



UK COMMISSION FOR  
EMPLOYMENT AND SKILLS

# Care: Sector Skills Assessment 2012

Briefing Paper  
February 2013

# **Care: Sector Skills Assessment 2012**

**Skills for Care & Development**

**February 2013**

Views expressed in this Evidence Report are not necessarily those of the UK Commission for Employment and Skills.

## Foreword

The UK Commission for Employment and Skills is a social partnership, led by Commissioners from large and small employers, trade unions and the not-for-profit sector. Our ambition is to transform the UK's approach to investing in the skills of people as an intrinsic part of securing jobs and growth. Our strategic objectives are to:

- Maximise the impact of employment and skills policies and employer behaviour to support jobs and growth and secure an internationally competitive skills base;
- Work with businesses to develop the best market solutions which leverage greater investment in skills;
- Provide outstanding labour market intelligence which helps businesses and people make the best choices for them.

The third objective, relating to intelligence, reflects an increasing outward focus to the UK Commission's research activities, as it seeks to facilitate a better informed labour market, in which decisions about careers and skills are based on sound and accessible evidence. Related, impartial research evidence is used to underpin compelling messages that promote a call to action to increase employers' investment in the skills of their people.

Intelligence is also integral to the two other strategic objectives. In seeking to lever greater investment in skills, the intelligence function serves to identify opportunities where our investments can bring the greatest leverage and economic return. The UK Commission's third strategic objective, to maximise the impact of policy and employer behaviour to achieve an internationally competitive skills base, is supported by the development of an evidence base on best practice: "what works?" in a policy context.

Our research programme provides a robust evidence base for our insights and actions, drawing on good practice and the most innovative thinking. The research programme is underpinned by a number of core principles including the importance of: ensuring '**relevance**' to our most pressing strategic priorities; '**salience**' and effectively translating and sharing the key insights we find; **international benchmarking** and drawing insights from good practice abroad; **high quality** analysis which is leading edge, robust and action orientated; being **responsive** to immediate needs as well as taking a longer term perspective. We also work closely with key partners to ensure a **co-ordinated** approach to research.

Sector Skills Assessments (SSAs) are key sources of authoritative and focused sectoral labour market intelligence (LMI), designed to inform the development of skills policy across the UK. They combine “top-down” analysis of official data with bottom-up intelligence to provide a consistent, comparable and rich understanding of the skills priorities within different sectors of the economy, across the four UK nations.

Sharing the findings of our research and engaging with our audience is important to further develop the evidence on which we base our work. Evidence Reports are our chief means of reporting our detailed analytical work. All of our outputs can be accessed on the UK Commission’s website at [www.ukces.org.uk](http://www.ukces.org.uk)

But these outputs are only the beginning of the process and we are engaged in other mechanisms to share our findings, debate the issues they raise and extend their reach and impact. These mechanisms include our *Changing Behaviour in Skills Investment* seminar series and the use of a range of online media to communicate key research results.

We hope you find this report useful and informative. If you would like to provide any feedback or comments, or have any queries please e-mail [info@ukces.org.uk](mailto:info@ukces.org.uk), quoting the report title or series number.

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## Executive Summary

The services provided by the care sector touch everyone at some stage of their lives. There is a deep seated expectation that care workers and professionals will be there when people need them that care workers and professionals will have the competence and the confidence to do their jobs well, as well as meeting the high standards of conduct and respect for human rights that people are entitled to expect.

Demand for services and the levels of need are rising steadily, not least as a consequence of the global economic downturn and the stresses that this has created for many individuals, families and communities. These challenges are made harder by continuing pressures upon private and public spending on care services. Sector employers must achieve significant efficiencies and savings to remain competitive, meet the demands of shareholders and investors, as well as deliver value for money services.

This report provides an assessment of how well prepared the UK care workforce is to meet these demands now and in the future. It is also an opportunity to identify where and how Government can help employers, care workers and professionals to meet the skills challenge. Sector skills assessments provide Labour Market Intelligence for the sector to inform strategic decision-making on employment and skills policy.

This is necessarily a strategic and high level assessment of needs at a UK level. Social care, social work, childcare and early years education is a devolved policy matter and there are significant differences at national and local level (e.g. as local authorities in Great Britain are responsible for commissioning many services and have statutory responsibilities for social work services etc.).

### Current performance of the sector

More than five million people had identified social care needs in 2009/10 and that same year the UK government spent more than £31 billion in support of these types of personal social services. In terms of childcare and statutory services (such as fostering and adoption), the care sector also provides services that are accessed by between 1.5 and 2.97 million families per year. Most services are commissioned by local authorities from the independent sector but an increasing proportion of public expenditure is made through “direct payments” to service users who commission their own care services.

Further key points about the performance of the sector include:

- Public and private spending upon care did not rise significantly during 2010-11;
- Productivity, measured in terms of output per head, has increased at a modest rate in the Care sector in the last few years. Additional measures of service quality may be useful in determining the overall picture of performance for the sector;
- There are approximately, 40,450 enterprises in the Care sector. During 2010, the number of enterprise start-ups in the sector exceeded the number of closures, whereas for the wider economy the reverse was true;
- The sector has seen significant increases in employment in the last decade, and growth is set to continue (see Chapter 7).

## **The Workforce**

The Care sector employs around 1.7 million workers in the UK, or six per cent of the total UK workforce. One in 10 of all female workers in the UK are employed in the sector. Key points about the composition of the Care workforce are as follows:

- The sector workforce is predominantly female with a relatively high proportion of workers employed part time and from a black or minority ethnic background;
- The majority of the workforce is employed in non-residential services (56 per cent) with the remainder in residential care;
- Half of Care workers are employed in Personal service occupations and a third are employed as care assistants and home carers;
- Although most workers are women, male employment is growing (currently 19 per cent);
- A large minority of workers in Care (36 per cent) are aged between 45 and 59. Workers aged over 65 have significantly increased in the last decade, in line with the trend seen across the wider economy;
- Almost half of the workforce (49 per cent) is employed by private / commercial organisations, 24 per cent work for not-for-profit organisations and less than a third work for the public sector;
- Many workers in the sector were born outside the UK (13 per cent) and from outside the EEA (11 per cent).

## **Demand for, and the value of, Skills**

The biggest skills needs facing the sector are for intermediate, job specific skills required to deliver effective person-centred social care, child care, and learning and development.

- Management, leadership and professional skills remain key to maintaining standards and improving sector productivity. Significant changes in how sector services are delivered are required without compromising the quality of care and support provided to vulnerable people;
- The qualification profile of employment in the sector is broadly similar to the all-sector average. However, the Care sector has a slightly higher proportion of workers qualified at intermediate level and a slightly lower proportion who are either qualified at Level 1 or hold no formal qualifications;
- Feedback from employers suggests that that poor basic skills / employability of some workers is a concern even though the sector has a slightly lower proportion of unqualified workers;
- As reported by employers, the proportions of employees in Care who are said to have discretion over their work, variety in tasks they perform and access to flexible working is slightly higher in each case than across the economy as a whole. Many Care establishments have also set up formal processes for identifying talented individuals.
- A high proportion of Care employers provide training: 84 per cent compared with an all-sector average of 59 per cent. Establishments which train typically provide job-specific, mandatory training including health and safety, induction, supervisory and management training;
- The sector is an important market for workforce development solutions. Sector workers accounted for 1 in 10 of all trainees across the UK in 2010-11.

## **Extent of skills mis-match**

In 2011, the Care sector had the joint second highest proportion of employers reporting vacancies out of 15 SSA sectors. There were more vacancies in social care roles than in childcare and early years services. In terms of vacancies:

- In response to the 2011 skills survey, employers reported that there were 37,500 vacancies in the Care sector at that point in time; 5,900 of which were hard-to-fill and 3,300 of which were skill shortage vacancies.

- In the Care sector, hard-to-fill vacancies and skill shortage vacancies each account for a lower proportion of total vacancies than is observed for the wider economy. Nine per cent of Care vacancies are skill shortages compared with an all-sector average of 16 per cent;
- Just under a quarter (24 per cent) of employers reported finding it hard to fill Manager vacancies due to a lack of skills among candidates;
- Poor terms and conditions, such as pay offered for the post, are cited by 26 per cent of Care employers as the reason why they are finding their vacancies hard to fill. Getting people interested in this type of work is also a challenge. Many sector establishments with hard-to-fill vacancies (45 per cent) have increased their recruitment spend to try and remedy the situation;
- Care is the sector third most likely to recruit young people after Education and Hospitality, sport and leisure sectors. Care opportunities can play a role in helping to reduce youth unemployment;
- Care employers are more likely to report difficulties with staff retention (six per cent) than the all-industry average (five per cent). Just under half of Care sector employers with retention difficulties (47 per cent) acknowledge that the wage offered is lower than other firms and that this is why they find it hard to retain staff (compared to 33 per cent of all employers);
- Sector employers are slightly more likely to report skills gaps than employers across all industry.
- Skills gaps among the existing Care workforce are reported as affecting 78,000 employees, or five per cent of the workforce. Half of employers reporting skills gaps say that this is due to the employee being new in role and a further 50 per cent say that their employees training is only partially completed.
- Care sector employers are more likely to report that they have staff who can be defined as overqualified and over-skilled (compared with the whole economy) but not all workers hold the relevant qualifications necessary to fulfil the role they are performing;

## **Drivers of change and their skills implications**

Public and private spending on care services (effective demand for services) remains under pressure, more is required from budgets and efficiencies have to be achieved. Demographic economic and social change is boosting current demand for services, in terms of more people with needs and higher level needs. National differences are becoming increasingly important as Government policy continues to evolve, including changes to the inspection of services and workforce regulation. This creates workforce learning and qualification requirements. Broader social and technological changes are continuing to affect demand for services (i.e. there are more intense care needs that need to be met at home). Key skills implications arising from the drivers of change include:

- Leadership and management skills, including project and change management to support service changes and expertise in commissioning and tendering for services;
- Gateway qualifications as a requirement of worker registration (e.g. to achieve and retain qualified social worker status) to meet sustained demand for services (i.e. employment growth in some areas) and to replace workers leaving the sector;
- Specialist skills and knowledge associated with age-related ill health and disabilities (such as dealing with dementia, visual and/or auditory impairment);
- Transferable management skills relating to use of resources and relevant knowledge of environmental issues (e.g. access to energy efficiency initiatives and good practice) for some managers and workers;
- Transferable management skills and human resources development (HRD) knowledge, including accurate and up to date understanding of market information about organisational development and workforce development solutions (and their comparative effectiveness);
- Occupation-specific awareness, knowledge and specialist skills associated with the introduction of new technologies to support telecare/telehealthcare, mobile and remote working;
- Transferable management skills and human resource management (HRM) knowledge, as well as ability to use labour market intelligence to improve targeting of recruitment and retention activities to aid and support the recruitment of new workers into the sector (e.g. development of targeted careers information, informal recruitment etc.).

## **Future skills needs**

There is continuing debate about the future provision of social care for older people and how it will be funded, particularly in England. Regulation of services and the workforce, including worker registration will remain key factors. Demographic changes will increase demand for care sector services, particularly from older people. Working Futures projections are for an increase in the total workforce of around 0.5 per cent per year from 2010 to 2020 (or an additional 8,000 workers per year across the UK).

Technologies used by the sector are changing more rapidly, with consequent impact on skills, knowledge and professional development needs. Economic conditions are likely to remain challenging and care sector employers will need to continue to improve efficiency and raise productivity/quality through investment in the workforce. Environmental change is likely to increase the pressure upon employers and service users to use resources more effectively. Future skills needs are likely to include:

- Highly differentiated workforce requirements on an occupational/professional basis, at a national and local level;
- Increasing demand for higher level and specialist skills to support service users with higher level needs at home;
- Increased demand for new types of workers, some directly employed by service users or self-employed needing support with induction, basic/employability skills and gateway qualifications;
- Increasingly flexible delivery of workforce development solutions to meet a wide range of skills needs (including the use of mobile learning and knowledge tools);
- Access to better market information about workforce development solutions and access to human resource development expertise to ensure better value for money.



## Priority areas for action

Demographic and social trends make it highly likely that long-term demand for adult social care will increase and require an expansion of the care workforce. Recruitment and retention and sustainability of the workforce will re-emerge as a major concern for sector employers. As outlined in *Caring for our future: reforming care and support* (Department of Health, 2012), personalisation and changing models of delivering services requires a workforce with appropriate skills and knowledge and better targeting of workforce development options for individual workers and service users (who are employers). Further improvements in productivity, based upon organisational and technological change are required if increasing demand for services is to be met with reducing resources, which means a more innovative workforce. The priority areas for action are:

**Efficiency and Innovation:** Promoting innovative and value for money workforce development solutions is necessary to develop a workforce that can deliver integrated, high quality, citizen and community-focused services. This includes:

- Sustaining investment in workforce development and ensuring better value for money by providing employers and workers with better market information about workforce development solutions;
- Supporting skills development by self employed workers.

### Having a skilled sector workforce:

Ensuring that the Care workforce has the requisite skills, knowledge and values to deliver high quality services should help promote public trust and confidence in these services. This includes:

- Supporting the development of leadership, management, professional and specialist skills to support service changes (such as re-ablement and extension of telecare services);
- Maintaining and improving standards of care, not least through effective regulation of the workforce and of sector services;
- Developing workforce skills and confidence to make effective use of technology.

**Sustainability:** Finding and retaining sufficient, skilled workers at local and national level is vital to meet increasing demand for early education, care and support services. Including:

- Improving careers information and marketing the sector as a career of choice; for example engaging young people and men by extending the 'Care Ambassadors' scheme;

- Working in partnership with other agencies to drive down the cost of recruiting and retaining workers, for example by developing online pre- screening/scenario tools to help identify candidates with the aptitudes needed for social care.

# 1. Introduction

## 1.1 Purpose of report

The aim of this report is to provide authoritative labour market intelligence (LMI) for the Care sector to inform the strategic decision making of national governments in the development of employment and skills policy. It is one of 15 UK Sector Skills Assessment (SSA) reports produced by Sector Skills Councils<sup>1</sup> and the UK Commission for Employment and Skills.

SSAs combine top-down data from official sources with bottom-up sectoral intelligence to provide a consistent, comparable and rich understanding of the skills priorities within sectors across the four UK nations. The reports have been produced to a common specification (developed by the UK Commission in consultation with the four UK governments) and follow a consistent structure.

Reports have been produced for the following sectors of the economy:

- Agriculture, forestry and fishing
- Energy production and utilities
- Manufacturing
- Construction building services, engineering and planning
- Wholesale and retail trade
- Transportation and storage
- Hospitality, tourism and sport
- Information and communication technologies
- Creative media and entertainment
- Financial, insurance & other professional services
- Real estate and facilities management
- Government
- Education
- Health
- Care

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<sup>1</sup> Please note, the Education report was produced by LSIS who are not a licensed Sector Skills Council

The reports contain intelligence on sectors and sub-sectors of particular interest to the four UK governments. As each nation has different 'key sectors', that are defined in different ways, it has not been possible to define the SSA sectors in a way that matches precisely the key sectors identified by each nation's government. Therefore, as far as possible, data has been reported in such a way that it can be aggregated to produce an overall picture for key sectors of interest. In some cases this will involve gathering information from more than one SSA report.

The reports are designed to provide sectoral intelligence at a relatively broad level for strategic decision making purposes. Whilst they do contain some sub-sectoral and occupational intelligence, further intelligence at a more granular level may be available from individual Sector Skills Councils.

The UK reports contain information on key regional variations between the four UK nations and within England where appropriate (for example if sectoral employment is focused in a particular geographic area). However, the reports are not designed to provide a comprehensive assessment of sectoral skills issues beyond the national level.

## **1.2 Defining the sector**

This report sets out the evidence for current and future skills needs in the "care" sector, based upon data drawn from national statistical sources and as defined using ONS Standard Industrial Classification codes (SIC). The definition of the workforce used by Skills for Care & Development covers all those working in early years, children and young people's services, and those working in social work and care for children and adults. Within this sector footprint, Skills for Care & Development is committed to delivering a competent, credible, sufficient and confident workforce.

For the "Care" sector, the definitions used are outlined in table 1.1 below:

**Table 1.1 Skills for Care and Development industrial footprint**

SIC code	Description
87	Residential care activities
87.1	Residential nursing care activities
87.2	Residential care activities for learning disabilities, mental health and substance abuse
87.3	Residential care activities for the elderly and disabled
87.9	Other residential care activities
88	Social work activities without accommodation
88.1	Social work activities without accommodation for the elderly and disabled
88.9	Other social work activities without accommodation

Some of the early years and childcare services sub-sector for which Skills for Care & Development is responsible has been reported as part of the Education sector report (relating to SIC 85.1 Pre-primary education).

The sector footprint for Skills for Care and Development sector skills council is also based upon the workforce remit for each SSC partner<sup>2</sup> and this is wider than the definition of “care” used in preparing this report. For example, in Scotland the relevant partner (the Scottish Social Services Council) has responsibility for criminal justice social work.

The sector footprint can also be partially described and usefully analysed in terms of specific occupations (again using unit groups as defined in the Standard Occupational Classification [SOC Codes] as defined by the ONS). The SOC Code occupations for which Skills for Care & Development has responsibility are in table 1.2.

**Table 1.2 Skills for Care and Development occupational footprint**

SOC 2000	Description
6121	Nursery Nurses
1184	Social services managers
1185	Residential and day care managers
2442	Social workers
6114	Houseparents and residential wardens
6115	Care assistants and home carers
6122	Childminders and related occupations

<sup>2</sup> The detail of each SfC&D partner footprint can then be provided on request.

As with the definition based upon SIC codes, there is also an overlap with other Sector Skills Councils in terms of National Occupational Standards and labour market information for which they are formally licensed<sup>3</sup>.

### **1.3 Sector Skills Councils**

Sector Skills Councils (SSCs) are independent, employer-led, UK-wide organisations working in partnership with the UK Commission to create conditions for increased employer investment in skills. Skills for Care and Development is the sector skills council (SSC) for the 1.87 million people working in early years, children and young people's services, and those working in social work and social care for children and adults in the UK. Our vision is to help achieve a world-class workforce for our sector. By world class we mean a competent, credible, sufficient and confident workforce, which is driven and able to support and surpass individual needs of all adults, children their families and carers who use services provided by the sector.

Skills for Care & Development is a partnership of four organisations: the Care Council for Wales (CCfW); the Northern Ireland Social Care Council (NISCC); the Scottish Social Services Council (SSSC); and Skills for Care (SfC). Our role is to support employers to deliver a workforce that provides quality social care, children, early years and young people's services across the UK.

### **1.4 Summary of methodology**

This report combines top-down data with bottom-up intelligence to provide a rich assessment of sectoral skills priorities that is consistent and comparable with assessments produced for other sectors of the economy.

Three main types of information have been drawn on in the preparation of this report:

- Economy-wide quantitative data from core labour market information sources (such as the Labour Force Survey and the UK Employer Skills Survey)
- Sectoral, sub-sectoral and occupational specific quantitative data generated by SSCs / sector bodies and others (including Government departments and agencies, academics and professional associations)

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<sup>3</sup> Responsibility for developing National Occupational Standards and qualifications for these specific occupations rests with their respective Sector Skills Council. These include: Skills for Health (nursing assistants); Skills for Logistics (driving instructors) and Skills Active (sports and recreation instructors). It is also important to note that development of National Occupational Standards and qualifications for school teachers are the responsibility of the Teaching Agency (formerly TDA)

- Qualitative information collected by SSCs / sector bodies and other organisations

To ensure consistency and comparability across all 15 SSA reports, data from core labour market information sources was centrally collected, processed and formatted. It was then distributed by the UK Commission to Sector Skills Councils / sector bodies for inclusion within the reports. This data was quality assured by contractors, the UK Commission and by Sector Skills Councils.

To meet consistency requirements, sub-sector analysis of data from core sources has primarily been undertaken at a 2-digit Standard Industrial Classification (SIC) code level (or by combining 2-digit SIC codes where appropriate).

Data from core sources has been supplemented within the report with data from sector specific sources. The Skills for Care & Development partnership also collects primary data about the sector workforce at a national level, the main sources for this are registration data, the National Minimum Data Set for Social Care (NMDS SC) in England and the Core Minimum Data Set (CMDS) in Scotland. These are administrative data sources and provide information for a significant proportion of the sector workforce, in the case of registration data (and the CMDS) this data reflects the actual population of workers who are entitled to work in some occupations and specific roles (e.g. as a qualified social worker).

Employer and stakeholder feedback has also informed this assessment, primarily the findings from the UK Employer Skills Survey 2011 but it also utilises feedback gathered by the partnership at national level from employers, stakeholder organisations (such as local and central government, regulators) and from users of sector services. Some of the secondary research undertaken by Skills for Care & Development during 2011-12 was commissioned in response to issues identified by the 2009 -10 SSA report.

The report also draws on qualitative research that has been undertaken to explore sectoral skills issues in more detail. Qualitative research with small samples of employers (and others), most commonly through interviews and focus groups, seeks to provide rich and detailed understanding and insight, rather than measurement. Samples tend to be designed to be broadly representative of the wider population, to gather a range of views. In terms of skills research with employers, size and sector tend to be key drivers of demand and therefore these are usually the main characteristics that are taken into account when designing samples. However, although qualitative data is often representative of wider trends, it can only provide exact information for the purpose it was collected for, in our analysis it is treated as indicative for other major developments in the sector if supported by other evidence.

The report synthesises and contextualises information from the sources identified above and, by undertaking a rigorous analysis of it, turns the information into intelligence.

### **Further information**

Further methodological information is provided within the Technical Appendix. This includes descriptions of the main quantitative and qualitative sources used within the report.



## 2. Current performance of sector

### Chapter Summary

More than five million people had identified social care needs in 2009/10, and in the same year the UK government spent more than £31 billion in support of these types of personal social services. In terms of childcare and statutory services (such as fostering and adoption), the care sector also provides services that are accessed by between 1.5 and 2.97 million families per year. Most services are commissioned by local authorities from the independent sector but an increasing proportion of public expenditure is made through “direct payments” to service users who commission their own care services.

- Public and private spending upon care did not rise significantly during 2010-11;
- Productivity in the Care sector has seen a modest rate of increase in recent years. Broader outcome measures are attempting to examine the quality of work undertaken and the overall experience of service received;
- London and the South East have the greatest number of Care sector establishments; although proportionately, the North East has the greatest share of Care establishments in its economy;
- Most businesses are smaller, 92 per cent of establishments employ fewer than 50 workers;
- The number of UK businesses in the sector continues to grow with approximately 40,000 businesses in 2010 and more than 60,000 employers. There were also more enterprise start-ups than closures in 2009;
- Care employs 1.7 million people in the UK (2010) and the sector has seen substantial employment growth in the last decade.

## 2.1 Economic performance

Most of the care provided in the UK is provided informally and usually for no financial reward, by family, friends, neighbours, colleagues and unpaid volunteers<sup>4</sup>. The focus of this assessment is those services that are provided for people of all ages requiring social care (e.g. regular and substantial care as identified in a needs assessment), as well as child care and some early years services. This includes statutory services provided by local authorities (such as child protection services). The majority of the evidence for the workforce skills needs and labour market conditions (for example, Labour Force Survey data) is for the paid workforce rather than for volunteers or unpaid carers.

More than five million people had identified social care needs in 2009/10<sup>5</sup>. In addition, approximately 2.3 million adults accessed publicly funded social work and social care services in the United Kingdom during 2009-10 (or about one in every 22 adults). In 2009/10 local authorities in the UK spent more than £30 billion on these types of personal social services (see Table 1 - below)<sup>6</sup>.

Compared with other European countries, the UK spends above the EU average when expressed in terms of personal social services expenditure per head and in purchasing power standard (PPS). In 2008/9 UK expenditure was 6,900 PPS, higher than the EU-27 average of 6,600 PPS per head. It should also be noted that the UK makes much more use of tax credits as a means of social protection than most other EU nations and these, totalling £24 billion in 2008/09, are not included in these estimates of expenditure<sup>7</sup>.

**Table 2.1: Personal social services expenditure United Kingdom**

Year/£	£ million				
	2005/06	2006/07	2007/08	2008/09	2009/10
<b>Nation</b>					
UK Total	24,566	26,044	27,553	29,187	30,385
Sickness & disability	7,019	7,305	7,956	8,469	8,952
Old age	8,617	8,892	9,368	9,929	10,290
Family and children	6,309	6,654	7,024	7,481	8,082
Unemployment	837	1,424	1,391	1,384	1,105
Social exclusion nec	1,784	1,769	1,814	1,924	1,956

Source: HM Treasury, PESA 2010 National Statistics

<sup>4</sup> Department for Work and Pensions (2009)

<sup>5</sup> Number of people claiming Disability Living Allowance and Attendance Allowance in 2009/10 as reported in Office for National Statistics (ONS) Social Trends Issue 41 (2011)

<sup>6</sup> ONS Social Trends 41 (2011)

<sup>7</sup> *ibid*

UK social security expenditure to support people with disabilities also give an indication of the monetary value of indirect as well as direct support for personal social services. This spending is not related to age (i.e. it is spread across people of state pension age, of working age and children) and this totalled £25.8 billion in 2009/10<sup>8</sup>. For example, in 2009/10 there were almost 5 million people in receipt of Disability Living Allowance (DLA for people aged under 65) and/or Attendance Allowance (AA over 65s) in the UK, compared with around 4.4 million in 2004/05. Around two-thirds of these were claiming DLA over the same period and while the number of those in receipt of DLA or AA has increased, the ratio between them has remained steady<sup>9</sup>.

Demand for some children's social care services has also been rising steadily over the last 10 years. In England 65,520 children were looked after at 31 March 2011, an increase of two per cent on 2010 and the highest number since 1987. The vast majority of children looked after in 2011, 74 per cent, were in a foster placement. In Scotland at 31st July 2010 there were 15,892 children looked after by local authorities, an increase of four per cent since 31st March 2009. The number of children looked after has increased every year since 2001 and is at its highest in Scotland since 1982<sup>10</sup>. In Wales, 5,419 children were looked after on 31 March 2011, an increase of five per cent over the previous year and a rate of 87 per 10,000 population aged under 18. The number of looked after children has increased by 20 per cent over the last five years<sup>11</sup>.

National statistics suggest that the need for some social work services for children has also increased as a result of the recession<sup>12</sup>. Across the UK, the number of children on the "at risk" register because of neglect or emotional abuse also increased 46.6 per cent and 85.0 per cent respectively between 2003 and 2009 while those in all other categories fell. *The number of children on the 'at risk' register increased by 11.5 per cent between 2008 and 2009 which was the largest year-on-year increase over the period and represents a 24.2 per cent increase since 2003*<sup>13</sup>.

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<sup>8</sup> ibid

<sup>9</sup> ibid

<sup>10</sup> Scottish Government (2012)

<sup>11</sup> Welsh Assembly Government (2010)

<sup>12</sup> ONS Social Trends 41 (2011)

<sup>13</sup> ibid, page 17

The care sector also provides publicly funded services that are accessed by between 1.5 and 2.97 million families per year<sup>14</sup>. The Family and Children Study (FACS) showed that in 2008 in Great Britain, 60 per cent of working lone-parent families and 58 per cent of couple families, where the mother worked, made use of some form of childcare<sup>15</sup>. The proportion of children aged under five enrolled in all schools in the UK has increased from approximately 21 per cent in 1970/71 to 62 per cent in 2009/10<sup>16</sup>.

But as with adult care, care provided by family and friends remains vitally important. Grandparents remain the most common source of informal child care in Great Britain. In 2008, where the mother was in work, 36 per cent of couples and 33 per cent of lone mothers relied on grandparents to provide informal childcare<sup>17</sup>.

There is evidence to suggest that public spending on adult social care has been reduced in real terms. In Great Britain, the assessment of needs and responsibility for commissioning of social care services rests with local authorities (though the majority of local government funding is provided through national governments). Interim returns published by the NHS Information Centre<sup>18</sup> showed that Councils in England spent £16.8 billion in 2009-10 upon adult social services spend compared to £17.0 billion in 2010-11 (approximately one per cent more in cash terms but a decrease of two per cent in real terms). Longer term, this represents a real terms increase of four per cent since 2005-06 and 36 per cent over the 10 years from 2000-01.

The nature of public expenditure upon social care is also changing, more support is being provided to people in their own homes (domiciliary or home care) rather than to people living within a residential care or nursing home. Expenditure on Residential Care in England has decreased from £7.3 billion in 2009-10 to £7.2 billion in 2010-11 (down one per cent in cash terms and down four per cent in real terms). Expenditure on Day/Domiciliary (non-Residential) care spend has increased from £7.5 billion in 2009-10 to £7.8 billion in 2010-11 (up four per cent in cash terms and up one per cent in real terms)<sup>19</sup>.

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<sup>14</sup> Department for Education and Skills (2004)

<sup>15</sup> Department for Work and Pensions (2009)

<sup>16</sup> ONS Social Trends 41, (2011)

<sup>17</sup> ONS Social Trends 41, (2011)

<sup>18</sup> Personal Social Services Expenditure and Unit Costs: 2010-11, provisional release

<sup>19</sup> Personal Social Services Expenditure and Unit Costs: 2010-11, provisional release

This change is also reflected in the number of hours of home care being purchased through local authorities. In 2009/10, more than 183 million hours of home care was provided by local authorities in England compared with just over 151 million hours in 2003/04, an increase of 21 per cent<sup>20</sup>.

Increasingly service users and their carers are also being empowered to take greater control of their own care choices, through “self directed support” for example, and also to decide how the public funds available for this are spent, through “direct payments”. Expenditure on Direct Payments for adults was £957 million in 2010-11. This is an increase of 18 per cent in cash terms and 14 per cent in real terms from 2009-10. The percentage of gross expenditure used for direct payments for adults is increasing and equates to six per cent of the overall gross current expenditure in 2010-11 compared to five per cent in 2009-2010<sup>21</sup>.

There is also some evidence for some reduction in total public expenditure upon social care for children and young people. In November 2011, the National Society for the Prevention of Cruelty to Children (NSPCC) reported that spending on children's social care (a wider definition of social care spending including social work services, SureStart, Youthwork etc.) rose steadily throughout the last decade, peaking in 2009-10. A large part of this increase can be attributed to the introduction of Sure Start funding in England. Projected spending on children's social care in England for 2010-11 totalled £8.14bn (£620 per young person), but it was set to fall sharply to £6.28bn in 2011-12 (£478 per young person). In contrast to England, the NSPCC report that a number of Welsh councils have actually increased their children's social care budgets for 2011-12 and this spending is only projected to fall by 1.96 per cent in Wales as a whole.<sup>22</sup>

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<sup>20</sup> ONS Social Trends 41, (2011)

<sup>21</sup> Personal Social Services Expenditure and Unit Costs: 2010-11, provisional release

<sup>22</sup> Smart Cuts? Public spending on children's social care A report produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) for the National Society for the Prevention of Cruelty to Children (NSPCC)

The main changes to Government's spending in relation to children and families were outlined in the 2010 Comprehensive Spending Review and highlighted in the 2010 SSA report by Skill for Care & Development. Further changes were announced in the 2011 Autumn Statement<sup>23</sup>, the main ones affecting the social care, children and young people's workforce in England were an additional £600 million to support those local authorities with the greatest demographic pressures to provide an additional 40,000 school places. The Government in England is also investing a further £380 million a year by 2014-15 to extend the new offer of 15 hours a week free education and care for disadvantaged two year olds, to cover an extra 130,000 children (doubling the original number).

## 2.2 Gross Value Added and Productivity

Gross Value Added (GVA) is a measure of the value of [goods](#) and [services](#) produced in an area, industry or sector of an [economy](#). GVA is the difference between the value of goods and services produced and the cost of inputs used in production.

Table 2.2 presents GVA in the UK by sector and nation. The health and social work broad sector contributed £94 billion to the UK economy in 2008, seven per cent of total GVA. Health and social work is a more significant contributor to the economies of Wales (11 per cent of total GVA), Northern Ireland (10 per cent) and Scotland (10 per cent) than to the English economy (seven per cent). Yet the health and social work sector still remains more significant to the English economy than Education, Public Administration and sectors such as Construction or the Hotel and Restaurant trade.

From a regional perspective, London and the South East are the largest all-economy contributors to the sector's total GVA in England. The health and social care sector has the strongest representation in the economy of the North East, accounting for 10 per cent of total GVA in that region. It has the lowest representation in London and the South East (contributing six per cent of total GVA in each region).

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<sup>23</sup> HM Treasury, *Autumn Statement 2011*

**Table 2.2: Gross Value Added (GVA) by broad industrial sector (2008) by nation (£m in current basic prices)**

Broad Industrial Sector	Nation		UK		England		Scotland		Wales		Northern Ireland	
			£m		£m		£m		£m		£m	
Agriculture, hunting, forestry & fishing			9,715		7,982		1,180		145		407	
Mining and quarrying of energy producing materials			2,661		1,298		1,277		60		27	
Other mining and quarrying			2,365		1,777		282		134		173	
Manufacturing			150,298		124,860		13,555		7,734		4,149	
Electricity, gas and water supply			21,342		17,414		2,653		729		545	
Construction			80,756		68,247		7,328		2,924		2,256	
Wholesale and retail trade (including motor trade)			147,158		127,900		10,441		5,166		3,651	
Hotels and restaurants			36,428		30,938		3,297		1,424		770	
Transport, storage and communication			91,347		80,262		7,065		2,529		1,491	
Financial intermediation			116,801		104,574		8,501		2,305		1,422	
Real estate, renting and business activities			303,179		268,770		20,829		8,380		5,200	
Public administration and defence			63,281		51,275		6,148		3,275		2,583	
Education			76,493		64,478		6,322		3,502		2,191	
Health and social work			93,775		76,336		9,851		4,788		2,800	
Other services			65,563		57,177		4,804		2,420		1,162	
All sectors			1,261,162		1,083,288		103,533		45,515		28,827	

Source: Regional Accounts, ONS, 2010

More recent ONS figures show that GVA for the residential care services sub-sector (SIC 87) was estimated at £11 billion (£17 billion whole sector) at basic prices in 2009. ONS also reported that GVA grew by £1 billion (£3 billion whole sector) between 2008 and 2009<sup>24</sup>.

Table 2.3 shows that productivity in the health and social work sector, expressed as GVA, increased by 82 per cent between 1999 and 2008. This compares with an all-industry average of 56 per cent for the same period. The sector growth is the third largest across the economy, after Financial Intermediation (140 per cent) and Construction (91 per cent).

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<sup>24</sup> Source: Annual Business Inquiry 2010



**Table 2.3: UK GVA (£m in current basic prices) (1999-2008)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Agriculture, hunting, forestry & fishing	9,022	8,532	8,333	9,007	9,807	10,670	7,530	7,792	8,632	9,715
Mining and quarrying of energy producing materials	2,059	1,998	1,874	1,661	1,456	1,643	2,055	2,297	1,861	2,661
Other mining and quarrying	1,700	1,784	1,750	1,469	1,519	1,848	2,115	2,145	2,291	2,365
Manufacturing	151,157	150,009	149,223	146,308	144,845	145,689	148,110	151,455	154,726	150,298
Electricity, gas and water supply	15,703	15,798	15,660	16,052	16,405	16,106	16,685	20,279	21,884	21,342
Construction	42,236	45,626	50,526	54,684	59,522	66,029	69,868	74,619	80,675	80,756
Wholesale and retail trade (including motor trade)	99,509	103,410	110,249	113,777	120,520	127,367	129,810	135,366	141,735	147,158
Hotels and restaurants	24,146	25,605	26,928	28,639	30,120	31,870	32,902	34,594	35,962	36,428
Transport, storage and communication	64,961	69,201	70,502	73,064	76,587	79,020	80,889	83,655	88,280	91,347
Financial intermediation	48,545	44,989	48,202	63,367	71,530	75,117	79,553	90,807	103,731	116,801
Real estate, renting and business activities	173,329	18,8361	204,041	214,849	232,204	24,8677	260,116	276,108	296,955	303,179
Public administration and defence	39,891	41,645	43,855	46,212	49,768	53,779	58,229	60,385	61,503	63,281
Education	44,914	48,111	51,675	55,099	58,328	61,934	65,739	68,926	72,766	76,493
Health and social work	51,577	55,282	59,549	64,492	70,593	75,154	79,965	85,965	89,381	93,775
Other services	39,821	42,085	44,560	48,311	51,804	54,947	57,961	60,166	62,824	65,563
All sectors	808,570	842,436	886,927	936,991	995,008	1,049,850	1,091,527	1,154,559	1,223,206	1,261,162

Source: Regional Accounts, ONS, 2010

Productivity by sector can also be estimated using GVA per employee job. Table 2.4 shows that GVA in the care sector is estimated to be £30,000 per person employed, significantly lower than the all -industry average of £46,000 in the UK.

**Table 2.4: Estimated workplace gross value added (GVA) per employee at current basic prices, 2009**

SSA Sector	UK	England	Wales	Scotland	Northern Ireland
	£000s	£000s	£000s	£000s	£000s
Agriculture, forestry and fishing	35	41	11	21	25
Energy production and utilities	131	134	118	127	107
Manufacturing	52	51	49	61	53
Construction, building services, engineering and planning	65	66	54	60	56
Wholesale and retail trade	33	33	27	29	27
Transportation and storage	50	51	44	50	41
Hospitality, tourism and sport	23	23	21	22	20
Information and communication technologies	83	84	72	77	63
Creative media and entertainment	45	49	30	12	38
Financial, insurance & other professional services	86	89	57	69	63
Real estate and facilities management	85	86	103	67	98
Government services	39	40	33	35	40
Education	33	33	32	36	33
Health	27	27	26	25	23
<b>Care</b>	<b>30</b>	<b>30</b>	<b>28</b>	<b>31</b>	<b>26</b>
Not within scope	32	33	27	35	30
<b>All sectors</b>	<b>46</b>	<b>47</b>	<b>38</b>	<b>43</b>	<b>38</b>

Source: UK Commission estimates based on Regional Accounts; Annual Business Survey; Business Register and Employment Survey (BRES). See technical appendix for basis for estimates.

Notes: Figures for Real estate and facilities management sector include contribution from owner-occupier imputed rental. All figures exclude Extra-Regio element. Estimates will tend to overstate the level of GVA per job in those sectors with high levels of self-employment.

The analysis suggests that the sector has a fairly consistent level of productivity across the constituent nations of the UK.

The *Working Futures* model (Wilson and Homenidou, 2011) provides historic estimates of productivity (output per job) by sector on a constant price (chained volume measure) basis. This analysis indicates an average rate of productivity growth for the UK Care sector for the first half of the last decade (2000-2005) of 0.8 per cent per annum moderating to 0.3 per cent per annum in the second half. This is much lower than the average rates for the wider UK economy of 1.4 per cent and 0.7 per cent respectively.

GVA is not the only way of measuring productivity, particularly when estimating the value of social goods. Output measures for some public services were introduced in 1998 and provide a guide to changes in productivity. However, they do not provide a good measure of how the value of the level of output has increased in terms of monetary value or improved outcomes for service users. This was one of the main conclusions of the Atkinson Review and provided the impetus for the Quality Measurement Framework/Measuring Outcomes for Public Service Users project by the Office for National Statistics (ONS).

Broader outcome measures are currently being introduced within parts of the sector (the Adult Social Care Outcomes Framework – ASCOF, in England) and are preferred indicators for productivity, as the quality of the work undertaken may have improved in ways that are not directly measurable in cash or output terms. The ASCOF and other measures attempt to establish how the overall experience of the service user has been affected by the provision of a service.

Evidence for quality of service/outcomes is mixed. For example, in England based upon the results of the User Experience Survey, 62 per cent of service users who responded said that they were extremely or very satisfied with the care and support services they receive. 28 per cent said they were quite satisfied, seven per cent said they were neither satisfied nor dissatisfied and the remaining three per cent said they were dissatisfied<sup>25</sup>.

Inspection reports also provide an important measure of the quality of services being delivered. In England, the CQC found that around a sixth of care homes without nursing, and a tenth of domiciliary care agencies had moderate or major concerns around their ability to deliver “effective, safe and appropriate care, treatment and support that meets their needs and protects their rights.” Similarly the CQC found continuing problems in the handling of medicines across adult social care providers<sup>26</sup>. By comparison the Office for Standards in Education reported that fewer than three per cent of childcare and early years settings were failing to meet national standards<sup>27</sup>.

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<sup>25</sup> Personal Social Services Adult Social Care Survey, England 2010-11 Provisional Report, NHS Information Centre (September 2011)

<sup>26</sup> Care Quality Commission (2011). It should be noted that a new system of regulation has been introduced in England and this makes historical comparisons of standards of quality difficult.

<sup>27</sup> Raising ambition and tackling failure – The Annual Report of Her Majesty’s Chief Inspector of Education, Children’s Services and Skills 2010/11, Ofsted (November 2011)

In Wales, the Care and Social Services Inspectorate for Wales (CSSIW) found that there had been significant improvements in the quality of homecare services in 2008-2009 and that homecare providers were performing well in a number of areas, including care planning, quality assurance and medication<sup>28</sup>.

## **2.3 Employers**

The Inter Departmental Business Register for 2009 showed 40,450 enterprises within the Care sector (excluding public sector organisations) of which 21,420 (52 per cent) were commercial and 18,900 (47 per cent) were not for profit. This probably under-represents the actual number of smaller businesses and organisations providing services in the sector, particularly those in the voluntary/charitable sector providing non-residential services - many of these may be exempt from VAT registration and/or outside the PAYE scheme. As noted above, there is also an increasing number of service users directly employing care workers (as direct payments increase) and an established market for directly or self employed child care providers (e.g. nannies, childminders).

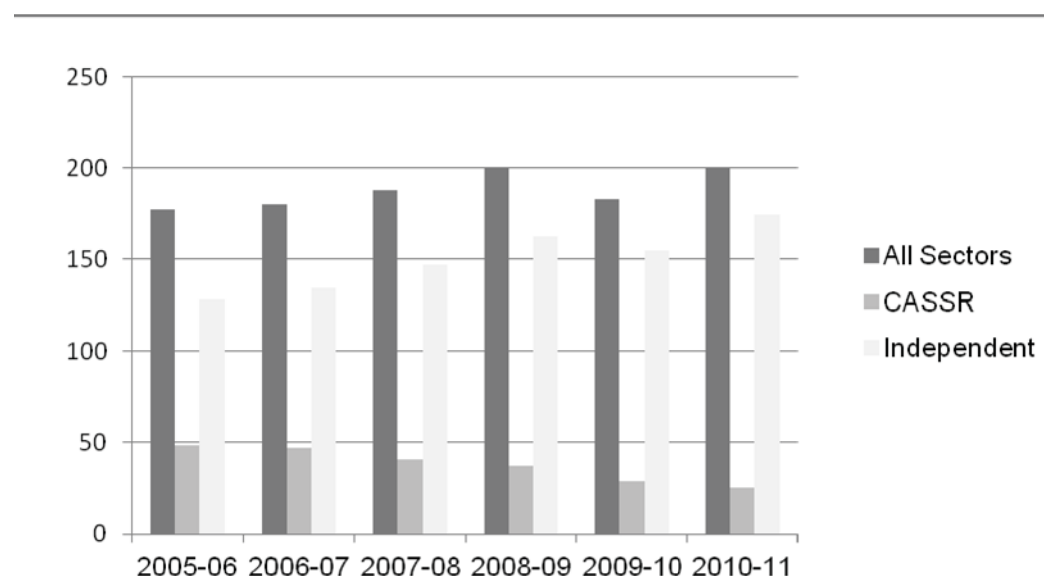
### **2.3.1 Forms of Ownership**

The majority of social care provision is delivered by the independent sector; most residential care provision is by commercial organisations; whilst the majority of businesses providing “social work without accommodation” are from the voluntary/community sector. Local authorities continue to have an important role as commissioners of services and in delivery of statutory functions (meaning they remain important as the principal employers of qualified social workers). Figure 2.1 illustrates the shift in provision of home care from the public sector (Councils with Adult Social Services Responsibilities) to the independent sector in recent years.

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<sup>28</sup> Chief Inspector’s Annual Report 2010-2011, Care and Social Services Inspectorate Wales (CSSIW) (February 2012)

**Figure 2.1: Actual number of contact hours of home care (millions) provided during the year, by sector (form of ownership), 2005-06 to 2010-11**



Source: *Community Care Statistics 2010-11: Social Services Activity Report, England, NHS Information Centre*

The majority of businesses engaged in residential care provision fall within the commercial sector (see Table 2.5 below). Over half of businesses classified as other social work activities without accommodation are from the voluntary sector. The overall, long term trend for adult social care has been away from direct provision by the public sector towards increased commissioning of services from the independent sector, including care services purchased by service users themselves. In children’s services there is also a mixture of commercial, not-for-profit and public sector service providers.

**Table 2.5: Number of Registered Businesses (IDBR) as at March 2009 by sub-sector and form of ownership**

SIC	Description	Commercial		Voluntary/Charitable		Public		Total	
		No.	%	No.	%	No.	%	No.	%
87	Residential care activities	8,945	80%	2,240	20%	25	0.2%	11,210	100%
88	Other social work activities without accommodation	12,475	43%	16,660	57%	90	0.3%	29,225	100%
	Total	21,420	53%	18,900	47%	115	0.28%	40,435	100%

Source: *Inter-departmental Business Register (IDBR), ONS*

It is also important to note that there are likely to be a significant number of other registered employers operating in the sector but whose primary business is not registered as being social care etc. (e.g. central and local government employers, health, housing, employment agencies). These organisations are not counted as being within the Skills for Care and Development footprint. There are also likely to be some additional workers directly employed by households who provide some form of personal care not funded through direct payments.

More recent data from the Care Quality Commission (CQC) show that:

### **Residential and nursing homes**

There were 4,608 care homes with nursing and 13,475 care homes without nursing in **England** in July 2011. The total number of beds in registered care homes with nursing in July 2011 was 208,546 and there were 261,262 beds in registered care homes without nursing.

In **Scotland** there were 943 care homes for older people as at 31 March 2010 compared to 1,059 at 31 March 2000. There were 39,150 registered places in care homes for older people, an increase of 2 per cent since March 2009.

There are 499 statutory and independent residential and nursing homes in **Northern Ireland** providing a total of 16,137 places<sup>29</sup>.

### **Adult day care**

There are 188 Adult Day Care providers in Northern Ireland across statutory and independent providers<sup>30</sup>. There are also a total of 276 individual Domiciliary Care providers in nationally providing 23,389 places<sup>31</sup>.

At March 2011 there were 1,611 registered settings providing adult services in Wales offering 26,642 places (227 fewer than in 2010).

The number of care homes for adults with learning disabilities in Scotland had decreased by 27 per cent, from 380 in 2000 to 277 in 2010.<sup>32</sup>

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29 RQIA Data, October 2011

30 As per footnote 7

31 DHSSPS Adult Community Statistics, Community Information Branch, April 2009

32 Scottish social services sector: report on 2010 workforce data, Scottish Social Services Council, December 2011

## Children's services

In England there were 105,100 providers of childcare and early years education reported in 2010, of which 15,700 were early years providers in maintained schools and 89,500 were childcare providers. There were 2,755,800 registered childcare and early years places in 2010 (of all types) and 3,262,700 children were accessing them<sup>33</sup>.

In Wales, there were 191 registered childcare settings (unchanged) providing 2,154 places (17 fewer than in 2010)<sup>34</sup>. The number of registered Children's Day Care settings in Wales was 4,424 (46 more than in 2010) and they offered 75,297 places (compared with 73,317 – almost 2,000 more).

At the end of December 2010, there were 5,500 registered Childminders and 3,957 registered Day Care for Children services in Scotland.

In Northern Ireland, there are 301 Day Nurseries, providing a total of 11,831 registered places. There are 512 playgroups in NI providing 12,000 places and 254 Out of School clubs provide 6068 places<sup>35</sup>. The number of registered Children's Day Care settings in Wales was 4,424 (46 more than in 2010) and they offered 75,297 places (compared with 73,317 – almost 2,000 more).<sup>36</sup>

### 2.3.2 Business births and deaths

Evidence from recent years suggests that the Care sector has outperformed the wider economy in this area. In 2010 the number of business births in the Care sector exceeded the number of deaths at a ratio of 1.4 to 1 (Table 2.6). The business birth rate for the sector (business births expressed as a proportion of the stock of active enterprises) was seven per cent. In contrast, the total number of business births in the UK economy was smaller than the number of deaths at a ratio of 0.8 to 1. However, for the wider economy the ratio of births to active businesses was higher than for the Care sector: equivalent to 10 per cent of the stock of active businesses.

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33 Reference The 2010 Childcare and Early Years Providers Survey.

34 Chief Inspector's Annual Report 2010-2011, Care and Social Services Inspectorate Wales (CSSIW), February 2012

35 DHSSPS Children Order Statistical Tables for NI, 2009-2010

36 Chief Inspector's Annual Report 2010-2011, Care and Social Services Inspectorate Wales (CSSIW), February 2012

**Table 2.6: Count of births and deaths for 2008 – 2010**

SIC	SIC description	2008		2009		2010	
		Births	Deaths	Births	Deaths	Births	Deaths
87	Residential care activities	1,030	1,285	940	1,100	850	705
871	Residential nursing care activities	250	290	280	270	365	220
872	Residential care activities for learning disabilities, mental health and substance abuse	30	45	65	70	50	40
873	Residential care activities for the elderly and disabled	535	730	440	565	295	290
879	Other residential care activities	215	220	155	195	140	155
88	Social work activities without accommodation	1,925	1,540	1,805	1,880	2,510	1,625
881	Social work activities without accommodation for the elderly and disabled	305	255	300	285	380	280
889	Other Social work activities without accommodation	1,620	1,285	1,505	1,595	2,130	1,345
	Total	2,955	2,825	2,745	2,980	3,360	2,330

Source: *Business Demography, 2010, Office for National Statistics (December 2011)*

The number of deaths of enterprises (business failures, liquidations etc.) between 2008 and 2010 suggests that for Residential care, the count of business deaths fell steadily, despite the sub-sector's composition of commercial businesses. Enterprise deaths among Other social work activities sub-sector increased over the two-year period, in line with deteriorating business conditions across the whole economy.

The Care Quality Commission (2011) report an overall increase in Care services in recent years from 22,467 services in 2004 to 24,716 services by 2010, reflecting the growing demand for adult social care. Continuing the trend from 2004, the number of residential homes has fallen, while the number of home care services has grown each year. This trend reflects recent government policies that support people to live in their own homes. In Scotland the Care Commission (since 2011 the Care Inspectorate) reports the number of registered services in 2010 was around three per cent lower than the equivalent figure of 14,274 in December 2008 (SSSC, 2011b). This trend is largely the consequence of a fall in the number of registered nursing agencies (25 per cent) and adult day care services (10 per cent) during this two -year period.



During 2010-11 there were a number of high profile business failures in the care sector, including the Southern Cross group which announced it would cease trading in July 2011 and by September 2011 the group announced they had entered unconditional business purchase agreements covering 70 per cent of its homes, with the remaining 30 per cent still in progress. The relative ease in finding purchasers for Southern Cross care homes shows there is still significant business confidence in the future of the residential care sector.

## **2.4 Establishment profile**

There are over 2.5 million business establishments across the UK economy. Table 2.7 shows that the wholesale and retail trade (20 per cent), construction (14 per cent) and financial insurance and other professional services (10 per cent) sectors have the greatest number of establishments in the UK. By comparison, Care sector establishments represent three per cent of all establishments in the UK.

Care sector establishments represent a slightly larger proportion of total establishments in Scotland, Wales and Northern Ireland (four per cent for each) than in England (three per cent).

In England, London and the South East of England have the largest number of establishments; although it is in the North East that Care establishments account for the greatest proportion of total establishments of any region (five per cent) compared to London (three per cent) and the South East (three per cent). See Table 2.8.

**Table 2.7: Number of establishments by sector and nation (2010)**

Nation	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
<b>Broad Industrial Sector</b>	144,895	6%	96,770	4%	17,625	9%	1,4210	13%	16,290	19%
Agriculture, forestry and fishing	13,290	1%	10,365	0%	1,495	1%	865	1%	565	1%
Energy production and utilities	144,115	6%	124,235	6%	9,395	5%	6,040	5%	4,445	5%
Construction, building services, engineering and planning	358,455	14%	303,300	14%	27,845	14%	1,4280	13%	13,030	15%
Wholesale and retail trade	509,215	20%	431,330	20%	38,165	20%	23,000	20%	16,720	20%
Transportation and storage	83,825	3%	70,685	3%	6,370	3%	3,925	3%	2,845	3%
Hospitality, tourism and sport	223,370	9%	185,390	8%	20,515	11%	11,580	10%	5,885	7%
Information and communication technologies	131,065	5%	120,095	5%	6,610	3%	3,130	3%	1,230	1%
Creative media and entertainment	134,115	5%	121,900	6%	6,830	4%	3,640	3%	1,745	2%
Financial, insurance & other professional services	255,000	10%	228,725	10%	14,770	8%	7,160	6%	4,345	5%
Real estate and facilities management	149,325	6%	129,340	6%	10,610	5%	5,730	5%	3,645	4%
Government services	52,210	2%	40,870	2%	5,625	3%	2,985	3%	2,730	3%
Education	67,125	3%	55,020	3%	5,535	3%	3,250	3%	3,320	4%
Health	55,135	2%	46,925	2%	3,895	2%	2,515	2%	1,800	2%
<b>Care</b>	<b>85,935</b>	<b>3%</b>	<b>70,460</b>	<b>3%</b>	<b>7,810</b>	<b>4%</b>	<b>4,710</b>	<b>4%</b>	<b>2,955</b>	<b>4%</b>
All economy	2,574,230	100%	2,183,845	100%	193,305	100%	112,810	100%	84270	100%

Source: Inter-departmental Business Register (IDBR), ONS

**Table 2.8: Number of establishments by sector and English region (2010)**

	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West
Agriculture, forestry and fishing	3,870	11,305	11,205	10,770	11,880	12,170	935	11,785	22,850
Energy production and utilities	475	1,460	1,155	1,025	1,065	1,320	950	1,605	1,310
Manufacturing	4,650	15,950	13,100	12,915	15,930	15,235	13,350	20,025	13,080
Construction, building services, engineering and planning	10,845	35,520	26,035	24,975	28,750	41,485	42,520	58,785	34,385
Wholesale and retail trade	16,630	55,955	41,975	36,895	45,695	48,635	67,620	71,850	46,075
Transportation and storage	2,610	8,775	7,270	6,830	7,930	9,305	9,190	11,570	7,205
Hospitality, tourism and sport	8,395	23,095	17,600	14,030	16,700	19,290	32,470	31,885	21,925
Information and communication technologies	2,325	10,885	6,685	6,900	9,260	14,735	29,655	28,805	10,845
Creative media and entertainment	2,660	10,035	6,735	6,215	7,425	12,210	43,255	22,760	10,605
Financial, insurance & other professional services	5,440	23,475	14,900	14,950	18,300	23,850	61,915	45,495	20,400
Real estate and facilities management	4,185	14,800	10,225	9,390	11,925	15,045	27,475	22,980	13,315
Government services	1,815	4,810	4,260	4,270	4,040	4,215	6,495	6,340	4,625
Education	2,495	6,890	4,965	4,810	5,465	6,330	8,215	9,925	5,925
Health	2,010	6,255	4,265	3,830	4,570	4,850	8,045	8,280	4,820
<b>Care</b>	<b>3,575</b>	<b>9,340</b>	<b>6,950</b>	<b>6,110</b>	<b>6,940</b>	<b>7,210</b>	<b>10,725</b>	<b>11,700</b>	<b>7,910</b>
Whole economy	75,975	255,705	187,810	174,700	210,065	253,120	392,540	394,505	239,425

Source: Inter-departmental Business Register (IDBR), ONS

### **2.4.1 Size of Businesses**

The care sector has a lower proportion of micro-sized establishments (26 per cent) compared to the all-economy average (52 per cent) and the largest proportion of establishments employing 10-24 employees across the whole economy, (see table 2.9).

Care also has a higher proportion of medium-sized establishments of nearly double the all-sector average across the 10-24, 25-49 and 50-250 workplace size bands.

However data from the Annual Business Inquiry and IDBR, as presented in previous Sector Skills Assessment suggest that a significant proportion of care sector workers are employed by a smaller number of larger businesses<sup>37</sup>. In 2010 SfC&D reported that Annual Business Inquiry (ABI) estimates for the number of very large establishments, employing more than 200 workers, had doubled between 1998 and 2008. ABI estimates suggested that these businesses accounted for 54,000 workers in 1998 (or 0.8% of all workers in large establishments) and 119,000 workers in 2008 or 1.4% of workers in large establishments.

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<sup>37</sup> SfC&D (2011)

**Table 2.9: Size of establishments by sector (UK) (2010)**

<b>Number of employees</b>	<b>2-4</b>	<b>5-9</b>	<b>10-24</b>	<b>25-49</b>	<b>50-250</b>	<b>251+</b>	<b>All</b>
<b>Broad industrial sector</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>Number</b>
Agriculture, forestry and fishing	80	14	5	1	0	0	97,910
Energy production and utilities	36	22	20	10	10	2	10,265
Manufacturing	43	22	18	8	8	1	108,050
Construction	67	18	10	3	2	0	211,710
Wholesale and retail trade	49	27	16	4	3	1	385,760
Transportation and storage	48	20	16	7	8	1	52,620
Hospitality, tourism and sport	42	30	19	6	3	0	198,630
Information and communication technologies	68	15	10	4	3	1	56,710
Creative media and entertainment	66	17	10	4	3	0	62,305
Financial, insurance & other professional services	57	21	14	4	3	1	134,900
Real estate and facilities management	62	21	11	3	3	1	95,270
Government services	34	21	20	10	12	4	41,505
Education	20	14	20	23	21	2	56,740
Health	31	24	25	10	7	2	47,570
<b>Care</b>	<b>26</b>	<b>24</b>	<b>28</b>	<b>13</b>	<b>8</b>	<b>0</b>	<b>75,725</b>
All economy	52	22	15	6	4	1	1,742,370

Source: *Inter-departmental Business Register (IDBR)*, ONS

Table 2.10 (below) shows the proportion of establishments for residential care services (SIC88) and non-residential services within the care sector. This suggests that residential care services are more likely to employ a larger number of employees in the workplace (i.e. care homes are larger workplaces generally speaking). Residential care establishments are much more likely to employ 25-49 workers, much less likely to employ fewer than five.

**Table 2.10: Size of establishments by sub-sector (UK) (2010)**

Sector	SIC07	2-4	5-9	10-24	25-49	50-99	100-199	200-250	251-499	500+
Care	87	20%	18%	30%	20%	10%	2%	0 %	0%	0%
	88	30%	27%	27%	9%	4%	1%	0%	0%	0%

Source: Inter-departmental Business Register (IDBR), ONS

In the 2009-10 Sector Skills Assessment report, Sfc&D reported that one per cent of employers in the care sector (with a workforce of more than 250 people) employed roughly 41 per cent of the workforce. 93 per cent of employers (employing fewer than 50 workers) employed just over a third of the workforce (36 per cent) and around six per cent of employers employed the remaining 22 per cent (see Table 2.11 below). This suggests that most sector employers are small businesses employing fewer than 50 workers but that almost two thirds of the workforce is employed by less than one in ten employers (employing more than 50).

**Table 2.11: Employer and workforce by workplace size and form of Ownership (IDBR) as at March 2009 by SIC code (industry, sub-sectors)**

Employer size & Form of owner	Size of workplace	SfC&D Total				SIC 87 Residential care		SIC 88 Other social work activities without accommodation		SIC 85.1 Pre-primary education	
		No. employers	No. workers	% of employers	% of workforce	% of employers	% of workforce	% of employers	% of workforce	% of employers	% of workforce
Commercial	1 - 49	21,090	249,095	92%	40%	88%	32%	95%	52%	98%	78%
	50 - 249	1,575	144,994	7%	23%	11%	23%	4%	-	1%	-
	250+	175	225,334	1%	36%	1%	45%	-	-	-	-
Not for profit	1 - 49	18,125	144,369	94%	31%	77%	-	96%	43%	96%	-
	50 - 249	975	98,620	5%	21%	18%	22%	3%	-	4%	-
	250+	250	223,030	1%	48%	6%	-	1%	-	-	-
Independent Total	1 - 49	39,215	393,464	93%	36%	85%	-	96%	47%	98%	-
	50 - 249	2,550	243,614	6%	22%	12%	23%	4%	22%	2%	14%
	250+	425	448,364	1%	41%	2%	-	1%	31%	-	-

Source: Inter-Departmental Business Register, ONS (as at March 2009) – indicates data suppressed for confidentiality<sup>38</sup>

## 2.4.2 International markets for care services

The market for residential and non-residential social care in the UK is open with both UK and non-UK firms competing for businesses. Similarly there are a wide variety of UK and non-UK owned businesses operating in the childcare and early years market. Some social work functions are also provided on a commercial basis but responsibility for the delivery of statutory functions tends to remain with local authorities and other public bodies. British firms also compete in markets outside the UK but these differ even within the EU. EU member states retain responsibility for how social protection is delivered on a national basis but there are significant “open” markets for social care and health services in Germany and the Scandinavian countries. Outside the EU there are well established and open markets for social care services in the United States, Japan, Canada, Australia and New Zealand.

<sup>38</sup> Note: All figures are rounded to avoid disclosure. Where the count is deemed to be disclosive the auxiliary variable i.e. Employees will be removed, where one removed in a row or column another is removed to avoid disclosure by deduction.

The UKCES has previously highlighted that improvements in communications, given the continuation of the trend for free trade, will give all industries the opportunity to source inputs and sell outputs globally, and, using IT, to add value in the most economic location. Whilst some aspects of personal care cannot be delivered at a distance, the increasing practicality and use of telecare means that there are potentially additional international markets that are becoming open to UK employers.

### **2.4.3 Employment**

There are 29 million people employed in the UK, of which 84 per cent have employment in England, eight per cent in Scotland, five per cent in Wales and three per cent in Northern Ireland, (see table 2.12). The Care sector employs 1.7 million people UK-wide, with 1.4 million workers concentrated in England (81 per cent of the workforce). A further 187,000 are employed in Scotland (11 per cent) and 97,000 are based in Wales. The remaining 40,000 Northern Ireland employees comprise 2 per cent of the overall Care sector workforce.

Table 2.13 outlines the regional share of total employment across the English economy. The North East region accounts for the largest share of Care sector employees (eight per cent) and a further six per cent each across the North West, Yorkshire and the Humber, the West Midlands and the South West regions.

Table 2.14 shows the trends in total UK employment across the economy. The Care sector has seen steady, incremental increases in employment numbers from 1.3 million in 2002 to 1.7 million employed in 2010. This represents an overall employment growth of 34 per cent in Care over the period, in comparison with just a three per cent increase across the overall economy.

Other sectors where employment has increased include Education (35 per cent), Financial, insurance and other professional services (19 per cent), Hospitality, tourism and sport (19 per cent), Health (15 per cent) and Real estate and facilities management (nine per cent). Sectors where employment has declined since 2002 include Manufacturing (28 per cent), Creative media and entertainment (10 per cent) and Information and communication technologies (six per cent). Table 2.15 looks at employment trends within the Care sector by UK nation. Care has seen overall employment growth across all UK nations between 2002 and 2010. Employment has grown by 53 per cent in Scotland, 39 per cent in Wales, 32 per cent in England and 25 per cent in Northern Ireland.



Despite the economic downturn commencing in 2008, England, Scotland and Wales saw a steady increase in Care sector employment. Northern Ireland, however, experienced an 11 per cent drop in employment numbers in the industry from 2008 onwards.

**Table 2.12: Total UK employment by sector and nation (2010) (number, 000's)**

	UK		England		Scotland		Wales		Northern Ireland	
	000s	%	000s	%	000s	%	000s	%	000s	%
Agriculture, forestry and fishing	406	100	296	73	51	13	31	8	27	7
Energy production and utilities	473	100	346	73	88	19	25	5	14	3
Manufacturing	2,970	100	2,542	86	199	7	138	5	91	3
Construction, building services, engineering and planning	2,697	100	2,270	84	244	9	113	4	71	3
Wholesale and retail trade	4,140	100	3,471	84	353	9	205	5	112	3
Transportation and storage	1,448	100	1,252	86	117	8	46	3	33	2
Hospitality, tourism and sport	2,046	100	1,704	83	198	10	100	5	44	2
Information and communication technologies	761	100	675	89	56	7	18	2	13	2
Creative media and entertainment	987	100	876	89	65	7	32	3	14	1
Financial, insurance & other professional services	2,001	100	1,768	88	138	7	53	3	41	2
Real estate and facilities management	978	100	848	87	75	8	38	4	18	2
Government services	2,209	100	1,835	83	173	8	111	5	89	4
Education	3,088	100	2,625	85	235	8	154	5	75	2
Health	2,087	100	1,713	82	199	10	111	5	64	3
<b>Care</b>	<b>1,729</b>	<b>100</b>	<b>1,409</b>	<b>81</b>	<b>183</b>	<b>11</b>	<b>97</b>	<b>6</b>	<b>40</b>	<b>2</b>
Whole economy	28,855	100	24,331	84	2,446	8	1,312	5	766	3
Unweighted base	194,448	100	161,501	83	17,022	9	8,693	4	7,232	4

Source: Labour Force Survey 2010, ONS

\* Sample size too small for reliable estimate.

**Table 2.13: Total employment by sector and English region, percentage share (2010)**

	London	South East	East of England	South West	West Midlands	East Midlands	Yorkshire and the Humber	North West	North East
Agriculture, forestry and fishing	0	1	1	3	2	2	1	1	1
Energy production and utilities	1	2	1	2	2	2	1	2	2
Manufacturing	4	9	11	11	14	15	12	12	11
Construction, building services, engineering and planning	9	10	10	9	9	9	9	9	9
Wholesale and retail trade	12	14	14	14	14	16	16	16	15
Transportation and storage	5	5	5	4	5	6	5	5	4
Hospitality, tourism and sport	8	7	6	7	7	7	7	7	7
Information and communication technologies	3	4	3	3	2	2	2	2	2
Creative media and entertainment	8	4	3	3	2	2	2	2	2
Financial, insurance & other professional services	13	8	8	6	6	5	6	6	4
Real estate and facilities management	5	4	3	4	3	3	3	4	3
Government services	8	8	7	7	7	7	8	8	9
Education	10	11	11	11	11	11	11	10	11
Health	6	7	6	7	7	7	8	8	8
<b>Care</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>8</b>
Whole economy	100	100	100	100	100	100	100	100	100
Weighted base	3,726	4,147	2,779	2,515	2,413	2,099	2,382	3,126	1,145
Unweighted bases	18,925	26,614	18,998	17,015	16,534	15,044	17,467	22,418	8,486

Source: Labour Force Survey 2010, ONS

\* Sample size too small for reliable estimate

**Table 2.14: Total employment by sector 2002-2010 (UK) ('000s)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	000s	000s	000s	000s	000s	000s	000s	000s	000s
Agriculture, forestry and fishing	394	389	396	421	417	422	448	364	406
Energy production and utilities	434	389	407	422	436	479	486	483	473
Manufacturing	4,153	3,870	3,687	3,615	3,562	3,575	3,368	2,915	2,970
Construction, building services, engineering and planning	2,223	2,333	2,434	2,500	2,560	2,615	2,639	2,875	2,697
Wholesale and retail trade	4,368	4,545	4,536	4,489	4,404	4,349	4,446	4,143	4,140
Transportation and storage	1,486	1,485	1,461	1,511	1,501	1,490	1,517	1,489	1,448
Hospitality, tourism and sport	1,718	1,720	1,730	1,714	1,773	1,807	1,799	1,991	2,046
Information and communication technologies	813	813	839	832	835	851	871	784	761
Creative media and entertainment	1,102	1,139	1,108	1,111	1,138	1,142	1,156	975	987
Financial, insurance & other professional services	1,671	1,662	1,623	1,677	1,696	1,744	1,736	2,038	2,001
Real estate and facilities management	898	869	924	946	984	1,036	1,028	948	978
Government services	2,115	2,166	2,194	2,251	2,282	2,285	2,323	2,265	2,209
Education	2,295	2,414	2,543	2,580	2,642	2,636	2,664	2,939	3,088
Health	1,811	1,881	1,980	2,048	2,079	2,033	2,118	2,038	2,087
<b>Care</b>	<b>1,288</b>	<b>1,338</b>	<b>1,408</b>	<b>1,456</b>	<b>1,479</b>	<b>1,446</b>	<b>1,506</b>	<b>1,721</b>	<b>1,729</b>
Whole economy	27,908	28,172	28,456	28,740	28,987	29,164	29,382	28,811	28,855
Unweighted base	247.273	238.005	230.951	227.794	222.196	221.046	217.000	203.221	194.448

Source: Labour Force Survey 2010, ONS \* Sample size too small for reliable estimate. Note: Data before 2009 is based on SIC2003 and data for 2009 and 2010 is based on SIC200

**Table 2.15: Total employment in the sector by nation 2002-2010 ('000s)**

	UK	England	Scotland	Wales	Northern Ireland
	000s	000s	000s	000s	000s
2002	1,288	1,066	120	70	32
2003	1,338	1,102	129	75	32
2004	1,408	1,164	137	72	35
2005	1,456	1,193	143	78	43
2006	1,479	1,201	153	80	44
2007	1,446	1,159	153	87	46
2008	1,506	1,217	159	86	45
2009	1,721	1,419	170	88	44
2010	1,729	1,409	183	97	40

Source: Labour Force Survey 2010, ONS

At the standard industrial classification group level employment in Care is greatest in the Other social work activities without accommodation (i.e. non-residential activities including day centres and home help), accounting for 42 per cent of total employment (table 2.16). Residential care and social work activities for the elderly and disabled sub-sectors account for a further 30 per cent of UK employment.

**Table 2.16 Total employment by sub-sector 2010 (UK)**

SIC Code	Description	000s	%
87.1	Residential nursing care activities	169	11
87.2	Residential care activities for learning disabilities, mental health and substance abuse	51	3
87.3	Residential care activities for the elderly and disabled	241	15
87.9	Other residential care activities	213	13
88.1	Social work activities without accommodation for the elderly and disabled	244	15
88.9	Other social work activities without accommodation	666	42
	Total 87 and 88 SIC sectors	1,584	100

Source: Labour Force Survey 2010, ONS

### 3. The workforce

#### Chapter Summary

The sector workforce is predominantly female with a significantly higher than average proportion of workers employed part time and from a black or minority ethnic background. The sector employed 1.6 million workers in 2010 or six per cent of the total UK workforce. The sector workforce has been growing due to increasing demand for services (at around 2.5% per year on average) but recent growth has been slower as a result of the recession.

- One in 16 UK workers is in the sector and one in 10 women working in the UK work in the sector;
- 43 per cent of the workforce is in residential care, 56 per cent in non-residential services;
- Most workers are women but male employment is growing (currently 19 per cent);
- Diversity is a key feature of the Sfc&D workforce with a greater proportion of part time workers, workers with a disability, and workers from ethnic minority groups;
- Many workers were born outside the UK (13 per cent) and from outside the EEA (11 per cent).
- Half of the Care workforce is employed in Personal Services occupations (50 per cent), a further 14 per cent are in Associate professional and technical occupations and 13 per cent in Managerial occupations.

### 3.1 Working patterns

Working patterns cover full and part-time employment, self employment and permanent and temporary employment.

Table 3.1 demonstrates that the sector has a higher than average proportion of workers who work part time. The UK Care sector averages 63 per cent full time working and 37 per cent part time working (compared with all-industry averages of 73 per cent and 27 per cent respectively). Part-time working is greatest among the Hospitality, tourism and sport, Education, Wholesale and retail trade and care sectors. Part-time working is least common among Energy production and utilities (eight per cent) and Manufacturing (nine per cent) sectors.

**Table 3.1: Working hours by sector, 2010 (UK)**

	Full-time	Part-time	Full-time	Part-time	Weighted base	Unweighted base
	000s	000s	%	%	000s	000s
Agriculture, forestry and fishing	326	79	80	19	406	2.976
Energy production and utilities	435	38	92	8	473	3.244
Manufacturing	2,688	281	91	9	2,969	20.400
Construction, building services, engineering and planning	2,435	260	90	11	2,695	17.917
Wholesale and retail trade	2,549	1,590	62	39	4,139	27.571
Transportation and storage	1,218	229	84	16	1,447	9.729
Hospitality, tourism and sport	1,127	920	55	44	2,046	13.183
Information and communication technologies	682	79	90	10	761	4.875
Creative media and entertainment	737	249	75	25	986	6.186
Financial, insurance & other professional services	1,623	377	81	18	2,001	12.804
Real estate and facilities management	643	334	66	35	977	6.561
Government services	1,800	408	82	19	2,208	15.098
Education	1,872	1,215	61	40	3,087	21.537
Health	1,344	742	64	34	2,086	14.742
<b>Care</b>	<b>1,056</b>	<b>672</b>	<b>61</b>	<b>37</b>	<b>1,728</b>	<b>12.001</b>
All economy	21,083	7,760	73	27	28,843	194.363

Source: Labour Force Survey 2010, ONS

\* Sample size too small for reliable estimate.

Part-time working in the Care sector is more prevalent across Wales (40 per cent) and Scotland (39 per cent) than in England (37 per cent) as shown in table 3.2. Northern Ireland has fewer part-time workers representing 31 per cent of the Care sector workforce. Overall, in comparison with economy-wide proportions, part-time working is around 10 per cent greater across all UK nations in the Care sector.

The high proportion of part time working in the sector partly reflects the gender balance in the workforce, women are over represented in the sector (see Table 3.2) and in most occupations (for example LFS data suggests over 96% of nursery nurses in 2010 were women). However the nature of much of the work within the care sector also enables part time working and this may be a factor in increasing male employment, for example LFS data suggests that 21 per cent of male care assistants also work part time (almost double the all-industry average of 11% of male employees who work part time).

The share of workers who are self-employed in the sector has increased since 2002 but the proportion of self-employed (eight per cent) remains below the all-industry average of 14 per cent (see Table 3.3).



**Table 3.2: Working hours by broad industrial sector and nation, 2010 (percentage)**

Employment status	England						Scotland						Wales						Northern Ireland													
	Full-time		Part-time		Weighted base		Unweighted base		Full-time		Part-time		Weighted base		Unweighted base		Full-time		Part-time		Weighted base		Unweighted base		Full-time		Part-time		Weighted base		Unweighted base	
	%	000s	%	000s	000s	000s	%	000s	%	000s	%	000s	000s	000s	%	000s	%	000s	%	000s	%	000s	000s	000s	%	000s	%	000s	000s	000s		
<b>Broad industrial sector</b>	79	281	21	2,487	0.407	3,423	85	15	45	90	8	185	0.069	0.271	0.035	0.176	88	28	27	134	0.035	0.132	0.035	0.152	88	28	27	134	0.035	0.132		
Agriculture, forestry & fishing	92	308	8	2,487	0.407	3,423	89	11	86	98	8	185	0.126	0.271	0.035	0.176	96	27	134	0.035	0.132	0.035	0.152	96	27	134	0.035	0.132	0.035	0.152		
Energy production & utilities	91	2,487	9	2,487	3,423	92	8	185	96	8	185	0.271	0.271	0.176	0.176	96	134	134	134	0.176	0.176	0.176	0.176	96	134	134	134	0.176	0.176	0.176	0.176	
Manufacturing	89	2,207	11	2,207	2,936	91	9	245	93	9	245	0.350	0.350	0.350	0.350	93	117	117	117	0.350	0.350	0.350	0.350	93	117	117	117	0.350	0.350	0.350	0.350	
Construction, building services, engineering and planning	62	3,270	38	3,270	4,377	57	43	366	58	43	366	0.499	0.499	0.499	0.499	58	185	185	185	0.499	0.499	0.499	0.499	62	185	185	185	0.499	0.499	0.499	0.499	
Wholesale and retail trade	84	1,200	16	1,200	1,623	79	21	123	77	23	47	0.175	0.175	0.175	0.175	77	47	47	47	0.175	0.175	0.175	0.175	88	47	47	47	0.175	0.175	0.175	0.175	
Transportation and storage	57	1,591	43	1,591	2,059	55	45	195	51	49	103	0.261	0.261	0.261	51	103	103	103	0.261	0.261	0.261	0.261	53	103	103	103	0.261	0.261	0.261	0.261		
Hospitality, tourism & sport	91	653	9	653	0.840	0.840	83	17	50	*	*	0.069	0.069	0.069	*	15	15	15	15	0.069	0.069	0.069	0.069	88	15	15	15	0.069	0.069	0.069	0.069	
Information and communication technologies	76	814	24	814	1,022	64	36	64	64	36	64	0.091	0.091	0.091	77	28	28	28	28	0.091	0.091	0.091	0.091	*	28	28	28	0.091	0.091	0.091	0.091	
Creative media and entertainment	82	1,735	18	1,735	2,228	81	19	159	81	19	159	0.224	0.224	0.224	78	53	53	53	53	0.224	0.224	0.224	0.224	85	53	53	53	0.224	0.224	0.224	0.224	
Financial, insurance & other professional services	65	794	35	794	1,069	70	30	76	70	30	76	0.106	0.106	0.106	65	36	36	36	36	0.106	0.106	0.106	0.106	65	36	36	36	0.106	0.106	0.106	0.106	
Real estate and facilities management	82	1,782	18	1,782	2,430	84	16	173	84	16	173	0.246	0.246	0.246	77	112	112	112	112	0.246	0.246	0.246	0.246	79	112	112	112	0.246	0.246	0.246	0.246	
Government services	59	2,481	41	2,481	3,481	65	35	229	65	35	229	0.333	0.333	0.333	68	144	144	144	144	0.333	0.333	0.333	0.333	67	144	144	144	0.333	0.333	0.333	0.333	
Education	65	1,645	35	1,645	2,324	67	33	188	67	33	188	0.270	0.270	0.270	69	97	97	97	97	0.270	0.270	0.270	0.270	75	97	97	97	0.270	0.270	0.270	0.270	
Health	<b>63</b>	<b>1,359</b>	<b>37</b>	<b>1,359</b>	<b>1,899</b>	<b>61</b>	<b>39</b>	<b>183</b>	<b>61</b>	<b>39</b>	<b>183</b>	<b>0.267</b>	<b>0.267</b>	<b>0.267</b>	<b>60</b>	<b>40</b>	<b>87</b>	<b>87</b>	<b>87</b>	<b>0.267</b>	<b>0.267</b>	<b>0.267</b>	<b>0.267</b>	<b>69</b>	<b>40</b>	<b>87</b>	<b>87</b>	<b>0.267</b>	<b>0.267</b>	<b>0.267</b>	<b>0.267</b>	
All economy	73	23,270	27	23,270	31,442	72	28	2,432	72	28	2,432	3,448	3,448	3,448	73	1,250	1,250	1,250	1,250	3,448	3,448	3,448	3,448	77	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

Source: Labour Force Survey 2010, ONS\* Sample size too small for reliable estimate.

The proportion of self-employed workers in social work activities without accommodation (SIC 88) is almost 10 per cent and as such, closer to the UK all industry average of 14 per cent in 2010. There are fewer capital costs associated with purchasing and maintaining accommodation for non-residential services which may explain this difference.

**Table 3.3: Employment status by sector, UK, 2010 ('000s)**

	Employee	Self-employed	Employee	Self-employed	Weighted base	Unweighted base
	000s	000s	%	%	000s	000s
Agriculture, forestry and fishing	189	202	47	50	405	2.973
Energy production and utilities	446	25	95	5	472	3.240
Manufacturing	2,776	184	94	6	2,968	20.397
Construction, building services, engineering and planning	1,716	964	64	36	2,692	17.897
Wholesale and retail trade	3,731	390	90	9	4,133	27.534
Transportation and storage	1,194	250	83	17	1,447	9.729
Hospitality, tourism and sport	1,817	219	89	11	2,044	13.168
Information and communication technologies	635	124	84	16	761	4.871
Creative media and entertainment	672	310	68	31	987	6.191
Financial, insurance & other professional services	1,706	291	85	15	2,001	12.804
Real estate and facilities management	744	229	76	23	977	6.561
Government services	2,145	58	97	3	2,207	15.091
Education	2,891	188	94	6	3,082	21.507
Health	1,928	155	92	7	2,085	14.740
<b>Care</b>	<b>1,577</b>	<b>140</b>	<b>92</b>	<b>8</b>	<b>1,723</b>	<b>11.971</b>
All economy	24,774	3,952	86	14	28,817	194.200

Source: Labour Force Survey 2010, ONS

\* Sample size too small for reliable estimate.

Weighted & unweighted bases also include unpaid family workers.

**Table 3.4: Employment status by broad industrial sector and nation, 2010**

Employment status	England				Scotland				Wales				Northern Ireland			
	Empl	S/Empl	Weighted	Un weighted	Empl	S/Empl	Weighted	Un weighted	Empl	S/Empl	Weighted	Un weighted	Empl	S/Empl	Weighted	Un weighted
	%	%	000s	000s	%	%	000s	000s	%	%	000s	000s	%	%	000s	000s
<b>Broad industrial sector</b>	55	42	281	0.407	37	61	45	0.069	41	57	28	0.035	16	81	31	0.068
Agriculture, forestry & fishing	94	6	308	0.429	95	*	86	0.126	100	*	27	0.035	*	*	11	0.022
Energy production & utilities	94	6	2,487	3.423	94	6	185	0.271	93	7	134	0.176	92	*	83	0.156
Manufacturing																
Construction, building services, engineering & planning	65	35	2,207	2.936	79	21	245	0.350	63	37	117	0.152	59	41	77	0.146
Wholesale and retail trade	90	9	3,270	4.377	90	10	366	0.499	86	14	185	0.246	90	10	99	0.187
Transportation and storage	81	19	1,200	1.623	83	17	123	0.175	75	23	47	0.063	73	27	36	0.068
Hospitality, tourism and sport	88	11	1,591	2.059	88	12	195	0.261	85	15	103	0.132	87	13	49	0.091
Information and communication technologies	86	14	653	0.840	80	20	50	0.069	*	*	15	0.020	89	*	17	0.030
Creative media & entertainment	68	32	814	1.022	69	31	64	0.091	68	32	28	0.037	*	*	15	0.028
Financial, insurance & other professional services	85	15	1,735	2.228	88	12	159	0.224	84	16	53	0.072	90	*	41	0.077
Real estate and facilities management	74	25	794	1.069	86	14	76	0.106	82	*	36	0.049	68	32	19	0.036
Government services	97	3	1,782	2.430	98	*	173	0.246	98	*	112	0.153	98	*	94	0.181
Education	94	6	2,481	3.481	95	5	229	0.333	96	4	144	0.203	94	*	65	0.129
Health	92	8	1,645	2.324	95	5	188	0.270	93	7	97	0.135	96	*	58	0.113
<b>Care</b>	<b>91</b>	<b>8</b>	<b>1,359</b>	<b>1.899</b>	<b>96</b>	<b>4</b>	<b>183</b>	<b>0.267</b>	<b>98</b>	<b>*</b>	<b>87</b>	<b>0.119</b>	<b>92</b>	<b>*</b>	<b>45</b>	<b>0.091</b>

Source: Labour Force Survey 2010, ONS \* Sample size too small for reliable estimate. Weighted & unweighted bases also include unpaid family workers

From the data available in table 3.4, self employment is most common in England, where eight per cent have self-employed status. A lower share of the Care sector workforce are self-employed in Scotland (four per cent of all employed). Self employment is greatest among the Agriculture, forestry and fishing, Construction and Creative media and entertainment sectors across all UK nations.

## 3.2 Workforce characteristics

The gender, age and ethnic profile of the Care sector workforce will be examined in this section.

### 3.2.1 Gender

Table 3.5 illustrates that historically, female participation in Care is four to five times that of male participation. In 2010, females accounted for 80 per cent of employment in the sector. However, the number of males employed within the Care sector has grown by 37 per cent from 2002 to 2010 (albeit from a low base), compared to a 28 per cent increase among females.

**Table 3.5: Employment within the Care sector by gender, UK 2002- 2010**

Year	Male	Female	Total
2002	242	1,047	1,289
2003	265	1,071	1,336
2004	285	1,108	1,393
2005	308	1,155	1,463
2006	298	1,153	1,451
2007	291	1,142	1,433
2008	310	1,146	1,456
2009	330	1,350	1,680
2010	331	1,343	1,674

Source: Labour Force Survey 2010, ONS

Achieving a sustainable year-on-year increase in male employment remains key to successful workforce planning for the sector.

The gender breakdown for employment in the Care sector is relatively consistent at a ratio of around 80:20 across England, Wales and Scotland. Male participation within the Care sector is slightly less in Northern Ireland, at 14 per cent of the total workforce (see Table 3.6).

**Table 3.6: Employment within the Care sector by gender and nation (2010)**

Nation	Male	Female	Total	Male	Female	Total	Unweighted base
	000s	000s	000s	%	%	%	000s
UK	331	1,343	1,674	20	80	100	2.376
England	272	1,087	1,359	20	80	100	1.899
Scotland	36	147	183	20	80	100	0.267
Wales	17	70	87	19	81	100	0.119
Northern Ireland	6	39	45	14	86	100	0.091

Source: Labour Force Survey 2010, ONS

Table 3.7 outlines the gender profile of the Care and UK workforce by occupation. There are twice as many female Managers and Senior Officials in the Care sector (70 per cent) compared to the economy as a whole (35 per cent). Female participation among Professional (73 per cent) and Associate Professional and Technical occupations (77 per cent) are also much greater than the all-economy averages (44 per cent) and 50 per cent respectively). The proportion of males employed in the Care sector is greatest among the Process, Plant and Machine Operatives (81 per cent) and Skilled Trades (40 per cent) occupational groups.

**Table 3.7 Gender profile by broad occupational group (UK)**

Broad Occupational Groups	Care			All economy		
	Male	Female	Total	Male	Female	Total
	%	%	000s	%	%	000s
1 Managers and Senior Officials	30	70	195	65	35	4,455
2 Professional occupations	27	73	135	56	44	4,028
3 Associate Professional and Technical	23	77	243	50	50	4,265
4 Administrative and Secretarial	17	83	140	22	78	3,181
5 Skilled Trades Occupations	40	60	29	92	8	3,061
6 Personal Service Occupations	15	85	875	16	84	2,544
7 Sales and Customer Service Occupations	*	67	14	34	66	2,146
8 Process, Plant and Machine Operatives	81	*	10	88	12	1,907
9 Elementary Occupations	24	76	88	55	45	3,257
All occupations	20	80	1,729	54	46	28,842

In Scotland CMDS data (2008) reveals that the sectors with the highest percentage of female workers were Childminders (99 per cent), Child care agencies (96 per cent) and Day of Children (96 per cent). The sectors with greatest percentage of male workers were school care accommodation (38 per cent), Residential Child Care (35 per cent) Adult Placement Services (33 per cent) and Fieldwork services for offenders (33 per cent)

### 3.2.2 Age

The age profile of the sector workforce is one determinant of future ‘replacement demand’, the level of job openings created by workers leaving the sector for retirement and other reasons.

Table 3.8 shows that on average, more UK workers in the Care sector are aged between 45 and 59 (36 per cent) than any other age band. Nearly a quarter of sector workers in the UK are aged between 35-44 (24 per cent), a fifth are aged between 25-34, 12 per cent of workers are under 25 and nine per cent are over the age of 60. These figures are broadly in line with the age profile of the UK workforce across the economy.

On a national level, Scotland has the greatest share of workers in the 45-59 age category (43 per cent), compared to 36 per cent in England and Northern Ireland and 31 per cent in Wales. Northern Ireland has a greater proportion of workers aged under 25 (18 per cent) compared to Wales, England and Scotland.

Care sector workers in Wales and Northern Ireland generally tend to be younger (aged 44 and under) than across England and Scotland.

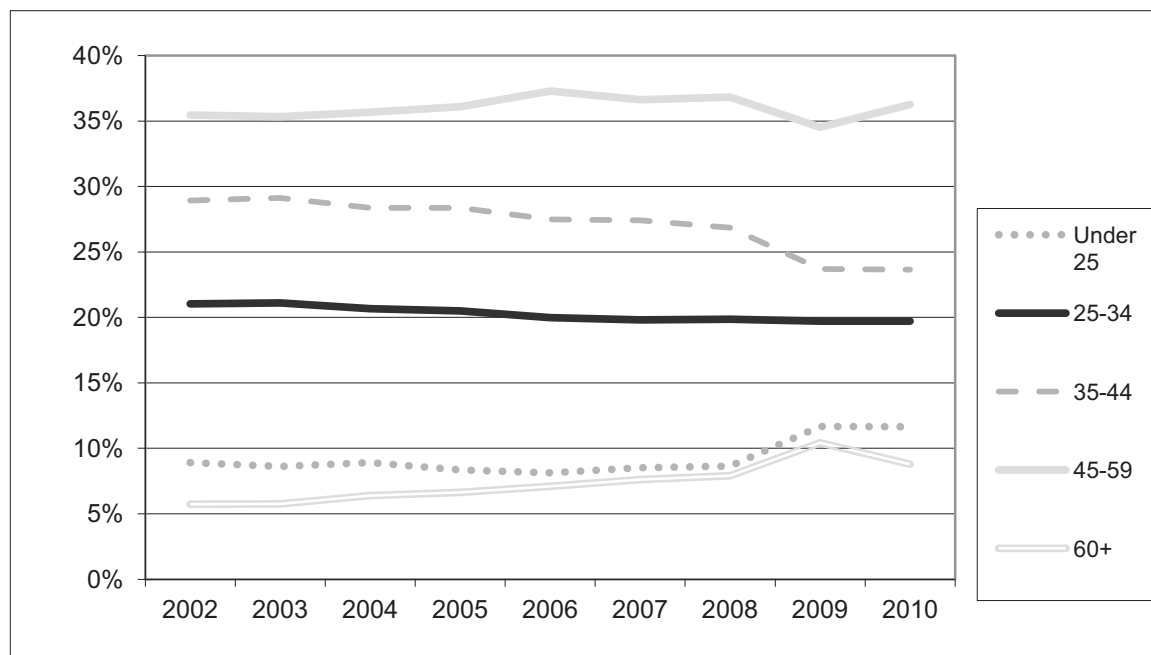
**Table 3.8: Age profile of Care sector workforce by nation (2010), percentage**

Age band	UK		England		Scotland		Wales		Northern Ireland	
	000s	%	000s	%	000s	%	000s	%	000s	%
Under 25	195	12	157	12	16	9	13	15	8	18
25-34	330	20	273	20	29	16	20	23	8	18
35-44	396	24	332	24	40	22	17	19	7	16
45-59	607	36	485	36	79	43	27	31	16	36
60+	147	9	112	8	19	10	10	12	*	*
Total	1,674	100	1,359	100	183	100	87	100	45	100
<i>Unweighted base</i>	2.376		1.899		0.267		0.119		0.091	

Source: Labour Force Survey 2010, ONS, \* Sample size too small for reliable estimate.

Figure 3.1 suggests that the age profile of the Care workforce has been relatively stable since 2002 (as numbers have grown across all age bands), but with a slight increase in the number of workers in the sector workforce aged under 25 and over 60. UK trends show that the number of workers aged under 25 across the whole economy have in fact fallen slightly, but workers over 65 have substantially increased from 479,000 in 2002 to 831,000 in 2010.

**Figure 3.1: Trends in the age profile of the Care sector workforce**



Source: Labour Force Survey 2010, ONS

A steady, economy-wide increase in workers over 65 suggests that it is reflective of a wider, demographic change as opposed to the consequences of the 2008 recession.

### 3.2.3 Ethnicity

Across the UK, nine per cent of the sector workforce has a Black, Asian and Minority Ethnic (BAME) background. Nationally, England has the highest proportion of the workforce from Black, Asian and Minority Ethnic backgrounds (11 per cent), compared to Scotland (three per cent), Wales (three per cent) and Northern Ireland (two per cent).

The Care sector has a slightly greater proportion of workers from Black, Asian or Minority Ethnic backgrounds (12 per cent) than the national average of nine per cent (see Table 3.9 below).

**Table 3.9: Ethnicity of workforce within all sectors, UK in 2010 (000s and percentages)**

	White	BAME	Total	White	BAME	Total
<b>Broad industrial sector</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>%</b>	<b>%</b>	<b>%</b>
Agriculture, forestry and fishing	382	*	385	99	*	100
Energy production and utilities	414	19	433	96	4	100
Manufacturing	2,712	175	2,886	94	6	100
Construction, building services, engineering and planning	2,520	125	2,645	95	5	100
Wholesale and retail trade	3,495	423	3,918	89	11	100
Transportation and storage	1,235	170	1,406	88	12	100
Hospitality, tourism and sport	1,668	267	1,935	86	14	100
Information and communication technologies	632	102	734	86	14	100
Creative media and entertainment	859	61	920	93	7	100
Financial, insurance & other professional services	1,781	207	1,988	90	10	100
Real estate and facilities management	835	90	926	90	10	100
Government services	1,995	165	2,160	92	8	100
Education	2,719	195	2,915	93	7	100
Health	1,725	262	1,987	87	13	100
<b>Care</b>	<b>1,476</b>	<b>196</b>	<b>1,672</b>	<b>88</b>	<b>12</b>	<b>100</b>
All economy	25,165	2,538	27,703	91	9	100

Source: Labour Force Survey 2010, ONS, \* Sample size too small for reliable estimate.

Table 3.10 shows that the proportion of the UK Care workforce from Black, Asian or Minority Ethnic backgrounds has increased from 107,000 in 2002 (eight per cent of the workforce) to 196,000 in 2010 (12 per cent of the workforce).



**Table 3.10: Ethnicity of workforce within UK care sector, 2002 to 2010 (000s and percentages)**

Year	White No.	White %	BAME No	BAME %	Total No	Total %	Unweighted base
2002	1,182	92	107	8	1,289	100	4.685
2003	1,219	91	116	9	1,336	100	4.630
2004	1,259	90	133	10	1,393	100	4.643
2005	1,316	90	146	10	1,462	100	4.792
2006	1,289	89	161	11	1,450	100	4.624
2007	1,268	89	164	11	1,432	100	4.531
2008	1,279	88	177	12	1,456	100	4.474
2009	1,475	88	202	12	1,678	100	2.410
2010	1,476	88	196	12	1,672	100	2.374

Source: Labour Force Survey 2010, ONS, \* Sample size too small for reliable estimate.

### 3.2.4 Disability

Data from the Labour Force Survey for 2008-9 suggests that the sector has a higher proportion of workers with a disability than the all sector average<sup>39</sup>. There were 134,000 Skills for Care and Development sector workers describing themselves as being DDA (disabled with a work-limiting disability), or 8 per cent of the workforce.

This compares with an all-industry average of 5 per cent. Comparison of LFS data by sub-sector suggests that a slightly higher proportion of workers in residential care may have a DDA and work limiting disability. Comparisons at national and regional level are difficult given the relatively small sample size involved; potentially the workforce in Scotland may have a higher proportion of people with a disability than the UK average and the workforce in Northern Ireland somewhat less.

The Scottish Government (2010a) has published figures for the proportion of disabled workers in the local authority social work workforce (approximately 35 per cent of the total social services workforce) as of October 2009. Approximately 2 per cent of this workforce declared a disability, although a further 24 per cent were listed as “not known”. The SSSC aims to publish more information on disabled workers in future.

<sup>39</sup> 2009-10 Sector Skills Assessment , Skills for Care and Development

### 3.2.5 Country of Birth

Labour Force Survey (LFS) data for our sector suggests that, despite the recession, workers born outside of the UK remain an important part of the Skills for Care and Development workforce particularly in some nations and regions. Workers born outside the UK made up 14.2 per cent of our UK sector workforce in 2010, with about one in twelve workers having been born outside the EEA (or an estimated 177,000 workers - see table 3.11 below). The proportion of non-UK born workers in the workforce has grown from just under eight per cent in 2002 to over 10.5 per cent in 2010.

This compares with an all sector average of eight per cent for the UK as a whole, 13 per cent in the health sector and eight per cent in retailing. However it is likely that reliance upon non-UK born and non-EEA workers is greater in some parts of the sector and some parts of the UK. Demand for and reliance upon non-UK and non-EEA workers is greater in parts of England than in the other three nations for example.

It is also likely that changes in UK migration policy will take time to affect the number of non-EEA workers within the Care sector, even in more benign economic circumstances. The factors driving workers leaving the sector are more likely to be demographic rather than economic *per se* (i.e. due to age, ill health, onset of caring responsibilities). For example, analysis of NMDS SC data by Skills for Care suggests that migrants tend to be younger than the rest of the workforce. According to NMDS SC data, a British worker (mean age 42) is on average four years older than a non-British worker (mean age 38). There is a wider age difference amongst senior care workers and registered nurses British workers, for both job roles are on average 5 years older than their non-British counterparts.

**Table 3.11: Employment by country of birth and sector (2002-2010)**

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010
Country of birth	'000	'000	'000	'000	'000	'000	'000	'000	'000
UK	1,147	1,184	1,229	1,279	1,249	1,229	1,241	1,444	1,437
Rest of Europe (EU 27)	38	38	36	44	49	51	49	62	61
Rest of world	103	114	128	139	153	152	166	174	177
Total	1,289	1,336	1,393	1,462	1,450	1,432	1,456	1,680	1,674
<i>Unweighted base</i>	4.685	4.631	4.644	4.792	4.625	4.533	4.475	2.413	2.376

Source: Labour Force Survey 2010, ONS

### 3.3 The jobs people do

This section looks at occupational structure within the Care sector and provides a brief overview of the types of jobs most commonly found in the industry. This information tells us about the nature of skills and qualifications that are required to undertake work in the sector.

#### 3.3.1 Occupational structure

The majority of workers in the sector are in “caring” personal service occupations (see Table 3.12), with 50 per cent coming of workers coming from this group, compared to nine per cent across the whole economy. The proportions of managers and senior officials (13 as opposed to 16 per cent) and those in professional occupations (eight per cent as opposed to 14 per cent) are less than the all-industry average. There is a relatively low manager-to-worker ratio within the sector, suggesting that the workforce tends to operate in larger teams and that spans of control are wider (i.e. more workers are controlled by one manager).

**Table 3.12: Employment by occupation and care sector/whole economy, 2010 (UK)**

Occupational group	Sector	Care		Whole economy	
		000s	%	000s	%
Managers and Senior Officials		212	13	4,357	16
Professional Occupations		141	8	3,851	14
Associate Professional and Technical		236	14	3,983	14
Administrative and Secretarial		121	7	3,141	11
Skilled Trades Occupations		23	1	2,966	11
Personal Service Occupations		843	50	2,450	9
Sales and Customer Service Occupations		13	1	2,098	8
Process, Plant and Machine Operatives		8	0	1,901	7
Elementary Occupations		76	5	2,964	11
All occupations		1,674	100	27,710	100
<i>Unweighted base</i>		<i>2.380</i>		<i>38.100</i>	

Source: Labour Force Survey 2010, ONS \* Sample size too small for reliable estimate.

Care workers form a significant share of the sector workforce and there is little evidence from the 2010 Labour Force Survey of any variations on a national or regional basis (see Appendix for additional Tables).

Approximately 57 per cent of the Skills for Care & Development workforce are drawn from Care assistants and home carers and Other occupational groups (see Table 3.13 below). Childminders, social workers, housing and welfare officers, nursery nurses and youth and community workers account for a further 26 per cent of employment in the sector.

More than half of all Senior officials of special interest organisations, Probation officers, Youth & Community workers and Housing and welfare officers in the UK are employed within the Care sector.

**Table 3.13: Largest occupational unit groups within Care sector, UK (2010)**

Rank	Occupation	000s	% workforce
1	6115 Care assistants and home carers	560	33
2	6122 Childminders and related occupations	110	7
3	2442 Social workers	97	6
4	3232 Housing and welfare officers	84	5
5	6121 Nursery nurses	66	4
6	3231 Youth and community workers	60	4
7	1185 Residential and day care managers	58	3
8	1184 Social services managers	40	2
9	6114 Houseprnts and residential wardens	33	2
10	9233 Cleaners, domestics	31	2
11	4150 General office assistants or clerks	30	2
12	4114 Officers non-gov organisations	28	2
13	6111 Nursing auxiliaries and assistants	25	1
14	3211 Nurses	24	1
15	6123 Playgroup leaders & assistants	22	1
	Other occupations	406	24
	Total workforce	1,674	100
	<i>Unweighted base (000s)</i>	2.375	

Source: Labour Force Survey 2010, ONS

Further evidence from the Labour Force Survey suggests that the occupational profile of the Care sector has changed, demanding more managers, more workers in personal service occupations and fewer workers in administrative/secretarial occupations and fewer associate professional and technical workers.

The Institute for Employment Research (2010) reviewed Labour Force Survey data from January to March 1997 and January to March 2007<sup>40</sup>. The report concluded that there had been significant growth in the following occupations: Social Services managers and directors, Welfare professionals, Child and early years officers, Housing officers, Counsellors, Welfare and housing associate professionals, Officers in non-governmental organisations, Care workers and home carers and Senior care workers.

<sup>40</sup> *Evidencing an enhanced occupational structure for the social care, children's early years and young people's workforce*, IER/SC&D (December 2010)

Occupations recording little or no growth over these ten years included: Residential day and domiciliary care managers and proprietors, Social workers, Probation officers, Youth and Community workers, House parents and residential wardens, and Care escorts.

### **Typical Care sector occupations**

The following positions are most commonly found in the Care sector:

#### **Care Assistant**

Labour Force Survey (LFS) data for April to June 2011 suggests there are around 731,000 care assistants, including 656,000 care workers/home carers (based upon new occupational categories for the 2011 Census) and around 75,000 Senior Care workers (typically senior care workers have more responsibilities and hold a higher level of qualification).

The gender profile among this occupational group shows that 84 per cent of care workers and 87 per cent of senior care workers are female. Roughly 55 per cent of care assistants and 70 per cent of senior care workers work full time and there are perhaps 14,000 care workers/home carers who are estimated to be self employed (about 1,000 of whom are male)<sup>41</sup>.

The median hourly wage for care assistants (gross pay) was £7.93 in 2011 with the 10th percentile earning £6.09 and the 90th percentile earning £12.03 (Source: Annual Survey of Hours and Earnings, 2011 Provisional Results). This suggests that many workers are receiving close to the National Minimum wage (NMW) current rate of £6.08 (set in October 2011).

#### **Childminder**

Labour Force Survey data suggests that there are around 120,000 childminders, including workers such as nannies, across the UK. There were an estimated 130,000 childminders in 2008 or 10,000 fewer after three years (a fall of around 2.5 per cent per annum).

In 2010, the Childcare and Early Years Providers Survey (England) found that the long term decrease in the number of active registered childminders continued in 2010 and the total now stands at 47,400. This marks a decrease of seven per cent since 2009 (in contrast to the other types of childcare provider whose numbers increased in 2010).

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<sup>41</sup> ONS, Labour Force Survey (August 2011)

Virtually all (99 per cent) of childminders and associated professions are estimated to be female<sup>42</sup>.

Estimates suggest that just 20 per cent of childminders work full-time if they are employed, full-time working rises to 67 per cent of the 77,000 self-employed childminders. The median hourly wage for childminders (gross pay) was £8.02 in 2011 with those workers in the lowest paid 10 per cent earning around £5.98 (Source: Annual Survey of Hours and Earnings (ASHE), 2011 Provisional Results).

### **Social Worker**

There are around 92,000 social workers in the UK (LFS April-June 2011), around seven per cent less than in the same quarter for 2008. Some of this difference may reflect statistical variance. Most social workers (81 per cent) are female and roughly 79 per cent of social workers are employed full time<sup>43</sup>.

The median hourly wage for social workers (gross pay) was £16.67 in 2011 with those workers in the lowest paid 10 per cent earning around £11.19 and the highest paid earning around £21.59 (ASHE, 2011 Provisional Results).

### **Nursery Nurse**

The number of nursery nurses in the UK has increased by 5 per cent from 155'000 in 2008 to 176'000 in 2011 (LFS April to June). Most nursery nurses are female, (97 per cent) and roughly 55 per cent work full time<sup>44</sup>.

The median hourly wage for nursery nurses (gross pay) was £7.13 in 2011 with those workers in the lowest paid 10 per cent earning around £5.93 and the highest paid earning around £11.59 (ASHE, 2011 Provisional Results).

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<sup>42</sup> ONS, Labour Force Survey (August 2011)

<sup>43</sup> ibid

<sup>44</sup> ibid

## **Youth and Community Worker**

The number of youth and community workers in the UK declined from 109,000 in 2008 to 83,000 in 2011. This represents a decrease in Youth and Community workers of nearly a quarter (24 per cent) in a three-year period. Most workers in this occupational group are female (67 per cent) and roughly 61 per cent work full time<sup>45</sup>. In 2011 Youth and Community workers received a median hourly wage of £11.88 (gross), with the lowest paid 10 per cent earning £8.40 an hour and the highest paid £16.75 (ASHE 2011).

## **Residential day and domiciliary care managers and proprietors**

Labour Force Survey data for April to June 2008-11 reports that there are fewer residential day and domiciliary care managers in 2011 (50,000) in the UK than there were in 2008 (63,000). Most are female, 71 per cent and roughly 78 per cent work full time<sup>46</sup>.

The median hourly wage for residential and domiciliary care managers (gross pay) was £15.00 in 2011 with the 10<sup>th</sup> percentile at £9.38, whilst the result for the 90<sup>th</sup> percentile was not statistically significant (ASHE, 2011 Provisional Results).

## **Social Services Managers**

Social services manager numbers in the UK have increased by 20 per cent from 41,000 in 2008 to 49,000 in 2011. Most social services managers are female, (79 per cent) and roughly 88 per cent work full time<sup>47</sup> in the industry. The median hourly wage for social services managers (gross pay) was £19.92 in 2011, lowest 10 per cent paid £11.72 and the highest result not statistically significant (ASHE, 2011 Provisional Results).

## **Houseparents and residential wardens**

The number of Houseparents and residential wardens in the UK fell by 25 per cent from 40,000 in 2008 to 30,000 in 2011. Most workers in this occupational group are female, (89 per cent) and roughly 61 per cent work full time<sup>48</sup>. The median hourly wage for Houseparent's and residential wardens (gross pay) was £9.63 in 2011 with those workers in the lowest paid 10 per cent earning around £6.52 and the highest result not statistically significant enough to report (ASHE, 2011 Provisional Results).

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<sup>45</sup> ONS, Labour Force Survey (August 2011)

<sup>46</sup> ibid

<sup>47</sup> ibid

<sup>48</sup> ibid

### **Playgroup leaders**

There were 50,000 playgroup leaders and assistants in 2008. The new SOC (2010) description of *Playworker* is broader than the 2008 definition and so not strictly comparable. By 2011 there were 46,000 playworkers in the UK, 25,800 of which are assigned to SIC 87 and 88 within the Care footprint where they are the tenth largest occupation.



## 4. Demand for, and value of, skills

### Chapter Summary

Employment growth was minimal in 2010-11 but replacement demand for workers across the sector remains high (at around 90,000 workers per annum). The biggest skills needs facing the sector are for the intermediate, job specific skills required to deliver effective person-centred social care, child care, learning and development.

- Management, leadership and professional skills remain key to maintaining standards and improving sector productivity, significant changes in how sector services are delivered are required without compromising the quality of care and support provided to vulnerable people. Feedback from employers also suggests that:
- There are fewer unqualified workers in the sector but employers remain concerned about poor basic skills/employability;
- The sector is an important market for workforce development solutions. Sector workers accounted for 1 in 10 of all trainees across the UK in 2010-11.
- More Care employers are accredited with Investors in People Standard (31 per cent), almost double the UK average (16 per cent).
- Care sector has a lower proportion of managers qualified to Level 4 and above compared to the economy as a whole. The number of care sector managers without level 4 increased between 2002 and 2010 by 4 per cent.
- More Care sector employers are providing training for their staff than the all-sector average. Job-specific, health and safety and supervisory training activity is higher in Care than all-sector averages.

## 4.1 Nature of skills used

Demand for skills in a given sector can be estimated by both the occupations undertaken and the qualifications workers have acquired.

### 4.1.1 Nature of skills used by occupational groups

Table 4.1 below summarises the nature of skills required by the principal occupational groups in the care sector. Across all occupations outlined in this section, communication, planning and organisation, team-working and problem solving skills are essential for work in the Care sector. Management skills and leadership qualities are also vital for more senior occupations in the Care sector in maintaining standards and improving sector productivity. Finally, improving Basic Skills in the Care sector is of the utmost importance, as a significant number of workers are reported as having difficulties with numeracy and literacy.

**Table 4.1: Nature of skills used by occupational groups in the Care sector**

Broad occupational group	Sector occupations	Predominant level of skill required	Predominant type of skill required	Minimum qualification level typically required
Managers	Social services and residential care managers	Higher skills, basic skills	Transferable managerial skills, job/sector specific knowledge	Level 4
Professional/ Associate professional occupations	Social workers, Youth and Community workers, Housing and welfare officers	Higher skills, basic skills	Job specific skills/ knowledge and transferable communication skills	Level 4/3
Personal services	Care Assistants, Nursery Nurses and Child minders, House parents	Intermediate skills, basic skills, employability skills	Job specific technical skills and transferable communication / customer service skills	Level 2/3

### Personal Service Occupations

The services delivered by the Care sector rely primarily upon people working in personal service occupations as Care Assistants, Nursery Nurses and Childminders. These workers make up 44 per cent of the sector workforce and are likely to account for more than half of the 90,000 new workers required each year to replace those leaving the sector (due to ill health, family responsibilities, career change etc.).

*Care Assistants*, sometimes referred to as Care or Support Workers, provide service users with practical help with daily activities. They are expected to support and encourage service users to adjust positively to changes in their lives, provide choices about how they live their lives and help them live more independently in the community. Care Assistants have to have an awareness of basic health, hygiene standards and be sensitive to the needs of people from different religious and cultural backgrounds. They often have to help people face difficult and distressing situations whilst respecting their dignity and right to confidentiality.

Alongside problem solving, listening and negotiating skills, team working, sound judgment, good time management and the ability to prioritise work are important. Basic skills such as literacy and numeracy are also increasingly important, care assistants have to support service users in gathering and understanding information to help them self manage medical conditions and to ensure their welfare.

*Childminders* are professional child carers who are registered to look after babies, pre-school children and children of school age in their own homes. Childminders need planning and organisational skills, as well as having a clear understanding of the specific needs of each child. They need to be able to listen and be able to communicate at all levels – with the children themselves, their parents, teachers, carers and other professionals.

*Playgroup leaders* supervise the work of a team of Playgroup Assistants/Workers in their provision of play activities to help children develop socially and emotionally. They are responsible for ensuring that high standards of care and safety are provided. They supervise and train their team, maintain the necessary business and children's development reports, as well as undertaking general administration and budgetary functions.

*Early Years practitioners or Nursery Nurses* have a main role in supporting the social and educational development of young children. They normally work with children from birth to approximately seven years of age and can work in a variety of settings including nurseries, both privately owned and those run by local authorities, nursery and infant schools. Nursery Nurses need the skills to develop good relationships with parents and carers of differing backgrounds and levels of ability. Team work is important, nursery nurses need to be well organised with excellent communication skills.

*Houseparents and residential wardens* are responsible for the care and supervision of children, young offenders and the elderly within residential homes and nurseries, schools or institutions for young offenders.

*Youth and community workers* provide support to individuals or groups of individuals through a range of activities or services that aim to encourage participation in social and community life and promote personal and social development.

*Housing and welfare officers* assess and address housing needs of particular localities and individuals, assist the blind, deaf, sick, elderly, physically handicapped and mentally ill with problems relating to their condition, investigate cases of child neglect or ill treatment and perform other welfare tasks not elsewhere classified.

The key skills, knowledge and competence required by these workers are described in the National Occupational Standards for Health and Social Care (HSC) and for Child Care Learning and Development (CCLD). Acquiring these competences also aligns with the key requirement for successful induction of new workers into the care sector. In terms of qualifications, many of these workers hold, are expected to work towards or are required to achieve a NQF Level Two qualification but a significant number of workers in some occupations (such as Senior Care workers) are more likely to hold an intermediate level qualification at NQF Level Three or above.<sup>49</sup>

### **Professional/Associate professional occupations**

The services delivered by the sector are delivered upon the basis of need and to ensure that the human rights of vulnerable people are protected and ensured. These are two of the key functions delivered by the statutory services covered by the sector. These in turn are delivered in large part by social workers, supported by a wide range of other workers and professionals.

A wide range of skills and competencies are demanded of social workers, for example they must be good communicators and advocates, possess analytical and problem solving skills, as well as meeting key requirements such as a knowledge of relevant legislation, systems and processes (not least as part of their continuous professional development). This is recognised in the qualification requirements for social workers across the UK, as well as through the protection of title and maintenance of professional standards through regulation.

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<sup>49</sup> The UK Skills Task Force defined intermediate skills to be 'those above routine but below professional', generally considered to be around NVQ Level 3. Intermediate level skills – how are they changing? By C Lloyd and H Steedman. Skills Task Force Research Paper 4, (1999)

*Social Workers* are professionally qualified men and women who help and support a wide range of people, many of whom are vulnerable and at risk. Changes in legislation, generally referred to as 'Protection of Title', have made it an offence for anyone to use the title Social Worker unless they are qualified to do so and are registered with the relevant national Care Councils.

There is considerable specialisation of the social worker role, broadly speaking they need to develop knowledge and expertise specific to the differing needs of service users (such as children and families or older adults), administrative and legal frameworks. For example, Qualified Social Workers with two years or more post qualification experience can undertake further training to work in the area of mental health. Their role is to try and ensure that those with mental ill health are supported in the community or if they have to go into hospital it is done so voluntarily.

In addition to specialist technical knowledge and skills, Social workers need to be able to listen, negotiate and help people face difficult and distressing situations whilst respecting their dignity and right to confidentiality. Sound judgment, good time management and the ability to prioritise work are highly important.

## **Managers**

The sector faces significant challenges in terms of growing demand for services and pressure upon resources. The demand for Leadership & Management skills in the sector arises mainly from the challenges facing the sector and the need to effect transformational change, rather than a shortage of skilled managers per se.

*Social services managers and directors* plan, organise, direct and co-ordinate the resources necessary to protect the welfare of certain groups within local authorities including children and young people, families under stress, people with disabilities, elderly people and people needing help as a result of illness.

*Residential day care managers* are responsible for the running of residential care/nursing homes for people who cannot live in their own homes for a variety of reasons such as: age, illness, physical or learning disabilities, mental health issues, dementia, family or behaviour problems. Domiciliary care managers are responsible for the running of domiciliary or non-residential care services. For both, broad management and leadership skills are required, in addition to sector specific knowledge and for most registered services, there is often a statutory requirement for them to hold a social care, social work or nursing qualification at NQF Level 4.

There is an ongoing need for managers with Level Four and Level Five qualifications to replace those retiring, leaving the sector etc. (see Chapter 7) but also a need to ensure that those managers already within the sector have the up to date knowledge, skills and competencies to deal with a changing business environment (e.g. in terms of advanced practice or commercial acumen).

The Scottish Government has asked the SSSC to establish the strategic direction for leadership in Scotland's social services. The SSSC commissioned research into existing leadership activity in 2010 (University of Stirling, 2011). The SSSC is currently implementing an action plan for leadership and management in the sector. This work includes the identification of knowledge, skills, values, qualifications (where appropriate) and leadership capabilities needed to develop leadership at all levels.

Following extensive engagement with employers in Northern Ireland, across all sub sectors, the feedback SfC&D has received suggests that many new managers struggle due to a lack of managerial skills. Leadership & Management up-skilling for the sector is a priority policy area for DEL, DHSSPS and RQIA.

#### **4.1.2 Qualifications**

A large minority of people working in Care (36 per cent) are qualified at NQF level 4 and above. This represents 622,000 workers in total and is one percentage point below the average for the whole economy (see table 4.2). However a substantially higher proportion of workers in the Health and Education sectors are qualified to the same level (61 and 63 per cent of their respective workforces). Care workers are more likely to be qualified at an intermediate level than workers in the wider economy, with 23 per cent qualified at level 2 and 24 per cent qualified at level 3 (as compared with respective all-sector averages of 21 and 20 per cent) which is above average across all industries. Table 4.2 also shows that five per cent of the Care sector workforce or 86,000 people have no qualifications, which is slightly below the all-economy average of seven per cent.

Table 4.3 presents qualification levels within the Care sector by nation. Qualification attainment is broadly consistent across the four nations. Scotland has a higher proportion of Care sector workers qualified to NQF level 4 and above (40 per cent) compared to the UK average (37 per cent) and a lower share of workers with NQF level 1 and below (20 per cent) compared to 23 per cent across the UK. The percentage of Care sector workers in Northern Ireland who are qualified to level 4 and above (35 per cent) is just under the UK average and the proportion of people at level 1 and below (25 per cent) is slightly above that reported for the UK.

**Table 4.2: Qualification profile of workforces by sector, UK (2010)**

	No qualifications	Level 1	Level 2	Level 3	Level 4 +	Total	Unweighted base
	%	%	%	%	%	'000s	'000s
Agriculture, forestry and fishing	18	21	22	15	24	406	2.978
Energy production and utilities	6	16	22	22	33	473	3.244
Manufacturing	9	19	21	22	29	2,969	20.404
Construction, building services, engineering and planning	7	16	23	28	27	2,697	17.927
Wholesale and retail trade	11	22	26	22	19	4,140	27.582
Transportation and storage	11	26	29	19	16	1,447	9.732
Hospitality, tourism and sport	10	20	27	22	20	2,046	13.183
Information and communication technologies	2	10	15	18	55	761	4.874
Creative media and entertainment	3	10	14	14	59	987	6.193
Financial, insurance & other professional services	2	12	18	17	52	2,001	12.805
Real estate and facilities management	14	23	22	17	23	978	6.565
Government services	2	12	19	20	46	2,209	15.100
Education	3	9	12	13	63	3,088	21.544
Health	3	10	14	12	61	2,087	14.749
<b>Care</b>	<b>5</b>	<b>12</b>	<b>23</b>	<b>24</b>	<b>36</b>	<b>1,729</b>	<b>12.006</b>
All economy	7	16	21	20	37	28,854	194.437

Source: Labour Force Survey 2010 (ONS)

**Table 4.3: Qualification levels within the Care sector by nation, 2010**

	UK	England	Scotland	Wales	Northern Ireland
	%	%	%	%	%
Level 4 +	37	37	40	37	35
Level 3	20	20	22	19	19
Level 2	21	21	18	22	20
Level 1 and below	23	23	20	22	25
Total	100	100	100	100	100
<i>Weighted base (000s)</i>	28,854	24,329	2,446	1,312	766
<i>Unweighted base (000s)</i>	12.006	9.632	1.310	0.665	0.399

Source: Labour Force Survey 2010 (ONS)

\* Sample size too small for reliable estimate.

The qualification profile of the two SIC groups that make up the Care sector differs quite markedly (Table 4.4). Workers in the non-residential sub-sector (SIC88) are much more likely to be qualified at a high level (level 4+) than workers in residential care activities (SIC 87) and are less likely to be unqualified or qualified at level 1.

**Table 4.4: Qualification profile of UK workforce within Care sub-sectors, 2010 (000s)**

NQF Level			Level 4+	Level 3	Level 2	Level 1	No qualifications
Care	SIC 87: Residential care activities	000s	185	184	214	106	50
		%	25%	25%	29%	14%	7%
	SIC 88: Social work activities without accommodation	000s	445	228	180	106	31
		%	45%	23%	18%	11%	3%

Source: Labour Force Survey 2010 (ONS)

In Scotland, a substantial number of workers will be required to attain a qualification as part of their registration with the Scottish Social Services council (SSSC). Data published by the SSSC indicates that there are more than 110,000 workers in care at home, housing support and care home for adults services as of December 2009 (SSSC, 2011b).



In Wales, statistics are collected by the Welsh Government about the numbers of local authority staff holding a required or recommended qualification according to the Qualification Framework for the Social Care Sector in Wales produced by the Care Council for Wales (as the workforce regulator in Wales). At 31 March 2011 15,700 staff held a required or recommended qualification<sup>50</sup>. This suggests that 70 per cent of staff in children's homes are qualified (up two per cent from 31 March 2010 and 31 per cent since 31 March 2006). For staff in homes for older people, there was also an increase of two per cent to 59 per cent over the year and up 17 per cent since 31 March 2011<sup>51</sup>.

The 2010 Childcare and Early Years Providers Survey (England) found that the large majority of staff in group-based childcare settings had a relevant qualification at level 3 (76 per cent) in 2010. This is a significant increase from the figure of 65 per cent in 2007 and the 2009 figure of 73 per cent. The proportion of childminders with a level three qualification had also increased, from 41 per cent in 2007 to 54 per cent in 2010<sup>52</sup>.

### **Management and Leadership**

Labour Force Survey data suggests that more than 100,000 managers in the Care sector do not possess a qualification at Level Four and above. A qualification at this level is not a mandatory requirement for all management jobs but suggests that the size of the pool of managers with a necessary Level Four (and above) qualification available for registered management posts may be a factor in SSVs and in terms of skills gaps more generally.

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<sup>50</sup> This represented 64 per cent of the total number of all local authority social care staff, based on the 21 local authorities who were able to provide this data.

<sup>51</sup> Welsh Government, (October 2011)

<sup>52</sup> Childcare and Early Years Providers survey, DfE, 2010

**Table 4.5: Managers and professionals without a Level four or higher qualifications in 2010 by broad industrial sector and nation (percentages)**

Nation	UK	England	Scotland	Wales	Northern Ireland
Broad industrial sector	%	%	%	%	%
Agriculture, forestry and fishing	46	45	*	*	*
Energy production and utilities	50	50	47	74	*
Manufacturing	52	52	49	58	42
Construction	51	52	45	46	*
Wholesale and retail trade	65	65	61	65	59
Transportation and storage	62	63	63	*	*
Hospitality, tourism and sport	64	65	58	58	*
Information and communication technologies	39	40	33	*	*
Creative media and entertainment	35	35	43	*	*
Financial, insurance & other professional services	35	35	34	31	*
Real estate and facilities management	57	56	74	*	*
Government services	34	35	30	30	*
Education	11	12	9	*	*
Health	14	14	*	*	*
Care	30	29	33	*	*
All economy	39	39	37	35	28

Source: Labour Force Survey 2010 (ONS) \* Sample size too small for reliable estimate

It should also be noted that the proportion of managers and professionals in the Care sector who lack a qualification at Level Four is well below the all economy average and the third lowest proportion of the 15 SSA sectors, behind Health and Education.

## 4.2 Value of skills

*The Value of skills: an evidence review* (UKCES, 2010) demonstrates that skills are of value to individuals in terms of earnings potential, employment prospects and the likelihood of undertaking further learning. Employer investment in raising workforce skills is also shown to raise the competitiveness of firms, as well as enhance performance and productivity outcomes. High Performance Working (HPW) is defined as a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment to achieve high levels of performance. Using a holistic approach, high performance working activities vary, although they often include human resource management, work organisation and job design, employee relations, management and leadership and organisational development. Linked to this is the notion of skills utilisation, or the effective deployment of skills in the workplace.

This section discusses High Performance Working in Care, followed by evidence on the extent of training provision in the sector.

#### 4.2.1 High Performance Working

High Performance Working is a term used to describe an approach to management that aims to maximise organisational performance by investing in and effectively utilising the skills and capabilities of employees. Evidence shows (UKCES, 2009) a link between HPW practices and various measures of organisational performance such as greater employee satisfaction, employee commitment, lower staff turnover and better opportunities for innovation and creativity.

The UK Commission's Employer Skills Survey (Davies *et al*, 2012) asks employers a few questions on the extent of HPW practices in their organisations, specifically:

- Whether establishment has formal processes in place to identify 'high potential' or talented individuals;
- Extent to which employees have variety in their work;
- Extent to which employees have discretion over how they do their work;
- Extent to which employees at establishment have access to flexible working.

Table 4.6 shows that Care sector establishments (28 per cent) are twice as likely to have a formal, documented procedure in place for identifying "high potential" individuals as the all-sector average (14 per cent). A further 29 per cent of Care employers have informal processes in place for identifying talented staff, which is slightly less than across the economy as a whole. A significant seven per cent of employers in the sector, when questioned, did not know whether they had a process in place for selecting members of staff with potential or not. This is the highest level of "don't know" responses across the whole economy. Raising awareness of the practice of identifying top talent may help current managers think about building and developing future managerial capability in the Care sector.

More Care sector employers report that their employees have variety in their work (93 per cent to some or a large extent) as shown in table 4.7. This figure is higher than the all-economy average of 87 per cent. Employees in Accommodation, food and tourism activities, Transportation and storage and Energy production and utilities sectors have the least amount of variety in their work (not much or not at all). Care employees having not much variety or not at all (6 per cent) is half the all-sector average (12 per cent).

Table 4.8 shows that employees in Care, as reported by their employers, are said to have slightly greater discretion over their work (92 per cent to some or a large extent) than across the economy (87 per cent). Again, employers report that fewer employees have discretion over how they do their work in Accommodation, food and tourism, Transportation and storage and Energy production and utilities. Slightly more of the Care workforce has access to flexible working (80 per cent to some or a large extent) compared to the all-economy average (78 per cent), in table 4.11. Access to flexible working is most commonly reported by Government (89 per cent), Information and communication (87 per cent) and Creative media and entertainment (86 per cent) sector employers. Education and health sector establishments report the least amount of access to flexible working.

**Table 4.6: Whether establishment has formal processes in place to identify 'high potential' or talented individuals**

	Yes, formally documented		Yes, informally		No		Don't know		Unweighted base		Weighted base	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	5,652	5	30,105	27	72,671	64	4,348	4	820		112,776	
Energy production and utilities	2,191	17	4,077	31	6,385	49	486	4	866		13,138	
Manufacturing	15,955	12	41,908	31	72,179	54	3,456	3	4,001		133,498	
Construction	21,136	7	89,742	29	185,426	61	8,056	3	4,570		304,360	
Wholesale and retail trade	79,322	17	144,464	31	229,455	49	18,075	4	8,093		471,317	
Transportation and storage	12,217	10	30,841	26	73,328	61	4,419	4	2,400		120,805	
Accommodation, food and tourism activities	32,190	15	69,719	32	109,728	50	7,234	3	5,819		218,871	
Information and communication	5,976	8	23,608	32	42,403	58	1,136	2	1,261		73,123	
Creative media and entertainment	11,873	8	48,322	33	83,861	57	3,495	2	1,959		147,551	
Financial, insurance & other professional services	31,220	18	56,823	33	80,911	47	3,669	2	2,680		172,623	
Real estate and facilities management	20,259	13	48,382	30	83,504	52	9,000	6	1,745		161,145	
Government	11,426	21	16,967	31	25,307	46	1,600	3	1,379		55,300	
Education	18,653	32	20,236	34	18,789	32	1,231	2	2,780		58,909	
Health	10,508	20	15,684	30	24,879	47	1,427	3	1,739		52,498	
<b>Care</b>	<b>25,788</b>	<b>28</b>	<b>26,675</b>	<b>29</b>	<b>32,817</b>	<b>36</b>	<b>6,485</b>	<b>7</b>	<b>2,455</b>		<b>91,765</b>	
All economy	320,952	14	702,866	31	1,198,876	52	77,227	3	44,691		2,299,921	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Base: All establishments in Module 1 and Scotland.

**Table 4.7: Extent to which employees have variety in their work**

	To a large extent		To some extent		Not much		Not at all		Don't know		Unweighted base		Weighted base	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	76,675	68	24,469	22	7,742	7	2,816	2	1,074	1	820	1	112,776	
Energy production and utilities	5,929	45	4,909	37	1,795	14	406	3	100	1	866	1	13,138	
Manufacturing	67,095	50	48,484	36	12,899	10	3,756	3	1,262	1	4,001	1	133,498	
Construction	179,144	59	88,851	29	24,047	8	9,313	3	3,003	1	4,570	1	304,360	
Wholesale and retail trade	238,562	51	168,884	36	48,318	10	11,692	2	3,861	1	8,093	1	471,317	
Transportation and storage	53,146	44	35,613	29	17,947	15	13,259	11	840	1	2,400	1	120,805	
Accommodation, food and tourism activities	86,140	39	83,543	38	37,117	17	9,289	4	2,782	1	5,819	1	218,871	
Information and communication	46,346	63	21,687	30	3,293	5	417	1	1,381	2	1,261	2	73,123	
Creative media and entertainment	99,587	67	37,290	25	7,267	5	2,237	2	1,170	1	1,959	1	147,551	
Financial, insurance & other professional services	94,803	55	60,363	35	12,493	7	3,148	2	1,816	1	2,680	1	172,623	
Real estate and facilities management	92,156	57	51,012	32	15,579	10	1,561	1	837	1	1,745	1	161,145	
Government	33,925	61	17,273	31	2,855	5	391	1	856	2	1,379	2	55,300	
Education	38,306	65	17,346	29	2,187	4	619	1	452	1	2,780	1	58,909	
Health	26,622	51	19,718	38	5,203	10	694	1	260	**	1,739	**	52,498	
<b>Care</b>	<b>54,001</b>	<b>59</b>	<b>31,224</b>	<b>34</b>	<b>4,410</b>	<b>5</b>	<b>972</b>	<b>1</b>	<b>1,159</b>	<b>1</b>	<b>2,455</b>	<b>1</b>	<b>91,765</b>	
All economy	1,256,316	55	745,134	32	212,192	9	64,300	3	21,979	1	44,691	1	2,299,921	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Base: All establishments in Module 1 and Scotland.

**Table 4.8: Extent to which employees have discretion over how they do their work**

	To a large extent		To some extent		Not much		Not at all		Don't know		Unweighted base		Weighted base	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	61,757	55	39,087	35	6,625	6	2,485	2	2,821	3	820	3	112,776	
Energy production and utilities	5,809	44	4,957	38	1,467	11	557	4	348	3	866	3	13,138	
Manufacturing	63,859	48	49,442	37	11,926	9	5,326	4	2,945	2	4,001	2	133,498	
Construction	167,066	55	103,337	34	18,624	6	10,627	3	4,706	2	4,570	2	304,360	
Wholesale and retail trade	222,298	47	182,574	39	44,174	9	13,608	3	8,663	2	8,093	2	471,317	
Transportation and storage	60,073	50	38,390	32	12,736	11	8,160	7	1,446	1	2,400	1	120,805	
Accommodation, food and tourism activities	88,190	40	87,712	40	28,331	13	9,926	5	4,712	2	5,819	2	218,871	
Information and communication	48,851	67	20,130	28	3,082	4	614	1	446	1	1,261	1	73,123	
Creative media and entertainment	94,306	64	39,623	27	5,912	4	3,212	2	4,498	3	1,959	3	147,551	
Financial, insurance & other professional services	88,150	51	62,426	36	15,688	9	5,292	3	1,068	1	2,680	1	172,623	
Real estate and facilities management	95,298	59	48,171	30	11,255	7	4,656	3	1,765	1	1,745	1	161,145	
Government	32,235	58	17,718	32	3,674	7	810	1	863	2	1,379	2	55,300	
Education	27,530	47	26,592	45	3,231	5	660	1	897	2	2,780	2	58,909	
Health	22,195	42	21,678	41	6,472	12	1,544	3	608	1	1,739	1	52,498	
<b>Care</b>	<b>48,843</b>	<b>53</b>	<b>36,123</b>	<b>39</b>	<b>3,779</b>	<b>4</b>	<b>1,532</b>	<b>2</b>	<b>1,488</b>	<b>2</b>	<b>2,455</b>	<b>2</b>	<b>91,765</b>	
All economy	1,188,767	52	814,655	35	185,638	8	71,823	3	39,037	2	44,691	2	2,299,921	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Base: All establishments in Module 1 and Scotland.

**Table 4.9: Extent to which employees at establishment have access to flexible working**

	To a large extent		To some extent		Not much		Not at all		Don't know		Unweighted base		Weighted base	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	48,869	43	41,468	37	12,485	11	8,004	7	1,950	2	820	2	112,776	
Energy production and utilities	4,781	36	4,419	34	2,431	19	1,450	11	58	**	866	**	13,138	
Manufacturing	52,687	39	44,362	33	17,955	13	16,667	12	1,827	1	4,001	1	133,498	
Construction	139,674	46	101,224	33	33,585	11	26,266	9	3,610	1	4,570	1	304,360	
Wholesale and retail trade	176,251	37	168,909	36	64,843	14	56,324	12	4,991	1	8,093	1	471,317	
Transportation and storage	44,233	37	38,327	32	16,329	14	20,683	17	1,233	1	2,400	1	120,805	
Accommodation, food and tourism activities	99,272	45	77,239	35	22,537	10	17,703	8	2,120	1	5,819	1	218,871	
Information and communication	42,992	59	20,273	28	5,342	7	4,226	6	289	**	1,261	**	73,123	
Creative media and entertainment	83,200	56	44,734	30	10,011	7	7,602	5	2,004	1	1,959	1	147,551	
Financial, insurance & other professional services	89,019	52	55,484	32	15,828	9	11,747	7	546	**	2,680	**	172,623	
Real estate and facilities management	77,691	48	52,389	33	16,393	10	13,861	9	811	1	1,745	1	161,145	
Government	34,229	62	15,040	27	3,343	6	1,865	3	823	1	1,379	1	55,300	
Education	14,445	25	21,754	37	12,772	22	9,545	16	393	1	2,780	1	58,909	
Health	14,407	27	23,130	44	9,761	19	5,025	10	174	**	1,739	**	52,498	
<b>Care</b>	<b>38,920</b>	<b>42</b>	<b>35,210</b>	<b>38</b>	<b>9,701</b>	<b>11</b>	<b>6,858</b>	<b>7</b>	<b>1,075</b>	<b>1</b>	<b>2,455</b>	<b>1</b>	<b>91,765</b>	
All economy	1,012,366	44	783,411	34	264,071	11	216,701	9	23,372	1	44,691	1	2,299,921	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Base: All establishments in Module 1 and Scotland. \*\*Denotes a figure greater than 0% but less than 0.5%.



In 2009 Skills for Care & Development commissioned a review (IFF, 2009) of take up of High Performance Working Practices within the Care sector using the *Skills for the workplace: Employer Perspectives* (UKCES, 2008). Based on a total of 517 employers in social care, children, early years and young people sectors, the survey measured 16 specific High Performance Working (HPW) practices including Investors in People accreditation. The review of the survey data suggested that employers across the Care sector workforce are more likely to:

- Make use of business plans;
- have a training plan and/or training budget;
- conduct training needs assessments;
- arrange training for employees;
- consult with staff;
- achieve Investors in People (IiP) recognition.

The survey results also suggested that fewer employers in the Care sector implement reward and commitment working practices, such as performance bonuses, individual performance-related pay and flexible benefits. Also fewer employers adopt quality measures such as ISO 9000 accreditation.

In general, larger employers tend to adopt more high performance working practices but survey findings showed that in the Care sector, larger employers employing more than 250 people actually showed lower rates of adoption compared to their counterparts in other sectors for 7 out of the 16 HPWPs measured by the survey.

The latest Employer Skills Survey (Davies et al, 2012) found that in 2011, 31 per cent of employers in the Health and Social Care sector were accredited with the Investors in People Standard, (table 4.10). On average, 16 per cent of establishments are accredited with IiP in the UK across all sectors.

**Table 4.10 IIP accredited establishments in the UK by sector**

<b>UK</b>	IIP accredited (%)	Not IIP accredited (%)	Don't know (%)
Agriculture, hunting and forestry, fishing	4	96	1
Mining and quarrying	23	71	6
Manufacturing	8	88	4
Electricity, gas and water supply	12	85	2
Construction	9	89	2
Personal household goods	10	79	11
Hotels and restaurants	9	83	7
Transport, storage and communication	11	82	6
Financial intermediation	17	74	10
Real estate, renting and business activities	10	85	5
Public admin, defence, compulsory social security	41	52	7
Education	29	66	5
Health and social work	31	61	8
Other community, social and personal service activities	35	59	6

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

#### 4.2.2 Provision of training

Employer investment in the skills of their employees is crucial to raise the supply of skills in the labour market and enhance productivity outcomes at both firm-level and across UK plc as a whole.

This section explores employers providing training, the extent of training activity undertaken by employees in the Care sector, the type of training provided and any barriers to training reported by employers.

Table 4.11 shows that across the UK, 84 per cent of Care sector employers reported providing training for their staff, compared to 59 per cent across all sectors. Behind Education and Health, more Care employers provide training than any other sector in the economy. More Care employers in Northern Ireland (86 per cent) and England (84 per cent) reported providing training for their staff in 2011 than in Wales and Scotland (81 per cent respectively). This contrasts with the all-sector average, where more Scottish employers noted training for their staff (68 per cent) than in Northern Ireland, Wales and England, where just 50 per cent of employers provided training across the economy.

In terms of employees receiving training (table 4.12), 64 per cent of Care sector employees were in receipt of training which is one of the highest in the economy overall. Employees are more likely to receive training in the sector (64 per cent) than in education (63 per cent) or government services (56 per cent). Only the health sector has a slightly higher proportion of workers who regularly complete training (65 per cent).

More employees in Wales received training (84 per cent), than in England (64 per cent), Northern Ireland (64 per cent) and Scotland (63 per cent). These figures are greater than the economy average across all UK nations.

As is the case across the economy, Care sector employers are more likely to train Managers, directors and senior officials than any other occupational group (table 4.13). Personal services employees in Care provided over five times as much training (53 per cent) as employees in the same occupational category across the economy (9 per cent).

**Table 4.11: Employers providing training by sector and nation**

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	58,869	53	42,577	54	†7,737	†58	536	34	5,019	71
Energy production and utilities	8,743	69	6,858	69	1,040	81	554	67	291	54
Manufacturing	73,972	57	61,935	55	6,629	71	3,464	64	1,944	51
Construction	163,641	53	137,473	53	13,506	63	7,193	55	5,469	51
Wholesale and retail trade	261,948	56	218,681	55	23,692	67	1,347	54	8,228	58
Transportation and storage	55,004	45	46,106	43	5,633	70	2,103	50	1,161	52
Accommodation, food and tourism activities	134,314	61	108,618	60	15,665	71	6,570	58	3,461	59
Information and communication	39,090	54	34,418	52	†2,974	†83	1,215	62	483	44
Creative media and entertainment	74,069	52	63,945	51	†5,976	†54	2,690	57	1,457	71
Financial, insurance & other professional services	114,074	67	101,640	66	5,354	64	4,605	80	2,474	73
Real estate and facilities management	95,068	57	85,826	57	†6,652	†55	1,340	44	1,249	67
Government	41,608	76	32,980	74	4,715	85	2,343	87	1,571	77
Education	55,629	86	45,309	85	4,348	97	2,941	92	3,031	92
Health	44,797	86	38,133	85	3,208	99	2,216	79	1,239	84
<b>Care</b>	<b>73,669</b>	<b>84</b>	<b>60,516</b>	<b>84</b>	<b>6,798</b>	<b>81</b>	<b>3,562</b>	<b>81</b>	<b>2,793</b>	<b>86</b>
All economy	361,250	59	141,560	50	119,847	68	58,171	59	41,668	64
Weighted base	2,299,921		960,298		175,115		98,952		65,558	
Unweighted base	87,572		75,053		2,503		6,012		4,004	

Source: Employer Skills Survey, 2011

Base: All employers

† Treat figures with caution due to small base size of 50-99 establishments in Scotland

**Table 4.12: Employees receiving training by sector**

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	198,736	43	152,352	43	†25,724	†47	8,993	29	11,667	51
Energy production and utilities	167,507	50	120,687	49	32,976	55	11,072	66	2,772	38
Manufacturing	1,146,654	45	934,516	44	93,562	48	74,719	54	43,857	52
Construction, building services, engineering and planning	1,072,552	48	884,923	48	116,140	47	39,666	44	31,826	46
Wholesale and retail trade	2,340,353	50	1,960,109	49	201,879	55	109,603	55	68,761	48
Transportation and storage	538,494	41	448,580	39	49,954	44	22,489	58	17,468	63
Hospitality, tourism and sport	1,221,736	53	1,017,791	53	124,328	55	48,807	49	30,809	50
Information and communication technologies	233,240	38	205,944	37	†15,377	†51	5,255	28	6,663	65
Creative media and entertainment	524,081	48	451,335	47	†30,017	†43	24,215	69	18,513	69
Financial, insurance & other professional services	1,109,888	54	949,712	52	101,444	73	32,505	60	26,224	69
Real estate and facilities management	560,354	47	492,799	47	†36,284	†49	19,985	60	11,286	50
Government services	1,004,866	56	835,514	58	82,550	47	49,901	53	36,901	59
Education	1,598,280	63	1,354,826	63	116,696	62	84,527	72	42,231	58
Health	1,300,684	65	1,032,851	64	187,638	81	58,505	49	21,690	52
<b>Care</b>	<b>969,487</b>	<b>64</b>	<b>780,108</b>	<b>64</b>	<b>89,130</b>	<b>63</b>	<b>52,831</b>	<b>84</b>	<b>47,414</b>	<b>64</b>
All economy	14,476,138	53	12,050,111	52	1,337,833	56	661,045	56	427,137	54
Weighted base	27,547,123		23,198,476		2,381,601		1,182,314		784,732	
Unweighted base	2,816,693		2,345,213		201,868		178,922		90,690	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Base: All employers;

† Treat figures with caution due to small base size of 50-99 establishments in Scotland

**Table 4.13: Employers providing training to employees by occupational group**

	Care		All economy	
	Number	%	Number	%
Managers, Directors and senior officials	55,467	75	825,928	61
Professional occupations	9,756	13	152,106	11
Associate professional and technical occupations	7,633	10	124,610	9
Administrative and secretarial occupations	25,723	35	372,218	27
Skilled trades occupations	4,746	6	192,480	14
Personal service occupations	39,283	53	129,265	9
Sales and customer service occupations	4,119	6	261,082	19
Process, plant and machine operatives	1,398	2	96,592	7
Elementary occupations	11,502	16	217,981	16
Other	1,225	2	35,410	3
Don't know	655	1	20,638	2
Arrange training for all categories of staff	48,292	66	714,095	52
Arrange training for some (but not all) categories	25,377	34	647,154	48
<i>Weighted base</i>	73,669		1,361,249	
<i>Unweighted base</i>	4,411		66,916	

Source: UK Commission's Employer Skills Survey  
(Davies et al, 2012)

Base: All establishments providing training

\* suppressed due to base size <25

Of employees receiving training, managerial, directors and senior officials, skilled trades and personal service and elementary staff are more likely to be in receipt of training than in the same occupational groups across the economy (table 4.14).

Professional, associate professional and sales and customer service occupations are less likely to be in receipt of training compared to the same groups economy-wide.

**Table 4.14: Employees receiving training by occupational group**

	Care		All economy	
	Number	%	Number	%
Managers, Directors and senior officials occupations	148,844	60	2,413,145	45
Professional occupations	63,558	54	1,904,780	61
Associate professional and technical occupations	42,478	45	1,022,510	56
Administrative and secretarial occupations	70,223	45	1,607,984	45
Skilled trades occupations	14,140	65	1,041,373	55
Personal service occupations	526,623	75	1,606,254	70
Sales and customer service occupations	17,122	40	1,937,670	55
Process, plant and machine operatives	5,823	61	902,782	47
Elementary occupations	71,431	65	1,938,793	48
Other	9,245	n/a	100,845	n/a
All occupations	969,486		14,476,137	
<i>Weighted base</i>	969,486		14,476,137	
<i>Unweighted base</i>	91,809		1,517,802	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Base: All employees receiving training

Note: % figures refer to % of those working in x occupation who have received training

\* suppressed due to employer base size <25

\*\* denotes a figure greater than 0% but less than 0.5%

Tables 4.15 and 4.16 provide information on the amount of training received in the Care sector in the last 4 and 13 weeks from the Labour Force Survey. In 2010, 20 per cent of Care employees received training in the last four weeks, compared to 13 per cent across all industry sectors. Similarly, 40 per cent of Care employees reported receiving training in the last 13 weeks, which is substantially greater than the all-economy average (26 per cent). Table 4.17 shows that in the last four weeks, 173,000 members of staff working in Residential Care were in receipt of training compared to 213,000 employees in the social work without accommodation sub-sector.

**Table 4.15: Employees receiving training in last 4 weeks, by sector and nation (2010)**

	UK	England	Scotland	Wales	Northern Ireland
	%	%	%	%	%
Agriculture, forestry and fishing	6	7	*	*	*
Energy production and utilities	12	12	13	*	*
Manufacturing	9	9	9	11	8
Construction, building services, engineering and planning	8	8	9	10	*
Wholesale and retail trade	8	8	9	9	6
Transportation and storage	7	7	8	*	*
Hospitality, tourism and sport	11	11	12	15	*
Information and communication technologies	10	10	*	*	*
Creative media and entertainment	8	8	*	*	*
Financial, insurance & other professional services	15	15	17	19	*
Real estate and facilities management	8	8	11	*	*
Government services	17	17	18	16	8
Education	18	19	17	19	*
Health	24	25	21	22	11
Care	20	20	19	26	*
All economy	13	13	13	14	7
Weighted base (000s)	3,642	3,085	317	188	52
Unweighted base (000s)	24.012	20.155	2.164	1.215	0.478

Source: Labour Force Survey 2010, ONS

\*Sample size too small for reliable estimate



**Table 4.16: Employees receiving training in last 13 weeks, by sector and nation (2010)**

	UK	England	Scotland	Wales	Northern Ireland
	%	%	%	%	%
Agriculture, forestry and fishing	13	15	12	*	*
Energy production and utilities	27	27	30	*	*
Manufacturing	18	18	18	20	18
Construction, building services, engineering and planning	18	18	21	18	12
Wholesale and retail trade	16	17	17	15	13
Transportation and storage	18	18	19	16	*
Hospitality, tourism and sport	19	19	20	21	*
Information and communication technologies	20	20	22	*	*
Creative media and entertainment	17	17	18	20	*
Financial, insurance & other professional services	29	29	28	32	17
Real estate and facilities management	16	16	23	18	*
Government services	35	35	35	34	24
Education	38	39	34	38	26
Health	46	47	42	44	32
Care	40	40	40	46	27
All economy	25	25	27	24	18
Weighted base (000s)	7,181	6,065	668	312	137
Unweighted base (000s)	48.93	40.947	4.41	2.282	1.291

Source: Labour Force Survey 2010, ONS

\*Sample size too small for reliable estimate

**Table 4.17: Number of employees (000s) receiving training in last 4 weeks and 13 weeks by sector (2010)**

Broad industrial sector	SIC07	Last 4 weeks	Last 13 weeks
Government services	84	338	701
	94	36	67
	99	*	11
Education	85	589	1141
Health	86	498	922
Care	87	173	338
	88	213	394

Source: Labour Force Survey 2010, ONS, \* Sample size too small for reliable estimate.

Table 4.20 shows that Care sector employers prioritise job-specific training for their employees, with 88 per cent of staff benefitting from training in this area. Health and safety training is also of significant importance, with 86 per cent of employers funding or arranging for their staff in 2011, proportionately greater than across the economy (71 per cent). Evidence suggests that 49 per cent of Care sector establishments organise supervisory training for employees, compared to an all-economy average of just 32 per cent.

**Table 4.18 Type of training funded or arranged for employees**

	Care		All economy	
	Number	%	Number	%
Job specific training	64,569	88	1,149,860	84
Health and safety/first aid	63,184	86	970,183	71
Induction training	51,061	69	702,846	52
Training in new technology	25,548	35	641,023	47
Management training	35,879	49	457,763	34
Supervisory training	36,058	49	437,577	32
Personal Development	5,090	7	45,451	3
Other	337	**	4,101	**
None of these	21	**	8,809	1
Don't know	94	**	2,412	**
<i>Weighted base</i>	73,669		1,361,249	
<i>Unweighted base</i>	4,411		66,916	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Base: All establishments providing training

\* suppressed due to base size <25

\*\* denotes a figure greater than 0% but less than 0.5%

Qualifications are often used as a proxy for skills, with NQF Level 4 (university degree-level or equivalent) frequently used as an indicator of the level of skills required amongst managers and professionals. Table 4.21 looks at the proportions of managers and professionals without Level 4 or higher qualifications within broad sectors by UK nation. The Care sector has a relatively low proportion of managers without Level 4 qualifications (30 per cent) compared to the whole economy (39 per cent). However, Health sector managers and professionals are half as likely to have managers without level 4 qualifications (15 per cent). These figures are consistent across the four UK nations.

**Table 4.19: Managers and professionals without Level 4 or higher qualifications (% of all managers and professionals)**

	UK	England	Scotland	Wales	Northern Ireland
	%	%	%	%	%
Agriculture, forestry and fishing	45	43	*	*	*
Energy production and utilities	49	51	41	*	*
Manufacturing	51	51	51	59	35
Construction	50	51	41	40	*
Wholesale and retail trade	64	64	67	60	50
Transportation and storage	61	59	67	*	*
Hospitality, tourism and sport	66	66	61	70	*
Information and communication technologies	40	40	37	*	*
Creative media and entertainment	38	38	*	*	*
Financial, insurance & other professional services	36	36	38	35	*
Real estate and facilities management	58	59	63	*	*
Government services	31	32	36	29	*
Education	10	11	8	*	*
Health	15	15	*	*	*
<b>Care</b>	<b>30</b>	<b>30</b>	<b>33</b>	*	*
All economy	39	39	37	36	27

Source: Labour Force Survey 2010 (ONS)

\* Sample size too small for reliable estimate.

**Table 4.20: Managers and professionals without Level 4 or higher qualifications within Care 2002-2010 (UK)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Managers or professionals without L4 or higher qualifications	63	65	56	72	81	68	78	107	99
%	26	27	20	24	26	23	24	32	30
<i>Weighted base (number of managers and professionals)</i>	240	239	275	298	311	293	321	336	330

Source: Labour Force Survey 2010 (ONS)

**Table 4.21: Managers and professionals without Level 4 or higher qualifications all economy 2002-2010 (UK)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Managers or professionals without L4 or higher qualifications	3,239	3,336	2,554	3,023	3,460	3,471	3,496	3,371	3,283
%	45	45	33	38	43	42	42	40	39
<i>Weighted base (number of managers and professionals)</i>	7,214	7,481	7,726	7,866	8,123	8,201	8,356	8,406	8,483

Source: Labour Force Survey 2010 (ONS)

Table 4.20 and Table 4.21 show the number of managers and professionals without level 4 qualification levels between 2002 and 2010 in the Care sector and across the economy. The proportion of managers and professionals in the Care sector without level 4 qualifications has increased from 63,000 in 2002 (26 per cent) to 99,000 in 2010 (30 per cent). This compares to a six per cent decline across the whole UK economy. Raising level 4 skills among managers and professionals in Care will go some way to improve the management capability and capacity within the sector.

### **4.2.3 Barriers to training in the Care sector**

Reasons most commonly cited by Care sector employers for not providing training include their staff are fully proficient and that there is no need for training (53 per cent), financial constraints (19 per cent) and training not considered to be a priority (12 per cent).

**Table 4.22: Barriers to training within the Care sector**

	UK	
	Number	%
All our staff are fully proficient / no need for training	7,235	53
No money available for training	2,525	19
Training is not considered to be a priority for the establishment	1,590	12
No training available in relevant subject area	955	7
Managers have lacked the time to organise training	747	5
Learn by experience/Learn as you go	70	1
External courses are too expensive	635	5
Small firm/training not needed due to size of establishment	0	0
Employees are too busy to undertake training and development	277	2
Employees are too busy to give training	240	2
Business not operating long enough/New business (inc. takeover transition)	53	**
Trained staff will be poached by other employers	58	**
I Don't know what provision is available locally	242	2
The start dates or times of the courses are inconvenient	184	1
The courses interested in are not available locally	301	2
No new staff (only train new staff)	0	0
The quality of the courses or providers locally is not satisfactory	0	0
Difficult to get information about the courses available locally	25	**
Other	1,439	11
No particular reason	599	4
Don't know	310	2
<i>Weighted base</i>	13,579	
<i>Unweighted base</i>	308	

*Base: All establishments that do not provide training*

*\*\* Denotes a figures of greater than 0% but less than 0.5*

These reasons for not providing training are consistent with overall UK figures, in fact more employers cited that staff are fully proficient (64 per cent). Fewer employers across the UK reported that they have no money available (10 per cent) and slightly fewer UK establishments said that training not considered to be a priority (nine per cent), (UKESS 2011).

### **4.3 Skills and sectoral performance**

The quality of the social care, early years education and childcare provided by the care sector are very important. The public expects, rightly so, high standards from the organisations entrusted with protecting and supporting vulnerable people, caring for people with disabilities and in their old age, looking after their children and supporting their development. There are national standards for all these services and these are maintained through regulation and the inspection of services. The importance of the skills and professionalism of the workforce are also recognised as being key. For this reason there are also additional workforce registration and regulatory requirements in the care sector.

However, the majority of the services provided by the sector are purchased through an open and competitive market. This market for services was established in the early 1990s and one of the main trends in service provision has been the shift from public providers to the independent sector. The NHS and Community Care Act 1990 established local authorities central functions as assessing need and funding and commissioning care, rather than service delivery. In 1992, independent sector providers delivered 2 per cent of publicly funded home care in England, but by 2008 they were providing 81 per cent.

In April 2010, 91 per cent of care services in England run by councils or charities were rated as good or excellent by the Care Quality Commission (CQC), compared with 80 per cent in the private sector, according to the CQC's State of Care report for 2009-10. The CQC also pointed out that private sector services were generally of lower cost and it could be here where outsourcing has had its biggest impact.

Undoubtedly there are tensions between the need and desire of employers to deliver high quality services and the need to compete on price to secure contracts from local authorities. In the eyes of some employers, local authorities also use their strength as a commissioner of services to act as a monopsony (similar to a monopoly but as the only or largest customer rather than supplier), driving down prices unfairly. There is also a substantial market in services, not least childcare, that are driven by competition for privately financed services. It is possible, indeed likely, that market forces do operate across the care sector and drive both improved quality and cost effectiveness.

In a recent article for Community Care<sup>53</sup> it was suggested that the increase in social care provision required in recent years could not have been achieved by public sector provision alone. The number of state-funded domiciliary care hours provided in England increased by nearly 50 per cent from 1999 to 2008. Despite the notable, sometimes shocking lapses in quality that the sector has responded to, the quality of care provided and standards of service generally have been maintained and improved in general.

#### *Impact of Poor Basic Skills and lack of Employability skills*

UKCES estimated in 2008 that the proportion of the population with literacy and numeracy skills needs was approximately 14 and 19 per cent respectively<sup>54</sup>. The Sfc&D Sector Skills Assessment suggested that in England, about 20 per cent of workers in the sector have literacy and numeracy skills below level 2, and 20 per cent have training needs in English for speakers of a second language.

In 2010, just over three per cent of the Sfc&D workforce had no qualification (62,000 workers) and a further 413,000 workers or about 24 per cent of the Sfc&D workforce had a level one qualification. It seems likely that a significant proportion of Sfc&D workers may have poor literacy and numeracy skills and that this potentially impacts upon the quality of direct care that service users receive.

Responses from Care sector employers participating in the UK Employer Skills Survey 2011 suggest that this may be the case. For direct care giving roles, the greatest number of skills shortage vacancies (SSVs) reported by sector employers, the skills shortage may be due to a low proficiency in Written communication skills, Customer handling skills, Planning/organisation and Team working skills (see Chapter Five).

In 2007, 30 per cent of Sfc&D employers cited problems with literacy (compared with 19 per cent overall). In 2007, the most frequently mentioned skills that voluntary sector organisations wanted to see improved in their applicants were soft skills including communication and team working (19 and 17 per cent respectively)<sup>55</sup>.

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<sup>53</sup>Quality versus cost: A brief history of outsourcing in adult care, Vern Pitt, Community Care May 2011

<sup>54</sup> UKCES (2009) *Ambition 2020: World Class Skills and Jobs for the UK*.

<sup>55</sup> The Voluntary Sector Skills Survey (England) 2007, Jenny Clark, National Council of Voluntary Organisations (2007)



Workers without basic skills are less likely to develop employability skills or 'the skills almost everyone needs to do almost any job'<sup>56</sup>. The Skills for Life network suggest that employability skills build up in three layers, starting with a foundation of Positive Approach; Functional Skills (using numbers, language and ICT effectively) and Personal Skills in self-management; thinking and solving problems; working together and communicating; and understanding the business.

These personal skills are increasingly needed in our sector to support increased personalisation of services and are amongst the skills most valued by service users<sup>57</sup>. Research by SfC&D<sup>58</sup> into the impact of workforce development upon outcomes or service users, also suggests that this is an area where workforce development can help to increase service users capacity to benefit from services (especially in the higher order domains, i.e. those aspects of quality of life beyond safety, warmth, food etc.).

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<sup>56</sup> UKCES definition of employability skills.

<sup>57</sup> Skills for Care (2010)

<sup>58</sup> Measuring the productivity of workforce development in care homes, A.Netten, J. Beadle Brown and E. Welch, SfC&D/PSSRU (November 2010)

## 5. Extent of skills mis-match

### Chapter Summary

In 2011, the Care sector had the joint second highest proportion of employers reporting vacancies out of 15 SSA sectors. More of these vacancies were for social care roles than for childcare and early years service roles. Feedback from employers suggests vacancies were generally easier to fill in 2010-11. Skills shortages most affecting employers were in the recruitment of managers, professional staff and specialists. Feedback from employers also suggests:

- Sector employers are more likely to report difficulties in retaining workers;
- Comparatively poor terms and conditions for many sector jobs discourages recruitment and retention, this is recognised by sector employers and is of concern;
- Staff turnover is higher in Care than across the economy. The attractiveness of jobs and pay offered are the main reasons why employers believe they have retention difficulties. Some have offered better pay and training and development opportunities in order to retain more staff.
- Care sector employers are more likely to report that they have staff who can be defined as over-qualified and over-skilled (compared with the whole economy) but not all workers hold the *relevant* qualifications necessary to fulfil the role they are performing;
- Sector employers are more likely to report skills gaps than employers across all industry with the exception of social services employers in Scotland (this further suggests that employers recognise the need for staff to hold *relevant* qualifications).

This chapter will explore the extent of skills mis-match in the Care sector, including:

- The current level of vacancies and hard-to-fill vacancies in the Care sector, as reported by employers and the proportion of these hard-to-fill vacancies that are Skills Shortage Vacancies, or due to a lack of required skills.
- Extent of staff retention difficulties, impacts on sector employers and steps taken to overcome these issues.
- Extent of skills gaps among the existing Care sector workforce, impacts on sector employers and steps taken to overcome these issues
- The extent to which skills mismatches are reflected in wage differentials and the reliance of Care on international labour supply.

## **5.1 Extent and nature of vacancies**

Section 5.1 will first look at the level of vacancies within the Care sector, the extent to which these unfilled positions are the result of skills deficiencies. This will be followed by a discussion of the impact of and steps taken to overcome hard-to-fill vacancies and staff retention difficulties reported by Care sector employers.

### **5.1.1 Level of Vacancies**

The UK Commission's Employer Skills Survey 2011 found that 18 per cent of establishments in the Care sector had vacancies at the time they were interviewed. This is higher than the all-sector average of 12 per cent and gives the sector a ranking of joint second in terms of incidence of vacancies behind Education (22 per cent) and alongside Health (also 18 per cent).

Table 5.1 shows that there were 37,494 vacancies in the Care sector in 2011, of which 5,924 vacancies were considered by employers as 'hard-to-fill' and of these, 3,335 were due to a shortage of requisite skills among applicants. Information and communication technologies have the greatest proportion of vacancies as a percentage of overall employment (five per cent), compared to the amount of vacancies in the Care sector and the economy overall (two per cent respectively). Agriculture, forestry and fishing and Construction sectors have the largest share of hard-to-fill vacancies (both 40 per cent of vacancies) which is almost double the all-sector average (23 per cent) and far greater than hard-to-fill vacancies in Care (16 per cent).

A relatively low proportion of vacancies in the Care sector are due to skills shortages among applicants (nine per cent), compared to 16 per cent across the overall economy. Skills shortage vacancies are far more common in the Agriculture, forestry and fishing (29 per cent) and Construction (26 per cent) sectors.

**Table 5.1: Profile of vacancies by sector**

	Volume			%				
	Vacancies <sup>59</sup> 60	HTF <sup>61</sup> vacancies	SSV <sup>62</sup> (prompted and unprompted)	Vacancies as a % of employment	HTF vacancies as a %	SSV as a % vacancies	Weighted base	Unweighted base
Agriculture, Forestry and Fishing	14,641	5,785	4,238	3	40	29	466,870	19,506
Energy Production and Utilities	9,343	1,590	1,236	3	17	13	333,050	47,228
Manufacturing	40,252	11,834	9,711	2	29	24	2,541,188	291,593
Construction, Building Services Engineering and Planning	47,241	19,103	12,394	2	40	26	2,235,270	150,111
Wholesale and Retail Trade	95,390	17,441	12,619	2	18	13	4,674,684	514,820
Transportation and Storage	25,734	4,739	3,182	2	18	12	1,320,126	114,658
Hospitality, Tourism and Sport	73,886	18,245	11,179	3	25	15	2,313,487	258,524
Information and Communication Technologies	29,361	5,449	4,937	5	19	17	614,641	53,681
Creative Media & Entertainment	37,885	6,824	5,502	3	18	15	1,086,978	87,953
Financial, Insurance and other Professional Services	58,847	11,732	10,623	3	20	18	2,052,039	112,945
Real Estate and Facilities Management	31,155	5,773	4,252	3	19	14	1,183,601	91,204
Government Services	35,917	9,330	5,938	2	26	17	1,780,058	223,796
Education	34,684	4,984	3,729	1	14	11	2,538,545	387,221
Health	27,811	5,281	3,330	1	19	12	2,004,436	219,765
<b>Care</b>	<b>37,494</b>	<b>5,924</b>	<b>3,335</b>	<b>2</b>	<b>16</b>	<b>9</b>	<b>1,504,729</b>	<b>157,681</b>
Not Within Scope	36,266	9,533	7,248	4	26	20	897,422	86,007
<b>Total</b>	<b>635,907</b>	<b>143,564</b>	<b>103,453</b>	<b>2</b>	<b>23</b>	<b>16</b>	<b>27,547,123</b>	<b>2,816,693</b>

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Base: Sizes vary - vacancies as a percentage of employment based on all employment, hard-to-fill vacancies as a % of vacancies based on all vacancies and SSVs as a % of vacancies based on all vacancies.

<sup>59</sup> How many vacancies, if any, do you currently have at this establishment?

<sup>60</sup> How many vacancies do you have to [each occupation]?

<sup>61</sup> Are any of these vacancies proving hard-to-fill?

<sup>62</sup> You said that you have had problems with the quality of the candidates for [occupation]. Would you say that they have been lacking... the skills you look for?

The care sector remains an important source of vacancies for jobseekers; increasing by 8,205 to 27,298 jobs by December 2010 (see Table 5.2 below). The largest growth in vacancies is accounted for by Care Assistant positions, with Jobcentre Plus reporting a 61 per cent increase between January 2010 and December 2010.

**Table 5.2: Jobcentre Plus vacancies - notified by selected occupations, 2010**

2010	Care Assistant vacancies		Nursery Nurse		Social worker		All Care sector vacancies	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
January 2010	16,531	8.6	3,058	1.6	583	0.3	19,093	9.9
February 2010	24,166	7.9	3,241	1.1	1,030	0.3	30,757	10.1
March 2010	21,916	6.7	3,683	1.1	961	0.3	27,683	8.5
April 2010	20,362	6.3	3,606	1.1	853	0.3	27,432	8.5
May 2010	24,213	7.3	2,928	0.9	679	0.2	27,902	8.4
June 2010	26,282	7.4	3,138	0.9	779	0.2	31,993	9.0
July 2010	28,006	8.0	1,929	0.6	787	0.2	30,942	8.8
August 2010	23,379	7.0	2,031	0.6	783	0.2	27,610	8.3
October 2010	21,201	5.9	1,955	0.5	754	0.2	24,995	7.0
November 2010	26,810	6.5	2,544	0.6	531	0.1	29,253	7.1
December 2010	26,599	7.0	3,212	0.8	744	0.2	27,298	7.1

Source: NOMIS

In England, the median average annual vacancy rate reported on 1st April 2011 for Local Government Association members was two per cent. Data held by Skills for Care as part of the NMDS SC suggests that for adult social care services in England, the vacancy rate was slightly higher at 3.3 per cent (at December 2010).

Analysis of vacancies by occupation suggests that employers were and probably still are encountering difficulties in filling some vacant posts. Table 5.3 suggests that Care employers find vacancies for Managers hard-to-fill (24 per cent of all vacancies), due to skills shortages. (Skills shortage vacancies are also more prevalent among professional positions in Care.

**Table 5.3: Profile of vacancies by occupation within the Care sector**

	Volume			HTF vacancies as a % vacancies	SSV as a % vacancies	Weighted base (number of vacancies)	Unweighted base (number of vacancies)
	Vacancies <sup>63</sup>	HTF <sup>65</sup> vacancies	SSV <sup>66</sup>				
Managers	1,546	438	365	24	24	1,546	125
Professionals	2,940	697	521	18	18	2,940	277
Associate professionals	7,357	706	292	4	4	7,357	593
Administrative/clerical staff	4,431	539	153	3	3	4,431	247
Skilled trades occupations	772	271	26	3	3	772	51
Caring, leisure and other services staff	17,862	2,508	1,732	10	10	17,862	1,692
Sales and customer services staff	*	*	*	*	*	*	*
Machine operatives	*	*	*	*	*	*	*
Elementary staff	1,542	612	206	13	13	1,542	133
Unclassified staff	*	*	*	*	*	*	*
<b>Total</b>	<b>37,388</b>	<b>5,925</b>	<b>3,334</b>	<b>9</b>	<b>9</b>	<b>37,388</b>	<b>3,201</b>

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Note: \* Data suppressed as unweighted base < 25

Base: All vacancies

Table 5.4 shows that vacancies in the Care sector account for a higher proportion of employment in England, Wales and Northern Ireland than the UK average (three per cent compared to two per cent) but a lower proportion in Scotland (one per cent).

Hard-to-fill vacancies are more likely to be reported in Wales (20 per cent) and Scotland (19 per cent) than in England (16 per cent) and Northern Ireland (13 per cent). Hard-to-fill Care sector vacancies are however significantly lower across the four nations than vacancies for the economy.

<sup>63</sup> How many vacancies, if any, do you currently have at this establishment?

<sup>64</sup> How many vacancies do you have to [each occupation]?

<sup>65</sup> Are any of these vacancies proving hard-to-fill?

<sup>66</sup> You said that you have had problems with the quality of the candidates for [occupation]. Would you say that they have been lacking... the skills you look for?

**Table 5.4: Profile of vacancies by sector and nation**

	Vacancies as a % employment				HTF vacancies as a % vacancies				SSV as a % vacancies			
	England	Scotland	Wales	Northern Ireland	England	Scotland	Wales	Northern Ireland	England	Scotland	Wales	Northern Ireland
Agriculture, Forestry and Fishing	3	†4	2	0	36	†45	87	0	28	†22	85	*
Energy Production and Utilities	2	7	4	1	11	22	32	49	9	17	22	25
Manufacturing	2	1	2	2	28	39	30	33	23	36	27	29
Construction, Building Services Engineering and Planning	2	2	2	1	42	29	41	27	26	24	34	16
Wholesale and Retail Trade	2	2	2	2	18	17	23	32	13	10	12	18
Transportation and Storage	2	2	3	1	17	6	48	60	12	3	29	11
Hospitality, Tourism and Sport	3	3	4	2	23	25	56	29	13	17	41	23
Information and Communication Technologies	5	†5	3	3	18	†35	19	13	16	†28	17	13
Creative Media & Entertainment	3	†2	5	11	20	†1	18	7	16	†0	16	4
Financial, Insurance & other Professional Services	3	2	2	11	19	7	12	44	17	6	12	44
Real Estate and Facilities Management	3	†1	2	1	18	†29	17	0	14	†22	12	*
Government Services	2	1	2	2	25	10	46	43	17	5	4	36
Education	1	2	1	1	16	6	6	16	12	2	5	11
Health	2	1	1	1	19	19	17	27	12	9	13	27
<b>Care</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>16</b>	<b>19</b>	<b>20</b>	<b>13</b>	<b>9</b>	<b>16</b>	<b>13</b>	<b>3</b>
Total	2	2	2	2	22	20	36	44	16	14	22	22
Weighted base	23,198,476	2,381,601	1,182,314	784,732	545,064	45,749	25,542	19,552	545,064	45,749	25,542	19,552
Unweighted base	2,345,213	201,868	178,922	90,690	43,960	3,186	2,999	1,759	43,960	3,186	2,999	1,759

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Bases vary. Vacancies as a % of employment based on all employment. Hard-to-fill vacancies as a % of vacancies based on all vacancies. SSVs as a % of vacancies based on all vacancies. † Treat figures with caution due to small establishment base size of 50-99 in Scotland.



### 5.1.2 Causes of Hard-to-fill vacancies

Employers report that poor terms and conditions such as pay is the main cause of hard-to-fill vacancies in the Care sector (26 per cent). A further 21 per cent of employers claimed that a low number of applicants with the requisite skills meant that vacancies were difficult to fill. Shift work and unsociable hours were also cited by 16 per cent of Care sector establishments (see Table 5.5). Improving the attractiveness of positions in the Care sector is vital to ensure the supply of new entrants to the sector.

**Table 5.5: Causes of hard-to-fill vacancies as reported within the Care sector (2011)**

Nation Cause of Hard-to-fill vacancy	UK	
	Number	%
Low number of applicants with the required skills	832	21
Lack of work experience the company demands	542	14
Not enough people interested in doing this type of job	474	12
Low number of applicants with the required attitude, motivation or personality	655	17
Poor terms and conditions (e.g. pay) offered for post	1,031	26
Low number of applicants generally	250	6
Lack of qualifications the company demands	420	11
Job entails shift work/unsociable hours	620	16
Remote location/poor public transport	516	13
Too much competition from other employers	129	3
Poor career progression / lack of prospects	180	5
Not full-time/permanent work	195	5
Low number of suitable applicants inc. Age of applicants	10	**
Poor recruitment channels/mechanisms (inc. lack/cost of advertising)	94	2
Seasonal work	77	2
Benefits trap	20	**
Lack of funding for the position	113	3
Difficulty with work permits/immigration issues non-EU staff	8	**
Other	341	9
No particular reason	0	0
Don't know	58	1
<i>Weighted base</i>	3,956	
<i>Unweighted base</i>	280	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Base: All employers with hard to fill vacancies. \*\* Denotes a figure of greater than 0% but less than 0.5%.

### 5.1.3 Impact of having hard-to-fill vacancies

Table 5.6 shows the impacts of hard-to-fill vacancies on Care sector employers. Most establishments (77 per cent) report that these vacancies increase the workload of other staff. This is slightly lower than the whole economy average (83 per cent). A further 34 per cent of Care employers cite increased operating costs, difficulties in meeting quality standards and difficulties introducing new ways of working as a result of hard-to-fill vacancies in their organisations. More employers across the economy have difficulties meeting customer services objectives (45 per cent), losing business orders to competitors (42 per cent) and delays in developing new products or services (41 per cent) as a result of hard-to-fill vacancies.

**Table 5.6: Impact of hard-to-fill vacancies within sectors, as reported by Care sector employers (2011)**

Impact of HTF vacancies	Care sector		Whole economy	
	Number	%	Number	%
Increase workload for other staff	3,045	77	75,165	83
Have difficulties meeting customer services objectives	1,304	33	40,550	45
Lose business or orders to competitors	944	24	37,879	42
Delay developing new products or services	1,169	30	37,635	41
Experience increased operating costs	1,350	34	35,766	39
Have difficulties meeting quality standards	1,358	34	30,498	34
Have difficulties introducing new working practices	1,361	34	29,065	32
Outsource work	491	12	23,666	26
Withdraw from offering certain products or services altogether	651	16	23,180	26
Have difficulties introducing technological change	464	12	19,905	22
None	486	12	5,476	6
Don't know	0	0	361	**
<i>Weighted base</i>	3,956		90,770	
<i>Unweighted base</i>	280		5,160	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Base: All employers with hard to fill vacancies. \*\* Denotes a figure of greater than 0% but less than 0.5%.

### 5.1.4 Steps taken to overcome hard-to-fill vacancies

Most employers in the Care sector decide to increase advertising and recruitment spend to help fill the positions (45 per cent), which is slightly higher than across all sectors (39 per cent). Fewer Care recruiters (22 per cent) use new methods or channels to find candidates than the economy overall (30 per cent). While a significant share of Care employers opt to do 'nothing' (19 per cent) about the situation compared to 14 per cent sector-wide.

**Table 5.7: Measures taken by employers to overcome hard-to-fill vacancies<sup>67</sup>**

Steps taken to overcome HTF vacancies	Care sector		Whole economy	
	Number	%	Number	%
Increasing advertising / recruitment spend	1,785	45	34,959	39
Using new recruitment methods or channels	887	22	26,927	30
Redefining existing jobs	456	12	12,397	14
Increasing the training given to your existing workforce	344	9	6,458	7
Increasing / expanding trainee programmes	231	6	5,781	6
Being prepared to offer training to less well qualified recruits	183	5	4,679	5
Bringing in contractors to do the work, or contracting it out	212	5	4,634	5
Increasing salaries	145	4	3,985	4
Recruiting workers who are non-UK nationals	77	2	3,231	4
Making the job more attractive e.g. recruitment incentives, enhanced T&Cs	28	1	1,325	1
Other	122	3	3,682	4
Nothing	749	19	12,792	14
Don't know	36	1	2,894	3
<i>Weighted base</i>	3,956		90,770	
<i>Unweighted base</i>	280		5,160	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Note: Column percentages sum to more than 100 per cent since multiple responses were allowed

Base: All employers with hard-to-fill vacancies

Research by Skills for Care and Development (2011) found that:

- Perceptions about worker roles and job attributes differ, again 'early years' sub-sector is most favoured but social care jobs are seen least positively. A greater proportion of the general public would not recommend a job in social work than would actively recommend it;
- Younger people (those aged under 35) have more positive views of sector workers roles and job attributes across each of the sub-sectors;
- People from a non-white ethnic background regard social workers much more positively than those who describe their ethnicity as white (59% compared to 49% giving a positive rating).

<sup>67</sup> "What, if anything, is this establishment doing to overcome the difficulties that you are having finding candidates to fill these hard-to-fill vacancies?"

### **5.1.5 Staff retention within the Care sector**

Care Sector employers report greater difficulty with staff retention (six per cent) than the all-industry average, including education and government services, (five per cent respectively, see Table 5.8). Staff turnover is however greatest in the Hospitality, tourism and sport industry, reported by nine per cent of UK employers. Slightly more Welsh employers in Care (seven per cent) say staff retention is an issue than other UK nations.

Just under half of Care sector establishments (47 per cent) acknowledge that the wage offered is lower than those offered by other firms and that this is why they have difficulties in keeping staff on board. This is much greater than for the economy as a whole (33 per cent). It is also acknowledged in the UK Employer Skills Survey (UKCES, 2011) that not enough people are interested in the type of work offered by Care employers (47 per cent), although this is just under the UK average (51 per cent). Care establishments are considerably less concerned (16 per cent) that there is a lack of long-term commitment by staff than the all-sector average (32 per cent). This suggests many care sector workers are satisfied with the work they undertake.

The impact of retention difficulties is felt in terms of managing existing staff to cover for the shortage (81 per cent in Care compared to 79 per cent overall). Ironically, Care employers also experience an increase in their recruitment costs in order to find candidates (59 per cent) whereas this is less of an impact among all sectors (45 per cent). Conversely, sector employers are less concerned about loss of business to competitors than other sectors (17 per cent compared to 38 per cent overall (Davies et al, 2012).

To overcome retention issues, some Care establishments have offered higher pay or incentives than normal to retain staff (23 per cent) and have looked at elements of job enrichment such as introducing training and development opportunities for staff (23 per cent). It is encouraging that Care Sector employers are more likely to respond to retention difficulties than most employers: only 17 per cent of people asked said that they did not take any measures to improve the situation compared to 26 per cent overall (Davies et al, 2012).

**Table 5.8: Employers with staff retention problems, by broad industrial sector and UK nation (2011)**

Broad industrial sector	Nation		UK (excl. Scotland)		England		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, Forestry & Fishing	4,954	5	4,236	5	360	3	358	5		
Energy Production & Utilities	555	5	484	5	62	8	9	2		
Manufacturing	6,493	5	5,883	5	433	8	177	5		
Construction, Building Services Engineering and Planning	10,569	4	9,710	4	722	5	138	1		
Wholesale & Retail Trade	18,192	4	16,682	4	891	4	619	4		
Transportation and Storage	5,676	5	5,240	5	321	8	115	5		
Hospitality, Tourism and Sport	18,345	9	16,670	9	1,126	10	548	9		
Information and Communication Technologies	3,084	4	2,948	4	57	3	79	7		
Creative Media & Entertainment	5,303	4	4,891	4	306	7	106	5		
Financial, Insurance & other Professional Services	6,271	4	5,876	4	339	6	55	2		
Real Estate & Facilities Management	5,826	4	5,649	4	139	5	38	2		
Government Services	2,496	5	2,200	5	208	8	88	4		
Education	2,925	5	2,493	5	267	8	165	5		
Health	3,297	7	2,961	7	249	9	87	6		
<b>Care</b>	<b>5,134</b>	<b>6</b>	<b>4,615</b>	<b>6</b>	<b>327</b>	<b>7</b>	<b>191</b>	<b>6</b>		
Not within scope	6,810	6	6,476	6	247	6	87	3		
Whole Economy	105,929	5	97,014	5	6,054	6	2,860	4		
Weighted base	2,124,807		1,960,298		98,952		65,558			
Unweighted base	85,069		75,053		6,012		4,004			

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Base: All establishments in England, NI, Wales (question not asked in Scotland)

### **5.1.6 Recruitment of young people**

Table 5.9 shows that Care employers are the third most likely to recruit young people (after education (46 per cent) and hospitality/leisure/sport (35 per cent)). Over a third (34 per cent) of Care employers have recruited a young person under the age of 24 in the last three years, whereas 24 per cent of all-sector employers have done so. The recruitment of young people is greatest in Wales (37 per cent), followed by England (34 per cent), Northern Ireland (31 per cent) and Scotland (23 per cent).

Given the number of existing vacancies within the sector (37, 494, see table 5.1), and with most workers in Care aged between 45 and 59 (see table 3.7), Care opportunities could play a significant role in helping to reduce youth unemployment. Pre-primary education also sits within the Skills for Care and Development footprint and is also likely to support a significant number of young people into employment. Research by the SSC (2011) has found that younger people (those aged under 35) have more positive views of sector worker roles and job attributes than the general population.

**Table 5.9: Recruitment of young people by broad industrial sector & nation, 2011**

Nation	UK (excl. Scotland)		England		Scotland		Wales		Northern Ireland		Weighted base (UK)	Unweighted base (UK)
	Number	%	Number	%	Number	%	Number	%	Number	%		
<b>Broad industrial sector</b>	19,358	20	15,044	19	†2,725	†20	1,268	12	3,046	43	19,358	1,448
Agriculture, Forestry & Fishing	2,441	22	2,158	22	322	25	202	24	80	15	2,441	1,508
Energy Production & Utilities	29,806	25	27,429	24	2,442	26	1,472	27	904	24	29,806	7,594
Manufacturing	61,621	22	56,435	22	6,498	30	3,025	23	2,161	20	61,621	8,661
Construction, Building Services Engineering and Planning	117,155	27	107,320	27	9,862	28	5,824	28	4,010	28	117,155	15,817
Wholesale & Retail Trade	17,335	15	16,436	15	1,496	19	487	12	412	18	17,335	4,583
Transportation and Storage	69,765	35	63,999	35	6,164	28	3,825	34	1,941	33	69,765	10,994
Hospitality, Tourism and Sport	14,596	21	14,077	21	†794	†22	247	13	272	25	14,596	2,454
Information & Communication Technologies	31,256	24	29,655	24	†1,573	†14	1,104	24	496	24	31,256	3,663
Creative Media & Entertainment	37,876	23	35,827	23	1,679	20	1,252	22	798	24	37,876	5,197
Financial, Insurance & other Professional Services	25,752	17	25,027	17	†699	†6	491	16	235	13	25,752	3,339
Real Estate & Facilities Management	10,440	21	9,466	21	1,084	20	452	17	522	26	10,440	2,442
Government Services	27,785	46	24,995	47	1,812	41	1,520	48	1,270	39	27,785	5,275
Education	13,562	28	12,172	27	938	29	855	30	536	36	13,562	3,291
Health	<b>26,764</b>	<b>34</b>	<b>24,147</b>	<b>34</b>	<b>1,955</b>	<b>23</b>	<b>1,623</b>	<b>37</b>	<b>995</b>	<b>31</b>	<b>26,764</b>	<b>4,662</b>
<b>All economy</b>	552,385	24	467,925	24	43,211	25	23,664	24	17,584	27		

Source: UK Commission's Employer Skills Survey (Davies et al, 2012). Base: all establishments. NB: Scottish employers were asked a slightly different question; results cannot be compared directly to UK, England, Wales, or Northern Ireland figures. Scottish employers have not been included in the UK base. † Treat figures with caution due to small base size of 50-99 establishments in Scotland

## **5.2 Extent and nature of skills shortages and gaps**

This section discusses Skills Shortage Vacancies (SSVs) and the nature, causes and remedies of skills gaps among the Care sector workforce.

### **5.2.1 Skills shortage vacancies**

Skills shortage vacancies (SSVs) are defined as vacancies that are difficult to fill due to a lack of appropriate skills, qualifications and experience among candidates. As shown in table 5.3, skills shortage vacancies are more prevalent among Managerial and Professional occupations.

As indicated in tables 5.10 and 5.11<sup>68</sup>, there is some evidence for a shortage of candidates with job-specific or specialist skills, reported by 54 per cent of employers in the Care sector. This figure is as high as 70 per cent in Wales for job-specific skills and experience. Customer handling skills (49 per cent) and planning and organisation skills (49 per cent) are also in short supply in the UK, compared with 54 per cent of Welsh employers' citing a lack availability of customer handling skills.

Demand for job-specific skills (66 per cent), planning and organisation skills (41 per cent) and customer handling skills (40 per cent) is also replicated across the wider economy, (see table 5.11). Scottish and Welsh employers experience slightly greater difficulties in finding candidates with job-specific and customer handling skills than their UK counterparts.

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68 Source: UKESS 2011



**Table 5.10: Skills lacking in skills shortage vacancies as reported by care sector employers, 2011**

Skills Lacking	Nation		UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Basic computer literacy / using IT	866	26	835	30	*	*	10	5	*	*		
Advanced IT or software skills	583	17	528	19	*	*	34	15	*	*		
Oral communication skills	1,478	44	1,300	47	*	*	55	25	*	*		
Written communication skills	1,525	46	1,281	47	*	*	65	29	*	*		
Customer handling skills	1,619	49	1,355	49	*	*	120	54	*	*		
Team working skills	1,410	42	1,198	44	*	*	94	42	*	*		
Written Welsh language skills	39	1	0	0	*	*	39	18	*	*		
Oral Welsh language skills	116	3	0	0	*	*	116	52	*	*		
Foreign language skills	551	17	524	19	*	*	4	2	*	*		
Problem solving skills	1,405	42	1,197	44	*	*	96	43	*	*		
Planning and Organisation skills	1,636	49	1,368	50	*	*	89	40	*	*		
Strategic Management skills	1,069	32	824	30	*	*	105	48	*	*		
Numeracy skills	733	22	674	25	*	*	17	8	*	*		
Literacy skills	1,127	34	940	34	*	*	110	50	*	*		
Office admin skills	524	16	442	16	*	*	72	33	*	*		
Technical or practical skills	1,292	39	1,061	39	*	*	115	52	*	*		
Job specific skills	1,813	54	1,465	53	*	*	155	70	*	*		
Experience/lack of product knowledge	54	2	54	2	*	*	0	0	*	*		
Personal attributes e.g. motivation etc.)	45	1	33	1	*	*	13	6	*	*		
Other	0	0	0	0	*	*	0	0	*	*		
No particular skills difficulties	298	9	217	8	*	*	0	0	*	*		
Don't know	188	6	107	4	*	*	10	4	*	*		
<i>Weighted base</i>	3,335		2,750		*	*	221		*	*		
<i>Unweighted base</i>	306		258		*	*	27		*	*		

Source: UK Commission's Employer Skills Survey (Davies et al, 2012).

Base: All SSVs

\*Data suppressed as unweighted base < 25 (<50 in Scotland). \*\* Denotes a figure of greater than 0% but less than 0.5%

**Table 5.11: Skills lacking in SSVs, whole economy, 2011**

Skills Lacking	Nation		UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Basic computer literacy / using IT	16,832	16	13,842	16	514	8	2,001	35	476	11		
Advanced IT or software skills	21,988	21	18,190	21	1,160	18	1,976	35	661	15		
Oral communication skills	39,113	38	33,997	39	1,910	30	1,993	35	1,213	28		
Written communication skills	33,859	33	28,515	33	2,659	41	1,381	24	1,305	30		
Customer handling skills	41,349	40	33,863	39	3,056	47	2,977	53	1,453	33		
Team working skills	33,728	33	27,092	31	1,877	29	3,315	59	1,444	33		
Written Welsh language skills	1,574	2	0	0	0	0	1,574	28	0	0		
Oral Welsh language skills	1,680	2	0	0	0	0	1,680	30	0	0		
Foreign language skills	16,773	16	14,601	17	1,451	22	385	7	336	8		
Problem solving skills	37,882	37	32,338	37	2,453	38	2,209	39	882	20		
Planning and Organisation skills	42,431	41	35,377	41	2,867	44	2,372	42	1,815	41		
Strategic Management skills	29,853	29	24,828	29	2,122	33	1,564	28	1,340	31		
Numeracy skills	26,775	26	23,194	27	1,866	29	1,149	20	567	13		
Literacy skills	30,151	29	25,002	29	1,674	26	2,490	44	985	22		
Office admin skills	17,559	17	15,320	18	967	15	797	14	475	11		
Technical or practical skills	47,992	46	40,313	46	3,711	57	2,571	46	1,397	32		
Job specific skills	68,385	66	56,716	65	5,064	78	4,401	78	2,204	50		
Experience/lack of product knowledge	1,668	2	1,523	2	135	2	9	0	0	0		
Personal attributes (e.g. motivation, etc.)	2,743	3	2,385	3	314	5	17	0	26	1		
Other	911	1	835	1	0	0	13	0	62	1		
No particular skills difficulties	7,129	7	5,588	6	148	2	135	2	1,258	29		
Don't know	3,777	4	3,459	4	102	2	124	2	93	2		
Weighted base	103,453		86,950		6,463		5,650		4,390			
Unweighted base	7,197		5,959		367		482		389			

Source: UK Commission's Employer Skills Survey (Davies et al, 2012).

Base: All SSVs

\*Data suppressed as unweighted base < 25 (<50 in Scotland). \*\* Denotes a figure of greater than 0% but less than 0.5%

## 5.2.2 Skills gaps

Employers experience difficulties not only in finding new recruits with the requisite skills, but that the skills of the existing workforce may also need to be improved. Table 5.12 outlines the number of employers who have skills gaps among their existing staff. There are 14,886 establishments or 17 per cent of employers in the Care sector with any staff not fully proficient in their roles, a slightly greater share than the all-economy average (13 per cent). This works out at around 78,458 employees in Care who are not deemed fully proficient, around 5 per cent of total employment in the Care workforce.

**Table 5.12: Employers and employees with skills gaps by sector<sup>69</sup>**

	Employers with skills gaps				Employees with skills gaps			
	Number	%	Weighted base	Unweighted base	Number	%	Weighted base	Unweighted base
Agriculture, forestry and fishing	10,665	10	110,220	1,547	20,149	4	466,870	19506
Energy production and utilities	2,000	16	12,610	1,614	17,250	5	333,050	47228
Manufacturing	21,520	16	130,709	7,776	148,007	6	2,541,188	291593
Construction, building services engineering and planning	31,925	10	306,403	8,961	99,184	4	2,235,270	150111
Wholesale and retail trade	72,233	15	470,200	16,150	300,344	6	4,674,684	514820
Transportation and storage	11,540	9	122,058	4,735	55,391	4	1,320,126	114658
Hospitality, tourism and sport	43,000	20	220,055	11,318	193,549	8	2,313,487	258524
Information and communication technologies	6,647	9	72,281	2,510	34,775	6	614,641	53681
Creative media and entertainment	9,155	6	143,772	3,762	41,091	4	1,086,978	87953
Financial, insurance and other professional services	20,954	12	170,887	5,343	92,599	5	2,052,039	112945
Real estate and facilities management	13,185	8	166,486	3,424	64,302	5	1,183,601	91204
Government services	7,980	15	54,687	2,605	94,735	5	1,780,058	223796
Education	12,304	19	64,540	5,439	94,884	4	2,538,545	387221
Health	9,776	19	52,370	3,398	101,986	5	2,004,436	219765
<b>Care</b>	<b>14,886</b>	<b>17</b>	<b>87,899</b>	<b>4,763</b>	<b>78,458</b>	<b>5</b>	<b>1,504,729</b>	<b>157681</b>
Whole economy	300,941	13	2,299,921	87,572	1,489,540	5	27,547,123	2816693

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Base: All establishments and all employees

Northern Ireland accounts for the lowest proportion of employers (11 per cent) reporting skills gaps among two per cent of their employees (Table 5.13) compared to a UK average of 17 per cent of employers with skills gaps among five per cent of the workforce.

<sup>69</sup> How many <occupation> staff are fully proficient in their jobs?

**Table 5.13: Skills gaps overview for the Care sector by UK nation, 2011**

Skills gap type	Nation		UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Employers with skills gaps	14,886	17	12,732	18	1,207	14	603	14	345	11		
Employees with skills gaps	78,458	5	64,500	5	6,342	5	5,881	9	1,735	2		
Employer weighted base	87,899		71,854		8,424		4,380		3,241			
Employer unweighted base	4,763		4,028		101		338		296			
Employment weighted base	1,504,729		1,226,842		140,877		62,824		74,186			
Employment unweighted base	157,681		137,952		5,750		8,143		5,836			

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Base: All establishments and all employees

**Table 5.14: Skills gaps by occupation as reported for the Care sector, 2011**

Occupational group	Total employment	Number with skills gaps	% with skills gaps
Managers	246,984	5,798	2
Professionals	118,715	4,574	4
Associate professionals	94,065	4,698	5
Administrative/clerical staff	155,206	7,486	5
Skilled trades occupations	21,860	1,666	8
Caring, leisure and other services staff	705,384	45,494	6
Sales and customer services staff	42,734	2,248	5
Machine operatives	*	*	*
Elementary staff	110,170	5,795	5
Weighted base	1,504,729	77,759	5
Unweighted base	157,681	9,654	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

\* suppressed due to employer base <25

Table 5.14 shows the occupational distribution of skills gaps in the Care sector. Skilled trades occupations have the highest proportions of skills gaps (eight per cent of total employment) or 1,666 employees compared to five per cent across all sectors. Skills gaps are more of a priority in Caring, leisure and other services staff in the sector, affecting 45,494 Care employees (or six per cent of total employment), compared to the economy overall (four per cent). Interestingly, proportions of skills gaps are among the lowest reported for Care Managers in post (two per cent), although Managers are the second largest occupational group and skills gaps affect 5,798 members of staff in the sector.

The main causes of skills gaps in Care are associated with employees being new to the role (50 per cent) and that their training has only partially been completed (50 per cent). These themes are broadly consistent across sectors and UK nations, (UKESS, 2011).

Table 5.15 shows which skills Care employers currently find lacking among some of their staff. Similar to skills in short supply among new recruits (tables 5.10 and 5.11), job-specific skills and planning and organisation skills were most likely to be lacking among some staff. Written communication skills were found to be requiring improvement for existing employees, noted by 41 per cent of sector employers.

A similar picture can be seen across the four nations, although substantially higher shares of planning and organisation skills gaps were found in Northern Ireland (81 per cent) and Scotland (59 per cent) than in Wales (47 per cent) and England (45 per cent). Written communication skills were more likely to be reported in Scotland (57 per cent) and Wales (52 per cent) than the UK overall (41 per cent) and more job-specific skills were found lacking in Scotland (65 per cent) than overall (51 per cent). It may be that in identifying high levels of skills gaps, these establishments are proactively working out training needs to develop and improve the skills of their staff.

**Table 5.15: Skills lacking within workforce as reported by Care sector employers (2011)**

Nation Skills lacking	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Basic computer literacy / using IT	17,553	22	13,679	21	*	*	1,173	20	648	37
Advanced IT or software skills	13,066	17	10,513	16	*	*	1,233	21	229	13
Oral communication skills	26,175	33	21,423	33	*	*	1,831	31	341	20
Written communication skills	32,559	41	25,104	39	*	*	3,074	52	751	43
Customer handling skills	26,096	33	20,755	32	*	*	2,088	36	537	31
Team working skills	31,396	40	25,839	40	*	*	2,247	38	500	29
Written Welsh language skills	473	1	0	0	*	*	473	8	0	0
Oral Welsh language skills	446	1	0	0	*	*	446	8	0	0
Foreign language skills	6,608	8	4,994	8	*	*	264	4	33	2
Problem solving skills	29,444	38	22,883	35	*	*	2,891	49	802	46
Planning and Organisation skills	36,675	47	28,758	45	*	*	2,781	47	1,398	81
Strategic Management skills	14,686	19	11,462	18	*	*	686	12	721	42
Numeracy skills	15,422	20	10,880	17	*	*	1,824	31	402	23
Literacy skills	23,804	30	16,935	26	*	*	3,371	57	711	41
Office admin skills	16,890	22	11,528	18	*	*	2,303	39	730	42
Technical or practical skills	18,272	23	14,169	22	*	*	1,123	19	280	16
Job specific skills	39,799	51	32,423	50	*	*	2,404	41	881	51
Personal attributes (e.g. motivation etc.,)	977	1	935	1	*	*	19	**	23	1
Experience/lack of product knowledge	446	1	327	1	*	*	0	0	0	0
Other	273	**	258	**	*	*	0	0	15	1
No particular skills difficulties	1,789	2	1,115	2	*	*	30	1	10	1
Don't know	14,305	18	12,733	20	*	*	1,388	24	0	0
Weighted base	78,458		64,500		*	*	5,881		1,735	
Unweighted base	9,654		8,315		*	*	879		181	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Base: All skills gaps followed up

\* suppressed due to unweighted establishment base <25 (<50 in Scotland)

\*\* Denotes a figure of greater than 0% but less than 0.5%

As a result of skills gaps, Care sector employers across the UK mainly experience an increase in workload for other staff members (82 per cent), but also face difficulties in introducing new work practices (48 per cent). Others mention issues in meeting quality standards as a consequence of skills gaps in their organisation. This is broadly consistent across UK nations, although more Welsh employers cite problems introducing new work practices (56 per cent) than the average (see Table 5.16).

Slightly fewer employers across the economy stated that skills gaps would increase workload for other staff members (78 per cent). Care employers are less likely to experience an increase in operating costs as a result of skills gaps (33 per cent) than the all-sector average (45 per cent). Loss of business orders is also less of an issue in Care (16 per cent) than for establishments over the rest of the economy (32 per cent), (UKESS, 2011).

With regards to skills gaps, Table 5.17 shows that most Care employers in the UK respond by increasing training activity, training spend (85 per cent) and step up supervision of staff members (73 per cent). There is more of an emphasis on training by Scottish employers (92 per cent), and Northern Irish employers are more inclined to provide better supervision of staff (86 per cent) than their UK counterparts.

Care establishments are more likely to provide greater supervision in order to overcome skills gaps (73 per cent) than establishments' economy-wide (62 per cent). Sector employers are also more likely to provide staff appraisals and mentoring schemes compared to employers across sectors (see Table 5.18).



**Table 5.16: Consequences of skills gaps on Care employers, by UK nation, 2011**

Consequence/effect	Nation		UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Increase workload for other staff	7,150	82	5,959	82	*	*	300	83	*	*		
Increase operating costs	2,835	33	2,334	32	*	*	142	39	*	*		
Have difficulties meeting quality standards	3,273	38	2,978	41	*	*	148	41	*	*		
Have difficulties introducing new working practices	4,226	48	3,513	48	*	*	201	56	*	*		
Lose business or orders to competitors	1,423	16	1,274	17	*	*	121	34	*	*		
Delay developing new products or services	2,608	30	2,255	31	*	*	139	39	*	*		
Outsource work	1,331	15	1,247	17	*	*	38	10	*	*		
No particular problems / None of the above	627	7	514	7	*	*	38	11	*	*		
<i>Weighted base</i>	8,716		7,296		*	*	360		*	*		
<i>Unweighted base</i>	686		596		*	*	46		*	*		

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Base: All employers with skills gaps that have impact on establishment performance

\*Data suppressed as unweighted establishment base < 25 (>50 in Scotland)

**Table 5.17: Steps taken by Care employers to overcome skills gaps, by UK nation, 2011**

Consequence/effect	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Increase training activity / spend or increase/expand trainee programmes	10,035	85	8,342	84	*	*	970	88	451	85
More supervision of staff	8,586	73	7,172	73	*	*	731	66	455	86
More staff appraisals / performance reviews	7,891	67	6,579	67	*	*	751	68	390	73
Implementation of mentoring / buddying scheme	7,146	60	5,868	59	*	*	804	73	357	67
Reallocating work	4,729	40	3,855	39	*	*	476	43	288	54
Changing working practices	4,664	39	3,684	37	*	*	680	62	178	34
Increase recruitment activity / spend	1,913	16	1,757	18	*	*	33	3	77	14
Recruiting workers who are non-UK nationals	1,092	9	975	10	*	*	9	1	72	14
Other	231	2	128	1	*	*	85	8	9	2
Nothing	98	1	98	1	*	*	0	0	0	0
Don't know	0	0	0	0	*	*	0	0	0	0
<i>Weighted base</i>	<i>11,812</i>		<i>9,882</i>		<i>*</i>		<i>531</i>		<i>296</i>	
<i>Unweighted base</i>	<i>1,019</i>		<i>889</i>		<i>*</i>		<i>70</i>		<i>30</i>	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Base: All employers with skills gaps who have taken steps to improve the proficiency or skills of these staff.

\*Data suppressed as unweighted establishment base < 25 (>50 in Scotland)

**Table 5.18: Steps taken by all-sector employers to overcome skills gaps, by UK nation, 2011**

Nation	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Steps taken to overcome gaps										
Increase training activity / spend or increase/expand trainee programmes	185,527	82	155,451	82	3,822	79	18,002	83	8,253	86
More supervision of staff	139,442	62	116,865	62	3,186	66	13,381	62	6,009	62
More staff appraisals / performance reviews	123,245	55	103,336	55	2,939	61	12,001	55	4,968	51
Implementation of mentoring / buddying scheme	113,645	50	94,041	50	2,350	49	12,376	57	4,878	51
Reallocating work	76,053	34	62,381	33	1,952	41	7,876	36	3,844	40
Changing working practices	69,850	31	59,408	31	1,499	31	6,406	29	2,537	26
Increase recruitment activity / spend	33,319	15	28,747	15	762	16	2,386	11	1,424	15
Recruiting workers who are non-UK nationals	21,589	10	18,782	10	572	12	1,373	6	862	9
Other	3,156	1	2,742	1	125	3	221	1	69	1
Nothing	3,541	2	2,736	1	36	1	617	3	152	2
Don't know	348	**	322	0	0	0	0	0	25	0
Weighted base	225,379		189,191		21,730		9,650		4,807	
Unweighted base	16,506		14,313		655		1,074		464	

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Base: All employers with skills gaps who have taken steps to improve the proficiency or skills of these staff.

\*\* Denotes a figures of greater than 0% but less than 0.5%

### 5.2.3 Extent of under-employment

The UK Commission for Employment and Skills define underemployment in terms of individuals being either over-qualified or over-skilled. Someone is described as being over-qualified if the qualifications they have are higher than the qualifications needed to get into their job. Someone is over-skilled if they do not have enough opportunity to use the knowledge and skills that they have in their job. This section discusses the extent to which the Care workforce can be considered under-employed.

Aside from Hospitality, tourism and sport, Table 5.19 suggests that unemployment is greatest among Care employers, alongside Government and Education sectors. Over half (54 per cent) of Care sector establishments report staff deemed over-qualified and over-skilled, compared with 49 per cent across the whole economy. In terms of employment, 17 per cent of all staff employed in Care are classified as over-qualified and over-skilled, compared to an all-industry average of 16 per cent).

From a national perspective, the Care workforce in Northern Ireland (12 per cent), Scotland (15 per cent) and Wales (15 per cent) are less likely to be over-qualified and over-skilled in their respective positions than in England (18 per cent), (UKESS, 2011).

However as noted earlier in this section, the sector has a slightly higher proportion of employers reporting skills gaps (see Table 5.12) and in terms of barriers to training, fewer employers believe that the workforce is fully trained (see table 4.22). This suggests that the relevance of qualifications held by some workers may be of particular importance in the Care sector.

Many services within the sector are regulated and face routine inspections; there are also mandatory registration requirements for some occupations based upon the attainment of relevant qualifications in each of the four nations. Whether workers hold a qualification relevant to the role that they are performing can be said to be more of an issue than over-qualification or over-skilling.

Approximately 55 per cent of social service employers in Scotland sought a candidate with particular qualifications during the past two or three years, compared to an average of 37 per cent across all Scottish employers during that same period<sup>70</sup>.

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<sup>70</sup> Skills in Scotland 2010, Scottish Government Social Research (March 2011)

**Table 5.19: Extent to which workforce is 'over qualified' and 'over skilled' by sector, 2011**

Broad Industrial sector	Employers with employees who are over qualified and over skilled				Employees who are over qualified and over skilled			
	Number	%	Weighted base	Unweighted base	Number	%	Weighted base	Unweighted base
Agriculture, Forestry & Fishing	42,111	38	110,220	1,547	88,613	19	466,870	19,506
Energy Production & Utilities	5,458	43	12,610	1,614	43,319	13	333,050	47,228
Manufacturing	56,009	43	130,709	7,776	252,633	10	2,541,188	291,593
Construction, Building Services Engineering and Planning	129,922	42	306,403	8,961	369,923	17	2,235,270	150,111
Wholesale & Retail Trade	241,146	51	470,200	16,150	846,216	18	4,674,684	514,820
Transportation and Storage	61,038	50	122,058	4,735	202,809	15	1,320,126	114,658
Hospitality, Tourism and Sport	131,526	60	220,055	11,318	566,562	24	2,313,487	258,524
Information and Communication Technologies	33,764	47	72,281	2,510	93,637	15	614,641	53,681
Creative Media & Entertainment	66,845	46	143,772	3,762	205,573	19	1,086,978	87,953
Financial, Insurance & other Professional Services	76,826	45	170,887	5,343	312,906	15	2,052,039	112,945
Real Estate & Facilities Management	81,744	49	166,486	3,424	217,791	18	1,183,601	91,204
Government Services	29,384	54	54,687	2,605	256,006	14	1,780,058	223,796
Education	34,623	54	64,540	5,439	341,455	13	2,538,545	387,221
Health	23,566	45	52,370	3,398	225,183	11	2,004,436	219,765
Care	47,114	54	87,899	4,763	258,385	17	1,504,729	157,681
Whole economy	1,118,691	49	2,299,921	87,572	4,456,192	16	27,547,123	2,816,693
Weighted base	2,299,921				27,547,123			
Unweighted base	87,572				2,816,693			

Source: UK Commission's Employer Skills Survey (Davies et al, 2012)

Bases: vary. "Employers" columns based on all establishments. "Employees" columns based on all employment.

### **5.3 Impact of skill mis-matches in terms of wages and reliance on an international supply of labour**

This section explores the impact of skills mismatches in the Care sector which can be determined by examining average wage levels and the extent to which sector employers rely on an international supply of labour.

#### **5.3.1 Wages**

Wage premia can:

- Indicate a short-term increase in employer demand;
- Provide an incentive for individuals to develop certain skills;
- Indicate the existence of persistent skills shortages;
- Reflect the distribution of rare skills or skills that are not easily learnt, (UKCES, 2010).

Data from the Annual Survey of Hours and Earnings (Table 5.20) suggests that the Care Sector offers the third lowest average hourly wages of any sector (behind agriculture and hospitality/tourism). The data suggests that the increase in hourly wages between 2009 and 2010 in the care sector on average was below inflation at 1.8 per cent.

This was also a lower percentage increase than that for the Government services, Education or Health sectors but slightly more than the all industry average of 1.5 per cent.

**Table 5.20: Comparison of UK average hourly wage by sector, 2008-2010**

	2008	2009	2010
<b>Broad industrial sector</b>	<b>£</b>	<b>£</b>	<b>£</b>
Agriculture, forestry and fishing	10.42	11.18	10.38
Energy production and utilities	15.93	16.41	16.62
Manufacturing	13.86	14.28	14.37
Construction, building services, engineering and planning	14.66	15.29	15.39
Wholesale and retail trade	11.00	11.27	11.36
Transportation and storage	12.44	13.16	13.21
Hospitality, tourism and sport	9.14	9.35	9.52
Information and communication technologies	20.05	20.26	20.40
Creative media and entertainment	17.14	17.29	17.50
Financial, insurance & other professional services	21.06	21.45	21.99
Real estate and facilities management	11.36	11.64	11.71
Government services	14.40	14.87	15.62
Education	14.67	15.39	15.71
Health	14.97	15.79	16.45
Care	10.21	10.30	10.49
All economy	13.94	14.39	14.60

Source: Annual Survey of Hours and Earnings, 2010 (ONS)

Previous Skills for Care & Development analysis of 2009 data from the Annual Survey of Hours and Earnings (ASHE) suggested that median annual earnings (gross) for employees (SIC 88 Social work activities without accommodation) were between 60 per cent and three quarters of the median earnings for all employees (or around £5,000 to £8,000 less per year). For residential care workers the gap was much the same at around £8,000 per year or median annual earnings (gross) equivalent to just 62 per cent of the all industry average. ASHE 2009 data suggests that social workers average annual earnings (gross) are about 70 per cent (or £27,192) of other Business and public service professionals (£39,290).

It is unlikely that pay and conditions in the sector will improve significantly in the medium term. The UK Government is committed to a two year freeze in public sector pay starting in 2011-12. The Government also commissioned a Review of Fair Pay in the Public Sector, which made limited recommendations on tackling disparities between the lowest and highest paid in public sector organisations<sup>71</sup>. The main impact is likely to stem from any extension of the Fair Pay Code principles beyond public sector bodies (i.e. as a contractual condition or as a best practice adopted by sector employers).

<sup>71</sup> Hutton Review of Fair Pay in the public sector: Final Report, HM Treasury (March 2011)

The Scottish Government has also maintained a pay freeze for public sector workers, with a freeze on basic pay for 2012-13, to protect employment and continue the policy of no compulsory redundancies for those areas under direct Ministerial control, while paying the up-rated Scottish Living Wage of £7.20 an hour and ensuring that any employee earning less than £21,000 continues to receive at least a £250 rise.

The Local Government Workforce Survey 2010 previously reported that a pay freeze had already been implemented by 63 per cent of authorities. In February 2012 the Local Government Association announced that there would be an extension of the local government pay freeze for a third year across the UK.

### **5.3.2 Migration**

Compared with the average for all employers, sector employers are no more and no less likely to agree that they have recruited non-UK nationals in relation to SSVs. When asked about whether they had recruited workers who are non-UK nationals, around nine per cent of care sector employers said they had done so compared with 10 per cent across all industry and at a UK level (see Table 5.17 earlier in this section).

Analysis of NMDS-SC data in February 2011 showed that there was a greater reliance on migrant workers within private sector providers and within nursing services. Other key findings were that migrant workers tend to be younger and have flexible working arrangements. Across England a fifth (19 per cent) of care workers were non-British, this ranged from 51 per cent in London and 26 per cent in the South East to nine per cent in the North West and five per cent in the North East. Overall NMDS SC analysis suggested that around 13 per cent of workers had a non-EEA nationality in adult social care services in England.<sup>72</sup>

Non-British workers in England make up 25 per cent of workers in care homes with nursing compared with 15 per cent in care homes without nursing, and 16 per cent in domiciliary care. This would indicate that services more dependent on the use of nurses and professional job roles are more dependent on migrant workers. Almost 40 per cent of all registered nurses recorded in the NMDS-SC were non-British. The top three non-British nationalities for registered nurses were India (23 per cent), the Philippines (14 per cent) and Zimbabwe (13 per cent). There is also a high proportion of non-British senior care workers (19 per cent) and allied health professionals (15 per cent).

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<sup>72</sup> NMDS SC Briefing 14, Skills for Care, March 2011



Private sector social care providers have the highest proportion of non-British workers (19 per cent), compared with the statutory (13 per cent) and voluntary (14 per cent) sectors. Importantly the 19 per cent of non-British workers in the private sector is made up of five per cent of workers from within the EEA and 14 per cent from non-EEA countries, i.e. the countries affected by the changes to the work permit system.

According to NMDS SC data, a British worker (mean age 42) is on average four years older than a non-British worker (mean age 38). There is a wider age difference amongst senior care workers and registered nurses British workers, for both job roles are on average 5 years older than their non-British counterparts.

The proportion of male workers was higher within non-British workers (25 per cent) than British workers (16 per cent). It is therefore possible that the use of migrant workers could drive up the number of males and bring down the mean age of the sector. This supports the research commissioned by Skills for Care in 2009, which states *“social care employers’ views of recently-arrived overseas workers are very positive. These workers are perceived as enthusiastic, hard working and generally more qualified, younger and have less time off work than UK-born colleagues.”*<sup>73</sup>

Approximately 34 per cent of British care workers are qualified to level two compared with 30 per cent of non-British care workers. The percentage of care workers that have achieved level three or four is the same for both British and non-British (11 per cent had a highest qualification at level three and three per cent had a highest qualification at level four). For British senior care workers, 77 per cent are qualified to a level two or three, compared with 68 per cent of non-British senior care workers. However a greater percentage of non-British senior care workers (nine per cent) are qualified to level four or above than British senior care workers (six per cent).

The sector does not generally employ a substantial number of non-UK workers in Scotland, either from the European Economic Area (EEA) or from outwith this Area. As of December 2011 the only relevant occupations that remain on the Migration Advisory Committee’s (MAC) Shortage Occupation List (Scotland) are Residential and day care managers; and Social workers (children and families). The majority of non-EEA workers in Scotland in the Care sector work in services for older people. An SSSC survey in 2009 indicated that approximately 6.2 per cent of the care at home<sup>74</sup> workforce were migrant workers. This definition included all migrant workers from outwith the UK. (SSSC / Skills for Care and Development, 2009).

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<sup>73</sup> State of the Adult Social Care Workforce report 2010, p89

<sup>74</sup> The research referred to “domiciliary care” although the term “care at home” is more commonplace.

The SSSC is currently undertaking research in 2011/12 to update our understanding of the importance of migrant workers to this sector. The interim evidence suggests that employers do not require the right to recruit residential and day care managers from outwith the EEA at present. The SSSC did not propose that these workers be retained on the list during the recent MAC Consultation.

For the UK as a whole, Social workers (children and families) are included on the Migration Advisory Committees (MAC) Shortage Occupation List at present. This means that employers can recruit these workers from outside the EEA if required and certain conditions are satisfied. Previous MAC consultations have acknowledged the need for the sector to retain this flexibility to fill posts from outwith the EEA (Migration Advisory Committee, 2009). The current MAC consultation does not propose any changes to this position and the evidence presented earlier in this chapter (about the localised and specialised nature of some of the HTF and skills shortage vacancies) demonstrates that this flexibility continues to be needed in some parts of the UK.

## 6. Drivers of change and their skills implications

### Chapter Summary

Public and private spending on services (effective demand for services) remains under pressure, more is required from budgets and efficiencies have to be achieved. Demographic economic and social change is boosting current demand for services, in terms of more people with needs and higher level needs. National differences are becoming increasingly important as Government policy continues to evolve, including changes to the inspection of services and workforce regulation, this creates workforce learning and qualification requirements. Broader social and technological changes are continuing to affect demand for services (i.e. there are more intense care needs, that need to be met at home).

- Leadership and management skills, including project and change management to support service changes and expertise in commissioning and tendering for services;
- Gateway qualifications as a requirement of worker registration (e.g. to achieve and retain qualified social worker status) to meet sustained demand for services (i.e. employment growth in some areas) and to replace workers leaving the sector;
- Specialist skills and knowledge associated with age related ill health and disabilities (such as dealing with dementia, visual and/or auditory impairment);
- Transferable management skills relating to use of resources and relevant knowledge of environmental issues (e.g. access to energy efficiency initiatives and good practice) for some managers and workers;
- Transferable management skills and human resources development (HRD) knowledge accurate and up to date market information about organisational development and workforce development solutions (and their comparative effectiveness);
- Occupation specific awareness, knowledge and specialist skills associated with the introduction of new technologies to support telecare/telehealthcare, mobile and remote working;
- Transferable management skills and human resource management (HRM) knowledge, as well as use labour market intelligence to improve targeting of recruitment and retention activities to aid and support the recruitment of new workers into the sector (e.g. development of targeted careers information, informal recruitment etc.).

## 6.1 Drivers of change

The demographic changes affecting society are increasingly well known and the need to ensure high quality services is widely accepted, not least through the regulation of services and workforce registration. The importance of the care sector, employers and workers alike, in meeting these challenges is also well understood by policy makers. However the drivers of change affecting the care sector extend beyond demographics, regulation and governance. These drivers of change, as adopted by UKCES<sup>75</sup> (see Figure 6.1), have been used to structure and contextualise the current and future skills and labour market needs of the care sector.

*“People’s expectations are changing, and neither those who provide the services nor those who receive them expect to trade autonomy for dependency.”<sup>76</sup>*

**Figure 6.1: Drivers of Change**



Source: National Strategic Skills Audit 2010, UKCES

The current and historical drivers for change across the care sector are therefore presented in this chapter. However it is important to emphasise that these are different on a national

<sup>75</sup> The categorisation used here is based on the work of Davies et al (2001). This work emerged from a detailed study conducted for the Performance and Innovation Unit of the Cabinet Office, which synthesised the findings of over 50 recent studies and grouped them into core sets of drivers.

<sup>76</sup> A Vision for Adult Social Care: Capable Communities and Active Citizens Department of Health (November 2010)

and local basis, due in part to the legislative and administrative framework of the UK. These are also challenges facing most of the major industrialised nations. Whilst care is primarily based upon personal care and part of a complex system of social protection, there is a growing market for care services globally as well as established markets within the United Kingdom

### **6.1.1 Regulation and governance**

As noted previously, the care sector is subject to specific regulation and inspection of services, as well as regulatory requirements upon the workforce. For example in England, National Minimum Standards (NMS) for social care were established under the Care Standards Act 2000. In Scotland the Regulation of Care (Scotland) Act 2001 provides for a wider system of workforce regulation of the social services workforce. The Care Standards Act 2000 also provides the legal basis for the Care Council For Wales (Registration) Rules 2008. Amongst the relevant legislation in Northern Ireland is the Health and Personal Social Services Act (Northern Ireland) 2001.

Standards and qualifications are key to the development of a highly skilled and a professional workforce that is trusted, respected and more widely recognised as being able to deliver the high quality services people need. The recent Review of Occupational Regulation (Evidence Report 40, UKCES, October 2011) found that the rise in qualification levels and job related training among care workers and residential care managers was in part a result of the introduction of a organisation level licensing system in England in 2005.

Employment legislation also has a considerable impact upon the sector. Over 90 per cent of the provisions of the Equality Act 2010 came into force in the same year. The Localism Act 2011 requires English and Welsh local authorities to prepare Pay Policy statements for 2012/3 and for each financial year thereafter. The statements are required to articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees (as per the Fair Pay policy set out in the Hutton report recommendations).

Disagreement and concerns over proposals (including removal of the Default Retirement Age in local authorities and a new Local Government pension scheme) have resulted in widespread industrial action in the public sector over the last twelve months.

Current and future skills needs are likely to be increasingly specific to national and local policy, approaches to service delivery and adaptation to community needs. There are some commonalities of approach, for instance towards preventative services such as re-ablement<sup>77</sup> and rapid response services<sup>78</sup>. This includes:

- Continued support is needed for the development of effective leadership and management of services, including
- project and change management specialist skills in order to support service changes, such as the extension of telecare/telehealthcare services;
- Development of expertise in the area of commissioning and tendering for services;
- Continuing requirements for worker registration, in particular for professional and associate professional roles which often requires continuing professional development (CPD) to achieve and retain qualified social worker status;
- Re-training of some workers to enable greater flexibility in the roles they can fulfil and types of service they are able to deliver as employers switch or expand provision as a result of successful or unsuccessful procurement tenders.

### 6.1.2 Demographic Change

The care sector provides services to everyone at some stage of their life, whether as a child or adult, a parent, a carer or as an individual needing care and support. This means that population characteristics, in particular age, largely determine the numbers of people in need, as well as the nature and intensity of their needs.

The UK population is growing and since the late 1990s, net international migration into the UK from abroad has been an increasingly important factor in population growth. The UK population is also becoming older. Low fertility and mortality rates have both contributed to this population ageing. There is a declining proportion of the population aged under 16 and an increasing proportion aged 65 and over.<sup>79</sup> This means that demand for sector services is also growing - creating demand for skilled labour and furthermore, as the needs of service users change, new skills requirements are created.

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<sup>77</sup> The Department of Health's Care Services Efficiency Delivery (CSED) Programme has defined re-ablement as being "Services for people with poor physical or mental health to help them accommodate their illness by learning or re-learning the skills necessary for daily living".

<sup>78</sup> *Rapid response services provide an intermediate tier, multi-disciplinary health and social care service to respond rapidly to a health or social care crisis. Rapid response services assess, treat and support the individual in their own home, avoiding an unnecessary and more costly admission into hospital or residential care.* - Rapid Response Services: intermediate tier, multi-disciplinary health and social care service, Care Services Efficiency Delivery Programme (CSED - DH) in Partnership with Bristol PCT and Bristol City Council

<sup>79</sup> Source: Office for National Statistics website

In 2010 there were an estimated 17.9 million families, an increase of 5 per cent since 2001. Between 2008 and 2010, 340,000 more people were added to the population who were aged 65 and over, mostly in the 65-69 age range, (ONS).

Net job creation and positions opening up to replace those retiring from the sector are likely to be needed in personal service occupations simply to deliver services for older adults in the long term but also for families childcare, early years education in the medium term as demand increases. This has implications for:

- Qualifications to gain entry to the sector, and regulated occupations for the existing workforce. Mandatory induction training for workers in personal service occupations such as new home carers may be required;
- An ageing population means that more specialist skills and knowledge associated with age-related ill health and disabilities (such as dealing with dementia, visual and/or auditory impairment) will be needed as an ageing population means that more service users are likely to have these kinds of needs and more workers will need this knowledge and expertise.

### **6.1.3 Environmental Change**

Skills for Care & Development (2011a) identified three main environmental factors currently relevant to the delivery and use of services provided by our sector: improving energy efficiency, efficient recycling and reduced use of natural resources, and effective management of environmental health issues. Skills for Care and Development understand that this assessment remains unchanged. The skills needs associated with these factors are primarily related to management capability and specifically involve managing resources including estates, communicating effectively with staff as well as effective performance management of staff.

Other future skills needs are likely to be associated with:

- Energy efficiency initiatives and good practice, this knowledge is potentially useful to all workers coming into contact with vulnerable adults and families living in their own home;
- Health and safety knowledge is a statutory requirement and ongoing learning need for new workers as part of induction. Some aspects of this knowledge are also needed by workers who provide support and advice to vulnerable people and families.

### **6.1.4 Economics and globalisation**

Many of the services provided by the Care sector are essential in ensuring adequate social protection and deliver a range of public goods (e.g. early years education could be seen as benefiting everyone, social workers help address communities to tackle anti-social and criminal behaviour etc.). Part of the funding for the sector therefore comes from public expenditure, part from private spending and as many services are commissioned through competitive tendering, globalisation has a direct effect upon markets for care services (as noted in Chapter Two).

In 2008/09 the UK suffered its worst recession in 80 years. Output declined by six per cent, between 2008 and 2009 exports declined by 8.6 per cent and imports by 9.1 per cent. Unemployment increased by 2.8 per cent to 7.9 per cent. The financial system was also brought to the brink of collapse. The UK economy showed few signs of recovery during 2010 and showed little improvement in 2011. Unemployment has continued to increase. In March 2012 the Office for National Statistics reported that the UK unemployment rate was 8.4 per cent of the economically active population, up 0.1 percentage points on the quarter. There were 2.67 million unemployed people, up 28,000 on the quarter. The UK unemployment rate has not been higher since 1995.

Having grown in 2009 and 2010, general government consumption and investment are projected to contract annually over the next few years reflecting the government's fiscal consolidation plan. As noted previously, public expenditure upon sector services is likely to have fallen in real terms during 2010 and it appears increasingly likely that further and deeper reductions in spending may be necessary.

In terms of local government, a report (CIPFA, 2011) found that the social care budgets of 76 councils surveyed in England were set to be cut by 2.6 per cent, from £9.79 billion in 2010-11 to £9.54 billion in 2011-12. The report also illustrates the importance of local decision-making and regional variations in public spending on social care. Adult social care spending in 2011-12 was expected to fall by 4.7 per cent to £3.4 billion in the North of England and rise by 2.7 per cent to £3.33 billion in the South. Child social care funding were estimated to be reduced by 7.4 per cent in 41 councils in the North from £1.55 billion to £1.43 billion; while in the South councils were cutting funding by an estimated 3.5 per cent, from £1.30 billion to £1.25 billion.



Children's social care spending in England is expected to be reduced by an average of 24 per cent in 2011-12 compared with 2010-11, (CIPFA, 2011). This is significantly more than the overall reduction in local government spending of around 10 per cent in real-terms, and more than the budget reductions for most other local authority services. By comparison, adult social care spending was projected to fall in 2011–12 by less than two per cent.

It is important to emphasise that not all spending upon sector services is publicly-funded. Private spending on adult social care may be worth as much as £7 billion per year and private spending upon childcare has been estimated at £2.1 billion (SfC&D, 2011). Households using sector services are more likely to be lower income households. During 2008/09 people living in lone parent households and pensioners living alone were more concentrated at the lower end of the income distribution (39 per cent and 27 per cent respectively in the lowest fifth).

It is likely that private expenditure upon sector services overall has also been constrained but it is less clear how much this has affected services such as childcare (as opposed to publicly-funded social care). The Daycare Trust briefing (2011) report that the reduction in the percentage of childcare costs covered by the Working Tax Credit from a maximum of 80 per cent to 70 per cent in April 2011 added an average of £546 onto the childcare bill for half a million families and up to £1,560 per year for some low income families.

Childcare costs in the UK have also consistently risen every year over the last 10 years. In 2011, prices increased by twice the average pay increase in the same period. 25 hours of nursery care per week for a child aged two or under now costs on average £5,000 a year in England - rising to £6,000 in London.

Save the Children and the Daycare Trust also cite OECD data suggesting that parents in the UK face higher childcare cost as a percentage of net family income than any other OECD country, spending on average 33 per cent of their net income on childcare<sup>80</sup>.

The growing importance of reducing costs and improving productivity in the Care sector require people management skills and human resources management knowledge at intermediate and higher levels. Employers also need to improve the return on investment they achieve from organisational and workforce development (i.e. productivity in terms of the return upon investment in labour and organisational factors of production).

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<sup>80</sup> OECD Family Data base, Panel B: Childcare cost in Percentage of family net income

### 6.1.5 Technological Change

Increasing demand for services that support people in their own homes, coupled with reduced resources, suggest that new technology will increasingly become a core component of services across our sector. For example, Telecare is a term covering a range of devices and services that harness developing technology to enable people to live with greater independence and safety in their own homes<sup>81</sup>. Although there is no precise figure for the number of telecare users at any one time, it is estimated (by the Department of Health) that there are around 1.7 million people using telecare in England. The current estimate for telehealth remote monitoring installations is around 6,000, based on published programmes and projects.<sup>82</sup>

Household ownership of mobile phone equipment and services has risen from 27 per cent in 1998/99 to 79 per cent in 2008, while the number of households with Internet access has risen from 10 per cent to 66 per cent over the same period (ONS, 2009). The increase in mobile phone ownership and expansion of internet services, in particular higher bandwidth broadband access has also driven the potential for wider use of telecare solutions and routine use of mobile devices (sometimes described as mHealth, m-health or mobile health). This includes the greater use of mobile communication devices, such as mobile phones, tablet computers and PDAs, for health services and information. These enable the collection of health data, as well as delivery of healthcare information to service managers as well as clinical leads and care workers, the real-time monitoring of patient vital signs and direct provision of some forms of care.

Current and future skills needs are likely to be associated with:

- Commissioning, Procurement & Service development – knowledge requirements around developing appropriate technical specification, accessing specialist advice; option appraisal (capabilities, costs and suitability) and analysis to identify what to decommission; as well as project management skills for implementation
- Professional Development and leadership for change at all levels – Knowledge & skills for technology solutions to meet care needs need to be integrated into professional and vocational education.
- Awareness raising – Support to enable service users to see the potential of new technology (e.g. Telehealthcare) to help them achieve their goals, maintain their independence and improve their feelings of safety, security and well being.

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<sup>81</sup> As defined by the Joint Improvement Team Scotland.

<sup>82</sup> Research and development work relating to assistive technology 2010-11, Dept. of Health (July 2011)

- Adult/Child protection – Everyone caring for children, young people and vulnerable adults must be aware of how they can help protect service users from harm/risk.
- Data analysis and interpretation – Managers, service providers and commissioners need the knowledge and skills to use the data available to them.
- Non-professional/indirect care roles – Workers in emerging non professional roles and indirect care roles (e.g. call centre staff, installation & maintenance staff) need basic social care skills such as communication, must understand adult/child protection issues and be able to deal with challenging behaviour.

### **6.1.6 Values and Identities**

This driver includes family structures, attitudes towards government, citizenship, education and religion. Changes in values and identities include attitudes to work and affect labour supply through influencing choices about type and conditions of work. They also have social effects that influence the demand for care services and skills of sector workers.

Just as people living longer has an impact upon their likelihood of becoming ill or having a disability, national statistics suggest they are increasingly likely to live alone. For example, the ONS reports that average household size has decreased from 3.1 persons in 1961 to 2.4 persons in 2010. As age increases so the proportion of the age group living alone also increases. In 2010 in the UK, around three per cent of those aged 16 to 24 lived alone compared to around 25 per cent of those aged 65 to 74 and over 45 per cent of those aged 75 and over<sup>83</sup>.

The number of people living alone also increased from 7.0 million to 7.5 million between 2001 and 2010. The reasons for this increase in people living alone are partly due to survival rates and partly due to social change, for example the trend across the UK for more marriages to end in divorce is widely understood. Clearly the number of people living alone has implications for the amount of people requiring care and support.

The trend for women to have children at a later age has implications for the care sector in terms of demand for childcare services. The majority of workers within Care are female and the age at which many are likely to decide to have children has an impact upon retention and recruitment in the sector.

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<sup>83</sup> Between 2001 and 2010 the largest changes were in those aged 75 and over which had decreased from 49 per cent of the age group in 2001 to 45 per cent in 2010 and those aged 65 to 74 which had decreased from 27 per cent to 25 per cent of the age group. This may be due to improved survival rates for both men and women. Social Trends 41, ONS)

Skills for Care & Development commissioned a public perception survey (IFF, 2011) to gather more information about the views of people about working in the sector, particularly around the broad types of jobs available and the factors that influence overall job satisfaction. Part of the survey looked at whether they felt that factors that lead to job satisfaction were present (motivators or “pull” factors, loosely speaking) in sector jobs and how much the factors that lead to job dissatisfaction were also present (hygiene or “push” factors).

Notably, over four-fifths (84 per cent) of the working age population valued job security highly, placing this attribute on an equal footing with the most important motivator (work you like doing). People also placed significantly less value on promotion prospects than the other motivators, although still over half (54 per cent) rate them as essential or very important.

In terms of recruitment and retention, women have a stronger preference for choice and convenience in working hours and work that is not too physically demanding. Job security and training opportunities were also deemed important. Men and younger people are more likely to value promotion prospects. Younger people also put somewhat more value upon job security, pay and fringe benefits. Preference for work that is less physically demanding, choice/convenience in working hours and ease of workload also increased with age. The oldest group were also more likely to consider status/respect important.

In the early years and social work sub-sectors, there is a perceived lack of promotion opportunities and training provision. The early years sub-sector was seen to not always meet expectations in terms of job security, sufficient pay choice/convenience in hours and fringe benefits.

For social work, three-quarters of the working-age population value having friendly people to work with while only 40 per cent believe that social work offers this. The gap between people’s motivations at work and their perceptions of positions in the social work sub-sector was larger for young people with regards to the three most important attributes: job security, pay and friendly people to work with.

The findings from the research suggest that social, demographic and employment characteristics affect perceptions and expectations about different occupations and sub-sectors within the care sector. To improve recruitment and retention, Skills for Care and Development and employers need to:

- develop responses that address the relevant demographic and employment factors, including targeting of recruitment activities;

- better emphasise the strengths of sector jobs in terms of hygiene or “push” factors (e.g. that job security is relatively good);
- find ways of encouraging sector workers and other “influencers” to aid and support the recruitment of new workers into the sector (informal recruitment etc.).

### **6.1.7 Consumer Demand**

In 2007 the Government published “Putting People First”, this set out its intention to change the way that adult social care was provided in England. As stated in the report, “the vast majority of people want to live in their own homes for as long as possible”<sup>84</sup>. The move towards care at home and for service users and their carers to exert more control over the nature and management of publicly funded care, reflects consumer expectations about the nature and quality of care and support that people should receive.

Self-directed support is on the rise; 29 per cent of all adults and carers receiving publicly-funded care services in 2010-11 did so via self-directed support. Further personalisation of services and self-directed support is encouraging the emergence of new types of worker such as personal assistant or support worker role, advisors providing a brokerage/ guidance roles. A wider and more diverse set of personal care, person centred planning, problem solving and interpersonal skills needs are associated with the new types of worker and ways of working.

## **6.2 Scale of drivers**

Public and private spending on services (effective demand for services) remains under pressure, more is required from budgets and efficiencies have to be achieved. The most important drivers in terms of current skills needs are: economics (and globalisation), demographic change, regulation and governance and technological change.

Weak economic growth, sovereign debt and inflation are putting pressure upon public and private expenditure, limiting effective demand for services and the expansion of the workforce to meet needs. Much of the Care sector is publicly-funded and prevailing economic conditions are likely to have a substantial impact on the sector in terms of budget reductions and cut-backs to services.

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<sup>84</sup> Putting People First: A shared vision and commitment to the transformation of Adult Social Care, HM Government, 2007

Demographic change is boosting current demand for services, in terms of more people with needs and higher level needs. As noted in the introduction to this Chapter, demographic change is set to have a significant impact on the level of demand for Care services over the longer term.

Regulation and governance has an important role in setting the quality of standards for Care services which impacts upon future skills requirements. As demand for services continues to increase, driving up quality in the Care industry becomes ever-more crucial to ensure the effective and appropriate delivery of Care.

National differences as Government policy continues to evolve, including changes to the inspection of services and workforce regulation which creates workforce learning and qualification requirements.

In terms of technological developments, the care sector is not capital intensive but has seen considerable change due to the introduction of telecare and use of new technologies. The telecare or telehealthcare market is seen to be increasingly valuable on a global scale as all the major industrialised nations struggle to meet the needs of an ageing global population over the longer term.

Broader social changes are continuing to affect demand for services. There are more intense care needs and a potential increase in people to receiving tailored services in their own homes. The sector is indirectly affected by wider environmental change but this is not a major driver for care services.

## **6.3 UK nations perspective**

Differences in drivers on a national basis are set out in this section.

### **6.3.1 Scotland**

*Regulation and governance* - Scotland also has a different legislative system and has implemented different national policies as regards social care. For example, personal care is available without charge for everyone in Scotland aged 65 and over who have been assessed by the local authority as needing it. A larger proportion of social services workers are required to register with the Scottish Social Services Council (SSSC) than comparable workers in England (i.e. those registering as Qualified Social Workers).

The Register for social service workers in Scotland is function based, meaning that an applicant must be employed in a relevant role in a Care service registered by the Care Inspectorate. In England, those registering as qualified social workers do so based on their qualification gained as opposed to the role they perform in the sector.

Substantial numbers of the existing Care sector workforce will be required to attain a qualification as part of their registration with the SSSC which impact on the qualifications profile of the sector. Data published by the SSSC indicates that there are more than 110,000 workers in care at home, housing support and care home for adults services as of December 2009 (SSSC, 2011b) and there is evidence to suggest that many are already undertaking training as part of their preparation for registration.

The SSSC is currently implementing an action plan for leadership and management in the sector. This work includes the identification of knowledge, skills, values, qualifications (where appropriate) and leadership capabilities needed to develop leadership at all levels.

The sector in Scotland has also identified a need to ensure that there are leaders at all levels, from chief executives to frontline practitioners. The need for citizens and people who use services to take on a shared responsibility for making sure services meet their needs has also been identified as a key priority and is referred to as Citizen Leadership.

*Demographic change* - The Scottish population aged 65 or over is estimated to increase by 21 per cent between 2006 and 2016, and will have increased by 60 per cent by 2031. The population aged 85 or over in Scotland is expected to increase by 38 per cent between 2006 and 2016, and to almost triple by 2031, (Scottish Government, 2010). These trends are broadly consistent with UK figures.

*Values and Identities* - Skills for Care & Development research, (IFF, 2011) has found that people living in Scotland were more likely to have a positive impression of care and support workers (74 per cent, compared with around 68 per cent in England and Wales). They were also more likely to view social workers positively than were people living in England (54 per cent compared with 49 per cent), although there was no significant difference with regards to the other countries. For early years workers, there was no variation in the proportions expressing a positive view overall, however people living in Scotland were more likely to have a 'very positive' view (42 per cent) compared to people living in England (34 per cent). People in Scotland also tended to have the best perceptions of job attributes in the sector; this was the case to a varying extent for all three sub-sectors.

### 6.3.2 Wales

*Governance and regulation* - Mandatory registration has been implemented in stages, with social workers and social work students required to register with the Council since 2004, managers of residential children's homes since 2007 and workers since 2008. Last year registration became mandatory for adult care home managers (1st June 2011) and domiciliary care services managers (1st October 2012).

In contrast to England, a Number of Welsh councils have actually increased their children's social care budgets for 2011–12, and this spending is only projected to fall by 1.96 per cent in Wales as a whole. This is partly because local government grants are set to fall by significantly more in England than in Wales over the next three years (27 per cent rather than 7.1 per cent).

*Values and identities*- Looking at the perceptions held about the sector and jobs within it, there were few differences between people in England and Wales, although Wales had more positive perceptions in a couple of cases. Welsh people were more likely to have a positive view of early years promotion prospects (42 per cent compared with 32 per cent in England and 34 per cent in Scotland). People in Wales (52 per cent) were more likely than those in England (44 per cent) to think that social work offers job security. People in Wales also had more positive views than England on the Care sector providing interesting work and promotion prospects and training. The high importance attached to having friendly people to work with in Wales also resulted in a better match in England than in Wales on this factor.

### 6.3.3 Northern Ireland

*Demographic change* - The Northern Ireland Statistics & Research Agency expects the population of Northern Ireland to increase from 1.78 million in 2008 to 1.94 million by 2023, an increase of 171,000 people or 10 per cent. This is equivalent to an average annual rate of growth of 0.7 per cent. The number of people aged 65 and over is projected to grow by around 42 per cent between now and 2025,<sup>85</sup> while the population aged 85 and over is expected to represent four per cent of the entire population by 2033.<sup>86</sup> The projected increase in population will mean greater demand on services and will require sufficiently skilled staff to meet this demand.

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<sup>85</sup> NISRA, Statistical Report October 2011

<sup>86</sup> NISRA, 2008 based population projection



There are approximately 19,000 people living with dementia in Northern Ireland which is expected to increase to 60,000 by 2051. This is the fastest rate of increase in the UK.<sup>87</sup> The Dementia Strategy was published in NI on 8 November 2011 outlining budgetary constraints. Employers have similarly highlighted an increase in pressure on hospices to provide palliative care over the last 18 months. Care employers have highlighted that the sector workforce should have basic training in the areas of palliative care and dementia services to meet future demand.

*Regulation and governance* - The Northern Ireland Executive has indicated that efficiency savings are required in 2011-12 and for the medium term. Overall expenditure on health and social care for 2010-2011 was £4.3bn and there has been a one per cent increase for 2011-2012. This accounts for 41 per cent of the total public expenditure across all Departments in Northern Ireland. The Assembly has taken a policy decision to protect the health element of the expenditure but this is not the case for social care.

Registration requirements for the social care workforce were first introduced on 1 April 2003 and the social work and social care parts of the Register opened to the following priority groups: social workers; residential child care workers; managers of residential care homes and managers of day care settings. The compulsory register widened in 2004 to include social work students and in 2006 to include domiciliary care managers and care workers in residential care homes and nursing homes. In 2011, compulsory registration extended further to include social care managers of residential, day care and domiciliary care, unqualified residential child care workers and social care workers in adult residential or nursing homes settings.

The Northern Ireland Social Care Council is developing a Continuous Learning Framework for social care workers and Post-Registration Training & Learning Requirements. This framework will include five learning standards on Principles of Care, Safeguarding, Communication, Social Care Skills and Health and Safety for all social care workers, as well as supplementary standards which support senior care and other management roles on supervision, performance appraisal and leadership and management.

In Northern Ireland, the Personal Social Services Development & Training Strategy 2006 – 2016 aims to improve the qualification base of the social work and social care workforce and, in time, to link training and/or qualifications with registration with NISCC. Strategic priorities include Leadership and Management; Safety and Accountability; Flexibility and Skills; Motivation and Confidence; Working in Partnership; and Continuous Improvement.

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<sup>87</sup> Economic and Social Research Council Research Update, No 77, October 2011

*Consumer demand* - The uptake of direct payments in Northern Ireland continues to be comparatively low. Trusts tend to approach this type of provision differently in the absence of a regional approach and this has resulted in a geographical variation in uptake. There is a perceived bureaucratic unwieldiness in managing financial accountability, hence many service users opt for a more traditional care package.

*Technological change* - The DHSSPS has funded a project to establish an innovative Telemonitoring Service which will enable patients in Northern Ireland to monitor their own health in their own homes.

In Northern Ireland, SfC&D anticipates more specialist posts will be required to meet more complex needs and maintain quality of provision. Existing provision in the community will need to be strengthened to support more individuals who are willing and able to remain in their homes. This could be supported by the development of neighbourhood workforce partnerships.

### **6.3.4 England**

Drivers affecting England and the English regions are broadly representative of the UK as a whole. The main differences in drivers in England are between services provided for adults and those provided for children, young people and families.

#### **Services for Children**

*Regulation and governance* - The Special Educational Needs Green Paper made several proposals to the existing system such as:

- including parents in the assessment process,
- replacing statements with a single assessment process and a combined education, health and care plan,
- ensuring assessment and plans run from birth to 25 years old,
- overhauling teacher training, professional development and existing systems to better help pupils with special educational needs and to raise their attainment,
- injecting greater independence from local authorities in assessments by looking at how voluntary groups might coordinate the package of support and
- giving parents a greater choice of school and giving parents and community groups the power to set up special free schools.

The paper has been out to consultation and a period of testing in local areas. This will form the basis for any necessary legislative changes to be taken forward from May 2012 at the earliest.

The Munro review of Child Protection set out 15 recommendations to increase focus on the needs of the child. The recommendations are designed to enable social workers to benefit from high quality education and training in responding to both the needs of children and adults, but also to develop specialist skills early in and over the full course of their careers.

In November 2010 the government announced it would withdraw funding for the Children's Workforce Development Council after April 2012 and for leadership of CWDC's programmes of work will be taken forward either by the Department for Education (DfE) and the new Teaching Agency or by the Children's Improvement Board (CIB). During 2012 the General Social Care Council will also transfer its responsibilities for the registration and education of qualified social workers to the Health Professions Council.

### **Services for Adults**

The Government's strategy for older adults in England, 'Capable Communities and Active Citizens', was published in November. "A vision for adult social care: Capable communities and active citizens ". This sets out how the Government wishes to see services delivered for people; putting personalised services and outcomes centre stage. The vision for a modern system of social care is built on seven principles:

- Personalisation: individuals not institutions take control of their care. Personal budgets, preferably as direct payments, are provided to all eligible people. Information about care and support is available for all local people, regardless of whether or not they fund their own care.
- Partnership: care and support delivered in a partnership between individuals, communities, the voluntary and private sectors, the NHS and councils - including wider support services, such as housing.
- Plurality: the variety of people's needs is matched by diverse service provision, with a broad market of high quality service providers.
- Protection: there are sensible safeguards against the risk of abuse or neglect. Risk is no longer an excuse to limit people's freedom.

- **Productivity:** greater local accountability will drive improvements and innovation to deliver higher productivity and high quality care and support services. A focus on publishing information about agreed quality outcomes will support transparency and accountability.
- **People:** we can draw on a workforce who can provide care and support with skill, compassion and imagination, and who are given the freedom and support to do so. We need the whole workforce, including care workers, nurses, occupational therapists, physiotherapists and social workers, alongside carers and the people who use services, to lead the changes set out here.

As mentioned previously, responsibilities of the General Social Care Council transferred to the Health Professions Council in August 2012. In addition to the existing regulatory functions of the Care Quality Commission, the Health and Social Care Bill establishes revised and new adult social care workforce regulators and financial regulators.

#### *Professional Standards Authority for Health and Social Care*

The Council for Healthcare Regulatory Excellence's responsibility for the scrutiny and quality assurance of the nine health professional regulatory bodies in the UK will be extended to include the Health and Care Professions Council which will take over the regulation of social workers in England from the General Social Care Council. The Council for Healthcare Regulatory Excellence will be renamed the Professional Standards Authority for Health and Social Care.

Monitor will become the regulator for all health care services. Monitor's overarching duty will be to protect and promote the interests of people who use those services, by promoting provision of health care services which is economic, efficient and effective and which maintains or improves the quality of services.

Monitor is already required to exercise its functions with a view to enabling the provision of NHS health care services to be integrated with the provision of health-related services or social care services.

As well as quality standards, the National Institute for Health and Care Excellence (NICE) will be able, to give advice or guidance, or provide information or make recommendations on matters relating to the provision of social care in England. The first Adult Social Care Outcomes Framework (ASCOF), covering the year 2011/12 has been agreed between The Association of Directors of Adult Social Services (ADASS), The Local Government Group (LGG) and The Department of Health (DH). The purposes of the ASCOF are essentially two-fold:

- To give an indication of the strengths of social care and success in delivering better outcomes for people who use services. This will support the Government's role in reporting to the public and Parliament on the overall system, and influence national policy development.
- To 'benchmark' between areas. This will enable councils to compare their results with others and to share learning and best practice. It will also support the "local account" of social care in an area by providing high-level information to underpin the narrative of these accounts. The Health and Social Care information centre are managing the ASCOF.

Economic, regulatory and demographic drivers remain key to understanding changing skills needs in the Care sector. Chapter 7 explores each of the drivers of future change in more detail.

## 7. Future skills needs

### Chapter Summary

There is continuing debate about the future provision of social care for older people and how it will be funded, particularly in England. Regulation of services and the workforce, including worker registration will remain key factors. Demographic changes will increase demand for care sector services, particularly from older people. Working Futures projections are for an increase in the total Care workforce of around 0.5 per cent per year from 2010 to 2020 (or an additional 8,000 workers per year across the UK). Technologies used by the sector are changing more rapidly, with consequent impact on skills, knowledge and professional development needs. Economic conditions are likely to remain challenging and care sector employers will need to continue to improve efficiency and raise productivity/quality through investment in the workforce. Environmental change is likely to increase the pressure upon employers and service users to use resources more effectively.

Future skills needs are likely to include:

- Highly differentiated workforce requirements on an occupational/professional basis, at a national and local level;
- Increasing demand for higher level and specialist skills to support service users with higher level needs at home;
- Increased demand for new types of workers, some directly employed by service users or self-employed needing support with induction, basic/employability skills and gateway qualifications;
- Increasingly flexible delivery of workforce development solutions to meet a wide range of skills needs (including the use of mobile learning and knowledge tools);

Access to better market information about workforce development solutions and access to human resource development expertise to ensure better value for money.

## 7.1 Future trends

There is continuing concern and debate about how future provision of social care for older people will be funded, particularly in England.

Skills for Care & Development anticipates that the effects of the recession will continue to have a deferred negative impact upon the sector, principally due to the effects of increased public debt upon public expenditure and increasing demand for some publicly funded services. This has indeed been the experience of the sector during 2011, as social care budgets have largely been held or in some cases, reduced in real terms.

### 7.1.1 Regulation and governance

Future government policy, including decisions about expenditure and public funding for social care and support for childcare, remains key. So too is the regulation of services and registration of care sector workers, this remains a critical element in ensuring that services are of high quality and that the interests of service users, carers, families and society more widely are protected. It is also one of the main drivers for workforce development in the care sector.

*Caring for our future: reforming care and support*, (Department for Health, 2012) sets out the Coalition Government's plans for reforming the social care sector in England. The main focus of the paper is concerned with giving people a personal budget entitlement, improving the quality of information on care and support and piloting the use of direct payments. In relation to employment and skills policy, the following key actions are outlined for the sector:

- SfC&D and Skills for health are to work together to produce a code of conduct and recommend minimum training standards for adult social care workers and healthcare support workers;
- The number of apprentices in the Care sector are to double to 100,000 over the next five years, with clear progression routes to Higher Level Apprenticeships as an additional route for Care managers;
- Care ambassadors scheme to be developed to promote a positive image of the sector, making links with schools, colleges and sector employers;
- Setting up a Leadership Forum to explore how best to support registered managers and to ensure that provision offers regular mentoring and supervision;

- Chief Social Worker and principal social workers to be appointed following the Munro Review of child protection. The chief social worker will act as an advisor to Government on adult and social work issues and principal social workers will be responsible for quality -assuring the safety of practice.

In the 2011 Autumn Statement, the UK government indicated it would set plans for public spending in 2015–16 and 2016–17 in line with the spending reductions over the 2010 Spending Review period. Potentially this means that public expenditure upon social care and other sector services, such as social work, will remain constrained and that further efficiencies will have to be achieved in order to keep pace with increased demand (i.e. due to demographic change and the effects of the recession). However, national policy will have a significant effect in determining impact upon different parts of the sector, for example in Northern Ireland the Assembly took a policy decision to protect the health element of public expenditure but not social care. In Wales Children's social care has been prioritised by some local authorities to a greater extent.

Previously the UK government had indicated that it would up-rate the child element of the Child Tax Credit and disability elements of tax credits in line with the Consumer Prices Index in 2012–13. The Government will not go ahead with the planned £110 above inflation increase to the child element of the Child Tax Credit and will not up-rate the couple and lone parent elements of the Working Tax Credit in 2012–13. However In England the Government will also invest a further £380 million a year by 2014–15 to extend its new offer of 15 hours free education and care a week for disadvantaged two year olds to cover an extra 130,000 children. Nevertheless the final effect is likely to be a reduction in public expenditure overall (whether indirectly or directly).

The Welfare Reform Act includes the introduction of Universal Credit to provide a single streamlined benefit and reforms to Disability Living Allowance, through the introduction of the Personal Independence Payment. Housing Benefit, the Employment and Support Allowance have also been reformed as well as to support a new system of child support.

The impact of the new legislation is the subject of debate. HM Treasury has projected 20 per cent savings under the Personal Independence Payment system to be introduced in 2013 and potentially 500,000 fewer people will receive support by 2015-16. The overall effect of these changes is likely to be a reduction in effective demand for some social care services.



The UK Government has also indicated it will increase the Regional Growth Fund for England by £1 billion, plus Barnett consequential for the devolved administrations, and extend it into 2014–15, to provide ongoing support to grow the private sector in areas currently dependent on the public sector. Potentially this has significance for independent sector providers delivering care services in terms of encouragement and support for expansion (in regions where dependence upon public sector employment are higher such as the Northeast of England).

Employment legislation and regulation, such as the National Minimum wage, also have a considerable impact upon the sector. For example, the UK Government has announced that it will seek views on a proposal to introduce compensated no fault dismissal for micro firms, with fewer than 10 employees. Secondly, it will look at ways to slim down existing dismissal processes, how they might be simplified, including potentially working with the Advisory, Conciliation and Arbitration Service (Acas) to make changes to their Code, or supplementary guidance for small businesses. In the Autumn Statement, the UK Government confirmed that it will begin a call for evidence on these proposals. Given the significant Number of micro businesses and, potentially, service users who are or may become employers of staff, this is potentially a welcome change for sector employers.

The Autumn Statement also included a commitment to introduce the Youth Contract, worth a total of £940 million over the Spending Review period. The Youth Contract will provide extra support from Jobcentre Plus for unemployed 18-24 year olds and include an offer of a work experience or a Sector Based Work Academy place for every unemployed 18-24 year old who wants one after three months on JSA. Sector employers have already indicated their willingness to support placements but practical issues, such as background checks, will have to be resolved. Potentially the Youth Contract may help to encourage more young people to consider and trial working in the care sector.

The government announced in March 2011, in its Plan for growth, that it considers the current Equality Act obligation on employers to take reasonable steps to protect their employees from third-party harassment an 'unworkable requirement'. It intends to consult on the removal of this provision next year. It is unclear what effect this will have on employers but a simplification of employment requirements would be welcomed by many.

In May 2011, it was announced that employment tribunals would be given new powers in 2012 to order employers to conduct and publish a pay audit if they are found to have breached the Equality Act. Sanctions will be imposed for failure to undertake and publish a pay audit. Tribunals will have discretion over whether to order an employer to carry out an audit, especially in the case of small employers with limited resources. Employers within the sector, in particular local authorities with social services responsibilities, have already seen the potential for “equal pay” claims and this has the potential to increase the burdens upon employers in the independent sector.

New laws coming into force in October 2012 will require all employers to enrol eligible jobholders automatically into a pension scheme. The initial wave of employers will be able to voluntarily start auto-enrolment as early as July 2012. SfC&D has previously reported that this potentially has significant consequences for small employers and for service users employing their own staff.

The UK Government announced that it would also ask independent Pay Review Bodies to consider how public sector pay can be made more responsive to local labour markets, to report by July 2012. But it expects to set public sector pay awards at an average of one per cent for each of the two years after the current pay freeze comes to an end. Departmental budgets will be adjusted in line with this policy, with the exception of the health and schools budgets, where the money saved will be recycled.

The UK Government also announced that it will raise the State Pension age to 67 between April 2026 and April 2028 in response to changes in demography. Whilst this has no immediate impact upon employers, it suggests that the age profile of the sector workforce is likely to change (with more older workers). It also has potential consequences for the demand for care provision, increasing demand for elder care as more people remain in work for longer.

UK Employment law is also shaped by proposals and regulations developed across the European Union. The recent Working time consultation contained proposals to amend the existing legislation. They included:

- enabling workers unable to take annual leave during one holiday year to carry unused leave forward to the next holiday year;
- allowing leave untaken due to absence for maternity, paternity, adoption, and parental leave (and, in due course, leave available under the proposed new flexible parental leave rights) to be carried over into the next leave year;

- giving employers more flexibility on annual leave.

These changes would potentially increase employment costs for many sector employers and may encourage some to reduce their exposure to liability (e.g. by opting to use temporary workers or offering fixed term contracts rather than recruiting more permanent employees). The likely effect of adopting such measures would be to reduce effective demand for skilled labour in the sector.

Future skills needs are likely to arise from the impact of maintaining and improving standards of care (i.e. regulation of the workforce and inspection of sector services). These will be driven by national policy but also by local commissioning decisions, as well as by the different needs of service users (e.g. different inspection regimes for different types of service).

Current trends also suggest that further changes in employment law are likely and that managing people will become increasingly complex, requiring specialist knowledge and management competencies. Similarly changes in human rights law and social policy will create ongoing knowledge requirements for practitioners and workers in direct care giving roles. This is likely to lead in future to:

- Highly differentiated workforce requirements on an occupational/professional basis, at a national and local level, this is likely to include future demand for and ongoing development of gateway qualifications for managers, professionals/associate professionals and personal service occupations in the sector (i.e. primarily intermediate qualifications based upon NOS but also degree level courses for managers and professionals/associate professionals).

### **7.1.2 Demographic Change**

At the start of the twentieth century, 63 per cent of people died before reaching the age of 60, by the end of the twentieth century only 12 per cent of people died before the age of 60. Combined with changes in the number of children being born to each family, increased life expectancy is increasing the size of the UK population but also the proportions of different age groups. There are more people, older people and very old people.

The ONS estimate that the number of people aged 85 and over in 2017 will be 1.74m compared with 1.34m in mid-2008 (+400,000 people). Skills for Care & Development anticipate that future skills needs are likely to arise from the impact of:

- Increased demand for services leading to employment growth, additional workers in personal service and professional/associate professional occupations are likely to be needed to meet growing demand for services. These workers will require induction, basic/employability skills and in some cases, gateway qualifications (primarily intermediate qualifications for workers in personal service occupations);
- Increased levels of service user need, associated with age related ill health and disabilities (such as dealing with dementia, visual and/or auditory impairment), an ageing population means that more service users are likely to have these kinds of needs and more workers will need specialist knowledge and expertise to meet these needs (specialist qualifications may increasingly be valued by commissioners of services and service users themselves).

### **7.1.3 Environmental Change**

The national strategic skills audit identified that future climate change will affect habitation patterns in the UK and create a requirement to manage resource shortages. It suggested that the development of city regions may affect the location of labour supply and that increasing demands for energy create continuing pressure to provide sustainable sources of renewable energy and a need to change energy production and consumption to create a 'green' economy.

Skills needs associated with energy efficiency, recycling and the reduced use of natural resources, remain primarily focused on management skills, for example in managing resources or communicating effectively with staff, as a potential element within employee induction and performance management, as well as continuous professional development need (again, primarily for managers). This has a limited impact in terms of future proofing the care sector workforce but serves to reinforce the importance of continuous professional development for managers and professional occupations.

### **7.1.4 Consumer Demand**

The ageing of the UK population is also changing the types and volumes of different goods and services that are wanted (aggregate demand). Individual consumer spending for different goods changes markedly over the life cycle due to changes in tastes, incomes and household composition. There is some evidence to suggest that aggregate consumer demand is already shifting towards a higher expenditure share for health-

related goods as well as to household services and leisure goods and services.<sup>88</sup>

The broader trend in UK and global consumer demand, across all types of products and services, has been towards mass customisation (i.e. mass production of goods and services but with scope to personalise or exercise greater choice about what the goods/service consists of). In the care sector the trend in consumer demand is broadly similar, both Government policy and service user preference is for the personalisation of services (i.e. services that are commissioned by the service user that better match individual needs). There is a growing number of self-employed workers within the care sector and numbers of these may grow as a result of personalisation (as a consequence of the difficulties or opportunities of a matching process). Future skills needs are likely to arise from the impact of:

- Increased demand for new types of workers to support personalisation and self directed support, some of whom will be directly employed by service users or self-employed. Increasingly, as new workers enter the sector and experienced workers leave, these employers and workers will need support with induction, basic/employability skills and gateway qualifications (primarily intermediate qualifications for workers in personal service occupations);
- These workers will also need specialist knowledge and expertise to meet a wide range of service user needs effectively and specialist qualifications may increasingly be valued by service users.

### **7.1.5 Values and Identities**

Demographic change also has to be understood in the context of social change, as they are interdependent and both impact upon demand for care services. For example, the most recent Social Trends report by the ONS<sup>89</sup> shows a continued decline in the number of marriages (in 2006, there were 237,000 marriages in England and Wales, the lowest number since 1895) and a further increase in the average age at which women have their first baby. As reported in Chapter six, more people were reported to be living alone in the UK, up from six per cent in 1971 to 12 per cent in 2008, this has a combined effect upon the availability of informal care (from a partner or family member) and upon demand for care services (whether lone parents or elderly people living on their own).

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<sup>88</sup> Effects of Population Ageing on Aggregated UK Consumer Demand, Melanie Lüthmann, IFS and CEMMAP, London (2008)

<sup>89</sup> A Century of Change: Trends in UK statistics since 1900

Completed family size in the UK fell during the twentieth century from 3.5 to 1.7 children. However this masks significant fluctuations with important medium term consequences

for public services such as education and health, as well as for childcare and elder care services. The UKCES has previously reported<sup>90</sup> demand for childcare and early years education is currently increasing due to a surge in the number of children of primary school age. In the medium term, some future skills needs are likely to arise from the impact of:

- Increased demand for services leading to employment growth on a localised basis, additional workers in personal service occupations are likely to be needed to meet demand for services. These workers will require induction, basic/employability skills and in some cases, gateway qualifications (primarily intermediate qualifications for workers in personal service occupations);

### 7.1.6 Technological Change

Wider analysis of the economy by UKCES has highlighted that the rate of change of technology is increasing, and that product life cycles are becoming shorter, with consequent impact on skills, knowledge and professional development needs. For the care sector, much of the current emphasis is upon telecare or telehealth care services but the importance of assistive technologies more generally in supporting independent living has long been recognised.

The potential impact of new technologies on the childcare and early years sector include the use of information technologies in support of learning (including distance learning), as well as in the potential for improvements to child safety and health (e.g. through the use of monitoring devices). In October 2011, AT&T announced it will begin selling clothes embedded with health monitors, able to track the wearer's vital signs (including heart rate and body temperature) and upload them to a dedicated website. In January 2012, Berg Insight reported that about 2.2 million people worldwide were using remote health monitoring devices by the end of 2011<sup>91</sup>. The Berg Insight report suggests that use of mobile health solutions – i.e. home health monitoring devices with embedded cellular connectivity - increased from 420,000 in 2010 to 570,000 in 2011. The report predicts that globally, the Number of such devices will reach 2.47 million by 2016<sup>92</sup>.

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<sup>90</sup> Working Futures 2010-2020, Evidence Report 41, UKCES (December 2011)

<sup>91</sup> Terry, InformationWeek, 1/5

<sup>92</sup> Dolan, MobiHealthNews, 1/2

The Department of Health is predicting that by 2050, for every person currently aged over 65 with one or more long term conditions, there will be another four people with the same levels of need for personal care<sup>93</sup>. In considering the costs of a modern health and social care system, it is the fifteen million people with long term conditions who are the biggest users of the NHS. The challenge for the NHS is to radically re-design services for people with long term conditions, based on self care, case management, and telehealth and telecare technology. Inevitably this will require a transfer of expertise and resources to the social care sector if higher cost medical interventions are to be reduced and more people enabled to live independently.

The Department of Health<sup>94</sup> and Sfc&D have identified that there are challenges, including previously low levels of investment in many assistive technology services and a lack of care pathway commissioning for these services. The lack of public awareness of assistive technology, as well as workers within the care sector has been mentioned previously (SFC&D, 2010). At the same time, technological advances, coupled with some forward thinking research funding programmes, make the delivery of innovative assistive technology services at scale a real possibility.

Mobile health technologies potentially have an important role in self care. As stated previously, at the heart of the Department of Health's approach to managing long-term conditions is the concept of personalisation (see *Consumer Demand*). While self care education won't be appropriate to all people with a long-term condition, it plays an important role in avoiding the need for people to use healthcare services, improving people's quality of life and engagement in society. Survey evidence for the Department of Health suggests not all people who would want to do self care education courses are given the opportunity to do so.

The change in the way services are delivered means that employers also need to find ways of providing bespoke solutions to workforce development. In the care sector, future skills needs' will be met by:

- Increasingly flexible delivery of workforce development solutions to meet a wide range of skills needs (including the use of mobile learning and knowledge tools);

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<sup>93</sup> Research and development work relating to assistive technology 2010-11, Dept. of Health (July 2011)

<sup>94</sup> Research and development work relating to assistive technology 2010-11, Dept. of Health (July 2011)

### 7.1.7 Economics and globalisation

The UK economy showed few signs of recovery during 2010 and showed little improvement in 2011. A recent Bank of England report stated that the prospects for the UK economy have worsened. Global demand has slowed and concerns about the solvency of several euro-area governments have intensified, increasing strains in banking and some sovereign funding markets. This assessment was confirmed by the Chancellor

in the 2011 Autumn Statement and the credit rating of the UK government is also now at risk. The Bank of England noted that household and business confidence has fallen and that there has been a “squeeze on households’ real incomes”.

Having grown in 2009 and 2010, general government consumption and investment are projected to contract annually over the next few years reflecting the government’s fiscal consolidation plan. Growth in both measures will lag growth in total economy GDP each year through to 2015<sup>95</sup>. Private household consumption contracted in 2009 but the OBR estimated it to have grown by 1.1 per cent in 2010. Due to relatively sluggish growth in real household incomes, the OBR forecasted household consumption to grow by 1.3 per cent year-on-year in 2011. This rate of growth is forecast to pick up in each year to reach 2.2 per cent by 2015 (the end of the forecast period), but is nevertheless expected to lag growth in GDP in each year until 2015. Private household consumption will continue to make a positive contribution to annual growth through to the end of the forecast period, although less than immediately prior to the 2008-09 recession.

There is evidence that inflation is not yet under control and that this may create further pressures upon private and public expenditure. Rising costs and a possible loss of income<sup>96</sup> will put some service providers under additional financial pressure. *“CPI inflation rose to 5.2 per cent in September. Inflation is likely to fall back sharply through 2012 as the contributions of VAT, energy and import prices decline, and downward pressure from slack in the labour market persists....inflation is judged more likely to be below than above the two per cent target at the forecast horizon.”*<sup>97</sup>

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<sup>95</sup> Based upon the office of Budget Responsibility’s (OBR) projections.

<sup>96</sup> Living standards during the recession James Browne, Institute for Fiscal Studies, March 2011. The research found that in the three years from 2008 to 2011 real household incomes in the UK have fallen by 1.6%, or £360 a year. This is the biggest and longest fall in household incomes since the early 1990s.

<sup>97</sup> AUTUMN STATEMENT 2011, HM Treasury, (November 2011)



There is some evidence to suggest that this squeeze on incomes has not yet had a huge impact upon service providers. The 2010 Childcare and Early Years Survey (England) found that in general there was little evidence that the financial situation of most types of provider had deteriorated in 2010. Two thirds (66 per cent) of full day care providers and three quarters (74 per cent) of sessional providers reported that they had either made a profit or covered their costs in the previous financial year (fieldwork was undertaken between 11th October and 23rd December 2010). Similarly there is little evidence for a major increase in the number of deaths of sector enterprises (please see Chapter Two).

Nevertheless the anticipated effect of continuing and sustained inflation, together with the poor economic outlook, is a continuing squeeze on expenditure upon sector services and as a consequence, reduced effective demand for skilled labour overall. However, this outlook may differ greatly for some types of services (e.g. telecare) and occupations, at different skill/qualification levels, as well as at a national, regional and local level. Continuing pressure on public and private expenditure is likely to lead to reductions and/or constraints upon employer budgets for workforce development. In 2010/11 the median gross training expenditure (GTE) per Local Government Association member was £194 per employee. This is an improvement compared with £185 in 2009/2010 but still below the £218 reported in 2008/2009.

Sector employers have said that they want support from sector bodies and government to aid their decision-making about workforce development. More and better information for employers and workers is needed to ensure that the investment in workforce development is effective. This in turn will support the development of more efficient, more productive and cost effective services that are better able to deliver better outcomes for service users. Therefore SfC&D anticipates that in future, care sector employers will need:

- Access to better market information about workforce development solutions and access to human resource development expertise, such as Workforce Development evaluation methodologies and tools, to ensure they achieve better value for money.

## 7.2 Impact on employment and skills

Demographic change is likely to force an increase in the care workforce to ensure that those that need help continue to receive it. However, pressure on public and private expenditure is likely to lead to dampen employment growth. Economic pressures make it more likely that those using services will have a higher level of need. Government policy, particularly in England, and consumer demand makes it likely that more services will be delivered in people's homes and "personalised".

The most recent Working Futures projections (UKCES, 2011) are for an increase in the total care sector workforce of around 0.5 per cent per year from 2010 to 2020 (NB this was the projected rate of increase for 2011 identified by SfC&D in our 2010 SSA report). This compares with a previous projection of 0.9 per cent from UKCES (Working Futures 3 for 2012 to 2017) and sector specific estimates that have tended to be higher historically (e.g. SfC&D suggested that employment growth of 1.5 per cent was needed to maintain "current" service user-worker ratios (i.e. the ratio as at 2008)).

UKCES has previously commented<sup>98</sup> that measurement of skills needs requires the use of multiple measures to attain a sufficient degree of accuracy. Models are poorly suited to capturing the impact of exogenous (external) shocks which produce discontinuous change (such as the effects of the current global financial crisis). This means that use of data such as that from Working Futures within this report must be subject to judgement about how any changes in relevant labour market, economic and regulatory conditions may affect the credibility of the predictions.

The evidence for the care sector suggests that demand for services is growing substantially due to demographic change and as a result of the recession. However, effective demand (i.e. demand for goods and services that can also be paid for) is constrained as a result of the reductions in public and pressures upon private expenditure, due to the sovereign debt crisis, weak economic growth, low interest rates and continuing cost increases (largely due to the underlying rise in energy prices).

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<sup>98</sup> Skills for Jobs The National Strategic Skills Audit for Wales 2011 – Volume 2: Evidence Report June 2011

Productivity in the sector is increasing, previously this has been achieved through the restructuring of services and a shift towards care at home. However there may be limited potential to achieve further efficiencies in these areas without adversely affecting the quality and quantity of care provided. Greater use of new technology holds the prospect of enabling more service users to be supported by the same or a reduced Number of workers. But many forms of necessary personal care simply cannot be provided remotely or through automation (using current technology).

Future demand for skilled labour in the care sector is unlikely to decline significantly but some short term reductions remain likely (because budgets are not being increased or services are being restructured etc.). Future expansion of the care workforce will significantly depend upon the future funding of social care, in particular care for older adults. This has been and remains largely undecided and a matter of public debate. However, on balance, it is likely that the increasing demand for elder care will ultimately be realised and long term planning for a larger workforce is therefore prudent.

### **7.3 Future occupational profile**

As noted in the previous section, workforce projections need to be carefully considered as they often reflect historic patterns not systemic shocks nor do they reflect the potential for paradigm shifts (due to new technologies etc.). SfC&D has therefore expressed concerns about the suitability of the methodology used in developing Working Futures projections (in that these may under-estimate sectoral growth in the past and the current size of the care sector).

Table 7.1 shows projected job growth by occupation across the UK economy. There is a clear, anticipated demand for higher-skilled occupations across all sectors. By 2020, a net increase of 544,000 jobs is projected among Managers, directors and senior officials (18 per cent growth), 869,000 jobs in Professional occupations (15 per cent growth) and 551,000 positions among Associate professional and technical occupations (14 per cent growth).

On the other hand, Administrative and secretarial occupations are expected to decline by a significant number (-387,000) by 2020. Similarly, skilled trades (-230,000) and Process, plant and machine operative workers (-213,000) are also set to experience a net decline over the next few years.

Within the Care sector, growth is projected among Professional occupations (12 per cent), with 63,000 net jobs by 2020 as well as in Caring occupations (12 per cent), with 72,000 new positions, by 2020, (table 7.2). These figures contrast with significant falls in administrative worker numbers (a decline of over 29 per cent). Alongside the projected drop in elementary jobs by 2020 (-18,000), Working Futures data highlights the increasing importance of obtaining higher qualifications in the Care sector.

**Table 7.1: Workplace job growth by occupation within the whole economy**

Employment growth	2010	2015	2020	2010	2015	2020	2010-2020
	Numbers (000s)			% shares			Net change (000s)
Managers, directors and senior officials	3,016	3,279	3,560	9.9	10.6	11.1	544
Professional occupations	5,843	6,189	6,712	19.2	20.1	21.0	869
Associate professional and technical	3,926	4,138	4,476	12.9	13.4	14.0	551
Administrative and secretarial	3,698	3,466	3,312	12.1	11.2	10.3	-387
Skilled trades occupations	3,526	3,389	3,295	11.6	11.0	10.3	-230
Caring, leisure and other service	2,719	2,801	3,032	8.9	9.1	9.5	313
Sales and customer service	2,608	2,555	2,610	8.6	8.3	8.2	2
Process, plant and machine operatives	1,950	1,829	1,737	6.4	5.9	5.4	-213
Elementary occupations	3,173	3,209	3,274	10.4	10.4	10.2	101
All occupations	30,458	30,855	32,008	100.0	100.0	100.0	1,550

Source: Working Futures 2010 - 2020

SfC&D calculates that growth in Professional and Caring occupations would require a real terms increase in funding for the sector of around £2.7bn<sup>99</sup> with much of the additional staffing costs arising from the increased Numbers of professionals (£2.1bn, social workers etc.) rather than direct care providers (£936m, care assistants, nursery nurses etc.). Given that many of these professional occupations (SOC 2442 Social workers, 3232 Housing and welfare officers, 3231 Youth and community workers) are either within the public sector (i.e. statutory services) or highly dependent on public expenditure, this seems an unlikely prospect<sup>100</sup> given the projected constraints upon public spending to 2017.

<sup>99</sup> Simply using median salary costs as presented in the Annual Survey of Hours and Earnings.

<sup>100</sup> The Local Government Association workforce survey found that out of 188 councils, 77 per cent had reduced the number of staff post in the 2010/11 financial year to bring about a reduction in workforce cost, with 61 per cent reducing management costs and 56 per cent setting up shared services with other councils/partners. Local government workforce survey 2010/11, Local Government Association, December 2011

**Table 7.2: Workplace job growth by occupation within Care, UK**

Employment growth	2010	2015	2020	2010	2015	2020	2010-2020
	Numbers (000s)			% shares			Net change (000s)
Managers, directors and senior officials	75	78	87	4.5	4.8	5.0	12
Professional occupations	517	531	580	30.9	32.4	33.1	63
Associate professional and technical	172	177	194	10.3	10.8	11.1	23
Administrative and secretarial	212	174	150	12.7	10.6	8.5	-62
Skilled trades occupations	23	18	17	1.4	1.1	1.0	-6
Caring, leisure and other service	581	588	653	34.8	35.9	37.3	72
Sales and customer service	23	21	22	1.4	1.3	1.2	-2
Process, plant and machine operatives	11	10	10	0.7	0.6	0.6	-1
Elementary occupations	57	41	40	3.4	2.5	2.3	-18
All occupations	1,672	1,638	1,753	100.0	100.0	100.0	81

Source: *Working Futures 2010 - 2020*

SfC&D anticipates that there will be growth in the care workforce by 2020. However it is more likely that the bulk of this growth will be in caring occupations, associate professional and technical occupations. Nevertheless some further growth in managerial and professional occupations is expected with the potential for continuing difficulties for some employers in securing sufficient workers in these occupations, i.e. within specialist provision and in some locations across the UK.

#### **7.4 Future skill needs**

Table 7.3 sets out the nature of future skills requirements by occupational group. Demands for management skills, sector-specific specialist skills and problem solving skills are set to increase. As noted above, social policy is a devolved issue and significant differences are emerging in national policy, not least in terms of prioritisation public resources. The existence and importance of local needs, the necessity for local flexibility and local decision making should also not be under-estimated.

**Table 7.3: Nature of future skills required by occupational groups in the Care sector**

Broad occupational group	Sector occupations	Tasks/competency required	Anticipated future skills required	Skills need typically addressed by:
Managers	Social services and residential care managers	Leadership and management of change, analysis of management info,	Highly specific technical /sector specific, commissioning, HRM/HRD, change and project management	Gateway qualifications, CPD including mobile knowledge and learning
Professional/ Associate professional occupations	Social workers, Youth and Community workers, Housing and welfare officers	Practice based leadership, compliance with new legislation etc Development and monitoring of processes etc.	Specialist skills and knowledge, sector specific knowledge,	Gateway qualifications, mentoring/ coaching, CPD including mobile learning
Personal services	Care Assistants, Nursery Nurses and Child minders, House parents	Person centred care and support across a wider range of domains (e.g. health, social etc.)	Technical and client group specific specialist skills and knowledge, problem solving, self management etc.	Gateway qualifications, CPD including work based and mobile learning

For example, progress has been made across the UK in meeting workforce standards but different requirements exist on a national basis and on an occupational basis (for example, in England fewer Care sector occupations are regulated than in the other nations). This is likely to lead in future to:

- Highly differentiated workforce requirements on an occupational/professional basis, at a national and local level, this is likely to include future demand for and ongoing development of gateway qualifications for managers, professionals/associate professionals and personal service occupations in the sector (i.e. primarily intermediate qualifications based upon NOS but also degree level courses for managers and professionals/associate professionals).

Demographic change is likely to lead to increased demand for services for older adults. Employers and sector stakeholders, including policy makers, anticipate that there will need to be some growth in the care workforce by 2020. For the medium term, this is likely to be no more than an average of 0.5 per cent per annum or around 8,000 additional workers per year. In future service users are likely to be older people living at home with personal care needs that are due to age related ill health and disabilities (such as dealing with dementia, visual and/or auditory impairment). This is likely to lead to:

- Increasing demand for higher level and specialist skills to support service users with higher level needs at home, specialist qualifications may increasingly be valued by commissioners of services and service users themselves (see Table 88 above);

Economic, regulatory factors and consumer demand are driving the personalisation of services. This is driving increased demand for new types of workers, some directly employed by service users or who are more frequently self-employed. Both service users as employers or commissioners of services need support with worker induction, basic/employability skills and achievement of gateway qualifications. This creates a future skills need to:

- Support and promote learning and skills development by self employed workers;
- Provide support for service users as employers, specifically in recruitment and workforce development.

The importance of assistive technologies in supporting independent living has long been recognised but economic as well as technological factors are now driving further innovation and application of new technologies within the care sector (particularly use of mobile technologies). These technologies also have applications in providing context specific learning and work based learning opportunities that are more easily accessed and affordable (as the technologies are more widely available and cheaper to use).

In addition to flexibility there are potential cost savings for employers. For example, if just 20 per cent of sector training was delivered on mobile devices rather than the prevalent training centre model, the savings would amount to £334 million a year. In future, SfC&D anticipates that employers will use:

- Increasingly flexible delivery of workforce development solutions to meet a wide range of skills needs (including the use of mobile learning and knowledge tools);

SfC&D anticipates that continuing pressure on public and private expenditure is likely to lead to reductions and/or constraints upon employer budgets for workforce development. Sector employers have said that they want support from sector bodies and government to aid their decision-making about workforce development. More and better information for employers and workers is needed to ensure that the investment in workforce development is effective. This in turn will support the development of more efficient, more productive and cost effective services that are better able to deliver better outcomes for service users. SfC&D anticipates that in future, care sector employers will need:

- Access to better market information about workforce development solutions and access to human resource development expertise, such as Workforce Development evaluation methodologies and tools, to ensure they achieve better value for money.

## 8. Priority areas for action

### Chapter Summary

Demographic and social trends make it highly likely that long-term demand for adult social care will increase and require an expansion of the care workforce. Recruitment and retention and sustainability of the workforce will re-emerge as a major concern for sector employers. Personalisation and changing models of delivering services requires a workforce with appropriate skills and knowledge and better targeting of workforce development options for individual workers and service users (who are employers). Further improvements in productivity, based upon organisational and technological change are required if increasing demand for services is to be met with reducing resources, which means a more innovative workforce. The priority areas for action are:

**Innovation:** promoting innovative and value for money workforce development solutions is necessary to develop a workforce that can deliver integrated, high quality, citizen and community focused services.

**Skilled:** ensuring there is a workforce that has the skills, knowledge and values to deliver high quality services that promote public trust and confidence. This includes:

**Sustainable:** finding and retaining sufficient, skilled workers at local and national level is vital to meet increasing demand for early education, care and support services.



## **8.1 Identification of Sector priorities**

The priorities for action in this assessment were informed by a review of the wider labour market intelligence gathered by the Skills for Care and Development partnership as part of the development of proposals to the Employer Investment Fund (EIF) and the 2012-14 business planning process for the SSC. This included consultation with around 10 per cent of sector employers about the areas where investment in skills and workforce needs were needed. Further consultation and employer engagement was undertaken at a national level to identify nation specific drivers and skills needs as reported in the UK report and national summary reports. In addition the partnership has continued to work with government departments across the UK to inform and support the development of national Government policies and strategies.

In addition to discussion and approval by the SfC&D Board and for national summaries, national workforce development committees (which include employer representatives), SfC&D also presented the SSA analysis and suggested priorities to its Stakeholder panel for consultation.

In prioritising the areas for action, SfC&D drew on the risk-based approach adopted in Australia (Skills Australia, 2008) as this has already been used and effectively deployed in a policy context, in developing a national workforce development strategy. The approach enabled SfC&D to identify the key occupations, and in turn related sectors, where there are most likely to be important strategic skills needs, which risk not being effectively met.

## **8.2 Efficiency and Innovation**

The care sector has changed radically in the last twenty years, seeing both a significant increase in demand for services and the need for continued innovation in services to meet these needs. Further radical change and innovation is needed to meet an increase in demand for services at a time when resources are severely limited, public and private expenditure is likely to remain constrained. The skills system has to support and foster innovation, as well as being responsive and innovative in meeting these learning needs.

Sector bodies, stakeholders and governmental sponsors need to help maintain employer investment in workforce development in the sector, not least by helping to ensure they achieve better value for money by providing better market information for workforce development solutions (in particular about their effectiveness, as well as availability and resource cost). This support also needs to reflect increasing numbers of service users who are employers, the growing number of self employed workers and the new types of worker that that are needed to deliver personalised services and to reflect the impact of new technologies, such as telecare and telehealthcare services.

The evidence set out in earlier Chapters suggests that employers in the care sector continue to recognise the importance of investing in workforce development in delivering and improving their services to meet service user needs. One in ten workers in the UK receiving training last year was from the care sector (or more than 700,000 workers). Improving the return upon this £3 billion investment by employers by just one per cent would be worth £210 million per year<sup>101</sup>.

However employers have indicated that they would welcome further support in making their decisions about workforce development solutions and this is key to ensuring continued and effective investment. Many employers, but especially small employers, lack information about workforce development solutions (particularly evaluation of their effectiveness) and often do not have the capacity to acquire it.

Action is needed to improve decision making in the medium to long term, to help correct the informational asymmetry amongst sector employers and workers (i.e. some have better information than others about workforce development options). Failure to improve decision-making risks any investment in skills development by employers and government, may harm employer support and investment in WfD, as well as increasing costs across the care sector. To improve decision-making and evaluation of effectiveness, employers, sponsors and sector bodies should take action to:

- Improve support for the development of transferable management skills and human resources development (HRD) knowledge (e.g. by ensuring that occupational standards are up to date, working with awarding organisations and learning providers to improve evaluation of learning etc.);

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<sup>101</sup> Source National Employer Skills Survey (NESS) 2009, England only data. Improving the return on workforce/ organisation development by SfC&D employers by just 1% would produce an annual saving of more than £36m for the sector as a whole (£3.6bn estimated spend derived from NESS 2009 data). Improving the quality of learning provision by 1% would be worth an additional £3.6m (assumes 10% of £3.6bn spent upon purchased services) and productivity improvements of just 1% would be worth £180m to the sector (based upon GVA estimates for 2009).

- Improve information about the range and effectiveness of workforce development solutions (e.g. by working with awarding organisations to embed the qualification needs of employers in the supply led system, providing a Qualifications Finder and a range of publications on “Developing Skills, qualifications and training” etc.);
- Improve provision of up to date market information about organisational development and workforce development solutions in the medium term (e.g. by providing an independent comparison website for employers and workers);
- Provide assessment and evaluation tools, with benchmarking information to enable employers to assess the comparative effectiveness of workforce development solutions.

The care sector has been characterised by a relatively low proportion of self-employed

workers, a significant proportion of whom work as childminders. But further expansion of direct payments and self-directed support are likely to lead to create demand for new types of worker, many of whom will be self-employed. The learning and development needs of these workers and of the service users who may be employing them, will need to be addressed adequately to safeguard service users, for example as part of workforce registration requirements in the case of some occupations on a national basis.

This report includes evidence for the expansion of direct payments and self-directed support, anticipates that in the medium to long term, many service users may recruit or commission services from workers directly themselves. Service users will need continued support and guidance in recruiting and employing someone as a personal assistant, as well as ensuring that their learning and development needs are met. Failure to do so risks the well being of service users and workers (e.g. as a result of poor quality services, potential for abuse, employment disputes etc.), makes it less likely that a supply of skilled workers will be available to meet potential demand for new types of worker and increases costs to the sector overall. Support from sector bodies needs to include action to:

- Support services users who are also employers in the short term by providing support for learning and relevant tools (e.g. by publishing ‘Recruiting well: a guide to safe recruitment’, “Induction your personal assistants” a guide for direct employers as part of Common Induction standards and providing a toolkit to help people employ their own personal assistants);

- Develop specialist skills and knowledge to match service user needs, such as skills in dealing with dementia, visual and/or auditory impairment (e.g. by preparing and disseminating Common Core Principles for supporting people with Dementia and a training needs analysis tool for practitioners working with families working with complex needs).

### **8.3 Having a skilled sector workforce**

Ensuring that the Care workforce has the skills, knowledge and values to deliver safe, high quality and professional services is key to maintain public trust and confidence. In particular there needs to be focused support for leadership, management, professional and specialist skills is needed to support service changes, such as re-ablement and extension of telecare services while maintaining and improving standards of care, not least through effective regulation of the workforce and of sector services.

Managers and key professionals will be responsible for leading changes in services, identifying and describing how new services might be delivered, bringing together the resources needed and providing the skills necessary to achieve the change, as well as managing people, processes and resources through the transition.

The need for service changes facing the sector is certain and immediate, in Chapter Four, this report identified that more than a hundred thousand managers and professionals in the care sector may not hold a qualification at NQF Level Four and above<sup>102</sup>. To support the process of change, action is needed within the short term if costly delays and failures in developing new services are to be avoided. Support from sector bodies and by sponsors also needs to be targeted to be effective and relevant to national and local approaches. It should include action to improve and develop:

- Leadership and management skills, including project and change management to support service changes and expertise in commissioning and tendering for services (e.g. by ensuring that National Occupational Standards remain relevant and providing support for improvements in the provision of management and professional learning);
- Transferable management skills relating to use of resources and relevant knowledge of environmental issues (e.g. access to energy efficiency initiatives and good practice) for some managers and workers;

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<sup>102</sup> The risk based approach to prioritisation adopted by UKCES gives a rating for magnitude that varies from small to large, with the highest scale covering demand for at least 100,000 workers.

- Professional and specialist skills needed to support quality services, service changes, such as re-ablement and extension of telecare services.

This report finds that around 90,000 people replacement workers are needed each year (see Sustainability below), that employer have concerns about basic skills and the impact that poor retention has upon services (in Chapter Five). It is likely that the bulk of any increase in sector employment and replacement demand will be in caring occupations, associate professional and technical occupations (an average of 8,000 additional workers joining the sector per year). It is also likely that some further growth in managerial and professional occupations will be necessary in future to support a larger workforce. SfC&D also anticipates that growth in the number of self employed, part time and temporary workers will also be more significant in the medium term.

Failure to maintain induction standards and Gateway qualifications based upon National Occupational Standards risks poor performance by new and replacement workers. Action by sector bodies and by sponsors also needs to be targeted to be effective and relevant to national and local approaches. It should include action to:

- Support the improvement of basic skills and employability in the short to medium term (e.g. by providing a Basic Skills Strategy and toolkit for employers);
- Maintain and improve support for employee induction in the short to medium term (e.g. by ensuring Induction Standards are conform with statutory requirements and good practice, and through the development of new management induction standards);
- Maintain and improve support for Gateway qualifications and continuous
- professional development as a requirement of worker registration (e.g. to achieve and retain qualified social worker status) to meet sustained demand for services (i.e. employment growth in some areas) and to replace workers leaving the sector;
- Support for the development of awareness, knowledge and specialist skills associated with the introduction of new technologies (for managers, professionals, direct care giving staff etc.) to support the introduction of telecare/telehealthcare, mobile and remote working (e.g. the promotion of learning, provision of learning materials etc.);
- Support a strategic approach to the meeting the workforce development needs in using new assistive technologies to raise employer ambition and investment;

- Promote the development and adoption of flexible workforce development solutions to meet a wide range of skills needs (including the use of mobile learning and knowledge tools).

Registration of workers and requirements for continuous professional development remain a critical element in ensuring that services are of high quality and that the interests of service users, carers, families and society more widely are protected. It is also one of the main drivers for workforce development in the care sector.

This report suggests that standards of care have risen because of the introduction of workforce registration requirements and regulation of the workforce (e.g. through the development of standards of practice and for induction etc.). Action is needed to maintain the effectiveness of regulation on an ongoing basis. Failure to do so risks the well being of service users and workers (e.g. potential for abuse/misconduct, employment disputes etc.), undermines public confidence in the care sector and makes it less likely that a supply of skilled workers will be available in future.

Ensuring that managers and professionals remain current in their skills and knowledge is also essential in ensuring good practice (for example in social work), as well as in support of innovation and change management. However the proportion of managers and professional workers receiving training in the care sector is lower than the all industry average for these occupational groups (see Table 85). Therefore key actions for sector sponsors and sector bodies will be to:

- Maintain and promote the Codes of Practice for the sector workforce, publicising them and building public confidence in the competence and professionalism of workers;
- Create, maintain and support standards for induction and continuous professional development;
- Instigate workforce competence through licence to practice, through for example the care sector workforce registers in Wales, Northern Ireland and Scotland.

## 8.4 Sustainability in social care

As outlined in Chapter 6 demographic and social trends<sup>103</sup> make it highly likely that long term demand for adult social care will increase and require an expansion of the care workforce. Working Futures estimates this will be equivalent to an average increase of 0.5 per cent per year to 2020. This matches the reported increase in the Scottish Social Services workforce in 2010 and previous SfC&D projections. This is the equivalent of 8,000 new workers being added to the workforce each year. Replacement demand for labour in the sector is also significant at around 90,000 workers per year. Between 2010 and 2020 the care sector will need to recruit around a million new workers. At least half of these workers will be in personal service occupations.

Despite the economic downturn, some sector employers are still reporting difficulties with recruitment and retention. These hard to fill and skills shortage vacancies are currently limited to specific occupations and locations. The sector employs a significant number of workers who were born outside the EEA and employers report difficulties recruiting workers with the basic and employability skills needed. Many sector employers are small businesses and lack the resources, not least organisational/management capacity, to invest in a long-term recruitment policy. Research into public perceptions about the sector suggests there is a gap between job expectations and how sector jobs are seen, not least by young people. Employers and potential workers need support to match their needs.

This report has presented some of the evidence for increasing demand for sector services and in Chapter Five and Six, the scale and nature of the increase in demand by 2030 and 2050. For example, more than ten million people living in the UK today can expect to live to see their 100th birthday (5.5 million of whom are aged between 16 and 50)<sup>104</sup> To support the process of change, action is needed within the medium term to improve sector recruitment and retention whilst the UK economy emerges from recession.

Failure to improve recruitment and retention is likely to impede the expansion and development of services, reduce the number of UK workers in employment and increase the costs across the care sector. Support from sector bodies and by sponsors needs to be targeted to be effective and to ensure sustainability in the long term (i.e. as the UK and the global economy improves). This should include action to:

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<sup>103</sup> "The aging of the UK population and increases in life expectancy will ensure long-term output growth is maintained in health & social work", p.58, Working Futures 2010-2020, Evidence Report 41, UKCES (December 2011)

<sup>104</sup> Department for Work and Pensions, Press Release (January 2011)

- Support the development of management skills and human resource management (HRM) knowledge, as well as the development and provision of labour market intelligence and other tools in the short term (e.g. the sector has an SfC&D will be producing an Adult social care workforce recruitment and retention strategy for England and a Workforce planning guide for providers of adult social care);
- Improve careers information and marketing of the sector as a career of choice inspiring enthusiastic and skilled individuals to enter and stay in the workforce, for example young people and other key groups in the medium term (e.g. by extending the 'Care Ambassadors' scheme whereby qualified and experienced care workers working in the sector are released by employers, to go out to young people in schools, and unemployed people - with a particular emphasis on men who are under-represented in our sector);
- Working in partnership with other agencies to drive down the cost of recruiting and retaining and an effective workforce (e.g. with Jobcentre Plus);
- Develop online pre- screening and scenario tools to support the identification of applicants with the greatest aptitude for work in social care to aid employer recruitment and individual choice of career (improving job matching for employers, reducing turnover and recruitment costs in the medium to long term).



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## Technical appendix

### The provision of core data

To ensure consistency and comparability across all 15 SSA reports, data from core labour market information sources was centrally collected, processed and formatted. It was then distributed by the UK Commission to Sector Skills Councils for inclusion within the reports.

Core data was centrally produced from the following sources:

- The Labour Force Survey
- The UK Employer Skills Survey 2011
- Working Futures 2010-2020
- Regional Accounts (information on Gross Value Added)
- Mid Year Population Estimates
- European Continuing Vocational Training Survey
- Business Demography Statistics

Data from the Labour Force Survey, regional accounts and mid-year population estimates was collated, processed and formatted by Cambridge Econometrics and the Institute for Employment Research (IER), Warwick.

Data from the UK Employer Skills Survey 2011 was collated and processed by IFF Research and formatted by the UK Commission.

Data from Working Futures was collated, processed and formatted by IER.

Data from the European Continuing Vocational Training Survey and Business Demography Statistics was collated, processed and formatted by the UK Commission.

All data was quality assured by contractors, the UK Commission and by Sector Skills Councils.

It has been necessary to suppress some data within the reports to adhere to official guidelines regarding data quality. The details of suppression strategies applied to data from

specific sources are described in more detail below. Data for Scotland, Wales and Northern Ireland for the three smallest SSA sectors is most likely to be suppressed. These are:

- Agriculture, forestry and fishing
- Energy production and utilities
- Information and communication technologies)

### **Methodological information for core labour market information sources**

#### ***Method used to derive estimates of gross value added (GVA) per employee job by SSA sector and nation***

No official estimates are currently available for the level of productivity by sector and UK nation. The figures presented in this report have therefore been estimated by the UK Commission using the following process.

Levels of workplace gross value added at current basic prices by SIC 2007 Section were derived from the official estimates published by the Office for National Statistics as part of its Regional Accounts series. Levels of employee jobs were taken from the Business Register and Employment Survey for 2009.

The sectoral “footprint” definitions used as the basis for the SSA reports are not coterminous with SIC Sections, however, and in some cases draw on 2-digit SIC divisions. At present the official GVA estimates for nations and regions are only available at a SIC section level.

To overcome this an approach was used which has been developed by Welsh Government to derive gross value added estimates for its priority sectors. Approximate estimates of GVA at 2-digit level are available for much of the economy from the Annual Business Survey (ABS). These were used to allocate GVA at the 2-digit level with the results being constrained to the official GVA totals by SIC section taken from the Regional Accounts. For those areas of the economy not covered by the ABS, shares of employment at the 2-digit level were used instead, taken from the Annual Population Survey.

## **Labour Force Survey**

### **About the survey**

One of the key data sources used within this report is the Office for National Statistics' (ONS) Labour Force Survey (LFS). The LFS is a survey of households living at private addresses (plus in NHS accommodation and student halls of residence) in the UK.

The survey is conducted on a quarterly basis. The sample is made up of around 41,000 responding (or imputed) households in Great Britain every quarter, and around 1,600 households in Northern Ireland. The LFS uses a rotational sampling design which means that, once selected, a household<sup>105</sup> is kept in the sample for a total of five consecutive quarters.

Interviewers can take answers to questions by proxy if a respondent is unavailable. This is usually from another related adult who is a member of the same household. About a third of LFS responses are collected by proxy. Information on individuals aged 16 – 19 most likely to be obtained by proxy.

Full user guidance can be accessed here: <http://www.ons.gov.uk/ons/guide-method/user-guidance/labour-market-statistics/index.html>

### **Preparation of LFS data for this report**

The UK Commission provided report authors with a core set of tables based on LFS data for mandatory inclusion within Sector Skills Assessment reports. The data within these tables was prepared by two contractors: Cambridge Econometrics (CE) and Warwick Institute for Employer Research (IER).

Data was prepared in three stages:

1. The original survey data was gathered and coded by IER to the categories and classifications required for the SSA tables. This was then sent to CE
2. CE used the data prepared by IER and derived the indicators and aggregated the data to the dimensions required for the tables

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<sup>105</sup> Note, it is the address that is selected and not necessarily the particular people who live there.



### 3. The UK Commission checked tables and distributed to report authors

Annual data presented within this report is based on an average of four consecutive quarters of data. Data prior to 2009 is based on SIC2003 and data for 2009 and 2010 is based on SIC2007 codes.

#### **Reporting of LFS data**

In line with ONS convention, annual LFS data presented within this report has been suppressed if individual cell sizes fall below 6,000. This is because cell sizes of fewer than 6,000 are deemed to be low quality estimates.

Analysis of employment uses all four categories of employments status within the LFS: employee, self-employed, government scheme & unpaid family worker.

Please note, some tables present a total for *All sectors* while others present a total for *Whole economy*. The values for these totals are different because the *Whole economy* total includes the 'Not within scope' category (i.e. sectors that don't fall within an SSA sector), whereas *All sectors* is the total for just the 15 SSA sectors.

#### **UK Employer Skills Survey 2011**

The UK Commission's Employer Skills Survey 2011 (UK Commission's ESS 11) was the first large-scale economy-wide employer skills survey to be conducted across the whole of the UK. The survey was managed by the UK Commission for Employment and Skills and was conducted by three contractors: IFF Research, BMG Research and Ipsos Mori (Davies et al, 2012). The project steering group included representatives from all four nation governments, the Alliance of Sector Skills Councils, the Department for Work and Pensions and the Skills Funding Agency.

Fieldwork was carried out from March to July 2011. Two waves of interviews were conducted. The main survey involved telephone interviews with approximately 87,600 employers and a follow-up survey focusing on investment in training was undertaken with over 11,000 respondents. The data presented within this report draws only on information gathered from the main survey.

The table below provides information on the number of employers interviewed by sector and nation for the main survey.

SSA sector	England	Scotland	Wales	NI	UK
Agriculture, forestry and fishing	1,270	99	133	45	1,547
Energy production and utilities	1,306	106	133	69	1,614
Manufacturing	6,774	182	470	350	7,776
Construction	7,538	300	660	463	8,961
Wholesale and retail trade	13,919	333	1,129	769	16,150
Transportation and storage	4,078	152	300	205	4,735
Accommodation, food and tourism activities	9,630	324	909	455	11,318
Information and communication	2,262	56	111	81	2,510
Creative media and entertainment	3,301	99	227	135	3,762
Financial, insurance & other professional services	4,525	146	391	281	5,343
Real estate and facilities management	3,113	85	133	93	3,424
Government	2,078	163	188	176	2,605
Education	4,597	164	391	287	5,439
Health	2,912	107	242	137	3,398
Care	4,028	101	338	296	4,763
Not within scope	3,722	86	257	162	4,227
<b>Total</b>	<b>75,053</b>	<b>2,503</b>	<b>6,012</b>	<b>4,004</b>	<b>87,572</b>

UK Commission's ESS 11 is a quota survey. Quotas were set on a size by sector within nation / English region basis. In Northern Ireland and Wales, where more interviews were carried out than the required minimum to get national representation, they were predominately distributed in proportion to the population.

In order to include the maximum number of questions without extending the overall length of the interview, the sample was randomly split in half for some sections, and one set of employers were asked one module of questions, and the other half of the sample different questions.

The survey is a local unit (establishment) survey. This means that for large multi-site organisations several branches/ locations may have been interviewed. The establishment level sampling reflects that the survey asks employers about issues that need to be answered by people with day-to-day contact with employees rather than head office.

Respondents are those who have the best overview of HR and training within the establishment. This will tend to be HR or training managers in large establishments and owner/managers or senior managers within small establishments.

The valid population of establishments being used in UK Commission's ESS 11 is all establishments with the exception of sole traders (this means that establishments with one employee and no working proprietors (for e.g. flower stall at a station, where there is one person working but they don't own it themselves) are included). In addition, establishments with multiple working proprietors but no employees are also included.

Sampling error for the survey results overall and for different sub-groups by which analysis is presented in the report is shown in the table below. Sectoral figures are presented for the 14 SIC 2007 sections which were used for the survey sampling approach.

Figures have been based on a survey result of 50 per cent (the 'worst' case in terms of statistical reliability), and have used a 95 per cent confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of +/- 0.32 per cent, this should be interpreted as follows: 'for a question asked of all respondents where the survey result is 50 per cent, we are 95 per cent confident that the true figure lies within the range 49.68 per cent to 50.32 per cent'.

As a note, the calculation of sampling error has taken into account the finite population correction factor to account for cases where we are measuring a significant portion of the population universe (i.e. even if two sample sizes are the same, the sampling error will be lower if in one case a far higher proportion of the population was covered).

These confidence intervals are based on the assumption of a normal distribution of responses.

#### Sampling error (at the confidence 95 per cent level) associated with findings of 50 per cent

	Population	Number of interviews	(Maximum) Sampling Error
<b>Overall</b>	<b>2,299,921</b>	<b>87,572</b>	<b>+/-0.32</b>
<b>By country</b>			
England	1,960,298	75,053	+/-0.35
Northern Ireland	65,559	4,004	+/-1.5
Scotland	175,114	2,503	+/-1.94
Wales	98,950	6,012	+/-1.22
<b>By size of establishment</b>			
1-4	1,466,397	18,955	+/-0.99
5-24	648,446	47,770	+/-0.61
25-99	147,319	15,951	+/-1.03
100-249	25,945	3,270	+/-2.27
250+	11,814	1,626	+/-3.12
<b>By sector</b>			
Agriculture	98,458	939	+/-3.18
Mining & Quarrying	2,222	188	+/-6.84
Manufacturing	128,255	7,704	+/-1.08
Electricity, Gas and Water	10,583	1,426	+/-3.35
Construction	241,429	6,654	+/-1.18
Wholesale and Retail	441,365	15,340	+/-0.78
Hotels & Restaurants	167,215	8,471	+/-1.04
Transport and Communications	210,801	7,885	+/-1.08
Financial Services	52,381	1,881	+/-2.22
Business Services	551,612	14,488	+/-0.80
Public Administration	26,058	1,617	+/-2.36
Education	65,499	5,439	+/-1.27
Health and Social Work	140,269	8,161	+/-1.05
Community, Social and Personal Services	163,774	7,379	+/-1.11

Looking specifically at sampling error for SSA sectors at national level, Agriculture in Scotland provides an illustrative example. 99 interviews were completed for this sub-group. Applying the assumptions outlined above, this gives a maximum sampling error of around +/- 10 percentage points. This demonstrates the indicative nature of the detailed survey estimates for smaller sectors.

Within the report, data based on unweighted bases of less than 25 have therefore been suppressed for quality reasons. In addition, data based on unweighted bases of between 25 and 50 have been marked as indicative. More stringent thresholds have been applied in Scotland because of the lower total number of interviews that were conducted than in other nations. Estimates based on unweighted bases of fewer than 50 have been suppressed, whilst estimates based on bases of 50-99 are marked as indicative in the relevant tables.

Finally, occupations within the survey are defined by 2010 Standard Occupational Classification codes and sectors are defined by 2007 Standard Industrial Classification codes.

Please visit the UK Commission's Employer Surveys website for further information including the full survey report and questionnaire. <https://ness.ukces.org.uk/default.aspx>

### ***Working Futures***

Working Futures 2010-2020 is the latest in a series of detailed projections of UK employment, productivity, labour supply and skills. The projections have been prepared by the Institute for Employment Research (IER) and Cambridge Econometrics (CE) on behalf of the UK Commission for Employment and Skills (UKCES).

The projections are calculated from a Number of different data sources, including the Annual Business Inquiry, the Business Register and Employment Survey, and the Labour Force Survey. The results provide a picture of employment prospects up to 2020 by industry, occupation, qualification level, gender and employment status for the UK as a whole, the four nations, and English regions.

As with all projections and forecasts, the results presented in Working Futures should be regarded as indicative of likely trends and orders of magnitude given a continuation of past patterns of behaviour and performance, rather than precise forecasts of the future. At a time of great uncertainty about the short to medium term prospects for the economy, it is

important to stress the value of Working Futures in aiding understanding of likely prospects for employment in the longer term (i.e. in 2020). Readers should therefore focus on the relative position of sectors, and occupations in 2020 and treat the projected values as broad indicators of scale rather than exact predictions.

Further methodological details can be found on the UK Commission's website -

<http://www.ukces.org.uk/publications/working-futures-technical-report>

### **The UK Employer Perspectives Survey 2010 (EPS2010)**

The UK Employer Perspectives Survey 2010 (EPS2010) was conducted between June and August 2010 with 14,390 employers. The survey was designed to be representative of the UK employer population as a whole in terms of size, sector and location. Interviews were conducted with: 9,432 employers in England; 1,981 employers in Scotland; 1,987 employers in Wales; and 990 employers in Northern Ireland.

Key areas covered by the survey were:

- The operating environment
- Employer perspectives on business support services
- Employer perspectives on recruitment services
- Employer perspectives on skills and training services

In 2010 these included specific questions on a wide range of services, initiatives and organisations, including:

- JobCentre Plus / Jobs and Benefits Offices
- Welfare to work initiatives
- Apprenticeships
- Vocational qualifications
- Sector Skills Councils
- Business Link
- Investors in People

### **The National Minimum Dataset for Social Care**

This report draws upon data analysed by SfC&D from the National Minimum Dataset for Social Care (NMDS-SC). The NMDS-SC has been collecting data since early 2006 and at the time of writing the NMDS-SC has received information from over 27,000 care-providing/organising establishments and over 730,000 workers across England. The NMDS SC is an administrative dataset not a survey. Employers are invited to provide data for the NMDS SC, participation has until recently been entirely voluntary and data is entered by employers directly.

In 2011, the Department of Health and NHS Information Centre agreed with Skills for Care that the NMDS SC would form the basis for the adult workforce data return from

local authorities in England. The Department for Education has invited local authorities to also submit returns for the Children's social care workforce during 2011-12.

The National Minimum Data Set for Social Care (NMDS-SC) consists of a set of Data Items, Sub-Items and Classifications, in two parts:

Part 1: relating to social care-providing establishments, and

Part 2: relating to individual workers.

The NMDS-SC is not a data collection tool in its own right. Two questionnaires designed to collect the NMDS-SC, one for organisations and one (in two versions) for individual staff, have been produced separately.

In Part 1 the NMDS-SC collects information from employers about the establishment in the following broad areas:

- Current Investors in People status
- Establishment type
- Main and other services provided
- Service users for whom services are provided
- Service capacity and uptake level
- Numbers of staff permanently and temporarily employed
- Numbers of bank/pool, agency, student, voluntary and other staff
- Numbers of staff leaving in past 12 months
- Numbers of vacancies

- Reasons for leaving
- Destination of leavers
- In Part 2 the NMDS-SC gathers information about employees from their employers. This includes:
  - Gender
  - Date of birth
  - Nationality
  - Main job role
  - Other job roles (if applicable)
  - Start date (in main job)
  - Source of recruitment
  - Employment status
  - Contracted hours of work
  - Additional hours worked (if applicable)
  - Full-time or part-time
  - Working arrangements
  - Sickness absence
  - Salary
  - Date first employed in social care
  - Induction status
  - Qualifications held

## **2010 Scottish Social Services Workforce Data Report**

This report draws upon data analysed by the Scottish Social Services Council (SSSC) under its statutory duties in Scotland derived from the Regulation of Care (Scotland) Act 2001. The SSSC is the “Scottish arm (or partner?)” of SfCD.

The data in this report were collected and collated by the SSSC from two secondary sources. Common data standards (the core minimum data set) are used in the Scottish social services sector to ensure consistency between the workforce data that is gathered. The principal data source for the Core Minimum Data Set (CMDS) used by the SSSC in reporting about the social services workforce in Scotland is the data from Annual Returns submitted by all registered care services to the Care Inspectorate. These include data on; the total number of staff per registered service; their characteristics (e.g. age, gender, and ethnicity). Completion of these returns is a requirement of a services registration with the Care Inspectorate. The Care Inspectorate’s Annual Returns are collected primarily to assist with inspection purposes for individual services, however the data collected is also aggregated to produce summary information and to provide a statistical overview of services.

The other data source is the annual census of “Staff of Scottish Local Authority Social Work Services”, responsibility for which was transferred to the SSSC in 2011. 2010 was therefore the last year that Scottish Government collected such data from all 32 local authorities in Scotland. The data include figures on the number of filled-posts within all Local Authority Social Work Services, and the characteristics (age, gender, ethnicity etc.) of employees in those services.

For both the Care Inspectorate Annual Return data and Scottish Government “Staff of Scottish Local Authority Social Work Services” data – it’s important to note that the figures presented on total numbers of staff are a count of the staff working in each service. Therefore if an individual works for more than one service or employer then the person is likely to have been counted more than once. Therefore the figures presented on headcount are not a wholly precise count of the Number of separate individuals working within the social services sector. From Care Commission Annual Return data as at Dec-08 the SSSC estimate that this double-counting of individuals accounts for approximately two per cent of the headcount figure. Applying this 2 per cent estimate to the total headcount figure of around 198,690 means that we can estimate the total Number of individuals in the social services sector in Scotland to be around 194,794 people.



## **Caring Careers: Perceptions of the Social Care, Early Years, Children's and Young People's Sector**

The Caring Careers survey was conducted for SfC&D by IFF Research Limited. The survey was conducted by telephone between 30<sup>th</sup> March and 28<sup>th</sup> April 2011 and achieved a total of 2,343 interviews. These interviews were split across three samples: a core sample designed to represent the UK working age population<sup>106</sup> and then two boosts designed to increase the Number of interviews achieved among (1) people currently working in the sector and (2) jobseekers – and to allow separate analyses to be undertaken to explore the views of these key groups.

The core survey used a RDD (Random Digit Dialling) sample, supplemented by a sample of 'mobile-only' households in order to avoid excluding the considerable proportion of the UK workforce who live in households without access to a landline telephone. Quotas were set for the Number of interviews to be achieved within England and in each of the devolved administrations, with a view to increasing the Number of interviews achieved in Scotland and Wales in particular<sup>107</sup>. The targeted sector worker and jobseeker samples were purchased from a list broker<sup>108</sup> in order to minimise the cost of reaching these relatively small populations.

Jobseekers were defined as respondents who were unemployed and actively looking for work. Sector workers were defined as respondents who said that they were employed in the fields of: nursery, childcare or early years services; or social work or support services for vulnerable or disadvantaged people; or care services and whose job descriptions could be coded to a key list of SOC occupations. The working age population sample also incorporated interviews with both job seekers and sector workers.

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<sup>106</sup> The working age population was defined as people aged between 16 and 70. The lower age cut-off was set at 16 to allow us to include both those looking to enter the workforce at this point and those who plan to enter later but are in the process of making some of the choices that will define the career routes that they end up embarking on. In terms of an upper-age cut-off this was set above state pension age on grounds that participation of this cohort in the labour market will increase in future decades as individuals with insufficient levels of funding retirement chose to extend their working careers. It is possible that reaching State Pension Age is/will be a trigger point for some to consider a change in their working live and that a job within the social care, early years, children's and young people's sector may be an attractive choice for a Third Age Career.

<sup>107</sup> Interviews were allowed to fall out "naturally" in Northern Ireland (i.e. NI respondents were identified randomly) There was no sample boost for Northern Ireland on as there is less evidence for difficulties in recruitment and retention in the care sector in Northern Ireland.

<sup>108</sup> A list broker acts as an agent for those who wish to conduct direct marketing campaigns via direct mail, email or telemarketing.

The scale of the survey means that findings can be reported with a high degree of statistical confidence at the overall level, although the base sizes for some questions and for some areas of the report (looking at particular sub-groups of the population) are quite small, with a consequent impact on the robustness of findings. In particular, while the total Number of interviews achieved with people working in the SFC&D sectors is relatively robust, and delivers findings with at least  $\pm 4.6$  per cent confidence at the 95 per cent level, the Numbers of interviews achieved with early years and social workers are relatively small. For this reason, most of the analysis is predicated on the total sector workforce; where findings are presented separately for the sub-sector workforces, these are presented as indicative only, and should be treated with caution.

Reflecting the three-pronged data collection approach, the weighting of the survey data was also carried out using a staged approach. In the first instance, the 1,717 interviews achieved from the general population sample were weighted to official ONS population statistics in terms of gender, age and country of residence within the UK (i.e. England, Scotland, Wales or Northern Ireland). No official statistics exist in the same way to define the jobseeker and sector worker populations. However, because the general population sample also included job seekers and sector workers, this first phase of weighting also projected the size and a profile of these two populations within the overall population, suggesting that:

- eight per cent of the working age population are employed within the SFC&D sectors: 80 per cent of these are care workers, with 11 per cent early years workers and nine per cent in social work;
- six per cent of the population were “job seekers” (at the time of interview).

As a second stage of weighting, the sector worker and jobseeker boost interviews were added back into the sample, with weightings designed to respect the jobseeker and sector worker populations exposed by the first phase of weighting in terms of their gender, age and country distributions.

For more detailed explanations of the survey methodology, please see the full report available from the SFC&D website.

## **The 2010 Childcare and Early Years Providers Survey**

The 2010 Childcare and Early Years Providers Survey is the latest report in a series of surveys that began in 1998. The 2010 report provides information on the key characteristics of childcare and early years provision and the early years workforce across the public, private and voluntary sectors. This includes information on: provider characteristics; Number of places and children attending; staff characteristics; qualifications of staff; training; recruitment and retention; income and expenditure.

The research for the main stage survey was divided into three surveys:

### Childcare survey

- Full day care
- Sessional day care
- Out of school (after school clubs and holiday clubs)
- Children's centres

### Early years survey

- Primary schools with nursery and reception classes
- Primary schools with reception but no nursery classes
- Nursery schools

### Childminder survey

- Childminders

The main survey covered topics such as the number of childcare places and the number of children attending, the number of staff, their qualifications and pay, and the providers' profitability.

There were three sections of interest for the analysis, which covered nine settings types in total, and is reflected in the way the sample was built. The sample for each setting came from slightly different sample sources which was then split out or combined to form the appropriate sample frame for each setting.

There were two broad stages to the sampling process. The first stage involved a short sample building stage in order to help determine population estimates by Region2 and also to obtain appropriate contact details where necessary. Screening was not always necessary, and where it was not applicable, this step was skipped. The second stage was the main stage, where sample members were asked to undertake the full survey.

The survey was conducted using TNS-BMRB's Computer Assisted Telephone Interviewing (CATI), between 11th October and 23rd December 2010. Interviews were carried out by 100 Kantar Operations' fully trained telephone interviewers.

Weighting was used to ensure survey respondents are representative of the population to which they are generalising.

Weighting was carried out at various stages to determine population estimates, as well as to account for non-response at the main stage. Grossing weights were also applied so that settings were scaled up to the estimated population total within region. When asking about hourly pay, if a respondent refused they were asked to give a banded answer. The data in the reports combines the banded data with the non-banded data, by using the midpoint of bands. Levels of refusal were low (no more than 10 per cent), so this made very little difference to overall estimates.

When collecting information on pay and income and asking respondents to provide numbers that are keyed in by the interviewer, it is possible for miskeying to occur. On inspection, a small number of answers seemed either much too large or much too small. Therefore, it was decided to implement rules whereby certain outliers would be removed from the data. Only very small numbers of answers were removed.

The turnover rate was calculated by dividing the total number leaving their employment by the total number currently employed, less the difference between those recruited and those leaving their current employment. The employment growth rate was calculated by dividing the net change in staff by the total currently employed less the difference between those recruited and those leaving their current employment.

For further details please see the Childcare and Early Years Providers Survey 2010 Technical report (<http://www.education.gov.uk/rsgateway/DB/STR/d001024/osr17-2011tr.pdf>).

The UK Commission for Employment and Skills is a social partnership, led by Commissioners from large and small employers, trade unions and the voluntary sector. Our mission is to raise skill levels to help drive enterprise, create more and better jobs and economic growth.

All of the outputs of the UK Commission can be accessed on our website at [www.ukces.org.uk](http://www.ukces.org.uk)

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