The Economic Value of the Adult Social Care sector - UK

Final report

05 June 2018

ADDENDUM added

ADDITIONAL ANALYSIS

29th November 2018

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Final report

A report submitted by ICF Consulting Limited

Date: 05 June 2018

Job Number 30301592

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Document Control

Document Title	The Economic Value of the Adult Social Care sector - UK
Job No.	30301592
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Date	05 June 2018

Contents

Abbreviations

Acronyms and definitions

Acronym	Full title
ABS	Annual Business Survey
APS	Annual Population Survey
ASHE	Annual Survey of Hours and Earnings
CH	Companies House
CI	Care Inspectorate (Scotland)
CIW	Care Inspectorate Wales
CQC	Care Quality Commission
EBITDAR	Earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs
EBITDA	Earnings before interest, taxes, depreciation, amortization
FTE	Full-Time Equivalent
GOS	Gross Operating Surplus
GVA	Gross Value Added
IDBR	Inter-Departmental Business Register
I-O Tables	Input-Output tables
LFS	Labour Force Survey
NMDS-SC	National Minimum Dataset - Social Care
ONS	Office for National Statistics
PA	Personal Assistant
PAYE	Pay As You Earn
PSSRU	Personal Social Services Research Unit
RQIA	Regulation and Quality Improvement Authority (Northern Ireland)
SfC	Skills for Care
SfCD	Skills for Care and Development
SIC	Standard Industrial Classification
SSSC	Scottish Social Services Council

Definitions of key terms

Key term	Definition
Agency	An organisation which provides temporary workers to service providers
Community Care	Social care services that take place out in the community and not in a fixed location
Day Care	Care provided for service users in a day care centre (non-residential) or the provision of activities outside the home
Direct Payment Recipient	An individual who receives payment from the Government or local authority to pay for their own care, rather than having prescribed care provided to them
Direct jobs / employment	All jobs or employment in the adult social care sector
Domiciliary care	Care provided in a service users own or family home
GVA	The measure of the value of goods and services produced by an economy. It is output minus intermediate consumption
Independent	Private and voluntary sector providers of adult social care
Indirect jobs / employment	All jobs or employment resulting from the purchase of intermediate goods and services by the adult social care sector
Induced jobs / employment	All jobs or employment resulting from purchases made by those directly and indirectly employed in the adult social care sector
Non-regulated	Employers in the adult social care sector which are not subject to inspections or regulation
Nursing Care	Care provided in a residential setting which requires nursing care
Private	Employers in the adult social care sector owned by for profit private enterprises
Public	Employers in the adult social care sector owned and operated by the Government local authorities and the NHS
Regulated	Employers in the adult social care sector which are inspected and regulated by the national social care inspectors
Residential care	Care provided in a residential setting rather than in a service users own or family home
Service User	An individual who uses adult social care services
Voluntary	Providers in the adult social care sector run by for not-for-profit organisations

Executive summary

Key Findings

Sector characteristics

- An estimated 45,000 sites were involved in providing adult social care in the UK in 2016. Most of these sites provided residential care. A further 72,000 individuals receive direct payments and employ Personal Assistants (PAs);
- There were an estimated 1.6 million jobs in the adult social care sector in the UK in 2016. Most of these jobs were involved in providing domiciliary care. There were a further 151,300 jobs due to individuals employing PAs, meaning there were a total of 1.8 million jobs in the adult social care sector in 2016;
- There were an estimated 1.2 million Full-Time Equivalents (FTEs) in the adult social care sector in the UK, and a further 69,500 FTEs employed as PAs;
- Most of the adult social care workforce providing regulated services were employed at sites run by private sector providers (846,600);
- The level of employment in the adult social care sector represents 6% of total employment in the UK; and
- The average earnings in the adult social care sector in the UK was estimated to be £17,300.

Economic value of the sector (using the income approach)

- It was estimated that in 2016, adult social care sector GVA was £24.3 billion. Most of this was estimated to be in domiciliary care (£7.6 billion, 31%);
- This represents 1.4% of total GVA in the UK; and
- It was estimated that the average level of productivity (GVA generated per FTE) in the adult social care sector was £19,700.

Indirect and induced value of the sector (using the income approach)

- The indirect effect of the adult social care sector (resulting from the purchase of intermediate goods and services by the adult social care sector in delivering its services) was estimated to contribute a further 603,500 jobs (424,800 FTEs) and £10.8 billion of GVA to the UK economy;
- The induced effect of the adult social care sector (resulting from purchases made by those directly and indirectly employed in the adult social care sector) was estimated to contribute a further 251,300 jobs (176,100 FTEs) and £11.1 billion of GVA to the UK economy; and
- The total direct, indirect and induced value of the adult social care sector in the UK was estimated to be 2.6 million jobs (1.8 million FTEs) and £46.2 billion in 2016.

Introduction

Skills for Care and Development (SfCD) required robust estimates of the economic value of the adult social care sector in each of the four nations of the UK. This included:

- The annual Gross Value Added (GVA) generated directly by the adult social care sector (including public sector activities within the sector as well as the independent sector) (direct impact);
- The supply chain multiplier for the adult social care sector (indirect impact); and
- The wage multiplier for the adult social care sector (induced impact).

This report provides estimates for these research aims for the UK. It also provides estimates of employment due to the adult social care sector (direct, indirect and induced employment) and the level of productivity in the sector (GVA per job).

Sector characteristics

The adult social care sector is made up of public, private and voluntary sector service providers. 45,000 sites provide adult social care services (excluding direct employers, over 117,000 if direct employers are included). The largest number of sites (17,810) provide residential care. The total number of sites providing adult social care in the UK is summarised in Table ES1.1.

Table ES1.1 Estimated number of sites providing adult social care in the UK, 2016

Type of service	Number of sites where services are provided[1]
Residential care	17,840
Nursing care	6,170
Domiciliary care	13,670
Day care	3,390
Other services	7,560
Direct employers	72,000
Total – excluding direct employers	**45,000**
Total – including direct employers	**117,000**

Numbers rounded to the nearest 10. Totals may not equal the sum of services due to rounding.

There are estimated to be nearly 1.8 million jobs (1.2 million FTEs) in the adult social care sector in the UK. Most these are in the private sector (62%). The largest proportion of jobs are in the domiciliary care sector. The total number of jobs and FTEs by type of provision is presented in Table ES1.2.

Table ES1.2 Estimated number of jobs and FTEs in the adult social care in the UK, 2016

Type of service	Jobs	FTEs
Residential care	473,200	362,200
Nursing care	299,600	232,100
Domiciliary care	630,400	404,000
Day care	57,900	43,100
Other services	145,200	117,100
Direct employers	151,300	69,500
Total – excluding direct employers	**1,606,400**	**1,158,800**
Total – including direct employers	**1,757,700**	**1,228,100**

Numbers rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

Direct economic value of the adult social care sector

The direct economic value of the adult social care sector has been estimated using three different approaches: the input approach; the expenditure approach; and the output approach. This was to increase the robustness of the estimates, as there were strengths and weaknesses with the availability and quality of the data required for each of approach.

Income approach

The income approach estimates the total income received by representatives of the sector in the form of wages and other income. These types of income were estimated using earnings

[1] Some sites offer more than one service; therefore, the total number of sites is less than the sum of the sites providing different types of service

(for wages) and the Gross Operating Surplus (GOS) generated in the sector (for other income). In the case of the adult social care sector, the large majority of income in the sector will be earned in wages paid to social care workers.

Table ES1.3 presents the results using the income approach. In the UK in 2016, it was estimated that adult social care GVA was nearly £24 billion using this approach. The largest proportion of GVA is estimated to be in the residential and nursing care sectors (51% of the total value of the sector).

Table ES1.3 Earnings estimates of adult social care and related GVA

	Earnings (£'000)	GOS (£'000)	GVA estimates (£'000)
Residential care	9,810,087	2,018,073	11,828,160
Nursing care[2]			
Domiciliary care	6,686,849	945,578	7,632,427
Day care	734,429	-	734,429
Other services	2,845,719	-	2,845,719
Personal Assistants	1,212,791	-	1,212,791
Total	**21,289,876**	**2,963,650**	**24,253,526**

Individual row totals may not sum due to rounding. Totals may not equal the sum of services due to rounding.

Expenditure approach

The expenditure approach involves estimating the total level of expenditure on adult social care in the UK (public and private funding). This is then converted to GVA (output less purchase of intermediate goods and services) based on turnover (represented by expenditure) to GVA ratios provided in the Annual Business Survey (ABS).

Table ES1.4 presents the results using the expenditure approach. In the UK in 2016, it was estimated that adult social care GVA was nearly £25 billion using this approach. The largest proportion of GVA was estimated to be in the residential and nursing care sectors (56% of the total value of the sector).

Table ES1.4 Expenditure estimates of adult social care and related GVA

	Total expenditure (£'000)	Turnover to GVA ratio	GVA (£'000)
Residential care	11,850,799	73%	8,670,623
Nursing care	6,989,275	76%	5,305,935
Domiciliary care	7,004,471	51%	3,548,539
Day care[3]	520,603	48%	248,459
Other services	8,913,436	66%	5,846,359
Personal Assistants	1,770,433	66%	1,166,968
Total	**37,049,018**		**24,786,883**

Individual row totals may not sum due to rounding. Totals may not equal the sum of services due to rounding.

Output approach

The output approach measures the output of the sector by estimating the number of units of each type of service provided, and multiplying this by a unit cost for the service. This

[2] Combined residential and nursing care, as it was not possible to differentiate between services in Scotland and Northern Ireland.

[3] There are no estimates for day care expenditure in England – day care expenditure is included in Other services. Therefore the estimated day care GVA only includes Northern Ireland, Scotland and Wales.

estimates the total level of output (the equivalent of turnover) in the sector, which is then converted to GVA.

Table ES1.5 presents the results using the output approach. In the UK in 2016, it was estimated that adult social care GVA was nearly £26 billion using this approach. The largest proportion of GVA was estimated to be in the residential and nursing care sectors (54% of the total value of the sector).

Table ES1.5 Output estimates of adult social care and related GVA

	Total output (£'000)	Turnover to GVA ratio	GVA (£'000)
Residential care	9,237,677	73%	6,778,950
Nursing care	9,663,023	76%	7,318,301
Domiciliary care	10,377,175	51%	5,267,201
Day care[4]	408,407	48%	195,611
Other services	8,903,383	66%	5,840,207
Direct payments	973,864	51%	497,726
Total	**39,563,530**		**25,897,996**

Individual row totals may not sum due to rounding. Totals may not equal the sum of services due to rounding.

Indirect and induced economic value of the adult social care sector

The estimations above describe the direct economic value of the adult social care sector. The sector also contributes to the economy through:

- **Indirect effects** - resulting from the purchase of intermediate goods and services by the adult social care sector in delivering its services, which support additional employment and GVA within its supply chain; and
- **Induced effects** - resulting from purchases made by those directly and indirectly employed in the adult social care sector, who use their earnings to buy other goods and services.

It was estimated that the indirect effects of intermediate purchases made by the adult social care sector contributed an additional 603,500 jobs[5] and between £10.4 billion and £10.9 billion of GVA in the UK.

The induced effects (associated with the purchases of goods and services by individuals directly or indirectly employed by the sector) were estimated to support a further 251,300 jobs and £11.1 billion to £11.7 billion of GVA in the wider economy. These are similar in size to the indirect effects, although the induced employment effect is smaller than the indirect effect.

Key indicators

The key findings from the research are presented in Table ES1.6. This presents estimates which show that:

- There were 1.8 million jobs in the adult social care sector, and there were 1.2 million FTEs. These jobs generated between £24.3 billion and £25.9 billion in GVA, and the level of productivity (GVA per FTE) was estimated to be between £19,700 and £21,100 per FTE.

[4] Ibid.

[5] These are jobs, not FTE

- The indirect effect of the adult social care sector was estimated to be over 600,000 jobs (or 425,000 FTEs) and between £10.4 billion and £11.5 billion in GVA. The indirect effect is due to the purchase of intermediate goods and services by the adult social care sector.
- The induced effect of the adult social care sector (additional spending by those directly and indirectly employed through the adult social care sector) was estimated to be over 250,000 jobs (over 176,000 FTEs) and between £11.1 billion and £11.9 billion of GVA.

The total direct, indirect and induced value of the adult social care sector in the UK is estimated to be 2.6 million jobs, 1.8 million FTEs and between £46.2 billion and £49.3 billion in GVA.

Table ES1.6 Summary of findings

	Income approach	Expenditure approach	Output approach
Total direct employment		1,757,700	
Total FTE employment		1,228,100	
Total direct GVA (£'000)	24,253,526	24,786,883	25,897,996
Estimated productivity per job (£)	13,800	14,100	14,700
Estimated productivity per FTE (£)	19,700	20,200	21,100
Indirect employment (jobs)		604,100	
Indirect employment (FTE)		425,100	
Induced employment (jobs)		251,500	
Induced employment (FTE)		176,100	
Total jobs due to adult social care activity		2,613,300	
Total FTE jobs due to adult social care activity		1,829,300	
Indirect GVA (£'000)	10,803,525	11,016,995	11,509,907
Induced GVA (£'000)	11,140,236	11,377,559	11,887,277
Total GVA due to adult social care activity (£'000)	**46,197,287**	**47,181,4368**	**49,295,179**

All employment numbers rounded to nearest 100, productivity numbers rounded to the nearest £100. Totals may not equal the sum of services due to rounding.

1 Introduction

Skills for Care and Development (SfCD) is the sector skills council for people working in early years, children and young people's services, and those working in social work and social care for adults and children in the UK. They have four partner organisations, one in each nation of the UK. These are Skills for Care (SfC) in England; Northern Ireland Social Care Council (NISCC) in Northern Ireland; Scottish Social Services Council (SSSC) in Scotland; and Social Care Wales in Wales.

SfCD required robust estimates of the current economic value of the adult social care sector services in each of the four nations of the UK. The research will be used in policy discussions and decisions about the sector. These estimates will demonstrate how the sector contributes to the economy. The estimates may help to influence the views of decision-makers who see social care as a drain or burden to the economy.

1.1 Research aims

The objective for this research was to estimate the economic value of the adult social care sector in the UK, and the value of the sector in each of the four nations individually. This included:

- The annual Gross Value Added (GVA) generated directly by the adult social care sector (including public sector activities within the sector as well as the independent sector) (direct impact);
- The supply chain multiplier for the adult social care sector (indirect impact); and
- The wage multiplier for the adult social care sector (induced impact).

This report presents additional key metrics which indicate the economic importance of the sector, including:

- Employment (direct employment, indirect and induced employment); and
- Productivity - GVA per job for the adult social care sector. This is a key metric for the Treasury (HMT) when assessing economic value.

1.2 Purpose of this report

This report presents the estimated economic value of the adult social care sector for the whole of the UK based on the aggregation of separate estimates for each UK nation, which are separately reported. The economic value of the sector for the UK has been calculated using three different approaches: the input approach; the expenditure approach; and the output approach. This was to increase the robustness of the estimates, as there were strengths and weaknesses with the availability and quality of the data required for each of approach.

1.3 Structure of this report

The report continues in the following sections:

- Section 2 describes the size and structure of the adult social care sector;
- Section 3 estimates the direct economic value of the adult social care sector using the input approach;

- Section 4 estimates the direct economic value of the adult social care sector using the expenditure approach;
- Section 5 estimates the direct economic value of the adult social care sector using the output approach;
- Section 6 estimates the induced and indirect economic value of the adult social care sector; and
- Section 7 presents the conclusions from the research, including the key economic indicators and comparisons to other research and economic sectors.

2 Sector characteristics

This section provides key characteristics for the adult social care sector in the UK. These characteristics describe the size and structure of the sector in UK.

2.1 Number of service providers

Data was collected from sector specific and more general sources in each of the nations of the UK. More details about the data sources used and data manipulations undertaken are available in the individual national reports – referenced in Annex 2

2.1.1 Regulated service providers

Adult social care in the UK can be disaggregated into regulated and non-regulated services. Regulated services are those which are inspected by a regulator (CQC, CI, CIW and RQIA). Non-regulated services are those which are not inspected. In general, the data availability and quality for the regulated care sector was higher than for the non-regulated sector. The quality of the data for the regulated sector in all nations was assessed to be robust as the data covered 100% of the regulated sector.

The number of service providers in the regulated adult social care sector in the UK is presented in Table 2.1. This provides 100% coverage of regulated services in the UK. In summary, there were nearly 15,000 organisations providing regulated adult social care in the UK in 2016[6], with care being provided from around 30,000 sites. The largest number of sites are run by private sector organisations (an estimated 23,000 sites providing regulated services). Some sites provided multiple services (for example residential care and day care at the same site). Therefore, the total number of sites does not equal the sum of the services provided.

[6] This excludes organisations in Wales, where it was not possible to obtain estimates of the number of organisations providing services.

Table 2.1 Number of service providers and sites - regulated services, 2016

Type of provider	Type of service	Number of providers	Number of sites providing services[7]
Public	Residential care	-	880
	Nursing care[8]	-	30
	Domiciliary care	-	810
	Day care	-	360
	Other services	-	30
	Total	**180**	**2,070**
Private	Residential care	-	10,290
	Nursing care[8]	-	4,640
	Domiciliary care	-	7,900
	Day care	-	80
	Other services	-	10
	Total	**11,570**	**22,870**
Voluntary	Residential care	-	2,650
	Nursing care[8]	-	1,500
	Domiciliary care	-	3,240
	Day care	-	230
	Other services	-	10
	Total	**2,950**	**7,620**
Total	Residential care	-	13,820
	Nursing care[8]	-	6,170
	Domiciliary care	-	11,950
	Day care	-	670
	Other services	-	50
	Total	**14,560**	**29,040**

Numbers rounded to the nearest 10. Totals may not equal the sum of services due to rounding.

2.1.2 Non-regulated service providers

There was less data available for the number of organisations and sites providing non-regulated adult social care services in the UK. Data collected by SfC was used together with information from the IDBR and the number of regulated services to estimate the number non-regulated services in each nation.

Differences in legislation in each of the nations means that some different services are regulated in different nations. Additionally, there are difficulties in how businesses identify themselves (Standard Industrial Classification, SIC code category) and how they are defined in the sector specific data. Therefore, the calculations of non-regulated adult social care sites are based on assumptions and data manipulation, and is less certain than the data for the regulated sector. In Northern Ireland, it was not possible to estimate the number of sites providing non-regulated services.

[7] Some sites offer more than one service; therefore, the total number of sites is less than the sum of the sites providing different types of service

[8] Nursing care does not include providers in Scotland. It was not possible to disaggregate nursing and residential care providers in Scotland, so all providers were included in the residential care sector.

It is estimated that there were 16,000 sites providing non-regulated services in the UK. These are estimated to mainly (75%) provide non-residential care services (see Table 2.2).

Table 2.2 Number of service providers and sites – non-regulated services, 2016

Type of provider	Type of service	Number of organisations	Number of sites providing services
Total	Residential care	-	4,020
	Nursing care	-	-
	Domiciliary care	-	1,720
	Day care	-	2,720
	Other services	-	7,510
	Total	**-**	**15,960**

Numbers rounded to the nearest 10. Totals may not equal the sum of services due to rounding.

2.1.3 Direct payment recipients

The above estimates do not capture individuals who receive direct payments and employ their own care staff. The number of individuals receiving direct payments for their care is published in each of the nations. In total, an estimated quarter of a million receive direct payments in the UK.[9] Individuals can use the money they receive from direct payments for a variety of purposes, including employing their own staff, residential or day care, or paying subscriptions and memberships to support themselves

Some individuals receiving direct payments will directly employ Personal Assistants (PAs) to provide care. Of those employing PAs, some will employ social care workers from an existing service provider. However, some direct payment recipients will choose to directly employ PAs. These individuals act as employers, but will be excluded from the employer site data.

It is estimated that just under a third (29%) of direct payment recipients directly employ PAs. In the UK, this would mean that there are 72,000 individuals employing PAs (see Table 2.3).

Table 2.3 Number of individual employers, 2016

Type of service	
Number of individuals receiving direct payments	248,400
Percentage who directly employ PAs	29%
Estimated number of individual employers in the UK	72,000

Numbers rounded to the nearest 100

2.2 Number of jobs

Information was collected from a variety of sources to estimate the size and structure of the adult social care workforce in the UK. For more information about the sources used and calculations, see the national reports (referenced in Annex 2). The number of jobs relates to all job roles in adult social care – those providing care to service users and all support staff (for example cleaners, security staff).

[9] This excludes Northern Ireland, where it was not possible to estimate the number of direct employers.

2.2.1 Regulated service provision[10]

There are estimated to be nearly 1.4 million jobs in the regulated adult social care sector in the UK in 2016. This is presented in Table 2.4. The data is differentiated between public, private and voluntary provider jobs, and by the type of service provided (residential, nursing care and a combined non-residential category).

The data shows that most jobs in the adult social care sector are in the private sector (62% in the independent sector). There are more jobs in residential and nursing care than in non-residential care services (45%).

The number of FTEs has also been calculated, and presented alongside the average hours worked. There are an estimated 968,200 FTEs – again the majority are in the private sector. On average, individuals work for 26.3 hours per week.

Table 2.4 Estimated number of jobs and FTEs - regulated sector, 2016

Type of provider	Type of service	Jobs	Average hours	FTEs
Public	Residential care	26,900	26.4	19,200
	Nursing care[11]	2,400	26.8	1,800
	Domiciliary care	46,000	25.9	32,100
	Day care	8,500	28.0	6,500
	Other services	14,200	31.1	11,900
	Total	**98,000**	**27.0**	**71,600**
Private	Residential care	265,800	28.6	205,300
	Nursing care[11]	200,000	28.7	155,000
	Domiciliary care	367,200	23.4	232,700
	Day care	5,600	27.8	4,200
	Other services	6,900	28.1	5,300
	Total	**845,600**	**26.4**	**602,700**
Voluntary	Residential care	113,700	28.3	86,900
	Nursing care[11]	97,200	28.7	75,300
	Domiciliary care	199,300	23.7	127,300
	Day care	4,600	26.0	3,200
	Other services	1,900	28.2	1,500
	Total	**416,600**	**26.2**	**294,300**
Total	Residential care	407,100	28.4	311,400
	Nursing care[11]	299,600	28.7	232,100
	Domiciliary care	613,000	23.7	392,100
	Day care	18,800	27.5	13,900
	Other services	23,000	30.0	18,600
	Total	**1,361,500**	**26.3**	**968,200**

Numbers rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

[10] This includes all public sector provision in Northern Ireland, Scotland and Wales. In England, some public sector provision is included in the non-regulated service provision

[11] Nursing care does not include jobs in Northern Ireland and Scotland. It was not possible to disaggregate nursing and residential care providers in Northern Ireland and Scotland, so all jobs were included in the residential care sector.

2.2.2 Non-regulated service provision

Employment in the non-regulated adult social care sector has been estimated and is presented in Table 2.5. This shows that there were an estimated quarter of a million jobs in the non-regulated adult social care sector in the UK in 2016. The majority of these jobs were estimated to be in the non-residential care sector (73%). There were over 190,000 FTEs in the non-regulated sector, with an average duration of work being nearly 29 hours per week.

Table 2.5 Estimated number of jobs and FTEs – non-regulated sector, 2016

Type of provider	Type of service	Jobs	Average hours	FTEs
Total	Residential care	66,200	28.4	50,800
	Nursing care	-	-	-
	Domiciliary care	17,400	25.2	11,900
	Day care	39,100	27.6	29,200
	Other services	122,200	29.8	98,500
	Total	**244,900**	**28.8**	**190,400**

Numbers rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

2.2.3 Direct employers

There are no official estimates of the number of directly employed Personal Assistants (PAs) in the UK. However, recent research by SfC provided robust estimates of the number of individuals employing PAs (29%), the number of workers they employ (an average of 2.1 workers per employer) and the average hours a PA works in a week (17 hours per week). Using this research and the number of direct employers (Table 2.3), it was estimated that there are over 150,000 directly employed PAs employed in the UK. This equates to nearly 70,000 FTEs.[12]

Table 2.6 Number of Personal Assistants

Type of service	Jobs	Average hours	FTEs
Personal Assistants	151,300	17 / week	69,500

Numbers rounded to the nearest 100

2.3 Summary

The summary tables below (Table 2.7 and Table 2.8) present a summary of the size and structure of the adult social care sector in the UK. In 2016, it was estimated that there were 45,000 sites providing adult social care in the UK. If direct employers (who employ either agency or their own staff) are included, there are over 117,000 employers in the adult social care sector in the UK. There are more than 1.6 million jobs at these sites (excluding directly employed PAs; nearly 1.8 million if PAs are included), which is the equivalent of around 1.2 million FTEs.

[12] These estimates exclude Northern Ireland, where it was not possible to estimate the number of directly employed PAs

Table 2.7 Total providers in the adult social care sector in the UK- 2016

Type of service	Number of service sites providing services[13]
Residential care	17,840
Nursing care[14]	6,170
Domiciliary care	13,670
Day care	3,390
Other services	7,560
Direct employers[15]	72,000
Total – excluding direct employers	**45,000**
Total – including direct employers	**117,000**

Numbers rounded to nearest 10. Totals may not equal the sum of services due to rounding.

Table 2.8 Total number of jobs in the adult social care sector in the UK - 2016

Type of service	Number of jobs	Number of FTEs
Residential care	473,200	362,200
Nursing care	299,600	232,100
Domiciliary care	630,400	403,900
Day care	57,900	43,100
Other services	145,200	117,100
Personal Assistants	151,300	69,500
Total – excluding Personal Assistants	**1,606,400**	**1,158,800**
Total – including Personal Assistants	**1,757,700**	**1,228,100**

Numbers rounded to nearest 100. Totals may not equal the sum of services due to rounding.

[13] Some sites offer more than one service; therefore, the total number of sites is less than the sum of the sites providing different types of service.

[14] Nursing care does not include providers in Scotland. It was not possible to disaggregate nursing and residential care providers in Scotland, so all providers were included in the residential care sector.

[15] Does not include direct employers in Northern Ireland.

3 Income approach

The first approach used to produce estimates of GVA in the sector is the income approach. The total income received by representatives of the sector in the form of wages and other income provides an estimate of the value added by the sector. These types of income are estimated using earnings (for wages) and the Gross Operating Surplus generated in the sector (for other income). In the case of the adult social care sector, the large majority of income in the sector will be earned in wages paid to social care workers.

The figures presented here represent the sum of income and GVA from the four nations. Details of data sources and calculations are available in the national reports, referenced in Annex 2.

3.1 Earnings - regulated sector

The estimated value of earnings in adult social care in the UK is presented in Table 3.1. The total value of adult social care earnings in the regulated sector in the UK is estimated to be over £16 billion. Most of the earnings are in the private sector (61% of total earnings), despite earnings per FTE being higher in the public sector.

Table 3.1 Estimated average and total earnings in the regulated adult social care sector, 2016

Type of provider	Type of service	FTEs	Earnings per FTE	Total (£'000)
Public	Residential care	19,200	19,800	379,854
	Nursing care[16]	1,800	18,900	33,469
	Domiciliary care	32,100	19,600	628,778
	Day care	6,500	19,000	122,521
	Other services	11,900	27,300	325,575
	Total	**71,600**	**20,800**	**1,490,196**
Private	Residential care	205,300	16,100	3,311,571
	Nursing care	155,000	16,900	2,613,063
	Domiciliary care	232,700	16,200	3,760,460
	Day care	4,200	16,200	68,385
	Other services	5,300	16,900	89,041
	Total	**602,700**	**16,300**	**9,842,520**
Voluntary	Residential care	86,900	16,000	1,390,282
	Nursing care	75,300	16,900	1,270,183
	Domiciliary care	127,300	16,300	2,076,155
	Day care	3,200	16,800	53,818
	Other services	1,500	16,900	24,574
	Total	**294,300**	**16,400**	**4,815,013**
Total	Residential care	311,400	16,300	5,081,707
	Nursing care	232,100	16,900	3,916,716
	Domiciliary care	392,100	16,500	6,465,394
	Day care	13,900	17,600	244,723
	Other services	18,600	23,500	439,190
	Total	**968,200**	**16,700**	**16,147,730**

[16] Nursing care does not include providers in Scotland. It was not possible to disaggregate nursing and residential care providers in Scotland, so all providers were included in the residential care sector.

3.2 Earnings - non-regulated sector

Table 3.1 presents the earnings in the non-regulated adult social care sector in the UK. The value of earnings in the non-regulated adult social care sector in the UK is estimated to be nearly £4 billion (see Table 3.2).

Table 3.2 Estimated average and total earnings in the non-regulated adult social care sector, 2016

Type of provider	Type of service	FTEs	Earnings per FTE	Total (£'000)
Total	Residential care	50,800	16,000	811,665
	Nursing care		0	0
	Domiciliary care	11,900	18,700	221,455
	Day care	29,200	16,800	489,706
	Other services	98,500	24,400	2,406,529
	Total	**190,400**	**20,700**	**3,938,271**

Numbers rounded to nearest 100. Individual row totals may be not sum due to rounding. Totals may not equal the sum of services due to rounding.

3.3 Gross Operating Surplus

In addition to earnings / wages, income is generated through profits and rents. This is estimated by the Gross Operating Surplus (GOS). GOS is defined as income minus operating costs. In estimating GOS, it is assumed that only private sector care providers are run 'for profit', and therefore generate a GOS (further details on the calculation of GOS can be found in the national reports (see Annex 2). The estimation of the GOS in the adult social care sector will include the following costs:

- Staff costs;
- Materials required to deliver day to day services;
- Transportation costs; and
- Other day to day costs associated with providing adult social care.

Costs which are excluded from the estimation of GOS are:

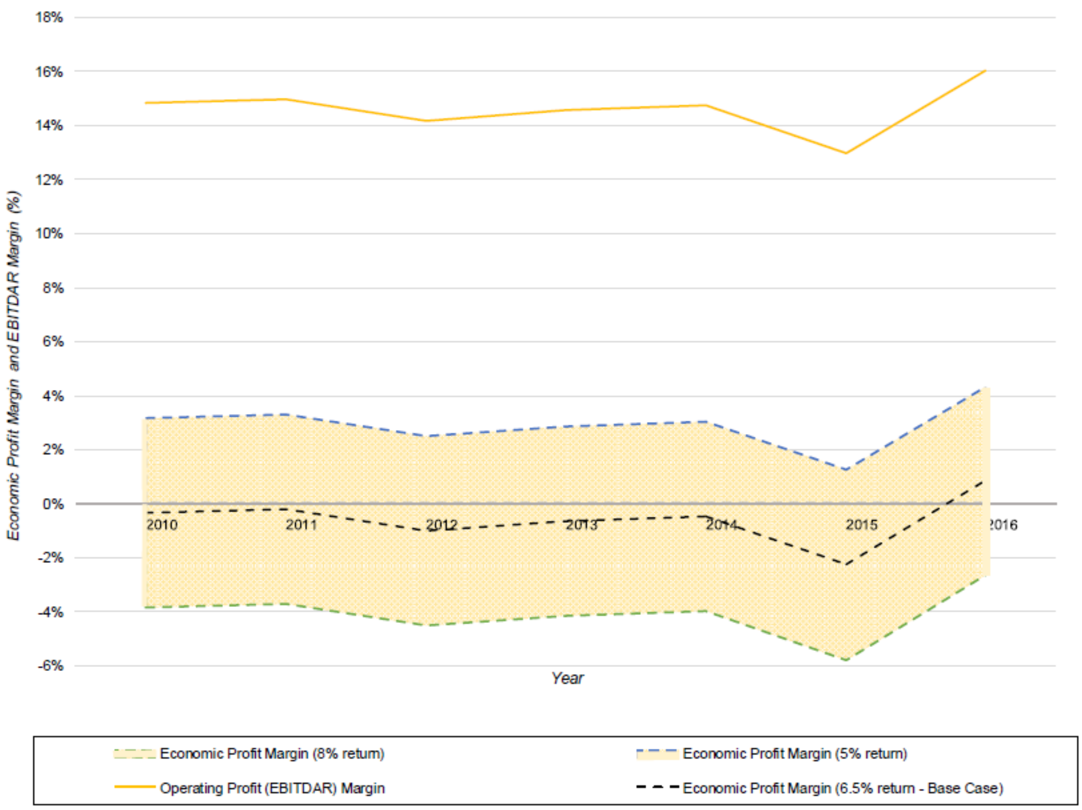
- Rents;
- Exceptional purchases (such as repairing property or capital equipment);
- Depreciation and amortisation of capital assets (the decrease in value of an asset as it is used and aged, for example vehicles or computer systems);
- Interest payments on money owed; and
- Taxation.

It is important to note that the GOS does not equal the profit taken by owners and shareholders. Only a subset of total costs are included in the GOS calculation. It is the equivalent of earnings before interest, taxes, depreciation, amortization and restructuring or rent costs (EBITDAR).[17]

A positive GOS can lead to small or even negative overall profits. This is because the costs which are excluded from the estimated GOS can equal or exceed the value of the GOS. (taken from Competition and Markets Authority (CMA), 2017) illustrates this. Despite an average GOS of between 14% and 16%, the level of overall economic profit in the adult social care sector (where all costs are included) is estimated to be close to zero.

[17] The EBITDAR value has been used in the analysis as it is the preferred measure in both the LaingBuisson report and the CMA market analysis. The EBITDA measure, where rents and restructuring costs are assumed to be operating costs is used in the sensitivity analysis

Figure 3.1 Residential care industry operating surplus profile, 2010-2016



Source: CMA (2017) Care Homes Market Study – figure 4.3

Two main studies have provided insights into the GOS in the residential care sector. LaingBuisson (2017) provides detailed information for the accounts of the big six residential care providers. This shows an average GOS (or EBITDAR earnings) of nearly 20%; but this leads to a significant overall loss.

The Competition and Markets Authority (CMA, 2017) provides a more detailed assessment of GOS in the residential care sector. This examined the annual accounts of all residential care operators in the UK that are required to file their accounts at Companies House (CH). This found that in 2015/16 (the most recent year that comprehensive information was available), the GOS in the sector was around 16%, only marginally lower than in the LaingBuisson report.

For this study, a detailed examination of the financial returns of all adult social care providers was not undertaken. To estimate the GOS in residential care, the average GOS (EDITBAR) value from the CMA study has been used as an assumed GOS margin. This is because the CMA estimate includes all adult social care providers in the UK who filed reports at CH, and is assumed to be a reasonable measure of GOS in each nation of the UK.

To estimate the value of GOS, the percentage of GOS (16%) was multiplied by the total output from the private residential sector. This gave an estimate of over £2 billion in the residential adult social care sector in the UK.

The GOS for domiciliary care providers has been estimated using information taken from the United Kingdom Homecare Association (UKHCA, 2018). This research provided information which was used to estimate an equivalent of the EBITDAR value to represent GOS. It was estimated that the GOS margin in the home care market was 11.3% for private domiciliary providers and 8.3% for voluntary providers.[18] This is a lower estimated value of GOS than for residential care services. This could be because there are lower rental costs and less capital equipment is used (meaning there is less depreciation and exceptional purchases).

The estimated GOS in the domiciliary sector is estimated by multiplying these values by the output of the private and voluntary domiciliary care sector. This is estimated to be £946 million in the UK in 2016.

There is no information available for the value of GOS for day care and other services. Therefore, no attempt has been made to estimate the GOS in these services. Finally, it has been assumed that there is no GOS in the employment of PAs – it is assumed that they are directly employed and there is no additional income above their pay.

3.4 Direct employers

It is estimated that there are 69,500 FTEs directly employed PAs in the UK. This means that the total earnings of PAs in the UK are estimated to be over £1.2 billion (see Table 3.3).

Table 3.3 Estimated average total earnings of Personal Assistants, 2016[19]

Type of service	Earnings per FTE	Number of FTEs	Total wages (£’000)
Personal Assistants	17,400	69,500	1,212,791

Numbers rounded to nearest 100. Individual row totals may be not sum due to rounding.

3.5 Estimated GVA

In the UK in 2016, it is estimated that adult social care GVA was nearly £24 billion using the income approach. The largest proportion of GVA is estimated to be in the residential and nursing care sectors (51% of the total value of the sector), although the domiciliary and other services sectors also have a large proportion of the total GVA (see Table 3.4).

Table 3.4 Earnings estimates on adult social care and related GVA

	Earnings (£’000)	Profit (£’000)	GVA estimates (£’000)
Residential care	9,810,087	2,018,073	11,828,160

[18] UKHCA (2018) A Minimum Price for Homecare. Indicators excluded in the estimated GOS were: Net profit / surplus; Premises, utilities and services; and Other Business overheads. Indicators included in the GOS estimate were: care worker costs; staffing, recruitment and training; consumables and professional costs. For voluntary providers, the net profit / surplus was assumed to be zero. These indicators were excluded as it is assumed the costs would be included in the EBITDAR measure.

[19] Excludes Northern Ireland

	Earnings (£'000)	Profit (£'000)	GVA estimates (£'000)
Nursing care[20]	-	-	-
Domiciliary care	6,686,849	945,578	7,632,427
Day care	734,429	-	734,429
Other services	2,845,719	-	2,845,719
Personal Assistants	1,212,791	-	1,212,791
Total	**21,289,876**	**2,963,650**	**24,253,526**

Individual row totals may be not sum due to rounding. Totals may not equal the sum of services due to rounding.

[20] Combined residential and nursing care, as it was not possible to differentiate between services in Scotland and Northern Ireland.

4 Expenditure approach

The second method to estimate the economic value of the adult social care sector is the expenditure approach. This approach involves estimating the total level of expenditure on adult social care in the UK (public and private funding). This is then converted to GVA (output less purchase of intermediate goods and services) on the basis of turnover (represented by expenditure) to GVA ratios provided in the Annual Business Survey (ABS).

Expenditure flows from funders to the providers of adult social care services. However, there are different sources of funding for adult social care services. These are:

- Public sector funding – individuals using care services that are wholly funded by the state. This includes expenditures made directly between the public sector and the provider of adult social care services to deliver services to individuals, and funding given directly to service users to purchase their own care (direct payments);
- Self-funders – individuals who use care services and pay the full costs themselves; and
- Co-funding – individuals who receive some public sector funding for care services, but who are required to 'top-up' the public funding to pay the full care charges.

The information presented in this section shows the sum of values from the four nations of the UK. For more information about the data sources and calculations used, see the national reports (referenced in Annex 2Annex 1).

4.1 Public sector funding and co-funding

The total value of public sector expenditure was over £20 billion in 2015/16[21], with a further £3.6 billion coming from client contributions and joint arrangements. This gives a total estimate of nearly £25 billion of gross expenditure of adult social care in the UK.

The data was differentiated by the type of individual receiving care. This shows that most of the public sector and co-funding expenditure was for older people (50% of gross expenditure). Care for older people was more likely to be partially funded by joint arrangements or co-funding than other types of care; 76% of all adult social care funding was for the care of older people (see Table 4.1). The public and co-funding columns in Table 4.1 include data from England, Scotland and Wales, and the total column includes data from all four nations. Therefore, the total column does not equal the sum of the public and co-funded data presented in the table.

[21] This excludes funding in Northern Ireland, where disaggregation between public and co-funding was not possible.

Table 4.1 Public and co-funding of adult social care, 2015-16

Type of service	Public sector funding (£'000)[22]	Co-funding (£'000)[22]	Total (£'000)
Older people (65+)	8,944,996	2,793,323	12,301,852
Physically disabled (18+)	1,561,932	183,505	1,806,331
Learning disabled (18+)	926,593	250,515	1,370,965
Mental health needs (18+)	5,422,940	420,779	5,903,057
Other	3,441,415	26,744	3,468,659
Total	**20,297,875**	**3,674,866**	**24,850,864**

Data for Northern Ireland only available for total funding; therefore public sector and co-funding columns exclude values for Northern Ireland. Totals may not equal the sum of services due to rounding.

4.2 Self-funding

The size and scale of expenditures of adult social care by self-funders is difficult to estimate. This is because there is no relevant data source which estimates either the level of expenditure or the number of individuals who fund their own care. However, by collecting data from multiple sources it was possible to estimate the size of the self-funding market. Details of how the size of the self-funded market has been estimated can be found in the national reports.

The analysis of self-funding is presented in Table 4.2, by type of care provision. This suggests that in the UK, the total value of self-funded adult social care expenditure was over £12 billion. The largest proportion of self-funding expenditure was for residential and nursing care (60% of the self-funded total). The total estimated value of expenditure on adult social care in the UK is over £37 billion.

Table 4.2 Total expenditure in adult social care sector, 2015-16

	Public and co-funded (£'000)	Unit cost for self-funders (£ per year)	Number of self-funders	Self-funded expenditure (£'000)	Total expenditure (£'000)
Residential care	8,790,295	39,400	77,700	3,060,505	11,850,799
Nursing care	2,541,257	44,300	95,900	4,448,018	6,989,275
Domiciliary care	4,561,930	15,900	153,900	2,442,541	7,004,471
Day care[23]	420,754	11,300	8,900	99,848	520,603
Other services	6,938,267	-	-	1,975,170	8,913,436
Direct payments	1,770,433	-	-		1,770,433
Total	**25,022,936**			**12,026,082**	**37,049,018**

Individual row totals may be not sum due to rounding. Totals may not equal the sum of services due to rounding.

4.3 Estimated GVA

These expenditures calculated above have been converted into GVA using turnover to GVA ratios for the adult social care sector from the ABS. Turnover to GVA ratios indicate the level of GVA that is expected to result in a particular sector, from a

[22] Ibid.

[23] There are no estimates for day care expenditure in England – day care expenditure is included in Other services. Therefore the estimated day care GVA only includes Northern Ireland, Scotland and Wales.

given level of expenditure. Applying these ratios to the estimated expenditures provides an estimate of GVA for the sector of £25 billion in 2015/16 in the UK (see Table 4.3). The largest proportion of GVA was from the residential and nursing care sub-sectors (£14 billion; 56% of total GVA).

Table 4.3 Expenditure estimates on adult social care and related GVA, 2015-16

	Total expenditure (£'000)	Turnover to GVA ratio	GVA (£'000)
Residential care	11,850,799	73%	8,670,623
Nursing care	6,989,275	76%	5,305,935
Domiciliary care	7,004,471	51%	3,548,539
Day care[24]	520,603	48%	248,459
Other services	8,913,436	66%	5,846,359
Direct payments	1,770,433	66%	1,166,968
Total	**37,049,018**		**24,786,883**

Individual row totals may be not sum due to rounding. Totals may not equal the sum of services due to rounding.

[24] There are no estimates for day care expenditure in England – day care expenditure is included in Other services. Therefore the estimated day care GVA only includes Northern Ireland, Scotland and Wales.

5 Output approach

The final approach to measure the GVA of the adult social care sector is the output approach. This measures the output of the sector by estimating the number of units of each type of service provided, and multiplying this by a unit cost for the service. This estimates the total level of output (the equivalent of turnover) in the sector, which can then be converted to GVA (output less purchase of intermediate goods and services).

The information presented in this section shows the sum of values from the four nations of the UK. For more information about the data sources and calculations used, see the national reports (referenced in Annex 2Annex 1).

5.1 Output from residential care

5.1.1 Residential care for older people

Table 5.1 presents an estimate of the total output of residential and nursing care for older individuals in the UK. The total output of the residential and nursing care sector for older people was estimated to be £16 billion. The private sector had the largest output (nearly £13 billion; 79% of total output), and the output for nursing care is higher than for residential care (nursing care represents 59% of the total residential and nursing care output).

Table 5.1 Capacity and estimated output of care home sector – older people

		Private	Voluntary	Public	Total
Capacity (places)	Nursing	225,200	22,400	8,900	256,500
	Residential	151,400	36,800	16,900	205,000
Occupancy (places)	Nursing	203,600	20,300	8,000	231,900
	Residential	140,600	34,200	15,400	190,200
Output (£'000)	Nursing	7,976,138	800,846	524,332	9,301,316
	Residential	4,563,367	1,111,330	844,251	6,518,948
Unit cost (£ per week)	Nursing	750	760	1,250	
	Residential	620	620	1,050	

Output totals may be not sum due to rounding.

5.1.2 Residential care for younger adults

Using information from multiple national sources, it was possible to estimate the value of output for the residential care of younger adults. Table 5.2 presents the estimated output for residential care of younger adults, showing that in 2015/16 this sector had an output of £3 billion in the UK.

Table 5.2 Capacity and estimated output of care home sector – younger adults

		Private	Voluntary	Public	Total
Capacity (places)	Nursing	5,500	-	200	5,700
	Residential	37,400	2,200	1,600	44,800
Occupancy (places)	Nursing	5,500	-	200	5,700
	Residential	37,200	2,000	1,600	44,200
Output (£'000)	Nursing	348,289	-	13,419	361,708
	Residential	2,333,835	104,439	103,570	2,718,729
Unit cost (£ per week)	Nursing	1,200	-	1,300	
	Residential	1,200	1,000	1,300	

Output totals may be not sum due to rounding.

5.2 Output from non-residential adult social care

Table 5.3 presents the output of the non-residential care sector. This shows that the total output of the sector in the UK is estimated to be £20 billion in 2015/16. The domiciliary care sector has the largest output in the non-residential care sector in the UK.

Table 5.3 Estimated output of other adult social care sectors

	Number of users	Total output (£'000)
Domiciliary care	710,900	10,377,175
Day care[25]	45,100	408,407
Other	-	8,903,383
Direct payments	73,400	973,864
Total		**20,662,830**

Output totals may be not sum due to rounding.

5.3 Estimated GVA

The estimated value of GVA in the adult social care sector in the UK is presented in Table 5.4. Applying GVA to turnover ratios to the estimated expenditures provides an estimate of GVA for the sector of nearly £26 billion in 2015/16 in the UK. The residential and nursing care sectors had the largest estimated GVA (£14 billion; 54% of total GVA).

[25] There are no estimates for day care expenditure in England – day care expenditure is included in Other services. Therefore the estimated day care GVA only includes Northern Ireland, Scotland and Wales.

Table 5.4 Output estimates on adult social care and related GVA

	Total output (£'000)	Turnover to GVA ratio	GVA (£'000)
Residential care	9,237,677	73%	6,778,950
Nursing care	9,663,023	76%	7,318,301
Domiciliary care	10,377,175	51%	5,267,201
Day care[26]	408,407	48%	195,611
Other services	8,903,383	66%	5,840,207
Direct payments	973,864	51%	497,726
Total	**39,563,530**		**25,897,996**

Individual row totals may not sum due to rounding. Totals may not equal the sum of services due to rounding.

[26] Ibid.

6 Indirect and induced effect

6.1 Introduction

The previous section assessed the direct economic contribution of the adult social care sector in the UK. This section builds on that analysis to present estimates of the additional contribution of the adult social care sector to the wider economy through:

- **Indirect effects** - resulting from the purchase of intermediate goods and services by the adult social care sector in delivering its services, which support additional employment and GVA within its supply chain; and
- **Induced effects** - resulting from purchases made by those directly and indirectly employed in the adult social care sector, who use their earnings to buy other goods and services.

In this section, multiplier effects for the UK have been applied to the estimates presented in the preceding sections. This differs from the approach of summing the values for each nation. This is because the summed estimates are for the whole of the UK, as are the multiplier effects. Therefore, it is more appropriate to use the UK multiplier effects.

6.2 Indirect Effects

The adult social care sector purchases a wide range of goods and services from suppliers in other sectors to support the delivery of adult social care services. Common examples of purchases made by the adult social care sector will include cleaning products and services, food and drink, building maintenance services, utilities, financial services, education and training, furniture and household goods, medical supplies, transport services and fuel, etc.

These are known as intermediate purchases, and those made by the adult social care sector will support employment and GVA amongst supply chain businesses. Indirect effects are estimated using Type I multipliers. The ONS produces estimates of Type I multipliers, which can be used to estimate the indirect effects of different products and services on the wider UK economy.

The latest UK I-O analytical tables[27] provide estimates of Type I GVA, output and employment multipliers. The relevant product group for this study is the Residential Care and Social Work activities. This product group provides an exact match with SIC divisions 87 and 88 and therefore covers all adult social care activities as well as children-related social care activities. It is unlikely that the indirect effects in the adult social activities differ from those from children’s social care services. Therefore, it has been assumed that these multipliers are appropriate for estimating the indirect impacts of adult social care activities.

The I-O tables produce separate output multipliers for social care activities delivered by:

- The private sector – the GVA multiplier is 1.32, which suggests that for every £1 of GVA generated by adult social care activities in the private sector, a further £0.32 of GVA is generated in the rest of the economy. The employment multiplier is 1.30, which suggests that for every one job in the adult social care sector, a further 0.30 of a job is provided in the rest of the economy;

[27] ONS, Detailed United Kingdom Input-Output Analytical Tables, 2013 (consistent with UK National Accounts Blue Book & UK Balance of Payments Pink Book)

- The public sector – the GVA multiplier is 1.94, which suggests that for every £1 of GVA generated by public sector activities, a further £0.94 of GVA is generated in the rest of the economy. The employment multiplier is 1.65, which suggests that for every one job in the adult social care sector, a further 0.65 of a job is provided in the rest of the economy; and
- The non-profit / voluntary sector – the GVA multiplier is 1.56, which suggests that for every £1 of GVA generated by the voluntary sector, a further £0.56 of GVA is generated in the rest of the economy. The employment multiplier is 1.37, which suggests that for every one job in the adult social care sector, a further 0.37 of a job is provided in the rest of the economy.

The Type I multipliers are applied to the estimates of the direct economic contribution of the adult social care sector in Table 6.1. The table shows that indirect effects of intermediate purchases made by the adult social care sector contribute an additional 604,000 jobs[28] and £10.8 billion to £11.5 billion of GVA in the UK.

The additional GVA experienced by supply chain businesses represents 41%-43% the direct contribution of the sector. Indirect effects are largest in the private sector, reflecting their relative importance in the sector. The additional jobs generated in supply chain businesses because of adult social care activities represent a third of the total direct employment in the sector.

[28] These are jobs, not FTEs.

Table 6.1 Direct and indirect economic value of the adult social care sector

	Income approach	Expenditure approach	Output approach
GVA			
GVA (public sector) (£'000)	1,490,196	3,572,620	3,621,126
GVA (private sector) (£'000)	13,750,208	17,430,165	18,037,044
GVA (voluntary sector) (£'000)	9,013,123	3,784,098	4,239,826
Total GVA (£'000)	**24,253,526**	**24,786,883**	**25,897,996**
Type I multiplier	Private: 1.32 Public: 1.94 Voluntary: 1.56		
Indirect GVA (public sector) (£'000)	1,394,273	3,342,652	3,388,036
Indirect GVA (private sector) (£'000)	4,392,539	5,568,111	5,761,980
Indirect GVA (voluntary sector) (£'000)	5,016,713	2,106,233	2,359,891
Total indirect GVA (£'000)	**10,803,525**	**11,016,995**	**11,509,907**
Total direct and indirect GVA (£'000)	**35,057,051**	**35,803,878**	**37,407,902**
Employment			
Direct employment (public)	98,200		
Direct employment (private)	997,900		
Direct employment (voluntary)	661,500		
Total direct employment	**1,757,700**		
Type I multiplier	Private: 1.30 Public: 1.65 Voluntary: 1.37		
Indirect employment (public sector)	63,700		
Indirect employment (private sector)	295,900		
Indirect employment (voluntary sector)	244,400		
Total indirect employment	**604,100**		
Total direct and indirect employment	**2,361,700**		

Source: ICF analysis. Totals may not equal the sum of services due to rounding.

6.3 Induced Effects[29]

Induced effects are assessed using Type II multipliers that capture both indirect and induced effects. The I-O tables provide information which can be used to estimate the Type II multipliers in the UK. The relevant Type II multipliers are:

[29] ICF believes it can be misleading to attribute all induced effects to the economic contribution of a particular sector at the national level. Indirect effects related to purchases of intermediate goods and services can clearly be attributed to the adult social care sector as they would not take place if the adult social care sector did not exist. The same is not true for induced effects. If the adult social care sector did not exist, it is unlikely that the purchases of goods and services made by the majority of workers in the sector would change significantly. Workers who in the absence of the adult social care sector would be unemployed (and receiving benefits) would provide induced effects (net of the value of state benefit payments). However, many of those directly or indirectly employed by the adult social care sector would be employed in other jobs in other sectors if the adult social care sector did not exist. This is the case for all sectors and industries. Therefore, it can be misleading to represent these induced effects as being attributable to the sector and would cease to exist in the absence of the sector.

- the private sector – the GVA multiplier is 1.74 and the employment multiplier is 1.43;
- the public sector – the GVA multiplier is 2.55 and the employment multiplier is 1.82; and
- the non-profit / voluntary sector – the GVA multiplier is 2.05 and the employment multiplier is 1.52.

The Type II multipliers are divided by the Type I multipliers to provide the given multiplier value (1.32 for GVA, 1.11 for employment). The induced multipliers have been multiplied by the direct and indirect employment and GVA values to estimate the induced GVA and employment. The results are presented in Table 6.2.

The results suggest that induced effects (associated with the purchases of goods and services by individuals directly or indirectly employed by the sector) are considerably smaller than the indirect effects for jobs, but similar to the indirect effects for GVA. The induced effects are estimated to support a further 251,500 jobs and £11.1 billion to £11.9 billion of GVA in the wider economy.

Table 6.2 Induced and total economic value of the adult social care sector

	Income approach	Expenditure approach	Output approach
GVA			
GVA (public sector) (£'000)	1,490,196	3,572,620	3,621,126
GVA (private sector) (£'000)	13,750,208	17,430,165	18,037,044
GVA (voluntary sector) (£'000)	9,013,123	3,784,098	4,239,826
Total GVA (£'000)	**24,253,526**	**24,786,883**	**25,897,996**
Type II multiplier	Private: 1.74 Public: 2.55 Voluntary: 2.05		
Induced multiplier	1.32		
Induced GVA (public sector) (£'000)	916,611	2,197,497	2,227,333
Induced GVA (private sector) (£'000)	5,765,302	7,308,265	7,562,722
Induced GVA (voluntary sector) (£'000)	4,458,324	1,871,797	2,097,222
Total induced GVA (£'000)	**11,140,236**	**11,377,559**	**11,887,277**
Total direct, indirect and induced GVA (£'000)	**46,197,287**	**47,181,436**	**49,295,179**
Employment			
Direct employment (public)	98,200		
Direct employment (private)	997,900		
Direct employment (voluntary)	661,500		
Total direct employment	**1,757,700**		
Type II multiplier	Private: 1.43 Public: 1.82 Voluntary: 1.52		
Induced multiplier	1.11		
Induced employment (public sector)	17,200		
Induced employment (private sector)	137,800		
Induced employment (voluntary sector)	96,500		
Total induced employment	**251,500**		
Total direct, indirect and induced employment	**2,613,300**		

Source: ICF analysis. Totals may not equal the sum of services due to rounding.

6.4 The total economic contribution of adult social care sector in the UK

The adult social care sector is estimated to support a total of 2.6 million jobs and £45.0 billion to £48.6 billion of GVA in the UK. This includes all direct, indirect and induced effects. The indirect and induced effects are smaller than the direct economic effects of the adult social care sector. The indirect and induced effects account for around 47% of the GVA generated, and 49% total direct employment (31%).

The overall direct, indirect and induced effects of associated expenditures are estimated to about 2.5% of all GVA and 8% of all jobs in the UK.

7 Conclusion

This section provides a summary of the key findings of the economic analysis, including the five key indicators specified in the research aims. The economic indicators are then compared to other sectors in the UK, so that the size and scale of the adult social care sector can be identified.

7.1 Summary of findings

The key findings from the research are presented in Table 7.1. This shows that in 2016, it was estimated that there were nearly 1.8 million jobs in the adult social care sector in the UK, and 1.2 million FTEs. These individuals generated directly between £24.0 billion and £25.9 billion in GVA, and the level of productivity (GVA per job) was estimated to be £19,500 - £21,100 per FTE.

The indirect effect of the adult social care sector is estimated to be the employment of over 600,000 jobs (or nearly 425,000 FTEs) and £10.8 billion to £11.5 billion in GVA. The indirect effect is due to the purchase of intermediate goods and services by the adult social care sector.

The induced effect of the adult social care sector (additional spending by those directly and indirectly employed through the adult social care sector) is estimated to be the employment of over 250,000 (over 176,000 FTEs) and £11.1 billion to £11.9 billion of GVA.

The total direct, indirect and induced value of the sector in the UK is estimated to be 2.6 million jobs, 1.8 million FTEs and £46.2 billion to £49.3 billion in GVA.

Table 7.1 Summary of findings

	Income approach	Expenditure approach	Output approach
Total direct employment		1,757,700	
Total FTE employment		1,228,100	
Total direct GVA	24,253,526	24,786,883	25,897,996
Estimated productivity per person	13,800	14,100	14,700
Estimated productivity per FTE	19,700	20,200	21,100
Indirect employment (people)		604,100	
Indirect employment (FTE)		425,100	
Induced employment (people)		251,500	
Induced employment (FTE)		176,100	
Total employment as a result of adult social care activity (people)		2,613,300	
Total employment as a result of adult social care activity (FTE)		1,829,200	
Indirect GVA	10,803,525	11,016,995	11,509,907
Induced GVA	11,140,236	11,377,559	11,887,277
Total GVA as a result of adult social care activity	**46,197,287**	**47,181,436**	**49,295,179**

Source: ICF analysis; Employment and productivity figures rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

7.2 National comparisons

This research involved estimating the value of the adult social care sector in all the nations of the UK. The key findings from all nations are summarised in Table 7.2. This shows that the adult social care sector is largest in England, and the absolute size of the sector is proportional to the population in each nation. The estimates show that:

- The level of productivity in the workforce is higher in Scotland than all other nations. This is consistent in all three approaches;
- The estimated GVA per capita and GVA per person aged over 65 is highest in Scotland; and
- The estimated values from the income approach are lower than the estimates for the expenditure and output approaches in all nations.
- The value of adult social care GVA is broadly comparable across all the nations of the UK.

Some of the reasons behind the differences in GVA per capita in each nation are:

- In the income approach, earnings are higher in Scotland than the other UK nations. One reason for this is the introduction of the living wage in the adult social care sector in Scotland. Despite the higher earnings, there are a comparable number of FTEs (per capita) in Scotland and the other UK nations.
- In Northern Ireland, the estimated number of jobs and FTEs in the adult social care sector does not cover non-regulated services or PAs, and the earnings from these jobs (and subsequent GVA) are not estimated. This helps to explain why the estimate of GVA per capita using the income approach is lower in Northern Ireland than in the other nations, and why the productivity values for Northern Ireland are much higher than in the income estimate.
- The amount of public spending per capita on adult social care is higher in Scotland than in the other nations. There are also a comparable number of FTEs (per capita) in Scotland and the other UK nations. The higher level of public expenditure and higher average wages in the adult social care sector in Scotland helps to explain why the estimated value of GVA per capita is higher in Scotland.

Table 7.2 Comparison of the value of the adult social care sector across the UK

	England	Northern Ireland	Scotland	Wales	UK
Direct economic value					
Income approach (£'000)	20,277,218	544,333	2,278,427	1,153,549	24,253,526
Expenditure approach (£'000)	20,420,586	605,163	2,558,174	1,202,959	24,786,883
Output approach (£'000)	21,651,931	550,653	2,511,150	1,184,262	25,897,996
Jobs	1,488,000	38,500	147,800	83,400	1,756,100
FTEs	1,027,900	28,900	109,600	61,600	1,228,000
Productivity per FTE					
Income approach (£)	19,700	18,800	20,800	18,700	19,700
Expenditure approach (£)	19,900	20,900	23,300	19,500	20,200
Output approach (£)	21,100	19,100	22,900	19,200	21,100
GVA per capita					
Income approach (£)	370	290	420	370	370
Expenditure approach (£)	370	320	470	390	380
Output approach (£)	390	300	460	380	390
GVA per capita 65+					
Income approach (£)	2,050	1,830	2,280	1,820	2,050
Expenditure approach (£)	2,070	2,030	2,560	1,900	2,100
Output approach (£)	2,190	1,850	2,510	1,870	2,190

Source: *ICF analysis.*

Part A: ANNEXES

Annex 1 Stakeholders

List of stakeholders

This is the full list of stakeholders who have contributed to this project and we are extremely grateful for their involvement.

Association for Real Change Northern Ireland

Association of Directors of Social Services Cymru

Care Forum Wales

Coalition of Care Providers Scotland

Independent Health Care Providers Northern Ireland

Local Government Association

National Care Forum

Northern Ireland Social Care Council

Scottish Care

Scottish Social Services Council

Skills for Care

Social Care Wales

Social Work Scotland

United Kingdom Homecare Association

Annex 2 National reports

- Skills for Care & Development (2018) the Economic Value of Adult Social Care in Wales; Available at: https://socialcare.wales/resources/the-economic-value-of-the-adult-social-care-sector-wales

- Skills for Care & Development (2018) the Economic Value of Adult Social Care in Scotland; Available at: http://www.sssc.uk.com/about-the-sssc/multimedia-library/publications/209-research/the-economic-value-of-the-adult-social-care-sector-scotland

- Skills for Care & Development (2018) the Economic Value of Adult Social Care in Northern Ireland; Available at: https://www.skillsforcare.org.uk/Documents/About/sfcd/The-economic-value-of-the-adult-social-care-sector-Northern-Ireland-4.pdf

- Skills for Care & Development (2018) the Economic Value of Adult Social Care in England; Available at: https://www.skillsforcare.org.uk/About/News/News-Archive/Contribute-38-billion-to-English-economy.aspx

Economic value of the adult social care sector in the UK

Additional analysis

A report submitted by ICF Consulting Services Limited

Date: October 2018

Job Number 30301592

Contents

1 Introduction

Skills for Care and Development (SfCD) is the sector skills council for people working in early years, children and young people's services, and those working in social work and social care for adults and children in the UK. They have four partner organisations, one in each nation of the UK. These are Skills for Care (SfC) in England; Northern Ireland Social Care Council in Northern Ireland; Scottish Social Services Council (SSSC) in Scotland; and Social Care Wales in Wales.

SfCD required robust estimates of the economic value of the adult social care sector in each of the four nations of the UK. These estimates will be used in policy discussions and decisions about the sector. The evidence base will demonstrate how the sector contributes to the economy. The estimates may help to alter the views of individuals who see social care as a drain or burden to the economy.

This document provides additional information and analysis to support the main estimates of the economic value of the adult social care sector, and provide further evidence for discussions around the economic value of the sector.

1.1 Research aims

The main aims for this additional research were:

- Provide a breakdown of the economic value of the adult social care sector using the expenditure approach by type of service provider (public, private and voluntary);
- Describe the reasons for the higher economic value in Scotland (per capita) than the other UK nations;
- Disaggregate the indirect and induced economic impacts by type of service; and
- Illustrate how the economic value of the adult social care sector (using the income approach) could vary as a result of changes to employee earnings.

2 Expenditure approach – disaggregation by type of provider

The level of expenditure (public expenditure and self-funded expenditure) has been disaggregated by the type of provider. The expenditure data does not provide details of the type of provider funded. The estimates below are based on the proportion of residential and nursing care output which is due to public / private / voluntary provision, and the proportion of total staff employed by public / private / voluntary providers for domiciliary, day care and other services.

The results of this analysis are presented in Table 2.1 to Table 2.5. This shows that in England, Northern Ireland and Wales, most expenditure goes to private providers of adult social care (more than half of total expenditure). However, in Scotland, there is a more even distribution of expenditure between public, private and voluntary providers.

Table 2.1 Total expenditure by type of provider, England

	Public (£'000)	Voluntary (£'000)	Private (£'000)	Total (£'000)
Residential care	971,010	1,692,411	7,112,360	9,775,781
Nursing care	304,890	556,765	5,148,220	6,009,875
Domiciliary care	273,999	1,416,413	3,814,156	5,504,568
Day care[30]	-	-	-	-
Other services	3,855,108	1,117,513	2,268,889	7,241,510
Direct payments	0	0	1,592,620	1,592,620
Total	**5,405,008**	**4,783,101**	**19,936,245**	**30,124,354**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

Table 2.2 Total expenditure by type of provider, Northern Ireland

	Public (£'000)	Voluntary (£'000)	Private (£'000)	Total (£'000)
Residential care	21,342	51,053	86,570	158,966
Nursing care	18,308	22,232	297,454	337,993
Domiciliary care	63,628	44,256	94,776	202,661
Day care	64,986	13,005	14,897	92,888
Other services	141,772	2,042	4,240	148,053
Direct payments	0	0	22,082	22,082
Total	**310,035**	**132,588**	**520,019**	**962,643**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

[30] In England, spending on day care is not provided. The spending on day care is included in other categories, which are included in this analysis in the 'Other services' category.

Table 2.3 Total expenditure by type of provider, Scotland

	Public (£'000)	Voluntary (£'000)	Private (£'000)	Total (£'000)
Residential care	386,206	369,302	508,422	1,263,930
Nursing care	26,448	17,785	332,814	377,048
Domiciliary care	214,149	420,854	292,397	927,400
Day care	141,161	125,880	19,048	286,089
Other services	428,920	394,993	399,313	1,223,225
Direct payments	0	0	93,795	93,795
Total	**1,196,885**	**1,328,813**	**1,645,788**	**4,171,486**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

Table 2.4 Total expenditure by type of provider, Wales

	Public (£'000)	Voluntary (£'000)	Private (£'000)	Total (£'000)
Residential care	155,027	55,080	442,014	652,122
Nursing care	20,052	18,766	225,542	264,360
Domiciliary care	67,712	59,058	243,073	369,843
Day care	43,582	17,574	80,470	141,626
Other services	133,067	28,586	138,995	300,648
Direct payments	0	0	61,936	61,936
Total	**419,440**	**179,063**	**1,192,031**	**1,790,535**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

Table 2.5 Total expenditure by type of provider, UK

	Public (£'000)	Voluntary (£'000)	Private (£'000)	Total (£'000)
Residential care	1,533,586	2,167,846	8,149,367	11,850,799
Nursing care	369,698	615,548	6,004,030	6,989,275
Domiciliary care	619,489	1,940,580	4,444,401	7,004,471
Day care[31]	249,729	156,459	114,415	520,613
Other services	4,558,866	1,543,133	2,811,438	8,913,436
Direct payments	0	0	1,770,433	1,770,433
Total	**7,331,369**	**6,423,566**	**23,294,084**	**37,049,018**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

[31] This only includes spending in Northern Ireland, Scotland and Wales

3 Reasons for the higher estimated value in Scotland than other nations

In Scotland the estimated economic value of the adult social care sector per capita is higher than in the other nations of the UK, as is the estimated level of productivity. This is the case in all three approaches to measuring the economic value of the sector. This section provides details as to why the economic value in Scotland is higher than in the other UK nations.

3.1 Income approach

There are three main inputs to the estimated economic value of the sector using the income approach. These are:

- Number of workers / jobs;
- Earnings in the jobs; and
- Gross Operating Surplus (GOS) generated.

The percentage of GOS used in the calculations was the same in all nations, so does not influence why the estimates are higher in Scotland.

3.1.1 Number of Full Time Equivalents

The number of Full Time Equivalents (FTEs) in the adult social care sector in each nation influences the economic value of the sector. There are 109,600 FTEs in the adult social care sector in Scotland. However, it is difficult to compare the number of FTEs in each nation due to differences in the population. The number of FTEs per 1,000 people in each nation is presented in Table 3.1. This shows that there are slightly more adult social care FTEs, per 1,000 population, in Scotland than in any other nation in the UK.

Table 3.1 Number of FTEs in the adult social care sector per 1,000 population, 2016

Nation	FTEs	FTEs per 1,000 population
England	1,027,900	18.6
Northern Ireland[32]	28,900	15.5
Scotland	109,600	20.3
Wales	61,600	19.8

3.1.2 Earnings in the sector

3.1.2.1 Proportion of the workforce in the public sector

Average earnings in the adult social care sector are higher in the public sector than in the private / voluntary sector. Therefore, a larger proportion of the workforce working in the public sector will lead to higher average earnings in the sector.

[32] In Northern Ireland, the estimated FTEs do not include any workers in the non-regulated adult social care sector or the estimated number of Personal Assistants.

The proportion of the workforce in each nation which works in the public, private and voluntary sector is presented in Table 3.2. This shows that in Scotland and Northern Ireland, the proportion of the workforce employed in the public sector is higher than in England and Wales.

Table 3.2 Proportion of the workforce employed by type of provider, 2016

	Public sector	Private sector	Voluntary sector
England	9%	63%	28%
Northern Ireland[33]	28%	56%	16%
Scotland	23%	44%	32%
Wales	19%	67%	14%

3.1.2.2 Higher average earnings

Earnings are estimated to be higher in the adult social care sector in Scotland than in the other nations of the UK.

- The analysis of the Annual Survey of Hours and Earnings (ASHE) and Labour Force Survey (LFS) showed that earnings in the residential social care sector were higher in Scotland than any other nation in the UK.
- All Scottish adult social care providers are required to pay the Scottish Living Wage, which is not the case in the other nations of the UK. Therefore, earnings for a FTE in Scotland must be equal to or above the Scottish Living wage. This led to higher average earnings in the domiciliary and day care industries in Scotland compared to the other nations in the UK.

3.1.2.3 Average earnings in each nation

The reasons above help to explain why average earnings in Scotland were higher than in the other nations of the UK. The average earnings in the sector in each nation (including regulated, non-regulated sectors and Personal Assistants) are presented in Table 3.3. This shows that the average earnings in Scotland were higher than in the other nations of the UK.

Table 3.3 Average earnings in the adult social care sector, 2016

Nation	Average earnings per year
England	£17,300
Northern Ireland	£16,400
Scotland	£18,500
Wales	£16,800

3.2 Expenditure approach

There are three main variables which affect the estimated economic value of the adult social care sector using the expenditure approach. These are:

[33] Does not include non-regulated sector or Personal Assistants

- The value of public sector spending on adult social care;
- The number of individuals self-funding their care; and
- The price paid by self-funders for their care.

The proportion of individuals who self-fund their care is higher in Scotland than in Northern Ireland or Wales, but lower than in England.[34] Only a minority of service users in Scotland (and all other nations in the UK) are self-funders, therefore the largest driver of the GVA estimates in Scotland (as in all nations) is public sector spending. In Scotland 75% of total spending on adult social care is estimated to be through public sector spending (this is higher than in England, similar to Wales and lower than Northern Ireland).

The value of public sector spending on adult social care, and the spending per capita is presented in Table 3.4. This shows that the spending per capita for adult social care is over £100 higher in Scotland than in any other nation of the UK. This could be due to differences in the services that can be publicly funded in each nation (for example in Scotland domiciliary care services providing personal care are provided free for those over 65).

Table 3.4 Total public sector funding of adult social care, 2016

Nation	Public sector spending (£'000)	Spending per capita (£)
England	19,614	355
Northern Ireland	878	472
Scotland	3,143	582
Wales	1,388	446

3.3 Output approach

The output approach to estimating the economic value of the sector is driven by two main variables – the number of people using a service and the price charged for the service.

3.3.1 Service users

Table 3.5 below presents the number of individuals using residential, nursing and domiciliary care in each nation of the UK.[35] This shows that there are a comparable rate of individuals using residential and nursing care in each nation (between 6.7 and 8.0 per 1,000 of the population). The number of people using domiciliary care services, per 1,000 population, is higher in Scotland than in the other nations. The larger number of individuals using domiciliary care services will lead to a higher estimate of GVA.

[34] LaingBuisson (2017) Care of Older People

[35] The number of service users for day care and other services was not available in every nation

Table 3.5 Total public sector funding of adult social care, 2016

Nation	Residential and nursing care		Domiciliary care	
	Service users	Users per 1,000 population	Service users	Users per 1,000 population
England	355,500	7.2	576,500	10.4
Northern Ireland	11,900	6.7	25,700	13.8
Scotland	33,300	6.8	79,300	14.7
Wales	21,400	8.0	29,400	9.4

3.3.2 Estimated prices

The average price charged for residential and nursing care differs between public sector and private / voluntary sector provision. Residential and nursing care in the public sector is higher than in the private and voluntary sectors. Therefore, the proportion of residential and nursing care beds in the public sector in each nation will affect the GVA generated. Table 3.6 below shows the proportion of residential care beds in the public sector in each nation. This shows that in Scotland and Wales, there are a higher proportion of beds provided by the public sector than in England and Northern Ireland.

Table 3.6 Total public sector funding of adult social care, 2016

Nation	% residential and nursing care in public sector providers
England	4.4%
Northern Ireland	4.8%
Scotland	10.4%
Wales	14.7%

The average prices charged in Scotland for adult social care are higher than in Wales and Northern Ireland, but lower than in England. This fact will contribute to the higher GVA estimates in Scotland than in Wales and Northern Ireland.

4 Disaggregation of indirect and induced effects

The indirect and induced effects in the main report were disaggregated by type of provider (public sector, private and voluntary). In this section, the indirect and induced effects are disaggregated by type of service in each nation.

4.1 England

4.1.1 GVA

Table 4.1 shows that in England the largest indirect effects are estimated to be for other services in the expenditure and output approaches. The largest induced effects are for residential care in the expenditure approach.

Table 4.1 Indirect and induced GVA effects in England, (£000)

	Service	Income	Expenditure	Output
Direct GVA	Residential care	5,279,838	7,179,894	5,946,608
	Nursing care	4,867,022	4,568,435	6,058,953
	Domiciliary care	6,192,652	2,828,532	4,391,801
	Day care	458,626	-	-
	Other services	2,327,805	4,790,216	4,790,216
	Direct payments	1,151,274	1,053,509	464,352
	Total	**20,277,218**	**20,420,586**	**21,651,931**
Indirect GVA	Residential care	2,163,381	3,027,848	2,507,757
	Nursing care	1,872,059	1,702,574	2,258,063
	Domiciliary care	2,616,337	1,149,339	1,784,554
	Day care	255,047	-	-
	Other services	1,651,093	3,276,889	3,276,889
	Direct payments	367,778	336,546	148,338
	Total	**8,925,694**	**9,493,196**	**9,975,601**
Induced GVA	Residential care	2,365,265	3,243,760	2,686,581
	Nursing care	2,141,508	1,992,767	2,642,935
	Domiciliary care	2,799,272	1,264,066	1,962,688
	Day care	226,787	-	-
	Other services	1,264,392	2,563,520	2,563,520
	Direct payments	482,716	441,724	194,697
	Total	**9,279,940**	**9,505,837**	**10,050,422**
Total economic value	Residential care	9,808,484	13,451,502	11,140,946
	Nursing care	8,880,589	8,263,775	10,959,952
	Domiciliary care	11,608,261	5,241,938	8,139,044
	Day care	940,460	-	-
	Other services	5,243,291	10,630,625	10,630,625
	Direct payments	2,001,768	1,831,778	807,388
	Total	**38,482,852**	**39,419,619**	**41,677,954**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

4.1.2 Employment

Table 4.2 shows the indirect and induced effects are largest in due to domiciliary care activity. This is because there are more direct jobs and FTEs in the domiciliary care sector than all other adult social care sectors.

Table 4.2 Indirect and induced employment effects in England

	Service	Jobs	FTEs
Direct employment	Residential care	376,500	288,000
	Nursing care	292,300	226,600
	Domiciliary care	522,800	326,200
	Day care	36,500	27,400
	Other services	116,700	94,000
	Personal Assistants	143,100	65,800
	Total	**1,488,000**	**1,027,900**
Indirect employment	Residential care	125,800	96,000
	Nursing care	94,500	73,200
	Domiciliary care	174,600	109,600
	Day care	14,800	11,100
	Other services	58,100	48,000
	Personal Assistants	42,400	19,500
	Total	**510,300**	**357,400**
Induced employment	Residential care	53,500	40,900
	Nursing care	41,200	31,900
	Domiciliary care	74,300	46,400
	Day care	5,500	4,100
	Other services	18,600	15,100
	Personal Assistants	19,800	9,100
	Total	**212,800**	**147,500**
Total employment	Residential care	555,900	424,900
	Nursing care	428,100	331,800
	Domiciliary care	771,700	482,200
	Day care	56,800	42,600
	Other services	193,400	157,100
	Personal Assistants	205,300	94,300
	Total	**2,211,100**	**1,532,900**

Figures rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

4.2 Northern Ireland

4.2.1 GVA

Table 4.3 shows that in Northern Ireland the largest indirect and induced effects are estimated to be for nursing care in the expenditure and output approaches (and the combined residential and nursing care in the income approach).

Table 4.3 Indirect and induced GVA effects in Northern Ireland, (£000)

	Service	Income	Expenditure	Output
Direct GVA	Residential care	269,920	117,133	81,470
	Nursing care[36]	-	257,762	222,614
	Domiciliary care	195,281	86,511	129,174
	Day care	37,454	39,652	26,815
	Other services	41,679	90,593	84,441
	Direct payments	-	13,512	6,140
	Total	**544,333**	**605,163**	**550,653**
Indirect GVA	Residential care	77,197	33,500	23,300
	Nursing care	-	73,720	63,668
	Domiciliary care	55,850	24,742	36,944
	Day care	10,712	11,340	7,669
	Other services	11,920	25,910	24,150
	Direct payments	-	3,864	1,756
	Total	**155,679**	**173,077**	**157,487**
Induced GVA	Residential care	152,731	66,279	46,099
	Nursing care	-	145,852	125,964
	Domiciliary care	110,498	48,952	73,092
	Day care	21,193	22,437	15,173
	Other services	23,584	51,261	47,780
	Direct payments	-	7,646	3,474
	Total	**308,006**	**342,425**	**311,581**
Total economic value	Residential care	499,848	216,912	150,869
	Nursing care	-	477,334	412,245
	Domiciliary care	361,629	160,205	239,209
	Day care	69,358	73,429	49,657
	Other services	77,183	167,763	156,371
	Direct payments	-	25,022	11,370
	Total	**1,008,018**	**1,120,665**	**1,019,721**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

[36] The Social Care Council register does not differentiate between Adult Residential and Nursing Care for workers providing care to service users. Therefore, the total number of jobs (including support staff) in both sectors are presented in the residential care category.

4.2.2 Employment

Table 4.4 shows the indirect and induced effects are largest in due to the combined residential and nursing sector activity. It is likely that as a single sector, domiciliary care activity supports more indirect and induced employment than either the nursing or residential care sectors individually.

Table 4.4 Indirect and induced employment effects in Northern Ireland

	Service	Jobs	FTEs
Direct employment	Residential care	18,300	13,800
	Nursing care[37]	-	-
	Domiciliary care	15,200	11,300
	Day care	2,800	2,100
	Other services	2,100	1,600
	Total[38]	**38,400**	**28,900**
Indirect employment	Residential care	5,300	4,000
	Nursing care	-	-
	Domiciliary care	4,400	3,300
	Day care	800	600
	Other services	600	500
	Total	**11,100**	**8,400**
Induced employment	Residential care	10,400	7,900
	Nursing care	-	-
	Domiciliary care	8,600	6,400
	Day care	1,600	1,200
	Other services	1,200	900
	Total	**21,800**	**16,400**
Total employment	Residential care	34,100	25,700
	Nursing care	-	-
	Domiciliary care	28,100	21,000
	Day care	5,300	4,000
	Other services	3,900	3,000
	Total	**71,400**	**53,700**

Figures rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

[37] The Social Care Council register does not differentiate between Adult Residential and Nursing Care for workers providing care to service users. Therefore, the total number of jobs (including support staff) in both sectors are presented in the residential care category.

[38] Does not include non-regulated sector or Personal Assistants.

4.3 Scotland

4.3.1 GVA

Table 4.5 shows that in Scotland the largest indirect and induced effects are estimated to be for combined residential and nursing care sectors in the expenditure and output approaches.

Table 4.5 Indirect and induced GVA effects in Scotland, (£000)

	Service	Income	Expenditure	Output
Direct GVA	Residential care	933,051	1,140,600	1,044,265
	Nursing care[39]	-	-	-
	Domiciliary care	952,228	453,724	559,824
	Day care	123,706	139,967	125,570
	Other services	233,474	765,208	765,208
	Direct payments	35,968	58,675	16,283
	Total	**2,278,427**	**2,558,174**	**2,511,150**
Indirect GVA	Residential care	209,716	256,365	234,713
	Nursing care	-	-	-
	Domiciliary care	214,026	101,981	125,828
	Day care	27,805	31,459	28,223
	Other services	52,477	171,991	171,991
	Direct payments	8,084	13,188	3,660
	Total	**512,108**	**574,985**	**564,415**
Induced GVA	Residential care	266,198	325,411	297,927
	Nursing care	-	-	-
	Domiciliary care	271,669	129,447	159,717
	Day care	35,293	39,932	35,825
	Other services	66,610	218,313	218,313
	Direct payments	10,261	16,740	4,646
	Total	**650,031**	**729,842**	**716,427**
Total economic value	Residential care	1,408,965	1,722,377	1,576,905
	Nursing care	-	-	-
	Domiciliary care	1,437,923	685,151	845,368
	Day care	186,804	211,359	189,618
	Other services	352,560	1,155,512	1,155,512
	Direct payments	54,313	88,603	24,589
	Total	**3,440,565**	**3,863,001**	**3,791,991**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

[39] In the CIAR and WDR – Social care, the data for the care homes sector (residential care and nursing care) is not differentiated. Therefore, all information for the care homes sector is presented under residential care.

4.3.2 Employment

Table 4.6 shows the indirect and induced effects are largest in due to domiciliary care activity. This is because there are more direct jobs and FTEs in the domiciliary care sector than all other adult social care sectors.

Table 4.6 Indirect and induced employment effects in Scotland

	Service	Jobs	FTEs
Direct employment	Residential care	53,700	42,100
	Nursing care[40]	-	-
	Domiciliary care	69,000	49,300
	Day care	9,500	6,700
	Other services	11,100	9,300
	Personal Assistants	4,600	2,100
	Total	**147,800**	**109,600**
Indirect employment	Residential care	10,700	8,400
	Nursing care	-	-
	Domiciliary care	13,700	9,800
	Day care	1,900	1,300
	Other services	2,200	1,900
	Personal Assistants	900	400
	Total	**29,400**	**21,800**
Induced employment	Residential care	7,800	6,100
	Nursing care	-	-
	Domiciliary care	10,000	7,200
	Day care	1,400	1,000
	Other services	1,600	1,400
	Personal Assistants	700	300
	Total	**21,400**	**15,900**
Total employment	Residential care	72,100	56,600
	Nursing care	-	-
	Domiciliary care	92,700	66,300
	Day care	12,800	9,000
	Other services	14,900	12,600
	Personal Assistants	6,200	2,800
	Total	**198,600**	**147,300**

Figures rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

[40] In the CIAR and WDR – Social care, the data for the care homes sector (residential care and nursing care) is not differentiated. Therefore, all information for the care homes sector is presented under residential care.

4.4 Wales

4.4.1 GVA

Table 4.7 shows that in Wales the largest indirect and induced effects are estimated to be for residential care activities in the expenditure approach.

Table 4.7 Indirect and induced GVA effects in Wales, (£000)

	Service	Income	Expenditure	Output
Direct GVA	Residential care	328,012	502,078	386,037
	Nursing care	150,317	210,656	357,304
	Domiciliary care	292,266	179,771	186,402
	Day care	114,643	68,841	43,226
	Other services	242,761	200,342	200,342
	Direct payments	25,549	41,272	10,951
	Total	**1,153,549**	**1,202,959**	**1,184,262**
Indirect GVA	Residential care	144,620	243,993	187,601
	Nursing care	52,588	80,686	136,856
	Domiciliary care	137,404	84,516	87,634
	Day care	61,735	37,070	23,277
	Other services	149,230	123,154	123,154
	Direct payments	8,162	13,185	3,498
	Total	**553,738**	**582,604**	**562,020**
Induced GVA	Residential care	150,190	237,082	182,287
	Nursing care	64,478	92,581	157,031
	Domiciliary care	136,538	83,984	87,082
	Day care	56,048	33,656	21,133
	Other services	124,565	102,799	102,799
	Direct payments	10,713	17,305	4,592
	Total	**542,532**	**567,406**	**554,924**
Total economic value	Residential care	622,822	983,153	755,925
	Nursing care	267,383	383,923	651,191
	Domiciliary care	566,209	348,271	361,118
	Day care	232,426	139,567	87,636
	Other services	516,556	426,295	426,295
	Direct payments	44,424	71,762	19,042
	Total	**2,249,820**	**2,352,970**	**2,301,207**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

4.4.2 Employment

Table 4.8 shows the indirect and induced effects are largest in due to residential care activity. This is because there are more direct jobs and FTEs in the residential care sector than all other adult social care sectors.

Table 4.8 Indirect and induced employment effects in Wales

	Service	Jobs	FTEs
Direct employment	Residential care	24,700	18,300
	Nursing care	7,300	5,500
	Domiciliary care	23,500	17,200
	Day care	9,100	6,900
	Other services	15,300	12,100
	Personal Assistants	3,600	1,600
	Total	**83,400**	**61,600**
Indirect employment	Residential care	8,900	6,500
	Nursing care	2,300	1,700
	Domiciliary care	8,900	6,300
	Day care	3,700	2,800
	Other services	6,300	5,100
	Personal Assistants	1,100	500
	Total	**31,200**	**23,000**
Induced employment	Residential care	3,600	2,600
	Nursing care	1,000	800
	Domiciliary care	3,500	2,500
	Day care	1,400	1,000
	Other services	2,300	1,800
	Personal Assistants	500	200
	Total	**12,200**	**9,000**
Total employment	Residential care	37,200	27,500
	Nursing care	10,500	8,000
	Domiciliary care	35,900	26,000
	Day care	14,200	10,700
	Other services	23,900	19,100
	Personal Assistants	5,100	2,400
	Total	**126,800**	**93,600**

Figures rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

4.5 United Kingdom

4.5.1 GVA

Table 4.9 shows that in UK the largest indirect effects are estimated to be for residential care in the expenditure approach. The largest induced effects are for residential care in the expenditure approach.

Table 4.9 Indirect and induced GVA effects in UK, (£000)

	Service	Income	Expenditure	Output
Direct GVA	Residential care	11,828,160	13,976,558	14,097,250
	Nursing care	-	-	-
	Domiciliary care	7,632,427	3,548,539	5,267,201
	Day care	734,429	248,459	195,611
	Other services	2,845,719	5,846,359	5,840,207
	Direct payments	1,212,791	1,166,968	497,726
	Total	**24,253,526**	**24,786,883**	**25,897,996**
Indirect GVA	Residential care	4,856,627	5,569,870	5,538,345
	Nursing care	-	-	-
	Domiciliary care	3,434,247	1,596,682	2,370,002
	Day care	439,006	148,517	116,927
	Other services	1,686,216	3,329,136	3,325,633
	Direct payments	387,429	372,791	159,000
	Total	**10,803,525**	**11,016,995**	**11,509,907**
Induced GVA	Residential care	5,301,999	6,211,356	6,239,691
	Nursing care	-	-	-
	Domiciliary care	3,516,707	1,635,020	2,426,908
	Day care	372,888	126,149	99,316
	Other services	1,440,133	2,915,738	2,912,670
	Direct payments	508,509	489,296	208,691
	Total	**11,140,236**	**11,377,559**	**11,887,277**
Total economic value	Residential care	12,533,563	16,154,954	12,630,422
	Nursing care	-	-	-
	Domiciliary care	14,583,381	6,780,240	10,064,111
	Day care	1,546,322	523,125	411,854
	Other services	5,972,069	12,091,233	12,078,510
	Direct payments	2,108,729	2,029,055	865,417
	Total	**46,197,287**	**47,181,436**	**49,295,179**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

4.5.2 Employment

Table 4.10 shows the indirect and induced effects are largest in due to residential and nursing care activity. This is because there are more direct jobs and FTEs in the residential and nursing care sectors than all other adult social care sectors.

Table 4.10 Indirect and induced employment effects in UK

	Service	Jobs	FTEs
Direct employment	Residential care	772,800	594,400
	Nursing care	-	-
	Domiciliary care	630,400	404,000
	Day care	57,900	43,100
	Other services	145,200	117,100
	Personal Assistants	151,300	69,500
	Total	**1,757,700**	**1,228,100**
Indirect employment	Residential care	259,700	199,400
	Nursing care	-	-
	Domiciliary care	219,000	141,400
	Day care	23,400	17,400
	Other services	57,100	46,300
	Personal Assistants	44,900	20,600
	Total	**604,100**	**425,100**
Induced employment	Residential care	110,000	84,500
	Nursing care	-	-
	Domiciliary care	90,500	58,100
	Day care	8,700	6,400
	Other services	21,500	17,400
	Personal Assistants	20,900	9,600
	Total	**251,500**	**176,100**
Total employment	Residential care	1,142,500	878,300
	Nursing care	-	-
	Domiciliary care	939,900	603,500
	Day care	90,000	67,000
	Other services	223,900	180,800
	Personal Assistants	217,000	99,700
	Total	**2,613,300**	**1,829,200**

Figures rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

5 Variation in average earnings

In this section, an analysis of the effect changes in earnings in the adult social care sector would have on GVA in the sector is presented. These are estimates using the income approach to estimating the economic value of the sector.

It should be noted that this is a simplified calculation, and takes no account of potential changes in employer behaviour to changes in pay. This means that in the GVA calculations, the following variables have not been altered:

- The number of workers employed in the sector;
- The average number of hours worked in the sector;
- The value of Gross Operating Surplus (GOS) generated in the sector.

Another aspect which has not been considered in this analysis is the effect of the increased earnings on other sectors of the economy. An increase in spending on the wages in the adult social care sector (and the increase in GVA) could come at the cost of GVA elsewhere in the economy, due to:

- Higher taxation to fund the higher adult social care wages - reduces private expenditure (assuming gross earnings do not change);
- Changes in public expenditure - increased funding in the adult social care sector from existing public funds would decrease public spending in other areas; and
- Increased private expenditure on adult social care displacing private expenditure on other goods and services – as service users spend more on adult social care (to fund higher wages), they spend less on other goods and services.

5.1 England

In England, increasing the earnings for all types of providers in all types of service provision to 105%, 110% and 120% of current estimated earnings provides the GVA and productivity estimates presented in Table 5.1 and Table 5.2 below.

This shows that the direct GVA in the sector would increase to £23.1 billion if earnings in the sector increased by 20%. This would lead to an increase in the indirect and induced economic value of the adult social care sector, leading to a total economic value of £43.9 million in 2016. The estimated productivity in the sector increases to £22,400 per FTE.

Table 5.1 Income estimates of direct GVA adult social care and related GVA in England, 2016

	GVA at 105% of earnings (£'000)	GVA at 110% of earnings (£'000)	GVA at 120% of earnings (£'000)
Residential care	5,472,262	5,664,687	6,049,535
Nursing care	5,058,228	5,249,435	5,631,848
Domiciliary care	6,451,212	6,709,772	7,226,892
Day care	458,626	458,626	458,626
Other services	2,327,805	2,327,805	2,327,805
Personal Assistants	1,208,838	1,266,402	1,381,529
Total	**20,976,972**	**21,676,727**	**23,076,236**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

Table 5.2 Summary of economic indicators in England, 2016

	GVA at 105% of earnings	GVA at 110% of earnings	GVA at 120% of earnings
Direct GVA (£000)	20,976,972	21,676,727	23,076,236
Productivity	20,400	21,100	22,400
Indirect GVA (£000)	9,254,381	9,583,067	10,240,440
Induced GVA (£000)	9,606,752	9,933,565	10,587,189
Total GVA (£000)	**39,838,105**	**41,193,358**	**43,903,865**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

5.2 Northern Ireland

Increasing the earnings in the adult social care sector in Northern Ireland by 105%, 110% and 120% of current estimated earnings provides the GVA and productivity estimates presented in Table 5.3 and Table 5.4 below.

Increasing the earnings in the adult social care sector by 20% would lead to an increase in direct GVA to £639 million. This would also lead to an increase in indirect and induced GVA in Northern Ireland, and the total economic value of the adult social care sector would be £1.2 billion if earnings were increased by 20%. The estimated level of productivity would increase to £22,100 if earnings increased by 20%.

Table 5.3 Income estimates of direct GVA adult social care and related GVA in Northern Ireland, 2016

	GVA at 105% of earnings (£'000)	GVA at 110% of earnings (£'000)	GVA at 120% of earnings (£'000)
Residential care	281,010	292,100	314,281
Nursing care[41]	-	-	-
Domiciliary care	203,963	212,645	230,008
Day care	39,326	41,199	44,945
Other services	43,763	45,847	50,015
Total	**568,062**	**591,791**	**639,249**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

[41] The Social Care Council register does not differentiate between Adult Residential and Nursing Care for workers providing care to service users. Therefore, the total number of jobs (including support staff) in both sectors are presented in the residential care category.

Table 5.4 Summary of economic indicators in Northern Ireland, 2016

	GVA at 105% of earnings	GVA at 110% of earnings	GVA at 120% of earnings
Direct GVA (£000)	568,062	591,791	639,249
Productivity	19,700	20,500	22,100
Indirect GVA (£000)	162,466	169,252	182,825
Induced GVA (£000)	321,432	334,859	361,712
Total GVA (£000)	**1,051,960**	**1,095,902**	**1,183,786**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

5.3 Scotland

Increasing the earnings in the adult social care sector in Scotland by 105%, 110% and 120% of current estimated earnings provides the GVA and productivity estimates presented in Table 5.5 and Table 5.6 below.

An increase in earnings in the adult social care sector in Scotland will lead to an increase in the direct GVA generated by the adult social care sector. An increase of 20% would lead to direct GVA rising to £2.7 billion in 2016 in Scotland. There would also be an increase in indirect and induced GVA, which would lead to the total economic value of the sector rising to £4.1 billion. Productivity in the sector would rise to £24,500 per FTE.

Table 5.5 Income estimates of direct GVA adult social care and related GVA in Scotland, 2016

	GVA at 105% of earnings (£'000)	GVA at 110% of earnings (£'000)	GVA at 120% of earnings (£'000)
Residential care	971,278	1,009,505	1,085,960
Nursing care[42]	-	-	-
Domiciliary care	995,667	1,039,107	1,125,986
Day care	129,891	136,077	148,447
Other services	245,148	256,822	280,169
Personal Assistants	37,766	39,564	43,161
Total	**2,379,751**	**2,481,075**	**2,683,723**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

[42] In the CIAR and WDR – Social care, the data for the care homes sector (residential care and nursing care) is not differentiated. Therefore, all information for the care homes sector is presented under residential care.

Table 5.6 Summary of economic indicators in Scotland, 2016

	GVA at 105% of earnings	GVA at 110% of earnings	GVA at 120% of earnings
Direct GVA (£000)	2,379,751	2,481,075	2,683,723
Productivity	21,700	22,600	24,500
Indirect GVA (£000)	534,882	557,656	603,203
Induced GVA (£000)	678,939	707,846	765,661
Total GVA (£000)	**3,593,571**	**3,746,577**	**4,052,588**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

5.4 Wales

In Wales, increasing the earnings for all types of providers in all types of service provision to 105%, 110% and 120% of current estimated earnings provides the GVA and productivity estimates presented in Table 5.7 and Table 5.8 below.

An increase in earnings in the adult social care sector of 20% would lead to the direct economic value of the adult care sector rising to £1.4 billion. The total economic value of the adult social care sector, including indirect and induced GVA, would rise to £2.7 billion. Productivity would increase to £22,100 per FTE.

Table 5.7 Income estimates of direct GVA adult social care and related GVA in Wales, 2016

	GVA at 105% of earnings (£'000)	GVA at 110% of earnings (£'000)	GVA at 120% of earnings (£'000)
Residential care	342,932	357,853	387,694
Nursing care	154,946	159,575	168,834
Domiciliary care	305,183	318,100	343,933
Day care	120,375	126,108	137,572
Other services	254,899	267,037	291,313
Personal Assistants	26,827	28,104	30,659
Total	**1,205,163**	**1,256,777**	**1,360,005**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

Table 5.8 Summary of economic indicators in Wales, 2016

	GVA at 105% of earnings	GVA at 110% of earnings	GVA at 120% of earnings
Direct GVA (£000)	1,205,163	1,256,777	1,360,005
Productivity	19,600	20,400	22,100
Indirect GVA (£000)	579,424	605,110	656,481
Induced GVA (£000)	567,096	591,660	640,788
Total GVA (£000)	**2,351,683**	**2,453,547**	**2,657,274**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

5.5 United Kingdom

Increasing the earnings in each of the nations of the UK will also impact on the UK estimates of direct GVA, productivity and the total economic value of the adult social care sector. This is presented in Table 5.9 and Table 5.10 below. Direct GVA would increase to nearly £28 billion if earnings increased by 20%, with total GVA (including indirect and induced effects) increasing to nearly £53 billion.

Table 5.9 Income estimates of direct GVA adult social care and related GVA in the UK, 2016

	GVA at 105% of earnings (£'000)	GVA at 110% of earnings (£'000)	GVA at 120% of earnings (£'000)
Residential care	12,280,658	12,733,156	13,638,152
Nursing care[43]	-	-	-
Domiciliary care	7,956,025	8,279,623	8,926,820
Day care	748,219	762,010	789,590
Other services	2,871,615	2,897,510	2,949,302
Personal Assistants	1,273,431	1,334,070	1,455,349
Total	**25,129,948**	**26,006,369**	**27,759,212**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

Table 5.10 Summary of economic indicators in the UK, 2016

	GVA at 105% of earnings	GVA at 110% of earnings	GVA at 120% of earnings
Direct GVA (£000)	25,129,948	26,006,369	27,759,212
Productivity	20,500	21,200	22,600
Indirect GVA (£000)	11,188,496	11,573,467	12,343,409
Induced GVA (£000)	11,541,074	11,941,913	12,743,589
Total GVA (£000)	**47,859,518**	**49,521,749**	**52,846,211**

All values rounded to the nearest £1,000. Totals may not equal the sum of services due to rounding.

5.6 Summary

This presents a simplified analysis of how increasing earnings in the adult social care sector could affect the GVA generated by the sector. However, it does not include an assessment of how employers may react to paying higher wages (for example by reducing the number of staff employed, or the number of hours they work), or the amount of GOS they generate.

Using this simplified analysis increasing earnings in the sector will lead to an increase in GVA in the adult social care sector. However, the increase in wages would need to be underpinned by benefits to employers, for example through improved staff performance or an increase in funding / pricing to support an increase in GVA / productivity. In the absence of these types of benefits, employers may alter their current employment behaviour or the type of provision they offer.

[43] The data for the care homes sector (residential care and nursing care) in Scotland and Northern Ireland is not differentiated. Therefore, all information for the care homes sector is presented under residential care.

PART A: ANNEXES

Annex 3 Earnings used in calculations

A3.1 England

Table A3.1 Earnings information used in calculations, England, 2016

Provider	Service	Earnings per FTE	105% earnings	110% earnings	120% earnings
Regulated					
Public	Residential care	19,500	20,500	21,500	23,500
	Nursing care	18,900	19,800	20,800	22,700
	Domiciliary care	20,400	21,400	22,400	24,400
	Day care				
	Other services				
Private	Residential care	15,900	16,600	17,400	19,000
	Nursing care	16,900	17,700	18,500	20,200
	Domiciliary care	16,200	17,100	17,900	19,500
	Day care				
	Other services				
Voluntary	Residential care	15,900	16,600	17,400	19,000
	Nursing care	16,900	17,700	18,500	20,200
	Domiciliary care	16,200	17,100	17,900	19,500
	Day care				
	Other services				
Non-regulated					
Public	Residential care	16,000	16,800	17,600	19,200
	Nursing care				
	Domiciliary care	16,700	17,600	18,400	20,100
	Day care	18,800	19,700	20,700	22,600
	Other services	24,800	26,000	27,300	29,800
Private	Residential care	16,000	16,800	17,600	19,200
	Nursing care				
	Domiciliary care	16,700	17,600	18,400	20,100
	Day care	18,800	19,700	20,700	22,600
	Other services	24,800	26,000	27,300	29,800
Voluntary	Residential care	16,000	16,800	17,600	19,200
	Nursing care				
	Domiciliary care	16,700	17,600	18,400	20,100
	Day care	18,800	19,700	20,700	22,600
	Other services	24,800	26,000	27,300	29,800
Personal Assistants					
	Personal Assistants	17,500	18,400	19,300	21,000

A3.2 Northern Ireland

Table A3.2 Earnings information used in calculations, England, 2016

Provider	Service	Earnings per FTE	105% earnings	110% earnings	120% earnings
Regulated					
Public	Residential care	19,300	20,200	21,200	23,100
	Nursing care	18,600	19,600	20,500	22,300
	Domiciliary care	17,900	18,800	19,700	21,500
	Day care	18,200	19,100	20,000	21,800
	Other services	26,000	27,300	28,600	31,200
Private	Residential care	15,600	16,400	17,200	18,700
	Nursing care	16,600	17,400	18,300	19,900
	Domiciliary care	14,300	15,000	15,700	17,100
	Day care	15,900	16,700	17,500	19,100
	Other services	16,700	17,600	18,400	20,100
Voluntary	Residential care	15,600	16,400	17,200	18,700
	Nursing care	16,600	17,400	18,300	19,900
	Domiciliary care	14,300	15,000	15,700	17,100
	Day care	15,900	16,700	17,500	19,100
	Other services	16,700	17,600	18,400	20,100

A3.3 Scotland

Table A3.3 Earnings information used in calculations, England, 2016

Provider	Service	Earnings per FTE	105% earnings	110% earnings	120% earnings
Regulated					
Public	Residential care	20,700	21,700	22,700	24,800
	Nursing care	20,000	21,000	22,000	24,000
	Domiciliary care	19,400	20,400	21,400	23,300
	Day care	19,700	20,700	21,700	23,700
	Other services	28,300	29,700	31,100	33,900
Private	Residential care	17,800	18,700	19,600	21,400
	Nursing care	17,800	18,700	19,600	21,400
	Domiciliary care	17,100	17,900	18,800	20,500
	Day care	17,300	18,100	19,000	20,700
	Other services	18,200	19,100	20,000	21,800
Voluntary	Residential care	17,800	18,700	19,600	21,400
	Nursing care	17,800	18,700	19,600	21,400
	Domiciliary care	17,100	17,900	18,800	20,500
	Day care	17,300	18,100	19,000	20,700
	Other services	18,200	19,100	20,000	21,800
Non-regulated					
	Residential care				
	Nursing care				
	Domiciliary care	17,100	17,900	18,800	20,500
	Day care	17,300	18,100	19,000	20,700
	Other services	18,200	19,100	20,000	21,800
Personal Assistants					
	Personal Assistants	17,100	17,900	18,800	20,500

A3.4 Wales

Table A3.4 Earnings information used in calculations, England, 2016

Provider	Service	Earnings per FTE	105% earnings	110% earnings	120% earnings
Regulated					
Public	Residential care	19,400	20,400	21,400	23,300
	Nursing care	18,800	19,700	20,700	22,600
	Domiciliary care	18,100	19,000	19,900	21,700
	Day care	18,300	19,300	20,200	22,000
	Other services	26,300	27,600	28,900	31,600
Private	Residential care	15,800	16,600	17,300	18,900
	Nursing care	16,800	17,600	18,400	20,100
	Domiciliary care	14,400	15,100	15,800	17,300
	Day care	16,100	16,900	17,700	19,300
	Other services	16,900	17,700	18,600	20,300
Voluntary	Residential care	15,800	16,600	17,300	18,900
	Nursing care	16,800	17,600	18,400	20,100
	Domiciliary care	14,400	15,100	15,800	17,300
	Day care	16,100	16,900	17,700	19,300
	Other services	16,900	17,700	18,600	20,300
Non-regulated					
	Residential care	15,800	16,600	17,300	18,900
	Nursing care				
	Domiciliary care	14,400	15,100	15,800	17,300
	Day care	16,100	16,900	17,700	19,300
	Other services	16,900	17,700	18,600	20,300
Personal Assistants					
	Personal Assistants	15,600	16,400	17,100	18,700