

The effect of leaving the European Union on the UK's health and social care sector

House of Commons

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Key Messages

- Councils play a vital role in commissioning and providing vital services for their communities, including social care and public health services. This requires close working with the NHS and other vital partners. As the UK leaves the European Union, it is important that any future relationship with the EU explicitly meets the needs of the UK health and care sector.
- The sustainability of social care provision and the care market needs to be addressed urgently and the UK's departure from the EU must not be a distraction. Adult social care faces a shortfall of £3.56 billion by 2025. This is needed to provide existing support at current levels. It would not meet the cost of changing the current model of providing care, or include the funding needed to tackle under met and unmet need. This must be addressed alongside work to leave the European Union.
- The recruitment and retention of adult social care staff is a major concern for care providers. With 7 per cent of existing adult social care staff from other EU nations and a vacancy rate of 12.3 per cent, securing a sustainable adult social care workforce should be a priority for the Government.
- The £30,000 per annum salary threshold proposed in the Government's future immigration system will impact the recruitment of care staff. Many social care and health jobs do not meet the requirements for the minimum skills or salary threshold. The £30,000 threshold must be reviewed and replaced with criteria that allows the sector to recruit and retain the staff needed.
- EU laws such as data and information sharing impact on public health. Therefore, a review of EU laws will need to consider the impact on councils' public health duties. Since the transfer of public health to local government, councils across England have seized new opportunities to make health everybody's business. They have done this despite cuts to public health budgets of £700 million by the end of 2020.
- Continued uncertainty is impacting people who use health and social care services and carers, friends, and relatives. It is the collective responsibility of central and local government to ensure that any information provided is clear, accurate and reassuring.
- We are working with our membership to prepare for different Brexit scenarios. We have compiled useful national advice in a hub for local government and are updating our members on the implications in a number of areas, including health and care.

Briefing

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Background information

The importance of social care to the UK

Adult social care is a vital service, supporting people's independence and wellbeing, it strengthens our communities, helps sustain our NHS and adds essential economic value to our country. However, years of significant underfunding coupled with rising demand and costs for care and support, have combined to push adult social care services to breaking point. We estimate that, since 2010, councils have had to bridge a £6 billion funding shortfall just to keep the adult social care system going. Further, we estimate that adult social care faces a £3.56 billion funding gap by 2025, just to maintain existing standards of care.

We cannot go on like this, even as the UK considers its future relationship with the EU. Following the Government's repeated delays to its care and support green paper, we published our own last summer. [*The lives we want to lead: The LGA green paper for adult social care and wellbeing*](#) was a starting point for public debate about how to fund care and how the care and health system can better support and improve people's wellbeing.

The consultation considered adult social care provision in the context of the role council's play in shaping people's lives and communities. It asked what adult social care should look like in the future, and options for how we tackle the issue of under-met or unmet need, as well as how to ensure that a reformed and integrated health and care system can be adequately and sustainably funded going forwards. The consultation was a real success and we received over 500 responses from members of the public, professionals, voluntary organisations and charities. Our [*response to our consultation*](#) was published in November last year and sets out key findings, implications and recommendations, including on how to fund social care.

The impact of Brexit on the social care workforce was mentioned by a small number of respondents to our consultation. For example a council told us "The outcome of Brexit may also have an influence in terms of available workforce, as immigration rules tighten. For example laws of supply and demand could cause an increase in wage levels. Without sufficient funding, this [may] inevitably lead to a further contraction in the quantum of ASC that a local authority can commission."¹

The Adult Social Care Workforce

For every job, there are a unique set of skills needed, and the skills set for the social care workforce are no different. This workforce requires compassion, patience, and understanding, to provide safe and high quality care and support². It is a challenging sector to recruit into and it is important to acknowledge the value of those already working to improve people's care.

It is imperative to understand future demand for the social care sector. Analysis by the Centre for Work Force Intelligence³ (CfWI) and information from Skills for Care⁴, suggests that, even without considering the impact of a UK withdrawal from the EU, the paid adult social care workforce will increase at a slower rate than the demand for social care services.

In the adult social care workforce in England, there were approximately 1.11 million⁵ full time equivalent paid social care workforce jobs in England in 2015 and according to the last England and Wales census, 5.4 million unpaid carers providing informal care on a part or full time basis in 2011⁶.

If current population trends continue, and with no changes to delivery models in adult social care, the workforce will need to grow from 1.11 million to almost 1.83 million to meet the growth in adult social care demand by 2025⁷.

In particular, residential and nursing care are projected to face larger growth in demand than other types of care, mirroring the projected growth in the number of people aged 65 and over that could require additional services in the future. Recruitment and retention of the workforce needs to be central to EU exit planning.

According to Skills for Care, EU staff currently make up 7 per cent or 90,000 of the existing adult social care workforce. There are also regional variations in the proportion of the workforce, ranging from 12 per cent of the workforce in London to 1 per cent of the workforce in the north east⁸. This further emphasises the differential impact of places.

The calculations in Independent Age's report '*Brexit and the future of migrants in the social care workforce*'⁹, which modelled the impact on the adult social care workforce of various migration scenarios, are very concerning. They have concluded that with a low-migration scenario, there will be a social care workforce gap of more than 750,000 people by 2037, and even in a scenario where there is a high level of migration, and the care sector becomes more attractive to workers, the social care workforce gap will be as big as 350,000 people by 2037.

Given the projected shortfall in recruitment, it is important to reflect on the shortage occupation list, which details the professions that are in high demand in the UK. At present, front line social care staff are not represented on this list, although some of the specialist professional roles in social work such as nursing are. There are criteria around both salary levels and working hours that might currently limit the ability of front line social care staff to be represented on this list.

The £30,000 per annum salary threshold proposed in the Government's future immigration system will impact the recruitment of care staff. Many social care and health jobs do not meet the requirements for the minimum skills or salary threshold. The £30,000 threshold must be reviewed and replaced with criteria that allows the sector to recruit and retain the staff needed.

It is essential that EU citizens living and contributing to the UK health and care sector and wider economy continue to feel valued. We welcome the Government's reciprocal "settled status" scheme for EU citizens and it is right that EU citizens living in the UK are no longer required to pay for their applications. The registration process should be made to be as smooth as possible and the Government's drive to encourage EU nationals to register for settled status should emphasise key sectors such as health and care.

Unpaid carers are also an integral element of the care landscape in the UK. Councils have statutory duties under the Care Act 2014 to assess a carer's needs for support, where the carer appears to have such needs, decide whether the carer's needs are 'eligible' for support from the local authority, and agree a support plan, which sets out how the carer's needs will be met. It's important to highlight the vast majority of councils report being on track to implement the changes resulting from legislation, including meeting their responsibilities towards carers. However, a sizeable majority report a lack of confidence in the funding required to embed the legislation beyond 2016/17.¹⁰

Our evidence to the Migration Committee¹¹ highlighted the skills crisis and wide-scale problems over business continuity in public services due to funding and Brexit uncertainties. We said that changes in migration policy were not the only policy lever at the disposal of Government and that there was an opportunity to address the current skills crisis more proactively.

Public Health

The Government must ensure contingency planning for areas where the UK and EU have agreements around information sharing and joint research that have an impact on health, particularly public health. This should include pharmaceuticals, including medicines and

vaccines, and medical devices, health security, health protection and infectious disease surveillance.

Councils have statutory responsibilities around public health, and as such have a stake in the future arrangements around these areas. There are similar arguments around the importance and skills sets of the public health workforce as for the adult social care workforce, but also on retaining expertise in scientific research and innovation. Many public health specialisms are international in nature and the broad public health sector needs to be able to draw on world-class individuals.

There needs to be a greater shift away from health and care investment in treatment and towards prevention and we are pleased that the recent NHS Long Term Plan recognises this. By joining up care, health, planning, housing, transport, welfare and education, councils have made positive strides in tackling the social determinants of health and wellbeing from early childhood and throughout life.

Since the transfer of public health to local government, councils across England have seized new opportunities to make health everybody's business. They have done this despite cuts to public health budgets of £700 million by the end of 2020. The ability for local authorities to innovate and increase efficiency is nearing its end. Investment in public health must be increased. Reductions to public health budgets must be reversed and public health needs to be put on a sustainable footing beyond the UK's departure.

Integration and inter-dependency between social care and the NHS

There is a national drive towards integration of health and social care in the UK, and greater recognition of the interdependencies between the two systems. The NHS Long Term Plan rightly recognises the health and care workforce as a key part of this integration process.

Councils are best-placed to understand the needs of their residents and local economies and the importance of skills training and employment support in their area. We can identify employment vacancies which are crucial to the health and social care workforce, and the skills and training needed to help people apply for these posts.

The Adult Social Care Market

Social care workforce planning and market shaping are key functions for local authorities, as set out in the Care Act 2014. In 2015, 19,300 organisations were involved in providing or organising adult social care in England, with 40,100 establishments. Twenty-eight per cent (65,000) of the 235,000 people who are in receipt of a direct payment for their adult social care were also employing their own staff¹².

The situation in residential care will continue to be as demanding. Many providers are already at marginal viability and others are only able to accept local authority prices by cross-subsiding from paying clients to council ones. We have also seen some providers are withdrawing from the public sector market to concentrate on the self-funder market and the likelihood is that costs will have to rise more than planned if failure in supply is to be avoided.

The foundations of our adult social care system are extremely unstable and the social care market is becoming increasingly fragile. Adult social care providers are under increasingly severe pressure. In more than 100 council areas, residential care homes and home care providers have ceased trading, or handed back their contracts to councils, affecting more than 5,300 people in the last six months. This is a direct result of funding pressures.

The question of sustainable funding for social care remains vital to the viability of the provider market, before, during and after UK exit from the EU. There is a clear need to invest more in the market just to stand still.

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- ¹ https://futureofadultsocialcare.co.uk/wp-content/uploads/2018/11/29.13-Green-paper-full_web.pdf
- ² <http://www.skillsforcare.org.uk/Learning-development/Care-Certificate/Care-Certificate.aspx>
- ³ Centre for Workforce Intelligence, 2016, *Forecasting the adult social care workforce to 2035: Workforce intelligence report*, <http://www.cfwl.org.uk/publications/forecasting-the-adult-social-care-workforce-to-2035-workforce-intelligence-report>
- ⁴ Skills for Care, September 2016, The State of the adult social care workforce in England, <https://www.nmds-sc-online.org.uk/Get.aspx?id=980099>
- ⁵ Skills for Care, September 2016, The State of the adult social care workforce in England, <https://www.nmds-sc-online.org.uk/Get.aspx?id=980099>
- ⁶ Office for National Statistics (ONS), 2013, 2011 Census analysis: Unpaid care in England and Wales, 2011 and comparison with 2001, <http://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthcaresystem/articles/2011censusanalysisunpaidcareinenglandandwales2011andcomparisonwith2001/2013-02-15>
- ⁷ Skills for Care, September 2016, The State of the adult social care workforce in England, <https://www.nmds-sc-online.org.uk/Get.aspx?id=980099>
- ⁸ Skills for Care, September 2016, The State of the adult social care workforce in England, <https://www.nmds-sc-online.org.uk/Get.aspx?id=980099>
- ⁹ Independent Age, 2016, Brexit and the future of migrants in the social care workforce, <https://www.independentage.org/policy-research/research-reports/moved-to-care-impact-of-migration-on-adult-social-care-workforce>
- ¹⁰ http://www.local.gov.uk/care-support-reform/-/journal_content/56/10180/6341378/ARTICLE
- ¹¹ LGA response to the Migration Advisory Committee call for evidence into the contribution of European Economic Area (EEA) workers in the UK labour market, https://www.local.gov.uk/sites/default/files/documents/Final%20LGA%20reponse_MAC%20call%20for%20evidence_EEA%20nationals%20in%20the%20UK%20labour%20market%20October%202017.pdf
- ¹² Skills for Care, September 2016, The State of the adult social care workforce in England, <https://www.nmds-sc-online.org.uk/Get.aspx?id=980099>