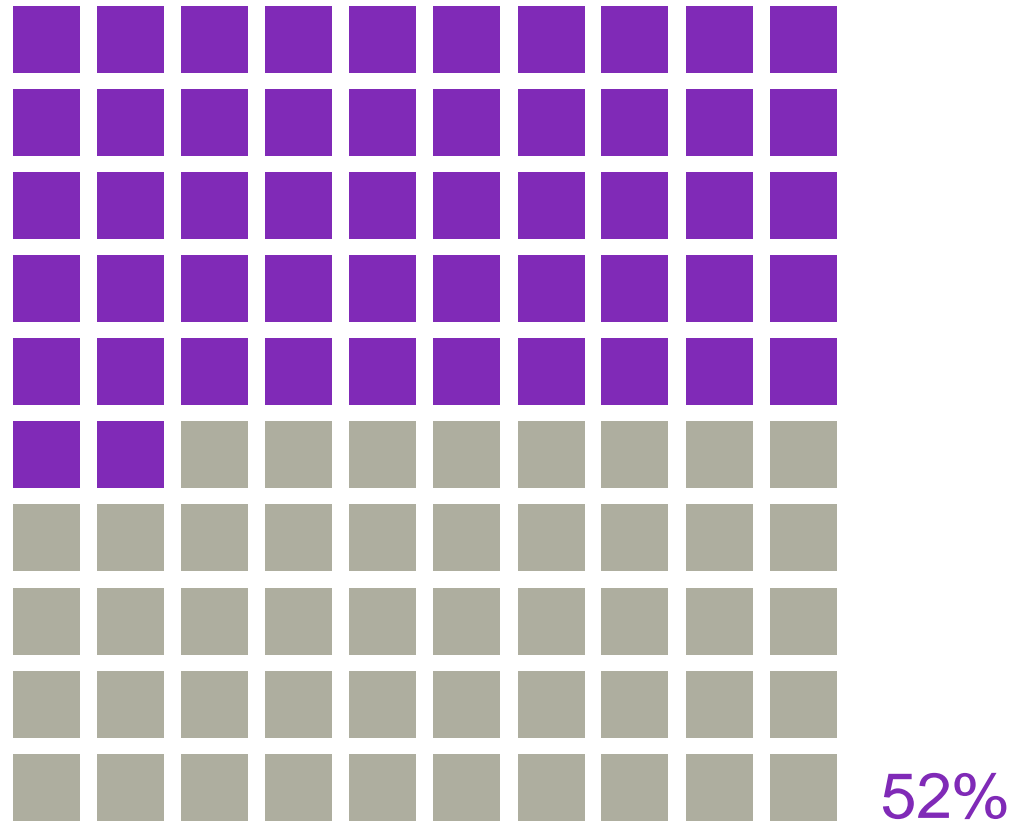
“Major uncertainty about business continuity under these considerable pressures currently and likely to get much worse”

“Inability to recruit, combined with inadequate funding puts future sustainability into question”

“We are now running at a loss, our sister branch has already closed due to running at a loss”

“Low profit margins have affected the opportunity for business expansion and will eventually lead to a decision to leave the care sector if things do not improve”

Over half of providers who have a relationship with a bank / lender are concerned the current climate could put them in a high risk position*



*This is based on a relatively small sample size of 31

- 16% have been contacted by their bank / lender to raise concerns over the future viability of their business (5 people)
- 16% said their bank had imposed adverse terms on their business in the past 12 months (5 people)

Provider quotes

“My bank has told me that the size of my business is not considered viable”

“We breached a number of loan covenants but luckily our bank were understanding. They could have chosen to call in their loans so it was still very scary”

“[Bank] have previously stated they do not have an appetite for our care home model”

11

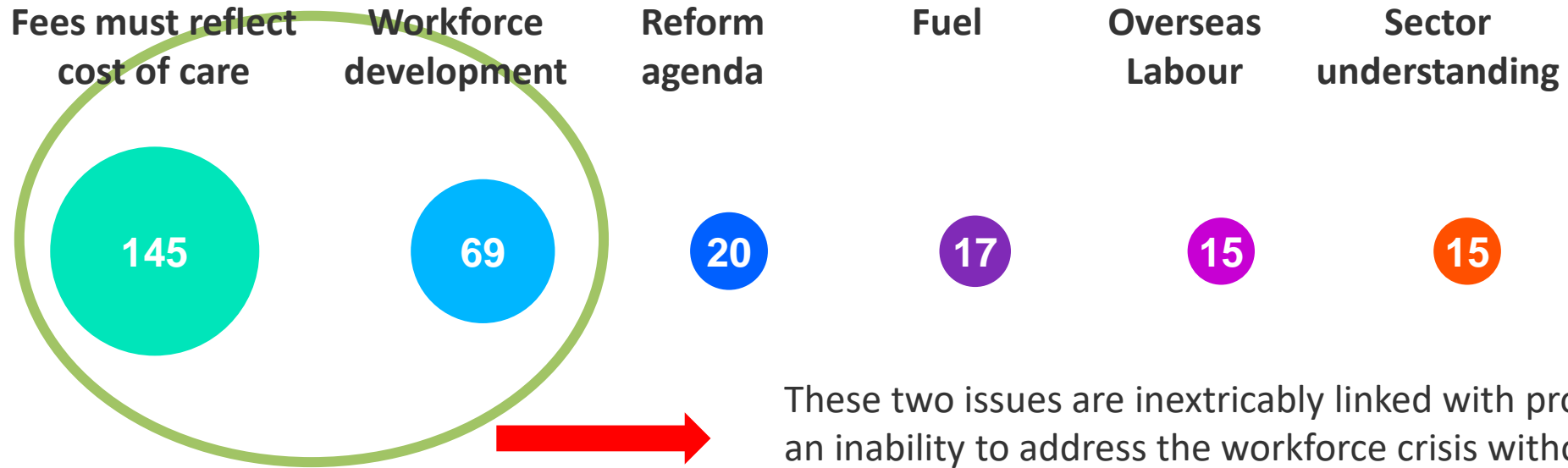
Priorities for reform



SESCA priorities for reform

- 1. Pushing for fees that reflect the true cost of care
- 2. Workforce development

We asked providers what SESCO should push for in its efforts to ensure providers are able to deliver excellent care within a sustainable business model.



These two issues are inextricably linked with providers noting an inability to address the workforce crisis without additional funding

Weighted scores showing the key stated priorities for SESCO, from our respondents



SESCA priorities for reform: Provider quotes

Relating to fees reflecting the true cost of care:

“Weekly fees must reflect the cost of excellent care”

“Increase our charge rates so we can pay staff more”

“Increase rates to ensure business is financially viable”

“Increase the amount paid for care delivered”

“Pay real cost of care”

“Increase funding to the local authorities, with this being ring fenced for a direct increase in care funding to match inflation”

“Providers need to invest and develop services - weekly fees need to encourage this”

Relating to workforce development:

“Improve the profile of social care - make terms and conditions comparable with NHS - support career paths”

“Professional standing and qualifications for care workers”

“Help to encourage staff to come to industry”

“Fair treatment across all health and social care”

“Access to NHS training and resources, so all working together”

“Same benefits as NHS staff”

“Having a coherent workforce strategy for the country”

“Carers pin like nurses (seen as skilled)”



SESCA

South East
Social Care Alliance

12 Conclusion



Conclusion

Our data presents a stark and worrying picture of the Adult Social Care sector across the South East. An unparalleled workforce crisis is leading to a reduction in the amount of care available, and there are high levels of concern about the future viability of services.

Providers are losing more staff than usual and are struggling to replace them. As well as losing staff due to burnout and low morale, more than half report staff leaving the Adult Social Care sector altogether – with nearly 40% of those leaving choosing to move to a different industry.

Providers have continued to innovate – introducing a range of incentives to try and boost retention, and they continue to invest in recruitment. But without the ability to increase pay – which many providers report being unable to do due to funding shortfalls for LA / NHS clients - these efforts are not leading to the staffing boost they need to maintain services. In turn, some providers are having to close beds, carry voids or hand back packages of care.

Providers' expectations of how this picture may change in the coming year is not encouraging: residential providers (nursing, non-nursing, MH & LD) anticipate a stalling of provision, with less than half expecting their occupancy levels to increase. Worryingly, nearly half of domiciliary care providers anticipate a reduction in the amount of care they will be able to provide.

Conclusion continued...

Unfortunately, the broader economic climate for the care sector doesn't offer much in the way of good news. The overwhelming majority of providers report that funding for their LA / NHS clients has not kept pace with actual costs - with average shortfalls being up to 20% in the past two years. At the same time, providers report costs rising across the piece by up to 25%.

Concerns about future viability are high - 72% of domiciliary care providers, and 63% of residential providers say they are concerned about their future viability with funding shortfalls and the workforce crisis being the factors contributing most to these concerns. Indeed, these were the top two areas identified by providers in terms of priorities for reform.

The ongoing Fair Cost of Care exercise, and related Market Sustainability Plans, have the potential to address this crisis – by addressing providers' top two priorities – the amount they are paid to deliver care, and the amount they are therefore able to pay their staff to deliver that care.

If this exercise is based on effective consultation and truly delivers a fair cost of care, then perhaps this can be the start of navigating a route out of this situation and towards the sustainable and world class Adult Social Care sector that we all need.



SESCA priorities

SESCA is pushing for:

Funding / workforce

Social care to receive a larger share from the Health and Social Care Levy now, or equivalent investment to plug the funding gap

Meaningful engagement with the sector in relation to the Fair Cost of Care exercise, and related development of Market Sustainability Plans

An overhaul of the way in which social care is planned and funded – to include a sustainable funding settlement for local authorities which obliges them to pay a fair price for care and which funds them to do it – ensuring they are able to support the necessary uplifts required by providers

Fund the required improvement in terms and conditions for Adult Social Care staff – benchmarking to other sectors, and matching NHS T&Cs. LAs must be able to pay providers a rate which allows them to offer reasonable and appropriate contractual terms and conditions – including sickness pay (covering staff to self isolate as required by the Covid-19 guidance)



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SESCA priorities

Funding / workforce continued...

Action to establish an identified career path and professional recognition for people working in care – in line with the NHS and local authority social care structures

Parity with the NHS / understanding & engagement with the sector

The DHSC must truly represent Health **and** Social Care; genuine engagement with the **whole** sector on all local and national work to ensure the voice of care providers is heard and included in all future policy initiatives, alongside the NHS

This must include Adult Social Care providers being formally represented on ICS Partnership Boards as equal status partners

Ensuring appropriate regional responses, cross-government solutions and better joint working between DHSC and MLUHC e.g. social care workers should be treated as keyworkers for affordable housing options

SESCA priorities

The South East faces specific acute challenges. We need urgent action to address these:

Give social care staff “key worker” status, regardless of who they are directly employed by so they have access to affordable social housing for rent

Convene a cross-government taskforce to develop an affordable accommodation strategy for key workers in the South East. This will mean closer working between DHSC and MLUHC and the upper and lower tiers of local government (as responsibilities for adult social care and housing & planning are split)

Ensure the Fair Cost of Care accurately reflects higher travel costs in rural and semi rural areas – where limited public transport is geared towards supporting commuter journeys to London

London and London-fringe weightings for the NHS and LA workforces must be factored into the Fair Cost of Care exercise to enable independent providers in the South East to recruit and retain staff on a level playing field