

RESIDENTIAL AND COMMUNITY SOCIAL CARE IN THE NEW FOREST

1. PURPOSE OF THIS REPORT

- 1.1 This report seeks to highlight the significance of the care sector within the New Forest economy and draw attention to some of the issues and barriers currently restricting it. Whilst some of these issues are beyond the immediate remit of the District Council, it will consider areas where this local authority can provide practical assistance and support.

2. BACKGROUND

- 2.1 The importance of the care sector in the New Forest and its impact on the local economy should not be underestimated. The residential care sector alone represents around 4000 local jobs equating to 5.8% of the total New Forest workforce. This is more than double the national average of 2.5% employed within this sector.
- 2.2 Non-residential care accounts for a further 1250 employees within the New Forest representing approximately 1.8% of the local workforce. Again, this is significantly greater than the national average of 1.0%
- 2.3 A low-end estimate of the value of the residential care sector suggests it is worth approximately £72.5m by way of Gross Value Added (GVA) to the New Forest economy representing around 2.4% of the total economy. Non-residential social care is worth a further £20m to the local economy; again a low-end estimate.
- 2.4 These figures however represent only the value of the specific sectors. They do not take account of secondary and tertiary spend through local supply chains which is not without significance.
- 2.5 The age profile of the New Forest is increasing at a steady rate. Between 2015 and 2022 the population aged 65+ is set to increase by over 5000, an increase of approximately 9% on the current rate. Whilst not all of these individuals will require dedicated and/or specialist care, there is likely to be further demand on resources currently available.

3. CHALLENGES FACING THE CARE SECTOR

- 3.1 The challenges facing the care sector, particularly in terms of funding have been well documented. Whilst the care sector's funding for care places comes from a combination of private individuals and local authorities, the latter are the single largest purchasers.
- 3.2 With the increasing spending pressures upon local authorities, there have been moves to negotiate lower prices for the places provided. This in turn has resulted in need for care providers to seek cross-subsidisation from private residents; a situation which is placing financial pressures on a number of providers. Whilst the Chancellor has announced a discretionary 2% Council Tax precept, this will not cover the wider funding challenges within the sector.
- 3.3 The purpose of this report is not to seek a solution to the funding challenges facing the industry, only to briefly outline them for the purpose of information and context.

- 3.4 Staffing costs are the largest cost item of care homes. Whilst the financial crisis kept wage inflation to a minimum in the years immediately following; the introduction of the National Living Wage from £7.20 currently to £9.00 by 2020 will add further pressure to the sector's finances, particularly given the forecast increase in demand for these services.
- 3.5 The combination of comparatively low wages and high property prices within the district mean that recruitment of staff is often challenging. The average house price in the New Forest is now 12.5 times the average salary across all sectors so the impact felt by those working within the lower paid care sector would be exacerbated. Furthermore care sector workers' limited access to private transport and the restricted availability of public transport to support shift work restrict workers' ability to get to their place of employment. The Wheels to Work scheme (providing a loaned moped) aimed at 16-25 year olds addresses this in part, but for workers outside of this age bracket it remains a challenge.
- 3.6 With the forecast growth in the care sector in the years ahead, the industry faces challenges in identifying suitable sites for new premises where both care spaces can be provided but also where workers can be accommodated for easier access to their place of work. The visitor economy which faces parallel issues with regard to low wage economy has been successful in offering worker accommodation on or close to site. There is potential for similar policies to be adopted or expanded within the care sector.

4. SKILLS AND TRAINING IN THE CARE SECTOR

- 4.1 Quality care provision is reliant upon skilled and qualified staff to deliver the required services. Health and Social Care qualifications and apprenticeships are offered by both Brockenhurst and Totton Colleges. Apprenticeships in particular offer financial incentives for employers albeit resources are required within individual businesses to transfer the skills from the existing workforce to those in training.
- 4.2 Whilst it is acknowledged that all sectors work with a degree of regulation, the regulations set down within the care industry are under particular scrutiny. This comes with resource implications for care sector businesses both in terms of time and/or associated cost.
- 4.3 Work carried out by the UK Commission for Employment & Skills showed that within the sector, the greatest skills gap amongst employers was for job specific skills and, despite a high proportion of well qualified staff (61% to NVQ 4 or above compared to 35% across the whole economy) there remains around 16% who have no qualifications or NVQ 1. Unqualified and staff present a threat to quality care provision and potentially to compliance with regulatory legislation.
- 4.4 Despite high instances of (regulatory) formal and informal training, the number of employees receiving training within care is lower than the all-sector average and the associated skills gap within the industry is having a direct impact. Specifically this is reflected in an increased workload for other staff, increased operating costs and a difficulty in meeting quality standards.
- 4.5 Despite these challenges, evidence across a range of sectors suggests that employers who invest in training and more likely to survive than those which don't. Furthermore, the productivity gains for firms from investing in training are higher than the increased wages experienced by employees.
- 4.6 Whilst there is a strong network of local care providers through the Hampshire Care Association in particular, there is limited communication or dialogue with local education providers and/or related sectors. Through networks already established, New Forest District Council has the opportunity to act as an 'honest broker' in developing these relationships so that some of the above issues can be examined. Specifically the care sector is not currently represented on the board of New Forest Business Partnership. Addressing this would develop cross-sector relationships with those who currently feed into the agendas set.

5. BUILDING ON EXISTING INITIATIVES

- 5.1 Rather than reinventing the wheel, work can be carried out at a local level to support those in need of care.
- 5.2 The Appletree Careline wristband scheme and Dementia Friends are both examples of initiatives which aim to provide those in need of care yet living at home with a greater feeling of independence. Through established networks, particularly of local retail businesses, work can be undertaken to raise awareness and ensure that those with specific needs are in a safe environment when outside their own home. Work has already been undertaken in Lyndhurst, Lymington and New Milton to see them recognised as 'Dementia Friendly'. Again, many of the elements of this exercise already exist; there is only the need for greater joined up working.
- 5.3 An element of building on existing initiatives links closely with Section 4 above on Skills and Training. Projects have been successfully implemented elsewhere in the country (specific examples in Nottingham and Bradford) to provide peer group and remote/virtual learning to those in the care sector. These projects have built on existing knowledge and expertise within the sector locally to share best practice and identify specific training needs. The online accessible training also overcomes some of the aforementioned barriers to movement of employees and reduces the cost of delivery in already constrained budgets.
- 5.4 Initial discussions have already taken place about replicating elements of the programmes in Nottingham and Bradford and these discussions will continue.

6. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications arising from this report

7. EQUALITY AND DIVERSITY IMPLICATIONS

There are no equality and diversity implications arising from this report.

8. CRIME AND DISORDER IMPLICATIONS

There are no existing crime and disorder implications arising from this report.

9. FINANCIAL IMPLICATIONS

There are no specific financial implications arising from this report. The resulting work can be undertaken using existing networks and resources with the Economic Development Team.

10. CONCLUSIONS

- 10.1 The care sector is one of the most significant within New Forest's local economy both in terms of the number of people it employs and the money it generates locally either directly or through associated supply chains. This significance will only increase as the local population age profile increases.
- 10.2 There are challenges in accessing local staff owing to the low wages, high property prices and restricted access to transport. Where staff are recruited they are often under-skilled, requiring training which has direct resource implications on the businesses.

- 10.3 Whilst there is a network of care sector businesses, they are at times disconnected from the support and information which could help them to overcome the barriers addressed in this report. Specifically there are links which can be made with education establishments, other local business sectors and retail business owners.

11. RECOMMENDATIONS

- 11.1 That Members of the Corporate Overview and Scrutiny Panel should note the contents of this report.
- 11.2 New Forest District Council should use its existing relationships with local education establishments, networks and care sector businesses to act as 'honest broker' in developing relationships to ensure that businesses are accessing the full range of support available to them.
- 11.3 Further work should be undertaken to explore the potential for collaboration in sharing best practice amongst care sector businesses and developing the skills of employees through training that is accessible to them.