



# Flipping Social Care

Stepping into the unknown

By Paul Johnston on behalf of WM-ADASS July 2020

**WM ADASS**



<http://wm-adass.org.uk>



## Foreword

When ADASS President James Bullion reported the results of the annual Adult Social Care Budget Survey in June 2020, he was right to draw attention to both the existing pressures facing the social care sector as a result of demographic change, and the unprecedented – and as yet uncapped – impact of the global Covid-19 pandemic.

It has perhaps never been clearer, in these challenging times, that the first priority for West Midlands ADASS is to ensure a valued and critical service to our most vulnerable citizens. Nor has it ever been more apparent that the provision of that critical service is wholly dependent on a complex ecosystem of family, voluntary, community, independent and public sector contributions. And whilst the *human* response to the pandemic has been both heroic and unwavering, the recent announcement that the UK economy shrank by over 20% in April 2020 as a result of Covid-19 provides yet more stark evidence of the scale of the *economic* challenge facing all those within that ecosystem.

As we have argued now for over 3 years, social care must be seen as an investment in great communities and not just as an unavoidable cost to society. We call this principle **“Flipping social care”** because it challenges all of us to recognise and value the *economic* benefits and opportunities that flow from a vibrant and well-resourced social care sector. It is a principle that underpins our vision for **“a region with a sustainable health and care system, that supports thriving economies and communities, promoting independence and social justice”**.

Now, in the face of the pandemic and an uncertain future, our argument has even greater urgency and resonance.

We have previously illustrated the economic significance of the social care sector and have examined the possible impacts arising from the UK’s exit from the European Union, putting forward a compelling case for investment, particularly as the deployment of economic funding moves from EU to UK government control.

But just as we recognise the importance of our contribution to the economy, so too do we recognise and understand that we are equally exposed to the effects of economic turbulence caused by factors beyond our control. So, this brief paper revisits our previous analyses to consider whether Covid-19 changes the economic outlook for social care in the region, and what difference this makes to the case for investment and innovation in social care to drive economic value for the West Midlands as a whole.

## Change, Uncertainty and Opportunity

In November 2018 we described the impact of adult social care on jobs, growth, and regeneration in the West Midlands as “Supersized”<sup>1</sup>. This adjective in part reflects the scale of demand, the resources deployed to meet that demand and the forecast demographic and societal changes arising from “the 100-year life” that is predicted for one in every three children born today in the UK. These are amongst the features that

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<sup>1</sup> Supersized - The impact of adult social care on jobs, growth, and regeneration in the West Midlands. A report by Sherman Wong commissioned by West Midlands ADASS, November 2018

are recognised in the UK Government's Industrial Strategy – written (at least in part) to redefine the focus of the UK economy in a post-EU Britain.

Our analysis highlighted the expected change in the nature and complexity of health and care needs that are expected to accompany this demographic shift and the likely consequences for demand, jobs, and the economy – all of which justified the term “Supersized”.

We followed that report in January 2020 with an analysis of the impact of the UK's exit from the European Union<sup>2</sup>, again reflecting on the sector's contribution across four indicators of economic muscle:

People – the size of the West Midlands' adult social care workforce.

Economy – the annual value of the sector in the West Midlands, including knock-on effects.

Places – the reach of adult social care into every community across the region.

Development – the impact of people needing care as a major driver of redevelopment and economic growth.

Our assessment presented EU Exit as a series of threats and opportunities for a sector in the midst of unprecedented growth in demand, sustaining a large and diverse workforce, with significant economic influence and a reach that spreads into all parts of the West Midlands. A market where care providers are increasingly innovating and incorporating technology into their operations, and where those reliant on care need new and innovative solutions that allow them to live independently whilst continuing to make a valuable contribution to society. And a system that excels in community support, reciprocity, and inclusion.

Above all, the report reinforced the importance of our sector to the wider economy and the role we are able to play to help our communities achieve economic growth – whilst helping people lead safe, healthy and prosperous lives.

**Rampant demand growth** fuelled by demographic change and medical advances will see people living longer, placing new and more prolonged demands on social care. Whilst we can celebrate the potential of an even longer life, we also need to recognise that the number of people aged over 85 needing full time care is set to almost double by 2035<sup>3</sup>, while over 65's with high dependency levels will increase by a third.

**Diverse workforce**<sup>4</sup> of 150,000 people, with almost three-quarters employed in direct care roles and around 20,000 professional and managerial positions. 84% of the workforce is female, one in five are from a BAME background and a quarter are over the age of 55 years. There are an estimated 650,000 unpaid carers<sup>5</sup>, including 159,000 people providing more than 50 hours of care per week. A 2014

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<sup>2</sup> Thinking out loud - Social care in its place, WMADASS, January 2020

<sup>3</sup> The Lancet - Forecasting the care needs of the older population in England over the next 20 years, September 2018

<sup>4</sup> Workforce Intelligence Report, [www.skillsforcare.org.uk](http://www.skillsforcare.org.uk), accessed 24<sup>th</sup> June 2020

<sup>5</sup> People providing unpaid care in the West Midlands - 2018 estimates, Office for National Statistics

Department of Health impact assessment<sup>6</sup> suggests (as a ratio) that each pound spent on supporting carers saves councils £1.47 on replacement care costs and benefits the wider health system by £7.88.

**Economic influence** – Skills for Care estimates<sup>7</sup> the GVA (value of goods and services) produced by the social care workforce in the West Midlands to be £4.7 billion against an annual wage bill of £2.2 billion. In addition, the Royal College of GPs considers that “Carers are estimated to save the UK economy £119 billion a year in care costs, more than the entire NHS budget and equivalent to £18,473 per year for every carer in the UK.”<sup>8</sup>

**Extensive reach** – There are in excess of 1,800 social care providers registered with the Care Quality Commission (CQC)<sup>9</sup>, operating in around 3,000 locations across the West Midlands. The market accommodates large organisations and micro-providers, voluntary and public sector bodies and offers an extensive range of support services geared towards the wellbeing and independence of people across all communities.

**Innovative, adaptable** – whilst measures of productivity are not necessarily favourable within social care, a combination of cost pressure and consumer demand is driving an increasingly digitally enabled sector where providers innovate and incorporate digital technologies into both front-line care and back office operations. And the need for innovation to help people lead safe, healthy and prosperous lives spreads into all parts of our communities and economy – providing better job opportunities, workplaces, transport solutions, homes, open spaces – the list goes on.

**Inclusive growth potential** – according to the OECD<sup>10</sup>, inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all. If the region is to deliver its ambitions for inclusive growth, it must stimulate opportunities for the most vulnerable – those that use social care services and those that provide them. The size and nature of the social care workforce, the sector’s unique reach and the lived experiences of those it supports all illustrate the potential role that social care can play in sustaining inclusive growth.

We also highlighted a number of challenges facing the sector, some long-standing and some that arise from our economic separation from the EU. These are reflected nationally in the results of the annual ADASS Adult Social Care Budget Survey<sup>11</sup>, which also describes the “magnifying” effects of Covid-19 on council budgets and operations, on provider markets and on the implications for key interactions with the NHS, notably around hospital discharges.

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<sup>6</sup> Cited in Economic Case for Local Investment in Carer Support, DHSC/ADASS/Carers Trust/Carers UK, January 2020

<sup>7</sup> Workforce Intelligence Report, [www.skillsforcare.org.uk](http://www.skillsforcare.org.uk), accessed 24<sup>th</sup> June 2020

<sup>8</sup> Royal College of General Practitioners online resource, <https://www.rcgp.org.uk/clinical-and-research/resources/a-to-z-clinical-resources/carers-support.aspx>, accessed 24<sup>th</sup> June 2020

<sup>9</sup> CQC Care Directory, online resource accessed May 2020

<sup>10</sup> OECD online resource, <https://www.oecd.org/inclusive-growth/introduction>, accessed 23<sup>rd</sup> June 2020

<sup>11</sup> ADASS Budget Survey 2020, published June 2020

These factors exemplify the comments of the independent Industrial Strategy Commission, that “the mix of scale, expertise, supply and demand issues and major political/public policy challenges that characterize the UK’s health and social care system makes it an obvious focus for industrial strategy”<sup>12</sup>.

## Covid-19 – an accelerator for change

Even before Covid-19, economists and academics agreed that social care is one of the main engines for economic growth. And whilst they may disagree about the impact of the UK’s forthcoming exit from the European Union, there is wide consensus that the UK economy will shrink dramatically in 2020 – with UK GDP set to fall by around 9% in 2020/21 according to the latest independent forecasts<sup>13</sup> - as a consequence of the ongoing Covid-19 global pandemic. The recent news that the UK economy shrank by 20.4% in April 2020<sup>14</sup> suggests that estimate may yet prove to be optimistic!

So, talk of “growth” at the present time needs to be seen in the current context, with the sector’s forecast contraction compared to the wider economy an indicator of its relative strength.

We know that not all sectors of the economy will react in the same way. In its June 2020 UK Economic Update, PwC<sup>15</sup> suggests the Hospitality sector could shrink by between around 25% and 40%, whilst Public Administration and Defence is expected to experience modest growth (the only sector of the economy expected to grow, according to PwC’s forecasts). On average it expects the reduction in UK GVA to be between -9% and -15%, with Health & Social Care expected to perform slightly better (contracting by between -5% and -8%). In the West Midlands this would equate to an economic contraction in GVA from social care alone, of between £235m and £376m<sup>16</sup>. This represents a reduction that is equivalent to between 15% and 24% of local government net revenue expenditure on adult social care in the West Midlands - more than the total adult social care budget spend in even our largest councils (Staffordshire £222 million and Birmingham £312 million).

But unlike other sectors of the economy, who may experience a reduction in demand during an economic downturn, we know that the march of our demand is inexorably upwards, and that any failure to properly meet that demand will have desperate consequences for the most vulnerable people in society, whilst deepening the economic impact of the recession. This is not a Coronavirus phenomenon - the social care sector has long been wrestling with the unavoidable fact that the solutions and approaches to health and care that are used today are unlikely to be sustainable as demand continues to grow. What Covid-19 does, though, is to magnify the challenge and accelerate the urgency with which this must be met. For example, it has been estimated that adult social care providers and councils may face up to £6.6bn in extra costs, such as PPE, staffing and deep cleans, due to the coronavirus crisis by the end of September 2020<sup>17</sup>.

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<sup>12</sup> The Final Report of the Industrial Strategy Commission, November 2017

<sup>13</sup> Forecasts for the UK economy: a comparison of independent forecasts, HM Treasury, May 2020

<sup>14</sup> Source: Office for National Statistics, as reported by various outlets on 12<sup>th</sup> June 2020.

<sup>15</sup> Covid-19 UK Economic Update, pwc, 4<sup>th</sup> June 2020

<sup>16</sup> Based on Skills for Care estimates of GVA, adjusted to reflect PwC forecast for 2020 contraction

<sup>17</sup> LaingBuisson, on behalf of the Local Government Association and ADASS, cited in the Annual ADASS Adult Social Care Budget Survey (June 2020).

We are also seeing changes in the way people choose to receive care, with care homes reporting reductions in occupancy alongside the need to reduce bed capacity to meet safe distancing requirements. The combination of rising costs and falling revenues increases the risk that care homes – many of which are already operating at the margins of financial viability – become unsustainable and close. We expect to see a change in the balance of care provision away from residential care homes towards models that promote independence at home. Whilst this transition will require delicate handling it also highlights the need for innovative care solutions that help people lead safe, healthy and prosperous lives. This in turn represents a new and urgent opportunity for innovation and enterprise.

New infection prevention and control measures now dominate working practices; personal protective equipment (PPE) has become commonplace, massively increasing demand and exposing deficiencies in supply and quality that local manufacturers have stepped forward to fill; care homes are being reconfigured to allow safe isolation, movement and distancing; and face to face contact has been replaced, wherever safe to do so, by “virtual” contact. It’s hard to imagine changes such as these being withdrawn.

In this context, the Government’s commitment to “harness the power of innovation to help meet the needs of an ageing society”<sup>18</sup> represents a clear acknowledgement that the new technologies, products, services and care solutions needed to support a long and independent life are as much an economic necessity as a societal imperative. It is a commitment to which politicians must be kept.

## Flipping Social Care - revisited

This short review has confirmed that whilst Covid-19 has challenged the social care sector in countless ways, the case for the sector as a driver for economic prosperity remains intact – and is arguably stronger than before.

The pandemic has seen local government and its public service partners step in and step up to handle the human impacts with skill, hard work, determination and creativity. But we have also had to learn some hard lessons about how better to run a health and care service with the needs of people at its heart. And it is in these lessons that economic opportunity shouts loudest.

Uppermost perhaps is the way that society values the care sector and treats those within it. Expressions of support and admiration for front-line care workers have gone hand in hand with shock and disbelief at the plight of people in care homes and a recognition that we must do better for our most vulnerable citizens.

As professionals we recognise our duty to care for and support every member of society and we have a renewed vision for adult social care in the West Midlands and beyond:

- We will put **justice for our most vulnerable and marginalised citizens** at the centre of what we do and ensure they are not forgotten, ignored or left in danger.
- **We will show the government why it should trust us** and leave the decisions about our areas to the people who live and work locally, have a track record and know what their communities need.

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<sup>18</sup> Industrial Strategy Grand Challenge Missions, Department for Business, Energy & Industrial Strategy, September 2019

- We will deliver **truly-integrated** working across **social care and health services** where the needs of the individual citizen always trump the interests of our organisations.
- We will build a strong case for **intelligent public investment** in social care as a driver for economic prosperity as well as social wellbeing.
- We will move away from offering care from buildings to **planning support around a person's strengths and needs** and providing care wherever and whenever is best for the individual.
- We will use data and technology to **understand what people need** and how to target help and support more effectively
- We will design a new and better way to **ensure our social care colleagues are paid fairly for what they do** and can work in a healthy, supported and flexible way.

This all plays to a new narrative for social care – one where we need to talk less about our problems and more about our strengths. The world of social care has evolved massively from one where we concentrate on “dependency” and the problems faced by the people we support, to one where we look to the strengths and capabilities of our clients and the assets around them for creative, personalised and sustainable solutions. So even as we work to mitigate the inestimable impacts of the pandemic on the health and wellbeing of our most vulnerable residents, we must also look to our strengths and assets to lead us out of crisis and to a more sustainable and productive contribution to the region's economic recovery.

It's a bold and ambitious charter – but one that social care in the West Midlands is well equipped to deliver.

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