These are extracts from April 2016’s Cordis Briefing. Full versions of the slides are available for subscribers by emailing lucyasquith@cordisbright.co.uk. Please contact Lucy if you would like to receive further information about subscribing.
Agenda

• Cordis Viewfinder 2016
• Funding
• Profiling the Not-for-Profit Sector
• The Social Care Workforce
Cordis Viewfinder 2016
Cordis Viewfinder

- Been running in its current form for 9 years
- Aimed at senior leaders in the sector
- We ask around 120 people to complete it and we get 60% response rate
- Includes providers working with all client groups, all service types
- Provides a high level view of the sector and its trends
Trends in fee negotiation

• Been asking about this for the last four years
• As ever some trends continue and others change
Trends in fee negotiation

- Reduction of more than 20%
- Reduction of between 10% and 20%
- Reduction of between 5% and 10%
- Reduction of between 0% and 5%
- Freezing fee rates (i.e. 0% uplift)
- Increasing fee rates in line with inflation
- Increasing fee rates above inflation

Year:
- 2013
- 2014
- 2015
- 2016
**Trends in Fee Negotiation**

Good news. Marked reductions in requested reductions of between 5% - 20%

- Reduction of more than 20% (2013: 10%, 2014: 15%, 2015: 20%, 2016: 25%)
- Reduction of between 10% and 20% (2013: 20%, 2014: 15%, 2015: 20%, 2016: 25%)
- Reduction of between 5% and 10% (2013: 15%, 2014: 10%, 2015: 10%, 2016: 15%)
- Reduction of between 0% and 5% (2013: 5%, 2014: 5%, 2015: 5%, 2016: 5%)
- Freezing fee rates (i.e. 0% uplift) (2013: 25%, 2014: 20%, 2015: 15%, 2016: 10%)
- Increasing fee rates in line with inflation (2013: 10%, 2014: 15%, 2015: 20%, 2016: 25%)
- Increasing fee rates above inflation (2013: 5%, 2014: 5%, 2015: 5%, 2016: 5%)

Marked increase in offers of inflationary rises and even above inflation increases.

**Good news.**
Trends in fee negotiation

- Reduction of more than 20%
- Reduction of between 10% and 20%
- Reduction of between 5% and 10%
- Reduction of between 0% and 5%
- Freezing fee rates (i.e. 0% uplift)
- Increasing fee rates in line with inflation
- Increasing fee rates above inflation

OK news. Back to where we have been for 0%-5% reductions. Slight increase in frozen rates.
Trends in fee negotiation

Bad news. Steady and sustained rise in requests for reductions of 20% or more
Trends in fee negotiation

• Broadly the trend is for slightly more modest increases as opposed to cuts with the exception of really big reductions.
• Authorities that are better off are able to offer inflation or even above inflation rises
• Authorities that are really starting to feel the crunch are needing to ask for much larger cuts and in reality different, and cheaper versions of the service
• This drift in two directions both slightly better and slightly worse depending on where you are in the country is likely to continue.
Money

LA Financial Settlement, Council Tax and Transitional Grant
Money

• Since the last Briefing, more information has emerged on some of the topics we touched on last time.
• This includes:
  – Detailed LA Settlement figures for 2016/17 to 2019/20
  – Council Tax Income and the Social Care Precept
  – Transitional Support for Local Authorities
• Our last detailed look at LA funding covered 2010/11, so we can now look at LA funding over a 10 year period to look at the broad trends.
10 Years of Spending Cuts

- The map overleaf looks at the total cuts Local Authorities will have to make between 2010/11 and 2019/20.
- The scale of the cuts does not fall evenly, with Surrey and Buckinghamshire only having an overall reduction in funding of 8% and 9% respectively, whilst Knowsley, Liverpool and Birmingham all have cuts of 34%.
10 years of Spending Power

• Although “we are all in it together”, reductions in Spending Power have not been equal. Authorities with higher levels of deprivation have faced much higher levels of cuts:

<table>
<thead>
<tr>
<th>Authority</th>
<th>Reduction</th>
<th>Authority</th>
<th>Reduction</th>
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</thead>
<tbody>
<tr>
<td>City of London</td>
<td>-74%</td>
<td>Blackpool</td>
<td>-32%</td>
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<tr>
<td>Knowsley</td>
<td>-34%</td>
<td>Blackburn with Darwen</td>
<td>-32%</td>
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<tr>
<td>Birmingham</td>
<td>-34%</td>
<td>Hammersmith and Fulham</td>
<td>-32%</td>
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<tr>
<td>Liverpool</td>
<td>-34%</td>
<td>North East Lincolnshire</td>
<td>-31%</td>
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<td>Hartlepool</td>
<td>-33%</td>
<td>Sunderland</td>
<td>-31%</td>
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<td>Westminster</td>
<td>-33%</td>
<td>Southwark</td>
<td>-31%</td>
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<tr>
<td>Manchester</td>
<td>-33%</td>
<td>St. Helens</td>
<td>-31%</td>
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<tr>
<td>Rochdale</td>
<td>-33%</td>
<td>South Tyneside</td>
<td>-31%</td>
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<td>Kingston upon Hull</td>
<td>-33%</td>
<td>Newham</td>
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<td>Middlesbrough</td>
<td>-33%</td>
<td>Islington</td>
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<td>Hackney</td>
<td>-33%</td>
<td>Bradford</td>
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<tr>
<td>Sheffield</td>
<td>-32%</td>
<td>Lewisham</td>
<td>-31%</td>
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<tr>
<td>Newcastle upon Tyne</td>
<td>-32%</td>
<td>Kensington and Chelsea</td>
<td>-31%</td>
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<tr>
<td>Halton</td>
<td>-32%</td>
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</tbody>
</table>
10 years of Spending Power

• Some LAs have fared much better than others:

<table>
<thead>
<tr>
<th>Area</th>
<th>Change</th>
<th>Area</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Isles of Scilly</td>
<td>6%</td>
<td>North Yorkshire</td>
<td>-14%</td>
</tr>
<tr>
<td>Surrey</td>
<td>-8%</td>
<td>Essex</td>
<td>-14%</td>
</tr>
<tr>
<td>Buckinghamshire</td>
<td>-9%</td>
<td>Wokingham</td>
<td>-14%</td>
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<tr>
<td>West Sussex</td>
<td>-11%</td>
<td>Havering</td>
<td>-14%</td>
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<tr>
<td>Dorset</td>
<td>-11%</td>
<td>Poole</td>
<td>-14%</td>
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<tr>
<td>Rutland</td>
<td>-11%</td>
<td>Northamptonshire</td>
<td>-15%</td>
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<tr>
<td>Warwickshire</td>
<td>-12%</td>
<td>Somerset</td>
<td>-15%</td>
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<tr>
<td>Cambridgeshire</td>
<td>-12%</td>
<td><strong>East Sussex</strong></td>
<td>-15%</td>
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<tr>
<td>Devon</td>
<td>-13%</td>
<td>Barnet</td>
<td>-15%</td>
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<tr>
<td>Leicestershire</td>
<td>-13%</td>
<td><strong>Hertfordshire</strong></td>
<td>-15%</td>
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<td><strong>Hampshire</strong></td>
<td>-13%</td>
<td>Kent</td>
<td>-15%</td>
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<tr>
<td>Worcestershire</td>
<td>-13%</td>
<td>Richmond upon Thames</td>
<td>-15%</td>
</tr>
<tr>
<td><strong>Oxfordshire</strong></td>
<td>-14%</td>
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Profiling the not-for-profit sector
Research approach

• Longitudinal analysis, starting in 2012
• Based on year-end results submitted to Charity Commission
• Looked at 122 charities delivering adult social care
• Categorised them (as far as possible) by main client group
• A combined turnover of more than £2.8bn, including:
  – 23 charities with a turnover of more than £35m
  – 44 charities with a turnover of £10-35m
  – 25 charities with a turnover of £5-10m
  – 30 charities with a turnover of £1-5m
Issues to explore

• Profitability
• Growth
• Looked at this for the group as a whole and also by
  – Size (focusing on those with a turnover of less than £5m)
  – Client group (focusing on LD, Autism, Older People, Mental Health / Homelessness / Substance Misuse)
Profitability

- Classified organisations as either:
  - Struggling financially: deficits, or very low surpluses (in the region of 1%)
  - Doing OK: surpluses of between 2% and 5%
  - Outperforming: surpluses of more than 5%
Growth

- Categories used:
  - Stagnation/shrinking: below inflation-growth or shrinking
  - Doing OK: slow continuous growth of around 3% - 5%
  - Growing rapidly: steady growth of more than 5% per year
Profile of Profitability and Growth 2012-2015

- Low profit, Low growth: 28%, 30%, 25%, 39%
- Fast growth, Low profit: 12%, 11%
- High profit, High growth: 8%, 20%, 16%, 13%
- High profit, slow growth: 5%, 8%, 7%, 11%
- Average growth and profit: 3%
A snapshot of the adult social care workforce
Workforce – threat trends

• Ability to recruit and retain the best staff a growing concern for the vast majority of the sector.
Ability to recruit the best staff
Ability to retain the best staff
Wage demands from your workforce
Unemployment rate
Understanding the adult social care workforce

- The National Minimum Dataset for Social Care, managed by Skills for Care, has been collecting information since 2006

- Health and Social Care Information Centre consolidates and reports on information for councils
Headlines

• There are around 1.55 million jobs in social care
• The number of social care staff employed by councils has fallen
• The number employed by private and voluntary sector organisations has grown
• The number of organisations providing care has grown steadily since 2009
• The number of organisations providing residential services has fallen. However, capacity has remained stable.
• Large organisations (more than 250 employees) make up 2% of the total but employ around 45% of the workforce
• The number of people employed by holders of Direct Payments has grown
• Average pay for care workers across the sector is below the National Living Wage
The size and composition of the social care workforce

- Based on NMDS figures for 2014 (the latest complete set available)
- Total number of adult social care jobs is 1.55 million (1.18 million FTE)
- Around 1.48 million people work in adult social care (based on unique NI numbers reported)
- Employed in 18,000 organisations
- 39,500 establishments (local units of employment)
- Senior manager to other staff ratio 1:87
- First line manager to care worker ratio 1:22
Care workers 969,000
Employment by sector

- Private, 57%
- Voluntary, 20%
- Local authority, 8%
- Jobs for DP recipients, 9%
- NHS, 6%
Change in number of social care jobs

- 2009: 1,320,000
- 2010: 1,390,000
- 2011: 1,410,000
- 2012: 1,480,000
- 2013: 1,510,000
- 2014: 1,550,000

Percent changes:
- 2009-2010: 5%
- 2010-2011: 2%
- 2011-2012: 5%
- 2012-2013: 2%
- 2013-2014: 3%
By September 2015 council social care jobs had decreased by a further 9,900
Briefing Dates for 2016

• Thursday 14th July 2016
• Thursday 20th October 2016

Coffee from 10am for a 10.30am start

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