

From the Permanent Secretary
Sir Chris Wormald



Department
of Health &
Social Care

Dame Meg Hillier MP
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Sent via email to: pubaccom@parliament.uk

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Dear Chair,

PAC Hearing – Reforming Adult Social Care in England

As part of the Government's response to the Treasury Minute on 'Reforming Adult Social Care in England', the Public Accounts Committee in Recommendation 4 asked the Department to write regarding identifying and addressing adult social care workforce challenges in the absence of an NHS-style workforce plan. This letter responds to the points raised by the Committee in the recommendation.

As you will know, adult social care is mostly delivered through private providers and as such does not operate in the same way as the NHS. Responsibility for delivering social care is devolved to local authorities, who in turn predominantly commission care from private providers. This market-based system is very different to the NHS delivery model, and so a very different approach to supporting and developing the workforce is warranted.

Regarding our plan for achieving **a sustained reduction in the number of vacancies in the sector (beyond 2025)**, we set out our vision and strategy for the social care workforce in our 'People at The Heart of Care' white paper in December 2021, with further detail set out in our 2023 Implementation Plan. We are investing in recruitment and retention through a number of reforms aimed at professionalisation including significant investment in workforce training, and through the Market Sustainability and Improvement Fund (MSIF), which includes a focus on workforce pay. On 10 January 2024 we announced our latest package of reforms to support and develop the workforce:

- The launch of a national career structure for the adult social care workforce, known as the "*care workforce pathway*";
- More than £50 million in funding to support up to 37,000 people in direct adult social care jobs to enrol on a new level 2 adult social care certificate qualification between June this year and March 2025;
- Over £20 million for local authorities and adult social care providers to put towards training and supervising new social work and nurse apprentices;



- A further £5 million for the *workforce development fund* to expand access to learning and development;
- A new digital leadership qualification to help equip social care leaders and managers to lead the implementation and use of technology in the delivery of care.

We plan to announce further phases of our reforms, particularly related to our reimbursement platform and funding for learning and development, in the summer. We know that around 16% of independent sector establishments (with 50 or more staff) had a turnover rate below 10% (Skills for Care 2022-23), and research showed some of the reasons for success include investing in L&D and organisational culture and values. We anticipate that these reforms will support a reduction in staff turnover and help to make adult social care a career of choice for new entrants, supporting better recruitment and retention.

To give some context to this plan, the overall vacancy rate in ASC was **9.9%** in 2022-23, a decrease of 11,000 vacancies (-0.7 percentage points) compared to 2021-22. Skills for Care indicative monthly data (unweighted data) for independent providers shows since then the vacancy rate has fallen to 8.1% in February 2024. **It is important to note** that vacancies reflect the total number of posts advertised and are not considered the best measure of capacity, or lack of capacity, in the sector. Vacancies reflect roles advertised by independent providers and therefore market conditions. Vacancies include posts that are vacant in the short term due to recent or anticipated staff turnover and posts created by employers who want to expand and grow their businesses rather than only roles needed to meet statutory entitlements.

Turning to how to **tackle local variations in vacancy rates**, this is done at local authority level. Local authorities use their knowledge of their areas to work with care providers to meet care needs and ensure there is sufficient workforce, utilising their oversight of local systems to identify workforce shortages and develop workforce plans. As noted above, vacancies reflect the total number of posts advertised rather than the actual level of capacity in the sector and the number of additional jobs required to meet care needs. As part of a duty on the Care Quality Commission (CQC), the CQC will consider if local authorities understand their current and future workforce needs and if councils are working in partnership with providers to develop, support and promote capable and effective care workforces.

This is complemented by action we have taken at national level; the government has made available up to £8.6 billion in additional funding over financial years 2023-24 and 2024-25 to support adult social care and discharge, including MSIF which gives an overall profile of nearly £2 billion over two years. Local authorities are best placed to design deliver care initiatives to meet local needs and can choose to use the funding to increase fee rates, support adult social care workforce capacity and retention (including pay), and/or reduce adult social care waiting times.



Regarding **addressing issues around disparity with NHS pay**, we recognise that pay is an important factor influencing recruitment and retention decisions. Most care workers are employed by private sector providers who set their pay and terms and conditions independent of central government. Local authorities work with care providers to determine fee rates, which should take account of wage costs, based on local market conditions and the level of the National Living Wage. As mentioned above, government funding has supported local authorities to increase fees and in turn support increases in workforce pay. Interim data from Skills for Care shows that median care worker pay had increased by 8.8% from March to December 2023, broadly in line with the increase in fee rates reported by MSIF.

Given the overall funding made available to local authorities, including up to £8.6bn in additional funding over 2023-24 and 2024-25 to support adult social care and discharge, we will continue to expect local authorities to consider the National Living Wage and inflationary pressures on providers when looking to maintain improvements in fee rates from 2023-24.

On **addressing the challenges and risks associated with international recruitment**, we have clear ethical standards laid out in our Code of Practice for International Recruitment, which covers both health and care sectors. We have also invested £15 million in 2023-24 to support local initiatives to increase and improve international recruitment in the adult social care sector.

In addition, on 4 December 2023, the Home Secretary made a statement about changes to the immigration system, detailing a five-point plan to curb net migration. The five-point plan includes changes to the Health and Care Worker visa route, given that the route has seen such high usage, alongside reports of abuse and exploitation of both the route and workers. As a result, since 11 March care workers and senior care workers can no longer bring dependants to the UK and usage of international recruitment is now restricted to care providers who are regulated by the Care Quality Commission. This announcement reflects a balanced approach. It will help to bring down net migration and tackle illegitimate use of the visa route, whilst ensuring the care sector will still be able to recruit the talented and enthusiastic international staff they need. We continue to work closely with partners in the Home Office to share concerns and intelligence related to bad practice in the recruitment and employment of overseas workers for the care sector.

On 18 March 2024 in collaboration with Skills for Care, we published the international recruitment toolkit for adult social care providers. This toolkit is a best practice guide to support providers to ethically recruit care workers and senior care workers from overseas.

Turning lastly to **assessing which workforce initiatives are most effective for recruiting and retaining staff**, we routinely evaluate the effectiveness of government interventions and their impact on recruitment and retention. Planned evaluation of workforce reform will aim to measure the impact of reforms on intention

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to leave, and actual turnover, along with other workforce outcomes. We anticipate that benefits from the workforce reform project will include reduction in staff turnover, improved quality of care from a better trained and more stable workforce, increased workforce productivity and an increase in efficiency savings for social care providers as they reduce the amount of retraining and recruitment needed. These all contribute to our wider goals of improvements in the quality-of-care provision and improved access to care.

Yours sincerely,

A handwritten signature in black ink, consisting of the name 'Chris' on the top line and 'Wormald' on the bottom line.

**SIR CHRIS WORMALD
PERMANENT SECRETARY**