

CENTRE FOR CARE, UNIVERSITY OF SHEFFIELD – WRITTEN EVIDENCE ULS0015 – UK LABOUR SUPPLY

This response is provided by members of the ESRC-funded Centre for Care.¹ It also draws on our recent work in the Sustainable Care programme.² In preparing it we also draw on previous focus groups with care workers and managers about their experiences of the social care sector. We would like to acknowledge and thank them for their time and insights.

The Centre for Care is a research-focused collaboration between the Universities of Sheffield, Birmingham, Kent and Oxford, the London School of Hygiene & Tropical Medicine, the Office for National Statistics, Carers UK, the National Children's Bureau, and the Social Care Institute for Excellence. Funded by the ESRC (Economic & Social Research Council) as one of its flagship research centres, it works with care sector partners and leading international teams to provide accessible and up-to-date evidence on care – the support needed by people of all ages who need assistance to manage everyday life.

Led at the University of Sheffield by Centre Director Professor Sue Yeandle and Deputy Director Professor Matt Bennett, our work aims to make a positive difference in how care is experienced and provided in the UK and internationally by producing new evidence and thinking for policymakers, care sector organisations and people who need or provide care. In studying care, we focus on ways of improving wellbeing outcomes and on the networks, communities and systems that support and affect people's daily lives, working closely with external partners.

1. What are the recent trends in labour supply? How large are reductions in the size of the labour force?

The social care sector is contending with chronic issues with the supply of labour, which is outstripped by growing demand. The sector has been characterised by long-standing challenges with the recruitment and retention of workers, and a broader crisis of work. Many providers report that recruitment and retention is now more difficult than it was before the pandemic. Decreases in vacancies during the COVID pandemic proved to be temporary, as the wider economy opened back up and other sectors (e.g. retail, hospitality) were able to offer more competitive pay and conditions. This is illustrated by recent trends in labour supply in adult social care (ASC):

Very high vacancy rates

- There were 165,000 vacancies in March 2022, an increase of 52% since the previous year according to the latest analysis by Skills for Care.³ This represents 9.9% of all roles.
- The rise in empty posts was matched by a 50,000 (or 3%) fall in the number of filled

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² Economic & Social Research Council (award ES/P009255/1, [Sustainable Care: connecting people and systems](#), 2017-21, Principal Investigator Sue Yeandle, University of Sheffield).

³ Skills for Care (2022), [The size and structure of the adult social care sector and workforce in England](#).

posts (roles with a person working in them) in the same year. This is the first decrease in the size of the workforce since records began in 2012/13.

- The vacancy rate is much higher than in other sectors, suggesting that for many people working in social care is not attractive compared to other occupations.⁴

High turnover rates

- In October 2021, Skills for Care estimated that the turnover rate of directly employed staff working in adult social care was 28.5%, equivalent to approximately 410,000 leavers over the year. This was higher for care workers, at 34.4%. This compares to a UK average across all employment sectors of 15%.
- Turnover rates increased steadily, by a total of 10.2%, between 2012/13 and 2019/20.

Rates of staff sickness

- Levels of staff sickness nearly doubled over the course of the pandemic; in the local authority and independent sectors, an average of 9.5 days were lost to sickness in 2020/21 compared to 5.1 days before the pandemic.
- This will have increased the pressure on workers to cover unstaffed shifts and take on additional workload, contributing to the risk of ill health. This comes at a time of widespread burnout following the pandemic.

An ageing workforce

- The age profile of the ASC workforce is skewed towards the older age bands. Over a quarter (27%, or 425,000 jobs) of workers are aged 55 and over, compared to a fifth (21%) of workers in the economically active population as a whole. This age cohort may retire within the next ten years.
- At the same time, the sector has found it difficult to retain young workers⁵ - those under 20 years old have the highest turnover rates (42%), and this decreases with age. The reasons for this trend aren't clear, although pay is also an influencing factor of turnover rates, and younger workers are more likely to be in lower paid roles. It is crucial to broaden the traditional demographic for recruitment in order to ensure that supply meets demand.⁶

A decline in care workers coming from overseas

- There is a high level of uncertainty about the future of migrant labour in social care.⁷ An expert panel survey led by Centre for Care researchers reached consensus that a decline in EU work migration was a major risk of Brexit for adult social care, widening the gap between supply and demand with serious consequences for the availability and quality of care.⁸
- Adverse effects are expected to be most pronounced in large cities, among smaller care providers with limited HR functions, for those providing home and live-in care,

⁴ The King's Fund (2022), [Social care 360: workforce and carers](#)

⁵ Skills for Care (2021), [The state of the adult social care sector and workforce in England, 2021](#)

⁶ Skills for Care (2021), [The state of the adult social care sector and workforce in England, 2021](#)

⁷ Hussein, S. & Turnpenny, A. (2021) [Brexit and the migrant care workforce: Future policy directions](#). Sustainable Care Research Report, CIRCLE, Sheffield: University of Sheffield.

⁸ Hussein, S. & Turnpenny, A. (2021) [Brexit and the migrant care workforce: Future policy directions](#). Sustainable Care Research Report, CIRCLE, Sheffield: University of Sheffield.

and for those who primarily provide services to people with complex needs.

- There has been no evidence of the existing non-British workforce leaving at an increased rate since the new immigration rules came into place in January 2021.⁹ However, there was a sharp drop in the number of people arriving in the UK to take up jobs in adult social care - 1.8% of new starters in January-April 2021, compared to 5.2% during the same period in 2019.
- If this continues, employers will need to recruit significantly more staff from the local labour market in order to match demand. This is unlikely to be feasible without improving pay and working conditions.

Increasing reliance on costly agency staff

- As care staff leave at faster rates than providers are able to replace them, this is leading to an unsustainable reliance on agency staff.
- Research by Care England found that almost 8 in 10 providers (78%) were using more, or significantly more, agency staff in May and June 2022 than they had been in April 2021. 88% reported that it had become more difficult to book agency workers.¹⁰
- Providers said the cost of employing an agency worker was double that of a permanent staff member for both carer roles (an average of £19.57 versus £9.90 per hour) and nursing positions (an average of £37.56 versus £19.49).

While supply of labour is weakening, a significant increase in demand for labour in the social care sector is forecast, driven by the UK's ageing population. The population aged 65 and above is projected to grow from 10.5 million to 13.8 million between 2020 and 2035. It is estimated that one adult social care job is required for every six people aged 65 and over. Based on this projected growth, by 2035 the sector may need 490,000 extra jobs.

Weaknesses in the supply of care workers are compromising providers' capacity to deliver services and calling into question the long-term sustainability of ASC. ADASS (Association of Directors of Adult Social Services) found that during the first quarter of 2022 almost 170,000 hours a week of homecare could not be delivered because of a shortage of care workers. That was a seven-fold increase since Spring 2021. As the scale of the workforce crisis in ASC continues to deepen, it is unpaid carers who are increasingly plugging this gap as shortages mean that state-funded care is simply unavailable. As most unpaid carers of working age also have paid jobs, this also creates substantial additional risk for workers and their employers in other employment sectors.

2. Which sectors and regions are most affected? Are the public and private sectors affected differently?

Compared to other sectors in the UK economy, the social care sector stands out in terms of its faster growth in the vacancy rate post-pandemic, particularly within domiciliary care settings.¹¹ In other sectors, wages would typically rise in response to such high vacancy rates - however the structure and scale of the shortfall in public funding for social care prevents this from happening to a large extent.

⁹ Skills for Care (2021), [The state of the adult social care sector and workforce in England, 2021](#)

¹⁰ Care England (2022), [Agency fees for social care: key findings](#)

¹¹ Skills for Care (2021), [The state of the adult social care sector and workforce in England, 2021](#)

This is challenging across the entire social care sector; however there is variation between:

- **Settings within social care** - according to the latest figures from Skills for Care, the number of filled posts in residential care fell by a total of 18,000 posts (including both care only homes and care homes with nursing) between 2020/21 and 2021/22. The number of filled posts in home care services fell by 19,000. All social care settings are struggling with recruitment and retention, alongside and despite increasing demand for home care.¹²
- **Employers within social care** - social care is a fragmented sector, with an estimated 17,900 adult social care organisations of varying sizes in England. Providers in the independent sector appear to have struggled more with recruitment and retention, losing 45,000 filled posts between 2020/21 and 2021/22. In contrast, the number of filled ASC posts in local authorities remained similar.¹³ Many providers recruit internationally; however, the administrative burden of the sponsorship process poses a barrier to smaller providers, who may not have the resources to do this. There are also approximately 70,000 people in England who employ a Personal Assistant (PA) via a Direct Payment or Personal Health Budget. Research undertaken by TLAP and the LGA found that between March 2020 and January 2022 77% of people who needed to recruit a PA found this had become more difficult. 59% found that it was harder to find suitable applicants with the right values and skills.¹⁴ People needing to recruit a PA face the additional challenge of being unable to recruit workers from other countries, as under current immigration rules, individuals cannot apply to sponsor care worker visas.
- **Roles within social care** - Skills for Care found that the largest fall in filled posts was for roles providing direct care to people - 4% (55,000 jobs). Vacancy rates are also especially high for registered managers (11.2% in 2021) and for registered nurses (9.9% in 2021) within social care settings. Analysis shows that services without a registered manager in post at the time of inspection (or in the year leading up to inspection) were less likely to achieve 'good' or 'outstanding' CQC ratings.¹⁵
- **Regions within the UK** - the latest monthly statistics tracked by Skills for Care show that vacancy rates are higher in London (13.5%), Eastern England (11.7%) and the South East (11%).¹⁶ London, the South East and the South West rely most heavily on migrants to fill vacancies.

3. Which people have been leaving the labour market? What is the socio-economic and demographic breakdown?

Our ageing population, combined with shortages in the adult social care sector as described above, means that more people are struggling to juggle paid work with caring responsibilities, and may either reduce their hours or leave the labour market entirely. An ONS study found that during the pandemic, 8% of women over 50 who left the workplace did so because of caring responsibilities (compared to 3% of men).¹⁷ Of those who would

¹² Skills for Care (2022), [The size and structure of the adult social care sector and workforce in England](#)

¹³ Skills for Care (2022), [The size and structure of the adult social care sector and workforce in England](#)

¹⁴ TLAP and the LGA (2022), [The forgotten workforce: recruiting and retaining Personal Assistants](#)

¹⁵ The King's Fund (2022), [Social care 360: workforce and carers](#)

¹⁶ Skills for Care, [Vacancy information - monthly tracking](#)

¹⁷ Office for National Statistics (2022), [Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic](#)

consider returning to work, 16% said that a new job would need to fit around their caring responsibilities. Research by the TUC found that Black and Minority Ethnic (BME) workers who leave the labour market early are twice as likely to do so because of caring responsibilities.¹⁸

In 2019, the Sustainable Care team worked with Carers UK on the likelihood of being a carer in adult life¹⁹. Analysis of longitudinal data shows that two-thirds of adults have at some point in their lives been the carer of someone who was sick, disabled, or who required support in old age. Women are more likely to care earlier in life than men - on average by age 46, eleven years earlier than men. The findings indicate that women are likely to be caring at ages when they would expect to be in paid work. This is particularly relevant to the adult social care sector, where the average age of a worker is 44 years old.²⁰ Since both women and older workers are overrepresented in care work, particularly in homecare, this will have a considerable impact.

4. What factors are contributing to reductions in the size of the labour force?

The current employment model in social care is not fit for the purpose of attracting, training, and retaining adequate numbers of staff with the right skills. In our discussions with care managers and care workers, the reasons cited for leaving the sector were:

- **Low pay** - the median hourly pay for care workers was £9.01 in 2020/21. Wages have not kept pace with other sectors, as low pay becomes even more problematic in the context of the cost-of-living-crisis;
- **Feeling undervalued** - care work does not have parity of esteem with the NHS. Our review of the evidence found that objections by care workers to the Government's mandatory Covid vaccination policy (now revoked) exacerbated shortages and left workers with a pervasive feeling of being devalued and in some cases, stigmatised;²¹
- **High levels of job insecurity** - workers experience widespread uncertainty about the availability of work in advance which means many care workers also experience income insecurity. In the sector, 24% of workers are employed on zero hours contracts [ZHCs], a figure that rises to 42% in home care;²²
- **Challenging terms and conditions of employment, including shift and night work** - this is particularly difficult for workers with childcare needs (as options are inflexible); care work involves fixed and inflexible hours and lacks the flexibility and home working options that many other sectors now provide post-pandemic; and
- **Limited opportunities for training and career progression**. This is a major factor holding the sector back; in 2020 we provided a [response to the In-work Progression inquiry](#) which highlighted, *inter alia*: providers' limited scope to offer a tiered progression structure; a lack of paid study time for workers interested in management positions; and very small differentials in senior care workers roles.

¹⁸ TUC (2022), [Older workers after the pandemic: creating an inclusive labour market](#)

¹⁹ Zhang, Y. & Bennett, M. (2019) [Will I care? The likelihood of being a carer in adult life](#), Carers UK

²⁰ Skills for Care (2021), [The state of the adult social care sector and workforce in England, 2021](#)

²¹ Hunt, T. (2021) [Under-paid and under-valued: assessing mandatory vaccination for care home workers in England](#) Sustainable Care Paper 4, CIRCLE, Sheffield: University of Sheffield.

²² Skills for Care (2021), [The state of the adult social care sector and workforce in England, 2021](#) .

This is now further compounded by the cost-of-living crisis, which disproportionately impacts homecare workers. Providers report that many have or are considering leaving the sector for higher wages elsewhere.²³

- A recent Homecare Association survey found that 95% of respondents said their staff had expressed anxiety about current or potential future increases in the cost of living.²⁴
- 21% said that care workers had either given notice or intended to look for work elsewhere because they cannot afford to put fuel in their cars, due to insufficient mileage rates.

5. What effect are wage levels having on the supply of labour?

Pay is a crucial factor driving the high vacancy rates and turnover in social care. Care workers are typically paid the minimum wage, or a little above it. This reflects a perception - despite the challenging and increasingly complex nature of their work - that care work is 'unskilled' and deserves to be paid at a minimum level. In an under-funded market, labour is seen as a cost to be minimised by commissioners and providers who compete on cost rather than quality. Increases in pay for care work have not kept pace with other sectors. Many supermarket retailers offered their employees - who have more predictable working patterns and lower levels of stress - a higher wage in recognition of their work throughout the pandemic. In contrast, most care providers, given tight constraints on funding, say they lack the ability to raise wages.

Senior care worker roles are particularly hard to recruit to since they require people to take on significant additional responsibilities for a very low level of additional pay. The 'experience pay gap' (the differential an experienced worker can expect over a new entrant) has fallen from 26-37 pence to just 12 pence per hour.²⁵ There is widespread non-payment of what should be deemed working hours, particularly in the homecare sector where travel time is regularly unpaid. Care workers may also not be paid for unscheduled hours, such as if they have to stay longer because of an emergency situation.²⁶

6. How do recent changes in the UK's labour supply compare with those in other developed countries?

Labour supply is an issue in other similar economies, and there is an academic literature on how various countries have addressed this, including by actively recruiting overseas, permitting families to employ live-in carers from overseas, and by creating stable funding arrangements designed to create a stable workforce and provider structure. [We can guide you to relevant published work in the *International Journal of Care and Caring* [editor-in-chief Sue Yeandle], if required.] In 2020, the OECD published a major study, 'Who Cares? Attracting and Retaining Care Workers for the Elderly'²⁷. Its detailed, 186-page, report found that 'low job quality leads workers to leave the elderly care sector'; that 'insufficient

²³ Joshi, A. (2022) Sky News, 'Care provider Sheffcare says energy bills will be 11 times higher than normal - and may force homes to shut' Sky News, 1 September, <https://news.sky.com/story/care-provider-sheffcare-says-energy-bills-will-be-11-times-higher-than-normal-and-may-force-homes-to-shut-down-12687228>

²⁴ Homecare Association (2022), [Member survey](#).

²⁵ Low Pay Commission (2021), [National Minimum Wage: Low Pay Commission Report 2021](#)

²⁶ Low Pay Commission (2021), [National Minimum Wage: Low Pay Commission Report 2021](#)

²⁷ OECD (2020) Who Cares? Attracting and retaining care workers for the elderly', OECD Health Policy Studies, OECD Publishing, Paris, <https://doi.org/10.1787/92c0ef68-en>.

training and skills can pose risks to the quality of care', and proposed 'policies to attract workers, retain them and improve productivity'. Policies suggested included actions on: 'attracting more workers', 'enhancing retention' and 'improving productivity and outcomes for the money spent'.

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