



Gofal Cymdeithasol Cymru Social Care Wales

What will replace EU funding post-Brexit? – New Assembly committee inquiry

The terms of reference for the inquiry are:

- To assess the financial planning for replacing EU funding streams in Wales, and what is being done to prepare for different potential scenarios around levels of funding and administrative responsibility; and,
- To explore what approaches to administering replacements for current EU funding streams might deliver best for Wales, and to what extent these might replicate or differ from current arrangements.

Evidence provided from Social Care Wales

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1. Introduction to Social Care Wales

Social Care Wales is a Welsh Government Sponsored Body established under the Regulation and Inspection of Social Care (Wales) Act 2016 to protect, promote and maintain the safety and well-being of the public in Wales.

Our aims are to:

- Provide public confidence in the social care workforce
- Lead and support improvement in social care
- Develop the early years and social care workforce

As part of our aim to develop the workforce our five year strategy commits us to improve the quality and management of social work and social care training by influencing, investing and developing national training and development programmes. It is in this context that we are pleased to respond to this consultation. We recognise that there has been a wide range of EU funding streams including capital programmes, agricultural policies, maritime and fishing and we make no comment about these aspects. Our evidence concentrates on funding relating to the European Structural Funds around employment, education, learning and business development.

2. The demography of Wales and the sector:

Social care and child care were recently identified as priority sectors for employability and in the economic strategy *Prosperity for All*. It should be noted that this sector remains a major employer in Wales with 56,500 workers in social care commissioned services (including independent and voluntary/3rd sector) across 1,414 services. The businesses are primarily SME with only 7% employing more than 100 staff. Social care services are provided primarily through the public purse either directly, or through services commissioned by the local authorities from the private and voluntary sector. There are around 1400 commissioned social care services employing around 50,500 staff in Wales 2016-17¹. Of these 22% are located within the voluntary sector and 78% within the private sector. In addition there were 21,840 staff employed directly by social services in local authorities in March 2017². This suggests an increase of 3.4% of the workforce since 2014.

The House of Lords Committee on Public Service and Demographic Change warned in March 2013 that the UK was “woefully underprepared” for the social and economic challenges presented by an ageing society and that a “radically different model” of care would be needed. This includes a rise in the community based care to try to keep people in their communities and their own homes for as long as possible, a rise in the use of direct payments and a rise in conditions and results of age that increase social care and support needs including dementia, physical frailty and disability and sensory loss. In Wales these changes are reflected in the new legislation Social Services and Well-being (Wales) Act 2014. Between 2015 and 2035, there is predicted to be a 72% increase in people over 65 with dementia³. The number of older people (those aged 65 and over) requiring residential care services is projected to increase by 82% between 2015 and 2035, and the numbers receiving community based services by 67% when 2015 population figures are used to forecast population growth in older people⁴.

CIW estimate that around 112,234 people were using regulated services in March 2017 across social care and early years⁵ an increase of 3.7% in one year. This covers around 6133 total regulated settings in the sector, a slight reduction of 0.8% from 2016⁶. This does not include family care, informal or community based setting not covered by regulation. The majority of care providers in Wales are commissioned by the public sector and through public sector funding to a range of providers in the statutory, independent and third sector. These figures do not take account of other unregulated services providing day care or other community based services, these services are being developed and encouraged as a result of the Social Services and Well-being (Wales) Act 2014. Substantial further data is available if required.

¹ The Social Care Workforce Development Partnership Data Collect 2016-17: Local Government Data Unit 2017

² <https://statswales.gov.wales/Catalogue/Health-and-Social-Care/Social-Services/Staffing/staffoflocalauthoritiesocialservicesdepartments-by-localauthority-posttitle>

³ *ibid*

⁴ <http://www.daffodilcymru.org.uk/>

⁵ <https://statswales.gov.wales/Catalogue/Health-and-Social-Care/Services-for-Social-Care-and-Childrens-Day-Care/cssiwservicesandplaces-by-servicetype>

⁶ <http://careinspectorate.wales/docs/cssiw/report/171102annualreporten.pdf>

Finally in terms of context, the links between social care and health have been recognised through the new Welsh legislation and the impact that under funding and poor access to social care has on the NHS, delaying the return people to their homes following acute stays in hospital. The integration of the health and social care agenda and services is being driven by the Social Services and Well-Being (Wales) act 2014 and the creation of Regional Partnership Boards (2016), plans for new integrated Health and Care Centres across Wales (2017) and the Integrated Care Fund (2018)

3. General Comments in respect of the Inquiry Terms of Reference

Social Care Wales made a response to the recent consultation ***Regional Investment in Wales after Brexit***. We believe that the overall approach outlined in that document is sensible and pragmatic. Many of the workforce development activities within our sector have relied on European Funding streams, some of which are national (apprenticeships) and others which have been regional such as the Skills for Employers and Employees (SEE) project in north Wales and Skills for Industry in South West Wales. This reliance will remain, and increase following government's decision to extend the regulation through registration of the social care workforce from 2018-2022.

The take up of national programmes have been good in our sector (almost 1/3rd of all apprenticeships are in our sector) while the regional ones have been less well used. We would suggest therefore in terms of assessing financial planning:

- A priority is established for clear analysis of the take up and outcomes from various existing funding streams.
- Lessons are learned around marketing, targeting, outputs and outcomes to maximise any use of funding, especially if the main investment in the future is to be regional.
- The investment required by employers to access funding around education and skills and specifically and the effects this has on sectors funded principally by the statutory sector. This is particularly important where these sectors are priorities within the Foundational Economy and Employability parts of the economy.

We welcome and agree with the principles laid out in the regional approach. In particular we would support

- “A greater role for inclusive regional partnerships in planning and decision-making, facilitated by an associated alignment of resources”.
- “Mixing complementary national, regional and local investment approaches built around functional economic regions”
- “Greater integration of different policy areas focussing on people and places, bringing together different funding sources and funding models”

4. To explore what approaches to administering replacements for current EU funding streams might deliver best for Wales, and to what extent these might replicate or differ from current arrangements.

In some Regional Skills Partnerships we have experienced some challenges with engagement on behalf of our sector. It can be more difficult to argue for priority or resources, due to the restrictive structures of employer representation being employed and the emphasis being placed on high GVA contributions, capital and inward investment⁷. This appears to take precedence over the importance placed on health, social care, early years and childcare through policy documents such as **The Future Generation (Wales) Act 2015, Prosperity for All** - employability the foundational economy. In other RLSPs there are structures in place that enable greater engagement and influence for the sector.

- We would ask that all new systems to deal with funding post Brexit, takes this more inclusive approach. This is increasingly essential, as the responsibilities of Welsh Apprenticeship Board (and the links to Regional Learning and Skills Partnerships) emerges possibly undertaking approval and of course subsequent funding.

Continued investment by government in our sector's workforce development which will be central to the successful implementation of **Prosperity for All**, and the service improvement and workforce implications contained in the recently published report for the **Parliamentary Review of Health and Social Care in Wales** and the extension of regulation of the social care workforce through **The Regulation and Inspection of Social Care (Wales) Act 2016**. It will also be important in assisting government to achieve their apprenticeship targets outlined in the Programme for Government **Taking Wales Forward 2016-21**.

It will be important that new processes and funding mechanisms take account of the needs of national objectives and localities as well as regions. If some of the ambitions of government to build social enterprises and enhance community capacity and assets to support well-being are to be achieved, purely regional funding may not achieve this on its own. Greater locality involvement may therefore needs to be considered and the importance of national contributions e.g. through apprenticeship funding will remain important

Employers in our sector have struggled to retain their commitment to apprenticeships following the introduction of the WEST assessment system and the new Essential Skills Qualification requirements, since they need such an investment in time away from the workplace. There is considerable disquiet from employers and learners that the assessment system does not reflect the needs of the qualifications and as such, assessment for learning and assessment needs to take place twice. While we of course fully support the need to have a literate and numerate workforce, and indeed increasingly

⁷ Skills for Care and Development have just completed some research that looks at the GVA contributions by the sector in each of the home nations. This will be published in May 2018.

a digitally literate one, it is important to find a way to achieve this more effectively and smoothly, with less time away from the workplace.

- From our engagement with employers and learning providers, WEST has created barriers to learning and its efficacy and unintended consequences should be tested and issues addressed.
- We support the need for a robust assessment methodology in these areas, but the current requirements are causing significant withdrawals in our sector. One large learning provider recently (November 2017) reported to us a 40% withdrawal from previous withdrawal rates of 12%, all related to WEST and Essential Skills requirements.
- Previous Essential Skills in the Workplace schemes have proved more popular with employers in the sector and have achieved good take up by employers and learners in the sector. We would like these schemes to be reinstated or revisited.

We believe it will be important to set a general direction of travel through priorities that will contribute to the development of the economy of Wales and the civil society that forms the principles of **Prosperity for All** and the **Future Generations (Wales) Act 2015**. The importance of working across government departments is clear, and we would hope to see continued interdepartmental activities that ensure that priorities and initiatives with e.g. Health and Social Care can then be supported by the policy and practice within Education and Skills, Welsh Language, People and Communities etc.

- The annual RSP Employment and Skills Plans are a good way to inform a review of updating national priorities, but for this to be fully effective the more inclusive structures with a wider understanding and analysis beyond economics (described above) would need to be adopted by all RSPs.

There should be an ease of access to any new funding with a minimum of bureaucracy. An example of the need for ease of access comes from our sector's rather negative experience of the EU programme Progress for Success from 2015-17. The idea behind the project to respond to the age restrictions for apprenticeships in 2014 was a sound one. However the amount of time and effort taken to get the project approved (18 months); the decision to re-procure providers rather than use the existing work based learning providers; the selection of providers with little experience or track record in early years education; the subsequent short timescales for completions of the frameworks and the reaction of employer not to use those providers all saw a low take up for the project. There was also the unintended consequence of a 27% reduction in take up of apprenticeship from the main apprenticeship funding in this part of the sector.

As identified above, we would also support consideration and approvals for funding in a timely fashion. We believe there is a need to be creative and innovative in what is funded and how it is funded – for example funding for initial qualifications is necessary but so too is developmental funding for awards/CPD type areas. As we move to support government to further regulate the workforce and meet the vision and reality contained within the **Social**

Services and Well-Being (Wales) Act 2016, the **Future Generations (Wales) Act 2015**, the **Public Health (Wales) Act 2017** this becomes even more important as we continue to develop our workforce rather than take them to a minimum standard. A percentage of funding needs to be available to support this “post qualifying” top up for sectors