How more public investment in social care would benefit the whole country.[1]

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[Authors' postscript 2nd December 2021:
What the White Paper published yesterday is missing just serves to emphasise the points made in this briefing, in particular on the value and needs of carers both paid and unpaid.]

Introduction

"Spending on social care shouldn't be seen as taxation and costs. It is an investment. Social care is worth £46billion to the economy and represents 6% of total workforce employment" (www.tuc.org.uk/research-anaylsis/reports/new-deal-social-care-new-deal-workforce/)

For years UK's social care system has suffered from the failure to fund either sufficient domiciliary services or residential care beds. The pandemic has exposed the consequences of leaving Local Authorities (LAs) starved of the funds to meet the growing need for care, particularly in poorer areas with the greatest needs. Left to the private market, self-funders in residential care have been subsidising the low fees paid by LAs. Private equity firms, provide a quarter of residential care beds, but use a business model which invests little in staff training and pay. It is heavily indebted, prioritising tax avoidance and high returns to their shareholders.

This Autumn the government is claiming to have 'fixed' the funding of social care. Emphasis is placed on capping the total amount an individual must pay for either residential and/or domiciliary care services and funding them in a way which avoids owner occupiers having to sell their house. A far more effective and fairer policy would be public investment in high quality social care services with trained staff funded out of taxation on income and wealth.

Training

"It is time to overhaul the way we train, recruit and retain doctors, nurses and care workers" Jeremy Hunt, former UK Health Secretary and chair of the health and social care select committee, (FT 23 October 2021)

The social care sector in the UK (particularly in England which has no national organisation to oversee training standards and accreditation) is characterised by low pay, zero hours contracts and insecure employment. Seven out of ten social care workers are paid less than £10/hour. There is little pay or career progression. Senior direct care workers receive a higher hourly rate measured in pence rather than £s.

Investment in training is minimal. The latest White Paper in November only pledges an additional £500 million for (workplace) training for the social care workforce. The two Health and Social Care apprenticeships were abolished in 2017. There still are apprenticeships in Social Care but the number starting them fell by a quarter between 2018 and 2020. Fewer than half completed them. The apprenticeship levy has been underspent in recent years. With the shortages of workers does the social care sector have the capacity and *time* to supervise and train new entrants? The

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[1] This briefing is one of several in the campaign for a care-led economy and the drive for women's equality and rights. A similar briefing is available on the contribution of childcare. We make no apology that many of the arguments are the same. The briefings are being sent to a wide range of politicians of all parties and to others who make, implement or fund policy.

skills are there-the average years of experience in social care work is 8 years. Their invaluable expertise could be accredited and recognised by paying them more. Could funds be found to pay recently retired experienced staff to mentor them?

Meanwhile, the initial Training certificate introduced in 2015 to social care workers in health and social care comprises short basic optional modules provided on-line. Its shortcomings have consequences for the NHS as well as care homes. For example, in 2018-19 when only half chose to study ‘awareness and safe-handling of medication’ more than 10% of older people’s admissions to hospitals concerned over-medication. Better training could have avoided a third of these admissions.

Central to ‘fixing’ social care is more investment in the skills, qualifications, pay and career progression of the social care workforce comparable to public health care workers, (at least level 2 but ideally level 3). The effective *integration* of social and health care services requires that the cuts in public health care workers must also be made good. Nurses have not only been lost from hospitals. After a decade of austerity, the number of district nurses in English LAs had halved and there were 20% (10,000) fewer nurses employed in residential care or nursing homes. Until these issues are addressed, delayed hospital discharges will continue and grow.

It is not surprising that there is a high turnover rate (35% in 2020-21) among the social care workforce in England (and in Bristol). However, prior to the introduction of compulsory vaccination for residential care staff, two-thirds in England (and three quarters in Bristol) moved to another job in social care. This suggests that high turnover rates reflect poor pay and conditions rather than the nature of social care work itself. Factors affecting turnover rates in England (2021) bear this out. (www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence)

- Turnover decreased with higher levels of experience working in the sector as well as where workers had a higher number of contracted hours.
- Higher rates of turnover were found if the establishment had a history of high turnover rates,
- Likelihood of leaving decreased as pay levels increased, access to training and to qualifications was greater or workers had higher levels of experience.
- Scotland and Wales paid a £500 bonus for care workers last year. Fearful of the increasing exodus of social carers to supermarkets etc, the government is only now proposing a £500 ‘retention bonus’ to social care workers in England ,

The need to invest in paid and unpaid carers.

The social care workforce is currently comparable in size to the health care workforce (1.5 million). It needs to increase for the following reasons:

- Just to keep pace with an ageing population by 2035 it needs to grow by 500,000. (In the South West this is an increase from 178,000 to 240,000).
- There are higher numbers of those of working age with special needs or disabilities. With the aid of domiciliary care services or personal assistants more could take up and stay in paid employment. On average, LAs in England, now spend 60% of their social care budget on this group.
- Since 2010, women’s state pension age has risen from 60 to 66years, with further rises to come. One in four women aged between 50 and 64 have caring responsibilities and in order to stay in paid employment need social care services just as mothers need child care services.

- Carers UK (2020) estimated that 4.5 million more people became unpaid carers during the pandemic bringing the total in the over 13 million. The proportion of NHS staff with caring responsibilities increased from one in five in 2019 to one in three in 2020. (NHS Staff survey 2021).

The needs of unpaid carers are rarely mentioned let alone addressed. In 2019-20 the 1.3 million carers who had given up paid employment in order to look after a close family member or friend at least 35 hours a week, were in receipt of Carers Allowance. Currently £67.70 this is one of the lowest benefits in the system, worth 40% of the basic state pension and 66% of statutory sick pay. Defined in the official statistics as 'economically inactive' unpaid carers' contribution to the economy as measured in the GDP literally does not count *because* it is unpaid.

This briefing outlines how investment in both paid and unpaid carers would benefit a range of national priorities including how it would:

1) Provide essential social care infrastructure support to achieve a better functioning, more flexible and fairer economy.
2) Reduce the gender pay and pension gap.
3) Increase household spending power and thus boost local economies.
4) Increase tax revenue and reduce welfare spending by enabling more women to remain in employment until aged 66 years, the new state pension age.
5) Allow eligibility for the state pension to rest on the presence of long-term health conditions or full-time caring responsibilities and not on chronological age alone.
6) Create more new jobs in the social care industry sector than a similar investment in physical industry sectors.
7) Assure investment in better skills, qualifications and pay and career progression for social care workers.
8) Reduce pressure on hospital beds by improving the capacity of public health and social care services, thus both delaying/avoiding admissions to hospital at the same time as facilitating the prompt discharges of patients.
9) The *healthy* life expectancy of those living in the poorest areas means they are likely to be in poor health from their early fifties, twenty years before those living in the wealthiest areas.
10) Contribute with both short *and* long-term policies to reduce inequalities in healthy life expectancies. These are integral to the 'levelling-up' agenda with investment in towns, villages and cities, be they north, south, east or west.
11) Contribute to the 'green' agenda by providing local low-carbon jobs.

1. A functioning, flexible and fairer economy

The over-fifties accounted for 73% of UK employment growth in the past 20 years, many of them key workers. By 2018, 72% of 50-64 year-olds were in paid employment. In 2019, among those those willing or would like to work but were not looking for it ie 'economically inactive', three fifths were 'sick, injured or disabled' and one in six were 'looking after home or family' (GOV.UK, Nov 2020.)

One in three older workers are key workers and found in the public administration, education and health sectors. Among women, care workers make up the highest proportion of night workers, followed by nurses and midwives.

Investment in social care would enable significant numbers of women across all industry sectors to contribute significantly more to the UK economy by increasing both their paid working hours and their pay per hour. It is estimated that up to 1.5million jobs could be created in the UK if 2% of GDP were invested in care industries, compared to 750,000 for an equivalent investment in construction. (De Henau et al 2016)

In addition to producing a better functioning economy, it would also be fairer as the gender pay and pension gap would be reduced. These issues particularly impact women from Black, Asian and Minority Ethnic communities who are over-represented in the social care and health sectors, and their death rates from COVID -19 among these workforces are even higher than their White counterparts.

- The gender pay gap, whether measured in pay or weekly hours, increases dramatically around 30 years old when women become mothers, and move from better paid jobs, either out of the labour market altogether for a period or into lower-paid part-time jobs. For similar reasons, this pay gap is not only sustained but also increased when a quarter of women, compared with one in seven men, become carers between their fifties and sixties. Women in their early 50s are five times more likely than men in this age group to be working part-time falling to twice as likely among those in their early sixties.
- This pay gap is carried over into the gender pension gap. Women on average have much smaller pension pots than men. A recent study of men and women aged over 55 found the gap between them had grown by £26,000 during the pandemic to £186,000. (*Pandemic widens pension pot gender gap* (FT,10 Aug 2021).
- The state pension scheme, which is one of the lowest in the OECD, has become less effective in protecting women against poverty. Since 2010 the State pension age for women has been raised to 66 years, equal to men. The DWP thus saved a total of £77 billion on pensions between 2010 and 2019.
- As a consequence of legislation in 2016, widows' pensions have been abolished. To qualify for means-tested pension credit *both* members of a couple must be of pension age. Half of the couples affected lost on average £5,900 in the first year saving the DWP £2billion. For a third of these couples the age difference is at least 5 years. Those living in rented accommodation also lose access to housing benefit. Half of the affected couples included at least one person in receipt of a disability benefit, so the loss of free travel to medical appointments is significant.
- It has become even more important for employers to recognise that carers need entitlement to paid and unpaid leave and the right to work flexibly. They also need domiciliary care services to enable them to combine paid employment with care as well as to provide them with some respite.

2. Social care as infrastructure in the Industrial Strategy

The aim of the Industrial Strategy is to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries and infrastructure. Investment in universal social care would further all these ambitions.

The social care sector was privatised thirty years ago. The Voluntary sector and local government providers now comprise a very small proportion. Many providers are small or medium sized private companies or social enterprises. The fees paid by LAs are insufficient to cover costs and in poorer parts of the country there are fewer self-funders to cross-subsidy them to keep them viable. The market is unstable and provides the least in the areas of greatest need. A quarter of residential care beds are provided by private equity companies using a business model inappropriate for the social care sector while enabling them to *extract* £1.5 billion a year from it.

Increasing the numbers, status and pay of social care workers would particularly benefit local economies as this is where they spend most if not all of their earnings.

- Social care as infrastructure would boost productivity by enabling businesses to increase quality skilled employment not only in the social care sector, but also in the retention of older women-and men in full-time/flexible employment
- Investing in universal social care requires investment everywhere across the whole country, increasing employment in every area. Investment in physical infrastructure does not have the same direct geographical spread.
- Investing in worker qualifications and pay would also have the effect of raising local pay rates more generally through competition for workers.

3. The Green New Deal

Interest in how the transition to a just, green economy will further women's equality requires seeing that investment in the social care sector is part of the 'green' economy. The Women's Budget Group together with the Women's Environmental Network are in the process of a two-year consultation and analysis of how intersectional and gender inequalities will be addressed in a Green New Deal. Critical to this analysis are:

- Inclusive employment practices furthering equality in New Deal Opportunities.
- Greening care.
- Making automation and high-tech yield advantages to everyone.
- Democratising community involvement in decision making at a local level.

The success of these strategies is increasingly dependent on investment in care as infrastructure, which supports the rest of the economy at least as much as physical infrastructure such as roads.

- Eurostat found that jobs in care are 30% less polluting and jobs in education 62% less polluting than those in construction.
- Being local, social care jobs require less travel so cause less carbon emission. If organised by LAs instead of by un-co-ordinated, competing domiciliary agencies, care workers could be allocated to clients in ways which reduce the distance as well as time spent travelling between them.

4. The Levelling-up agenda

- Levelling up is needed in more disadvantaged neighbourhoods and communities. Investment in local high quality social care in these areas would enable older women to access better employment skills and training
- The multiplier effect increases the labour availability in other sectors locally, encouraging further investment from companies looking to expand.
- Health improves (mental and physical) putting less strain on families and on both community health services as well as hospitals.
- There is evidence that women in ethnic minorities, in particular, would like training and employment in local social care settings. Older people want social care to be culturally sensitive as well as local, high quality and affordable.

As the Women's Budget Group say in the forward to their report of the Commission on a gender equal economy[2]*: "An economy which has the well-being of individuals, communities and the planet at its centre; an economy which values care, both paid and unpaid, as the activity that nurtures us all; an economy which ensures that no-one faces discrimination, violence, or poverty, and in which no-one is left behind or pushed behind. This new economy is a caring economy*."

[2] https://wbg.org.uk/analysis/creating-a-caring-economy-a-call-to-action-2/