NHS Confederation

Adult social care and the NHS: two sides of the same coin

In partnership with

Age UK

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About us

The NHS Confederation is the membership organisation that brings together, supports and speaks for the whole healthcare system in England, Wales and Northern Ireland. The members we represent employ 1.5 million staff, care for more than 1 million patients a day and control £150 billion of public expenditure. We promote collaboration and partnership working as the key to improving population health, delivering high-quality care and reducing health inequalities.

Key points

- Understanding how trends in the social care market shape demand for integrated health and care services across the country is a key challenge for emerging integrated care systems. Social care is, and will continue to be, a critical partner in developing sustainable services, therefore understanding the care provider market and trends in provision is essential. This analysis brings together demographic trends with data on workforce, Care Quality Commission-registered services and funding, to provide an overview of total capacity and national trends across the health and care sector, as well as significant variation across the country.
- This report focuses on demand for and provision of state-funded social care for older people as the largest cohort drawing on care and support, but in considering workforce and market capacity trends, it is important to note need for care and support is also increasing among both working-age adults and children.
- Over the last five years we have seen demand increase, with around 4 per cent more people in England aged 65 and over. Within the state funded sector, requests for care have increased at broadly the same rate with requests per capita remaining broadly consistent. However, nationally, rather than expanding to meet the needs of growing numbers of older people, fewer people are being supported by state-funded social care.
- As a result, large numbers of people aged over 65 are living with unmet needs, relying on informal care or self-funding access to care services. Self-funders make up around 46 per cent of care home residents and account for an estimated £1 in £4 spend on home care provision. Although these individuals do not qualify for state funded care services, they represent a significant proportion of NHS patients living with complex needs.
- Social care can enable people to live independent and fulfilling lives, but too few people have access to it as a result of recent

trends. In many areas, there are too few effective, joined up health and care services capable of identifying older people at risk and intervening to help avoid it. We see more urgent care demand, admissions and longer hospital stays. Lack of care availability is also having a significant impact on the ability to discharge older people from hospital. This creates not only poorer outcomes and greater reliance on services, but less acute capacity overall.

- Recent trends in funding, changes in the market and workforce constraints are key drivers impacting social care capacity. Despite some investment in the sector, this has not been consistent or sufficient and due to rising costs has not resulted in increased service provision. Churn in the market has seen residential care home bed numbers falling and increases in home care providers, but not commensurate increases in capacity. Filled posts have failed to keep pace with expanding roles and one in ten posts are vacant, becoming significantly more acute post-pandemic. More recent improvements have been highly reliant on international recruitment.
- The national picture is moving in the wrong direction, however, in some areas this is acutely felt. Unpacking the data by region demonstrates the extent of the variation and individual systems working in very different workforce and market conditions - particularly around constraints to services such as unit cost inflation, workforce capacity proportional to older populations, and overall funding.
- Given its knock-on effect for other factors, the shortfall in social care workforce capacity is a pressing priority. The government should publish an equivalent to the recently released long-term workforce plan for the NHS for social care, setting out how the sector will address existing vacancies and meet future challenges through exploring measures such as a fully funded minimum care wage. While it potentially offers additional workforce resource, overreliance on overseas recruitment will not fix the problem. These actions should sit alongside a long-term settlement, which would give providers, local authorities

and the wider sector the clarity and security it needs to focus on long-term planning.

- It is important for individual ICSs to understand need and demand for social care and ageing services in the overall context of the health and ageing profile of the populations they serve. ICSs must prioritise engagement with the adult social care sector, including providers in the private and voluntary sectors to develop a shared and deep understanding of their population and tailored solutions to ensure that all systems are equipped to deliver the right care at the right time.

Fewer people are being supported by state-funded social care in England despite the increase in people aged 65 and over. This report, written in partnership with Age UK, focuses on demand for and provision of state-funded social care for older people. It brings together data and demographic trends to provide an overview of total capacity and national trends across the health and care sector, as well as significant variation across the country

Background

The NHS Confederation represents healthcare organisations across the sector. Over the last five years, as both health and social care services have come under increasing strain, the interdependency between them has become more and more critical. Despite the importance of social care in enabling people's independence and maintaining dignity, successive governments have failed to adequately support the sector and there is increasing unmet need in our communities.

Through this analysis, we look more closely at this period to examine not only what has changed in terms of health and social care service provision, but also trends in the key drivers of those changes and how the picture varies depending on where in the country you happen to seek care.

Based on the work, we have drawn out key learnings and recommendations for the government and systems to consider as we look ahead. Despite the difficult circumstances depicted by the data, there are examples where work is being done to respond to these challenges. A forthcoming NHS Confederation report will explore this in more detail, including using the recent Better Care Fund planning directive to realise longer-term integration of care around people's needs. This will include case studies of best practice in integrated care that assists in easing patient flow, as well as alternative approaches to service delivery.

This report focuses on demand for and provision of state-funded social care for older people as the largest cohort drawing on care and support, and who are most likely to require medical care. However, we acknowledge that social care supports adults of all ages with a range of disabilities or conditions, both on an ongoing basis or for short periods.

The current state of care and recent trends

The population is ageing, with more complex needs

The numbers of people in England aged 65 and over increased by more than 400,000 alone in the five-year period covered by this report, from just over 10 million in 2017/18 to 10.47 million in 2021/22. Over the same period, the number of people aged over 85 increased by 3.1 per cent to 1.4 million. The likelihood of living with multiple or complex long-term health conditions, disability and/or frailty rises directly in line with age, and with it the likelihood of needing to draw on care and support.

A recent Health Foundation study puts the scale of the issue into context, reporting that 9.1 million people in England are projected to be living with major illness by 2040, which is 2.5 million more than in 2019. This is an increase from almost one in six to nearly one in five of the adult population, mostly a result of an ageing population, as life expectancy increases and the baby-boomer generation ages.

> Despite the importance of social care in enabling people's independence and maintaining dignity, nationally ... fewer people are being supported by state-funded social care

In addition to developing multiple or complex long-term health conditions, disability and/or frailty, the likelihood of needing to draw on care and support for activities of daily living (ADLs) increases with age. Data from the 2018/19 English Longitudinal Study of Ageing (ELSA) shows that for people aged between 65

and 74, 15.5 per cent of people experience difficulty with one or more ADL. For those aged over 85, the percentage of people living with some level of need for care and support rises significantly to almost 44 per cent.

Despite the importance of social care in enabling people's independence and maintaining dignity, nationally, rather than expanding to meet the needs of growing numbers of older people, fewer people are being supported by state-funded social care. Trends in requests for care have remained broadly steady, as has the conversion rate to formal service provision and number of services provided per head of the 65+ population. Yet the total numbers of clients being supported in any given year has decreased as available services have been increasingly concentrated on those with the very highest needs.

Overall, the annual number of requests for social care made to local authorities by people aged 65 and over increased from 1.32 million requests a year to 1.37 million between 2017/18 and 2021/22. Rising numbers of requests for care broadly reflect growth of population over the same period, with requests per capita of the 65-and-over population remaining broadly consistent. The overall conversion rate of requests to formal care provision has also remained at just under half of all requests resulting in provision of commissioned services.

Fewer people are being supported by state-funded care and unmet need is rising

However, trends in client data – representing the number of people provided with support in a given year – suggest a substantial decline. Between 2017/18 and 2021/22 there was a 4 per cent decrease in the number of all clients receiving adult social care services in year to 719,000: representing an 8 per cent reduction in the number of clients per 1,000 of the 65-and-over population.

There have also been changes in the type of care received. Long-term care provision for all age groups has declined sharply since 2017/18, while provision of short-term support has increased. The number of requests resulting in long-term care provision decreased by 5.4 per cent, with provision of short-term (and end-of-life care) and NHS-commissioned services increasing by 11.5 per cent and 59.5 per cent respectively. (See appendix charts A and 2A.)

36,000 fewer clients received long-term services in 2021/22 than in 2017/18 – a 6.4 per cent reduction over that time. Taking into account population changes, this amounts to a 10.3 per cent decrease in the number of long-term care clients per capita of the 65-and-over population. While the annual number of clients receiving short-term care services increased by around 7,000 (3.6 per cent) a year, clients per capita of the 65-and-over population nonetheless decreased by just under 1 per cent.

An estimated 1.6 million people aged 65 and over have unmet needs for care and support, according to Age UK analysis, including hundreds of thousands of people who are unable to complete three or more ADLs and receive no help, or help that does not meet their needs.
The trends are not felt equally, with people ageing in the least advantaged circumstances more likely to experience age-related disability and poor health at a younger chronological age; live with poorer health throughout their later years; and die earlier than people with greater advantage. (See appendix chart B.)

Impact on experiences, outcomes and the wider health and care ecosystem

Acute services are experiencing more demand and outcomes are worsening

Delayed transfers of care

With a range of different services involved, the reasons for delays in the hospital discharge process are multiple and complex, including internal hospital procedures. However, given the number of people who will require ongoing support after being deemed medically fit for discharge, without a good supply of well-staffed social care, people can be less easily discharged from hospital in a timely way. The National Audit Office estimated that 85 per cent of patients experiencing a delayed transfer of care were aged 65 and over.

We can see this in the data with challenges in care home capacity having an impact. In 2017/18 and 2019/20 'awaiting a residential or nursing home placement' accounted for around one in four delays. The most recent NHS England discharge data for July 2023 attributed 22 per cent of 14+ day delays to residential care placements and a further 20.6 per cent to community rehabilitation beds – a service often provided by the residential care sector. This is reflected in the most common concerns raised by older people, their families and professionals supporting their care.

A&E attendances and emergency admissions

> In 2019/20 alone, 855,000 emergency admissions to hospital of older people could have been avoided with the right care at the right time

In many areas at present there are too few effective, joined-up health and care services capable of identifying older people at risk of a health emergency and intervening to help them avoid it. In a 2022 NHS Confederation survey, over 80 per cent of healthcare leaders agreed a lack of social care capacity had a very significant or significant impact in driving urgent care demand. The rate of A&E attendances amongst over 80s, which increased by 40 per cent from 2012/13 to 2021/22, confirms this.

In 2019/20 alone, 855,000 emergency admissions to hospital of older people could have been avoided with the right care at the right time. Older people who arrive in A&E are more likely to be admitted. Once admitted, older people have longer hospital stays and are more likely to experience delayed discharge. These delays can damage people's confidence and ability to live independently as well as their health – extended stays can also be associated with deconditioning, reduced mobility leading to loss of muscle tone, increased risk of falls, cognitive decline and depression. This means not only poorer outcomes and greater reliance on services for those patients involved, but fewer beds available in that hospital for new admissions – emergency or elective.

The escalating scale of the issue can be seen in the data from winter 2022/23, when between 13,000 and 14,000 patients were stranded in hospital on any given day, up from around 4,500 in the same period in 2018/19. In a vicious circle, one in six patients over

the age of 75 is then readmitted within 30 days of being discharged.

More pressure on social care and informal carers

This is however not a one-way relationship. Squeezed capacity in acute, primary and community care is also an important factor and leading to more pressure in social care services. The average number of patients each full-time equivalent GP is responsible for now stands at 2,305, which is an increase of 19 per cent, since 2015. This points to rising needs in the community overall and an ever-mounting workload in general practice and community services, and has had a knock-on impact on demand for social care with 83 per cent of directors of adult social services reporting an increase in referrals and activity related to hospital discharge, with 46 per cent because someone could not be admitted to hospital.

There are an estimated 4.7 million people providing unpaid care in England, often for an older partner or relative. Almost a quarter of carers are older people themselves and often caring at the greatest levels of intensity, and among older carers, more than half live with a long-term illness or disability of their own. Long term caring responsibilities can also take a toll on carers' own physical and mental health, with older carers amongst the most likely to report living in pain for example. Furthermore, reflecting wider patterns of social and economic disadvantage on health and service access, people living in more deprived parts of the country are more likely to provide informal care.

And yet, more burden and responsibility are being placed on these unpaid carers to fill the gap and large numbers of older people are struggling to cope alone. Inevitably in this situation, older people in need of care often find their health declines, and sometimes this leads to a hospital stay that might have been

avoided.

Key drivers of, and trends in, care capacity

Investment in the sector has not resulted in increased service provision for older people

Despite some nominal investment in the sector, this has not been consistent or sufficient and due to rising costs has not resulted in increased service provision. Since 2015/16, social care funding has risen in real terms, reaching £26.9 billion in 2021/22, although this includes around £3 billion of additional grants specifically to support the sector through the pandemic. It is also well below the £31.8 billion the Health Foundation estimated would be required by 2023/24 to restore service capacity to 2010/11 levels, including accounting for pay increases commensurate with the NHS over the same period of time. [1]

The composition of social care funding has also changed over this period of time. Funding increased by £3.4 billion in real terms over the five years between 2017/18 and 2021/22. However, a third of that growth has come through rising funding from the NHS, much of it directed towards discharge capacity. Despite this, as we see from the section above, we have seen delayed transfers of care triple from 2018/19 to this past winter.

Excluding NHS funding, long-term care provision accounts for the majority of expenditure on older people's services, with gross current expenditure on long-term care increasing by 6 per cent from £7.8 billion to £8.2 billion. However, there is a clear trend towards greater spending on short-term care (including support to maximise independence), albeit from a low base, seeing gross expenditure grow by a third from £0.4 billion to £0.58 billion over the period.

Costs of provision

Indeed, more broadly, increases in spending have not translated into increased levels of service provision. This can be explained by two key factors. Firstly, a significant proportion of additional funding in 2020/21 and 2021/22 was allocated to local authorities to support the social care sector with additional costs associated with the pandemic. Secondly, rising costs for both residential and home care service providers translating into higher unit costs paid.

Unit costs paid for residential care and residential care with nursing services for older people have increased by an average of 12.2 per cent and 15.3 per cent respectively in real terms over the five years to 2021/22, although there is significant variation by both region and between service type. As with residential care, homes care fee rates have also risen by a national average of 6.8 per cent in real terms since 2017/18.

Market changes have reduced residential care homes, more home care providers and less bed capacity

Care home capacity

> With an ageing population living with more long-term care needs, this is the wrong direction of travel

Care home capacity is falling. in April 2021/22 there were 862 fewer residential care home locations registered with the CQC than in April 2017, which is a 7.4 per cent reduction over five years. At the same time, the number of residential nursing home locations fell by 1.5 per cent from 4,355 to 4,290. Care home

closures reduced total bed capacity by just over 5,000 beds. The residential care market has also contracted more substantially than residential nursing care, with a small increase in the numbers of nursing beds (1.3 per cent) offsetting a more substantial reduction (3.3 per cent) in residential capacity. (See appendix chart C).

With an ageing population living with more long-term care needs, this is the wrong direction of travel. In addition, the fact that locations have fallen further than the number of beds suggests a trend towards a smaller number of large facilities, which may have a more significant impact on local availability of care in more rural regions especially for those who require specialist facilities to be able to provide nursing or dementia specialist care. The 2023 ADASS Spring Survey reported that three quarters of Directors of Adult social Care were not confident about being able to fully offer the minimum social care support in their communities required by law, such as the availability of the right care, in the right place, at the right time.

Home care capacity

There has been major expansion in the number of registered home care providers. In April 2017 there were 8,672 registered providers, rising by 27.3 per cent to 11,042 by April 2022. However, the total number of posts in home care (including advertised vacancies) has only increased by 12.4 per cent over the same period, suggesting growth in actual capacity has not been as substantial. Recent market trends indicate a greater degree of fragmentation in the home care market, with a larger number of smaller providers and a degree of churn as providers enter and exit the market – 62 per cent of councils reported one or more home care provider closure in their area in the previous six months, with Director's response to the ADASS survey indicating around one in 20 people being offered care options that do not meet their preferences due to lack of appropriate capacity. Market analysts Laing and Buisson also note that rapid growth in the home care market in recent years must be seen in the context

of the major 'contraction' of home care services that occurred in the wake of 2010/11.

Nonetheless, the number of hours of home care commissioned for people aged over 65 has also increased by 24.3 per cent from 115 million to 143 million hours. Although this trend too must be seen in broader context, particularly the rising acuity and complexity of those individuals supported at home and a greater emphasis on short term care, often to enable shorter hospital stays and speedier discharge.

Latest data shows continuation of trends

The most recent CQC registration data in April 2023 shows a continuation of these trends. The number of home care agencies increased by a further 897 to 11,939, meaning the sector has now expanded by 37.7 per cent nationally since 2017/18. Preliminary workforce data covering this period suggests the number of filled posts in home care increased by a further 2 per cent (or 10,000 workers) largely as a result of international recruitment so while hands on capacity is increasing, it has continued to do so at a lower rate. Meanwhile, the residential care sector has continued to contract. The number of residential care home locations fell by a further 193 in 2022, taking the total reduction since 2017/18 to 9 per cent, while the number of nursing home locations fell by 22 (taking the total reduction to 2 per cent), although vacancy rates showed some signs of improvement with filled posts increasing by 3 per cent, once again thanks largely to international recruitment efforts

In terms of bed capacity, the number of nursing beds remained stable at around 221,400 beds and the number of residential care beds continued to fall, with another 1,185 beds lost in 2022. Overall, total bed capacity has fallen by 6,300 (1.4 per cent) in the six years since 2017/18.

Workforce capacity struggling to meet demand

Overall workforce trend

The size of the workforce and CQC-registered services provides the best overview of total capacity across the care sector. Taken together, a number of national trends emerge in service capacity that point towards a market struggling to meet aggregate demand.

> While high vacancies have been a consistent challenge across the sector, post-pandemic this has become significantly more acute

The total workforce has increased since 2017/18, as the total number of posts grew from 1.7 million 1.79 million. However, the total number of filled roles only increased by 20,000 posts from 1.6 to 1.62 million, and actually fell sharply after rising to 1.67 million in 2020/21.

While high vacancies have been a consistent challenge across the sector, post pandemic this has become significantly more acute. Between 2020/21 and 2021/22 the overall vacancy rate jumped 50 per cent from 110,000 to 165,000 vacancies, meaning that while even though the total number of filled posts was higher in 2021/22 than five years earlier, the increase was only 20,000. One in ten posts in the sector are vacant. Further, workforce constraints in the home care part of the market, which appears to be expanding, indicate actual capacity has not increased as substantially as the increase in providers might otherwise suggest.

Preliminary data from Skills for Care covering 2022/23 suggests modest improvement. The number of filled posts increased by 20,000 from 2021/22 to the end of 2022/23 (after the 60,000 fall across the previous year).

Terms and conditions remain a key barrier in resolving the workforce crisis in care. In 2021/22, mean pay of direct care workers in the independent sector (where the vast majority are employed) was £9.67 and nearly a third were employed on zero-hours contracts. The turnover rate for direct care roles runs at around 33 per cent a year and in 2022/23, 40 per cent of care workers were paid below the Real Living Wage and median pay dipped below the tenth percentile of low-paying jobs, including retail assistants, cleaners and healthcare assistants new in role. (See appendix chart D).

Post-Brexit immigration arrangements have played a part, with the addition of care workers to the shortage occupation list resulting in a significant international recruitment drive, and some 70,000 people recruited from overseas into the care sector since February 2022. However, an overreliance on overseas recruitment is not sustainable long term and will do little to address the long term barriers to recruitment and retention in social care. The Migration Advisory Committee has flagged that the underlying inadequate pay and conditions offered in the sector still restricted recruitment and retention in the sector. They continue to call for a fully funded £10.50-an-hour minimum wage for adult social care workers in England.

Residential and nursing capacity

Consistent with broader market trends set out above, there was a substantial reduction in the size of the residential care and nursing home workforce. In the five years to 2021/22 there was a 6.1 per cent and 6.4 per cent reduction in the number of direct care workers in residential care and nursing homes respectively. The

numbers of senior managers also fell by a third or more in both sectors.

Nursing roles in care are of particular concern. Between 2017/18 and 2021/22 there was a 17.9 per cent reduction in the number of nursing posts from 39,000 to 32,000. While the vacancy rate remains significant – with 4,900 estimated vacancies in 2021/22 – this still means there are more than 2,000 fewer posts (filled and unfilled) than in 2017/18, suggesting roles have simply been cut. Furthermore, nurses have one of the highest turnover rates in the sector. Once again international recruitment appears to be making some impact, with the number of filled registered nurse posts increasing to 33,000, but still means the sector is operating with 6,000 fewer nurses than 2017/18.

This has in turn impacted on the availability of residential care, with some evidence of capacity being 'mothballed' due to staff shortages. This year the Homecare Association's survey of providers found 91 per cent had not been able to recruit enough care workers, 69 per cent had cited existing staff leaving, impacting their ability to meet demand.

Chapter footnotes

1. Additional important context is that since 2010, social care funding was cut in real terms from £24 billion in 2010/11 to £22 billion in 2015/16. Funding did not recover to 2010/11 levels until 2018/19 (King's Fund, 2023) and after accounting for demographic change, was over 10 per cent lower per capita than 2010 (Health Foundation, 2019).

Variation between different parts of the country

Trends in requests for and provision of state funded care services

Breaking down the data by region makes it clear the picture for individual systems is very different. While the total numbers of requests for care have broadly increased across the country, reflecting a growing older population, the size of the increase in requests and the levels of state funded service in response vary.

Some parts of the country have seen requests for care rise further and faster than the numbers of older people in their area (with a corresponding increase in requests per capita). Changes in overall requests for care from 2017/18 to 2021/22 range from 13.2 and 12 per cent increases in requests in the West Midlands and south west, to a 10.1 per cent reduction in requests in Yorkshire and the Humber. It appears that some regions have seen levels of requests more significantly impacted by the pandemic or seen rates slower to recover. The latter may be linked to assessment capacity with the Association of Adult Directors of Social Services (ADASS) estimating that over 500,000 people were waiting for some form of assessment, care provision or review in April 2022.

> ...the response an individual receives on requesting care is dependent to some extent on where they live

Variations between provision in regions can be explained partly by the expected rate of self-funders, where a greater number of people requesting care may be ineligible for state-funded

services. [1] In the North East, commissioned service rates are the highest, with six in 10 requests resulting in a service. The North East has the lowest estimated proportion of self-funders.

Nonetheless, patterns of regional variation cannot be fully accounted for by taking into differences in income and assets, nor change within regions over the five-year period. Self-funding patterns are broadly similar across Yorkshire and the Humber and the East and West Midlands, but the conversion rates vary (53.1 per cent, 44 per cent and 40.6 per cent). The south west has fewer estimated self-funders than the south east, but with a substantially lower conversion rate (four in ten compared to around one in five). There remain clear indications of underlying differences in the overall level and types of service provision by geography so, in short, the response an individual receives on requesting care is dependent to some extent on where they live.

An analysis of five-year trends within each region also make clear that the impact of the broad national challenges described in this report have fallen unevenly across the country, impacting different regions' ability to provide services relevant to requests and need. For instance, between 2012/18 and 2021/22 the North East saw a 3.7 percent reduction in requests for care per capita of the 65+ population, but an increase of 5.5 per cent in the number of services provided per capita. The North West saw the reverse, with requests increasing by 3.2 per cent while service provision per capita decreased by 9.3 per cent.

Patterns in the type of care provided to individual clients also show variation. Every region has seen a significant reduction in the numbers of clients receiving long-term care each year to some degree, but this ranges from a 1.2 per cent decrease in the north east to an 11 per cent reduction in the south west. There is a much greater variation in the extent to which areas have expanded the number of clients receiving short-term care.

The east of England and London saw some of the biggest increases in the number of short-term care clients, rising by 85.8 per cent and 35.9 per cent respectively. In both cases, significant

growth in the absolute and per capita numbers of short-term care clients has fuelled an overall increase in their total number of annual clients receiving services - they were the only two regions to expand client lists in the five-year period.

Funding and cost trends

There is significant regional variation in financial trends. While national total expenditure in real terms increased by 14.3 per cent in the five years to 2021/22, growth in spending varies by region from 7.3 per cent in London to more than 20.1 per cent in Yorkshire and the Humber.

Some regions also diverge from the broad national trend towards greater spending on short-term care. Gross current expenditure on long-term care has in fact fallen in both the north east and east of England regions over the last five years, while spending on short-term care fell by 6.2 per cent in the south west. Increases in homes care fee rates also vary from an average of just 2 per cent in the east of England to 9.9 per cent in the north east and 10.5 per cent in the north west, compared to an average of just under 7 per cent.

Market trends

Individual regions and systems are working in very different market conditions. While residential and nursing home care registered locations have been falling across the country, the trend is more marked in some regions particularly in terms of nursing home care provision and total bed capacity.

Some regions – notable the north west and West Midlands – have sustained a broadly stable number of nursing home locations. They have also seen total nursing bed capacity grow above the 1.3 per cent national average (as have London and the south east). However, more worryingly, some have seen a fall in bed numbers as well as registered locations, with most

substantial reductions occurring in the south west and Yorkshire and the Humber.

Trends in residential care capacity are more consistent with the number of registered locations falling in every region, with four regions the north east (12.7 per cent), London (10 per cent), south east (9.3 per cent) and south west (10.2 per cent) losing one in ten residential care homes in the five-year period. In every region bar the East Midlands, a reduction in the number of locations has translated into a loss of residential care bed capacity to a greater or lesser degree.

However, while the spread of capacity is a relevant consideration as a key factor underlying access to appropriate services, taken together the aggregate impact on total bed capacity across the country is near universally negative. There are only two outlier regions. The West Midlands actually saw the total number of beds increase in the five years to April 2022, a trend which accelerated in the 12 months from April 2022 to April 2023. London has also seen a more recent reversal in capacity. Between 2018 and 2022, the region lost 886 beds but regained 465 in the last 12 months.

Across the remainder of the country, total bed capacity is substantially lower than it was six years ago. Bed numbers broadly decreased year on year between April 2018 and April 2022, with a notable acceleration in bed losses in the last 12 months for many.

Workforce trends

The total number of posts (filled and unfilled) in the care sector has increased overall as demand has risen, although the extent of workforce expansion varies by region from as low as 1.1 per cent in the south west to 8.8 per cent in London. There has also been a rapid rise in vacancies, ranging from a 29.9 per cent% increase in reported vacancies between 2017/18 and 2021/22 in the East Midlands to 82.9 per cent in the north east, which means

expansion in the size of the available operational workforce is actually a lot lower.

Most regions have followed the national pattern, with filled posts rising year on year between 2017/18 and 2020/21, before falling sharply in 2021/22. In both the north east and south west there are now fewer filled posts than in 2017/18, with 1,000 (1.2 per cent) and 4,000 (2.3 per cent) reduction in roles respectively. The extent to which each region has been able to recruit international workers will be an important factor in how they have fared since 2022, with Skills for Care data expected in mid-October.

Trends across multiple factors

Different regions and indeed different integrated systems have concurrent challenges, which exaggerate the problems seen nationally and mean health and care system have different experiences. These can be seen by looking across their experience of provision, funding and workforce, ranked between regions (See also appendix table A):

The south-west region faces a myriad of challenges with the lowest overall rankings and worst performance across social care service provision metrics per head of their older population. They have the second most expensive five-year average unit cost for residential care for nursing, which averaged at more than 10 per cent than the national average over the five years from 2017/18 to 2021/22.

In terms of capacity, the region was also operating with the lowest number of filled posts and bed capacity per 1,000 of the 65-and-over population, which fell by over 8 per cent in the period. This means there were 2,575 fewer beds registered in April 2023 than April 2018, accounting for 40 per cent of all reductions in bed capacity across the country. The region has also seen some of the lowest growth in home care capacity as well, suggesting deep-rooted capacity challenges. This is despite having a lower proportional number of requests relative to its 65-and-over population and one of the highest expected rates of self-funders. (See appendix chart E).

We have drawn out the south west as an example here, but the trend experienced by the region is common with others at the bottom of table, which do not appear to be receiving a high level of requests proportional to their older population but have lower rates of conversion to formal provision. What appears to distinguish them from those at the top of the table are input factors: average funding per person, unit cost inflation and filled care posts proportional to their older populations. For instance, the north west, which has the best overall ranking across factors and provision metrics, despite above average demand (requests) and lower self-funders. The north west also has one of the highest average funding per person over 65 and level of filled posts, and lowest average unit costs for one of the key cost drivers: residential care.

Chapter footnotes

1. Despite the focus on local authority funded social care services, most older people with a care need do not qualify for state-funded services. Although not explored here, understanding the full picture of care needs and how they are being met beyond the NHS and local authority services is a critical in understanding trends in older people's health and care. The proportion of self-funders varies significantly by region, with parts of the country with higher average incomes and house prices among older people typically seeing higher numbers of self-funding residents. We have used the estimated rates of self-funding care home residents as a proxy indicator due to data availability although this is an imperfect measure.

Viewpoint and recommendations

As set out in this report, over the last five years needs have been rising but fewer people are accessing the care they need. The impact of this trend is playing out in our communities, hospitals and other care settings, where people are experiencing worsening outcomes and being left either without support, or with inadequate support. We have also demonstrated the extent to which the underlying drivers for this - funding, changes in the market and workforce constraints - are often moving in the wrong direction.

Government action

Of the factors, the most fundamental is the social care workforce. Staff not only impact the direct experience of care, but the ability of the market to deliver and overall funding requirements. Action must be taken to address staff and skills shortages. To this end, we recommend the government looks to set out how it will support the social care workforce for future generations, by raising the status and value of careers in all social care settings and services, and transforming staff experience, career development progression and productivity. The government should publish **an equivalent to the recently released long-term workforce plan for the NHS for social care**, setting out how the sector will address existing vacancies and meet future challenges through exploring measures **such as a fully funded minimum care wage.**

As well as raising the standard of living for care workers and making a career in care a more attractive prospect, these measures will help to stem the flow of workers from the sector and support recruitment efforts, and thus improve access to

publicly funded social care. Addressing core workforce challenges, while not the only challenge facing the sector, is a vital step towards setting care services, and therefore the whole of the health and care system, onto a more sustainable footing for the future. It will enable us to collectively relieve pressure on acute sector patent flow, reduce delays for patients ready to leave hospital and associated negative impact on health outcomes and, above all, support people to stay well and independent at home in the first place.

These actions should sit alongside a commitment to increase overall investment into social care. Funding must move away from conditional, short-term funding packages **towards a realistic long-term settlement that addresses rising demand and gives providers, local authorities and the wider sector the clarity and security it needs** to focus on long-term planning and investment.

This will be more sustainable, make the best use of limited resource and work towards the best outcomes for all patients. Strengthening community capacity in both health and social care is the answer but this takes investment and time, particularly in the management of hospital discharge into the community, one of the most pressing areas shared by health and care.

Appendix

Chart A: Requests for social care for each of the last five years

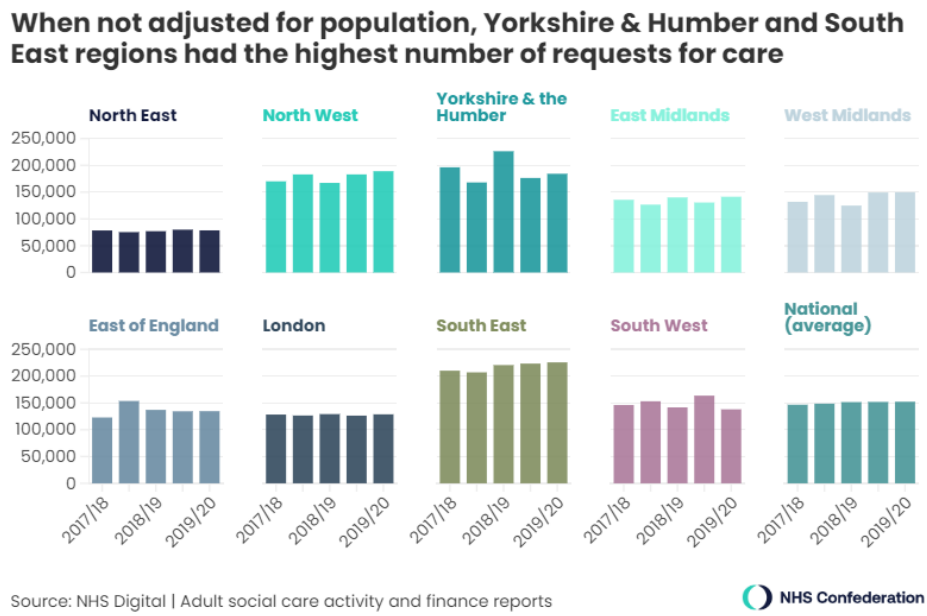

Chart 2A: ...and what happened next

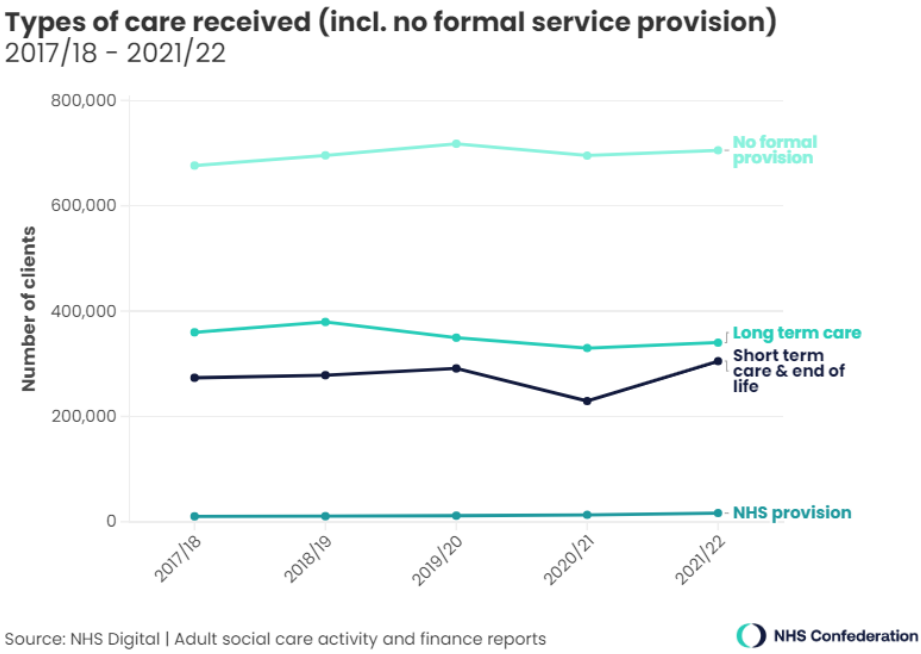

Chart B: Disability-free life expectancy and years lived in poor health by region

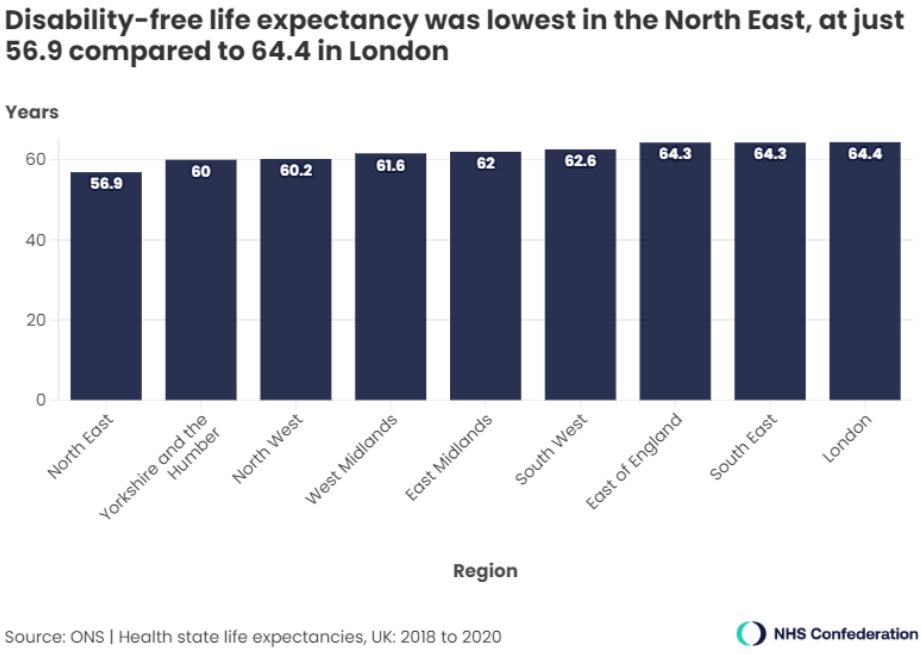

Chart C: Bed numbers residential and nursing over five years

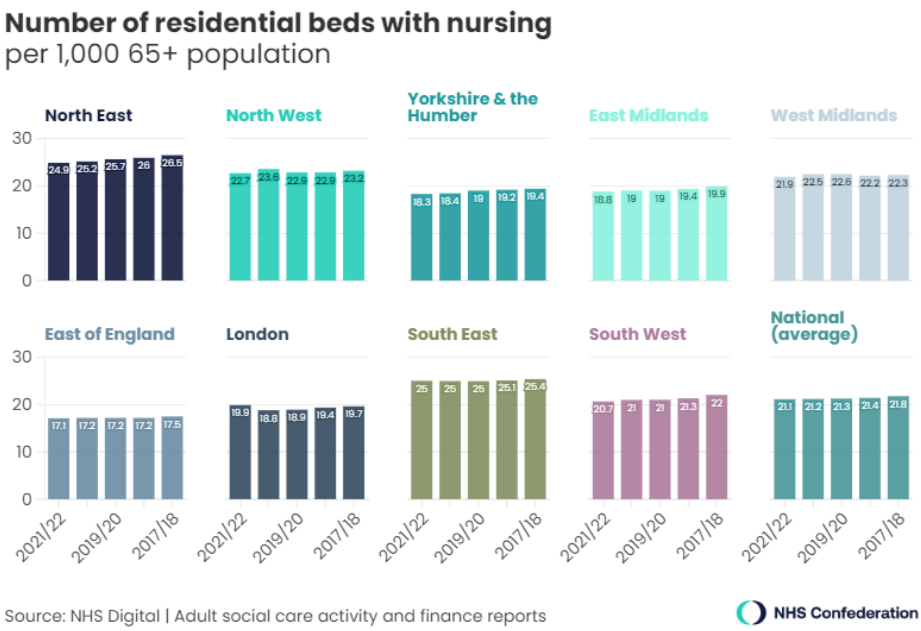

Chart D: Turnover rate in key roles

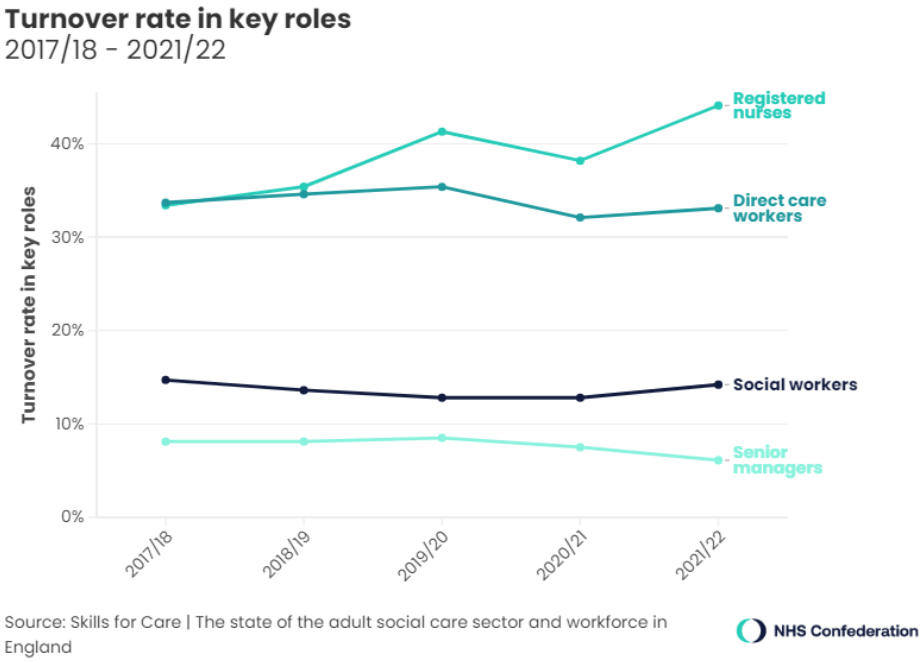

Chart E: Change in the number of short-term vs long-term care clients

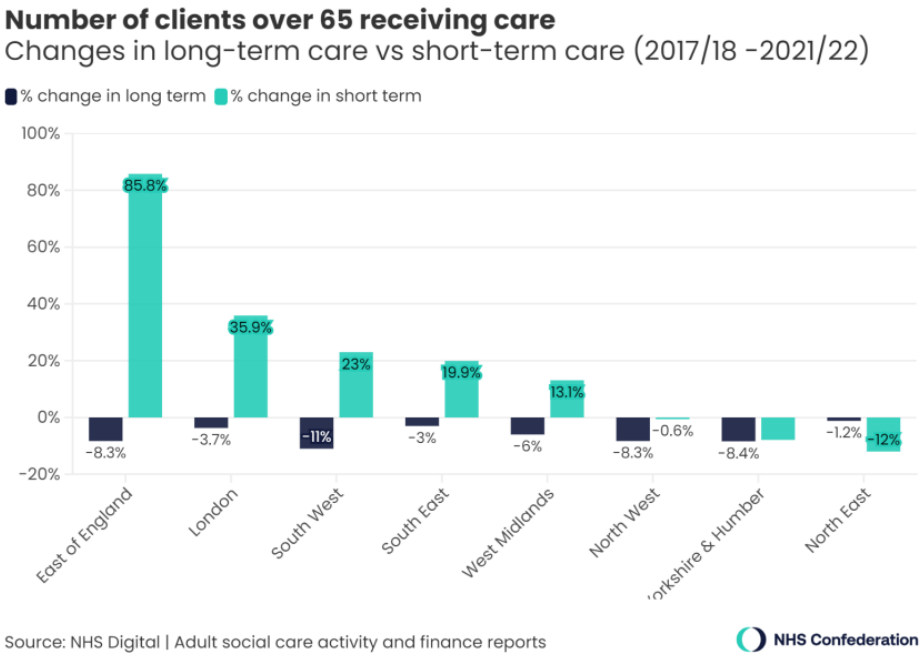

Table A: Regional comparison of care demand, provision and inputs

	Average requests per 1,000 of the 65+ population (2017/18 - 21/22)	Average % of self-funders across all ages (20/21-22/23 ONS estimates)	Average funding in real terms per 65+ population (2017/18 - 21/22)	Average unit cost, residential care with nursing for the 65+ population (2017/18 - 21/22)	Average filled posts* per 1,000 of the 65+ population (2017/18 - 21/22)	Bed Capacity per 1000 of the 65+ population (2017/18 - 21/22)	Service provision per 1,000 of the 65+ population (2017/18 - 21/22)	Conversion from requests per 1,000 of the 65+ population (2017/18 - 21/22)
North West	131	31%	£2.66	£687.15	163	45.9	68.3	52.2%
North East	147	25%	£2.16	£687.39	158	49.7	89.8	61.3%
East Midlands	144	35%	£2.20	£669.13	165	47.1	65.8	45.9%
Yorks and Humber	185	33%	£2.24	£726.30	154	46.2	101.1	54.1%
London	120	29%	£2.47	£779.66	215	33.4	61.2	51.1%
South East	122	44%	£3.36	£850.91	145	48.5	59.8	49.1%
East of England	111	39%	£2.37	£740.29	142	42.7	53.8	48.8%
West Midlands	127	34%	£2.25	£717.20	155	44.5	49.8	39.2%
South West	119	42%	£2.27	£834.30	140	44.4	43.4	36.6%

*Filled posts in local authorities, the independent sector, direct payment recipients and those working in the NHS.

Data sources

Data type	Source	Data title or link
Income	DWP	Pensioner income series
Self-funders	Laing & Buisson	Care Markets 32nd Ed
	ONS	ONS self-funder estimates 65+/ All ages
Population	ONS	ONS estimates of population
Funding	NHS Digital	Adult social care activity and finance reports
Adult social care as a % of budget	ADASS	ADASS budget survey
Assessment capacity	ADASS	ADASS Waiting for Care Report
Requests for care	NHS Digital	Adult social care activity and finance reports
Local authority managed care	NHS Digital	Adult social care activity and finance reports
Care market finance	NHS Digital	Adult social care activity and finance reports
Care market capacity	CQC	CQC registration data (all adults) - Direct request - registrations as of the 1st April of each year
Occupancy	Laing & Buisson	Care Markets 32nd Ed

Workforce	Skills for Care	The size and structure of the adult social care sector and workforce in England
DTOC	NHS England	Delayed Transfer
Home care market data	Laing & Buisson	Home care markets 2023 ed (£)

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