

The Economic Impact of Adult Social Care in Shropshire

*Produced by the Information, Intelligence and Insight Team,
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2017



Executive Summary

Headlines:

Nationally, over 4.2 million people are employed in the human health and social care sector. 8% of these are employed in the West Midlands. There are 21,500 people in paid employment in this sector in Shropshire, which is the equivalent of 0.5% of the national total and 6.4% of the regional total. Taken together, the health and social care sector employ more than any other sector both in Shropshire and in the UK.

The sector generated Gross Value Added (GVA)¹ to the value of £117,336 million in 2016, of which 7.8% (£9,095 million) was attributable to the West Midlands. The value of the sector in Shropshire is £593 million (6.5% of the West Midlands total).

Adult social care accounts for 52.7% of employment in the sector in Shropshire, which equates with 11,300 job, and the economic impact associated with this workforce is estimated at £313 million. Adult social care contributes a higher level of GVA to the Shropshire economy than agriculture.

Looking more broadly at the adult social care market to include the value of unpaid care as well as the spending power of recipients of those benefits specifically associated with the sector, it is evident that the economic impact is much more far-reaching than the value attributable to those that occupy paid jobs within the sector. The overall value of £647.1 million is the equivalent of more than £2,000 per head of population.

Economic impact of adult social care

	£ million	% share
Attendant Allowance/Disability Living Allowance	£58.2	9.0%
Carers' Allowance	£9.6	1.5%
Mobility Scheme	£4.8	0.7%
Adult Social Care Paid Employment	£313.0	48.4%
Direct Impact	£385.6	59.6%
Informal Carers In-Kind Value	£261.5	40.4%
Total Value Adult Social Care	£647.1	100.0

Source: Various (see main body of report)

In the 2011 Census 34,260 people in Shropshire identified themselves as carers, and the associated economic value associated with this has been calculated as £261.5 million, or an average of £7,633 each.

Unemployment and other circumstances creating low income or need for which individuals may qualify for benefits also benefits the economy of Shropshire, especially given the fact that for the most part, benefit recipients are more likely to spend locally than their more affluent counterparts.

In addition, there are significant numbers of "self-funders" of adult social care. Shropshire Partners in Care (SPIC) carried out a survey of Care Homes and Domiciliary Care providers in 2015 which found that 36% of all care home beds in Shropshire were self-funded and that 38% of domiciliary care was self-funded.

Although substantial investment is made into adult social care services - Shropshire Council alone invested £77.2 million in 2016/17 - the impact figures suggest that there is a notable return on investment.

¹ GVA is a means of measuring the contribution to the economy made by producers or sectors. It is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used in production.

Report Methodology and Scope

This report aims to evaluate the impact of the health and social care sector in Shropshire, with a particular emphasis on the value of adult social care. The report assesses the economic contribution of social care in the county by incorporating a wide range of factors including:

- The economic status of an individual person needing support or care by taking into account
 - The individual's personal resources and assets (both privately and publically awarded)
 - The resources and assets (both privately and publically awarded) of any informal carer (family, friend or community)
- The allocation of resources to the shaping of markets, strategic commissioning and commissioning for and with individuals and/or their carers
- Other factors associated with the provision of support and care in a market which is shaped to offer choice in response to local personal and community need
- The wide-scale (paid) employment within the sector
- The "multiplier effect" which can be applied to services and support provided by health and social care/adult social care which is often delivered at small-scale, local levels

It is acknowledged that the sector brings economic benefit in ways that have not be quantified in this report. This includes:

- Allowances and benefits which will contribute to the "community multiplier effect", including
 - Employment and Support Allowance (ESA)
 - Incapacity Benefit/Severe Disablement Allowance
 - Income Support
 - Pension Credit
- Investment in a skilled workforce to meet the changing needs of Shropshire
- The contribution that the sector makes in keeping people well and able to make a positive contribution to the area's productivity

The report utilises a wide range of resources and statistics, including:

Office for National Statistics

- Census 2011
- Population Mid-year estimates (2016)
- Sub-regional population projections
- Business Register of Employment Survey
- Inter-departmental Business Register

DWP

- Claimant Count
- Benefit data via Stat-Xplorer and Nomis

Oxford Economic Forecasts

Working Futures

City of Wolverhampton Care and the Local Economy report

Skills for Care research methodology

CarersUK Research

Context for Shropshire

Regional and Local Context

Shropshire Council's Corporate Plan (2016/17) has as its vision "Working to make Shropshire a great place to live, learn, work and visit". Its high level outcomes are:

- Healthy people
- Resilient communities
- A prosperous economy

Shropshire Council's Economic Growth Strategy (2017) identifies health and social care as one of Shropshire's priority sectors.

Alongside Herefordshire Council and Telford & Wrekin Council, Shropshire is a partner in the Marches Local Enterprise Partnership.

Shropshire Council is an associate member of the West Midlands' Combined Authority (WMCA), whose priorities are:

- Economic – create an economy which is the strongest outside London
- Skills – improve skills across the West Midlands
- Transport – establish a fully integrated rail and rapid transport network that connects main centres with quick and frequent services and that increases the number of people who can readily access High Speed 2 stations
- Housing – provide adequate housing for an ever increasing population

Demographics

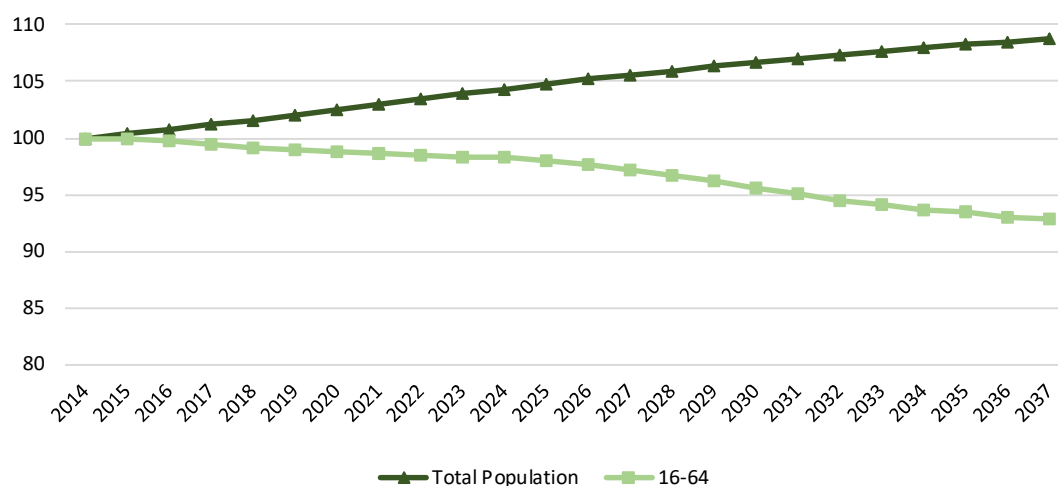
Shropshire has a population of 313,400 living within 129,700 households over 1,235 square miles. Shropshire is a sparsely populated and predominantly rural large county. The county is approximately ten times larger than all Inner London Boroughs but accommodates just under one person per hectare. Shropshire is bordered by Cheshire and Staffordshire to the north, Wales to the west, Herefordshire and Worcestershire to the south and east, and across its eastern flank to Telford and Wrekin and the West Midlands. Around 35% of Shropshire's population lives in villages, hamlets and dwellings dispersed throughout the countryside. The remainder live in one of the 17 market towns and key centres of varying size, including Ludlow in the south and Oswestry in the north, or in Shrewsbury, the central county town.

Shropshire has a rapidly ageing population with the numbers of older people in Shropshire projected to rise from 74,000 in 2016 to 112,200 in 2037 a net gain of 38,200 people or 52% growth.

40% of Shropshire's population fall outside traditional working age (16-64), and this proportion has risen over the last several years. Meanwhile, the working age population, the equivalent of 186,900 people, has been in decline since 2008. The 16-64 population is projected to decline further, and by 2037 is expected to account for just 52% of the total population. This means that Shropshire's wealth generating capability will be severely compromised given a dependency ratio of almost 1:1 (the ratio of those who are economically active against those who are not).

Shropshire's ageing demographic means that the provision of adult social care is of particular importance but the rurality of the county can make the delivery of effective services more challenging. There will be an increased tax burden to support public sector provision; however market opportunity for the private sector to deliver products and services will also expand. Market shaping and subsequent commissioning can provide a major route for this. Business development may also occur independently of council plans. Other areas of business growth might be considered such as encouraging location of telecare manufacturers in the county.

Shropshire population projections, 2014-2037



Source: ONS, 2014 Sub-National Population Projections © Crown Copyright, 2017

Life expectancy for males is 80.3 years and for females is 83.8 (Public Health Local Profile, 2017).

Ethnic Minority Group residents account for 1.2% of the total population

Employment and Unemployment

Shropshire has a high economic activity rate amongst the 16-64 population (82.4% compared with 77.8% nationally in 2016, Annual Population Survey), and given comparatively low levels of unemployment as well, employment levels are high for this age group. However, given the high proportion of the population that is attributable to those past retirement age, the economic activity rate of the 16+ population is comparable to the national rate (63.2%).

The Annual Population Survey suggests that 3.4% of the Shropshire population aged 16-64 was unemployed² in 2016 (year ending December). This equates with approximately 5,100 people. The unemployment rate for the 16+ population was 3.3% over the same period. Shropshire has a lower unemployment rate than Great Britain (4.9%) or the West Midlands (5.7%). Of all local authorities in the country (county and unitary authorities), Shropshire is within the quintile with the lowest level of unemployment.

Unemployment rates, 2016

	Shropshire	Marches LEP	West Midlands	Great Britain
Unemployment rate - aged 16-64	3.4%	4.3%	5.7%	4.9%
Unemployment rate - aged 16+	3.3%	4.2%	5.5%	4.8%

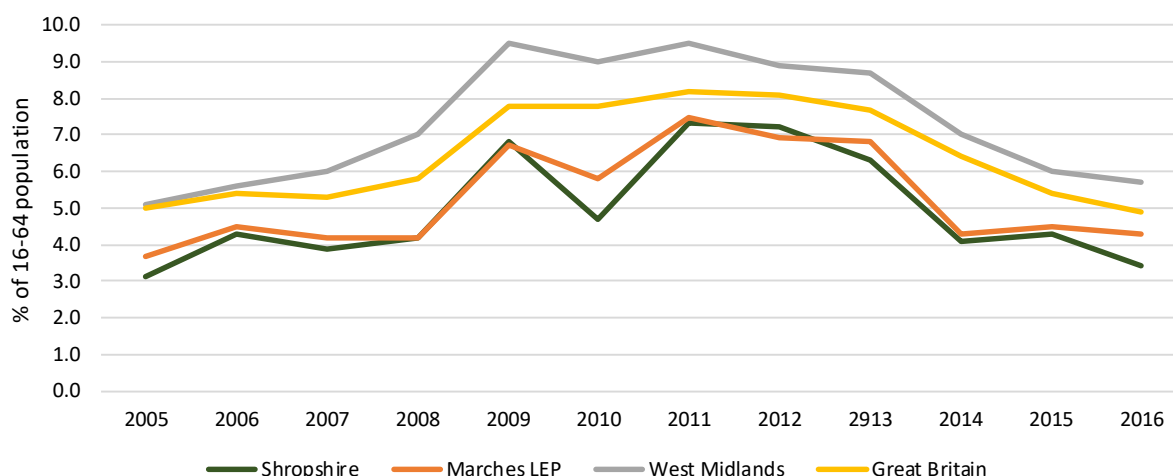
Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017

Note: Year ending December

The rate of unemployment has fluctuated by a notable extent over the last decade, starting off at just 3.1% in 2005. The rate spiked in 2009 at 6.2% when the country was in recession, and then peaked at 7.3% in 2011 in the wake of the economic downturn. Subsequently, the proportion of the population of traditional working age (16-64) which is unemployed has fallen and has dipped below 4% once more.

² The ILO defines the unemployment rate as the percentage of the population who are not in employment but who are seeking work and are available to work. They do not necessarily claim benefits.

Trends in unemployment, 2005-2016

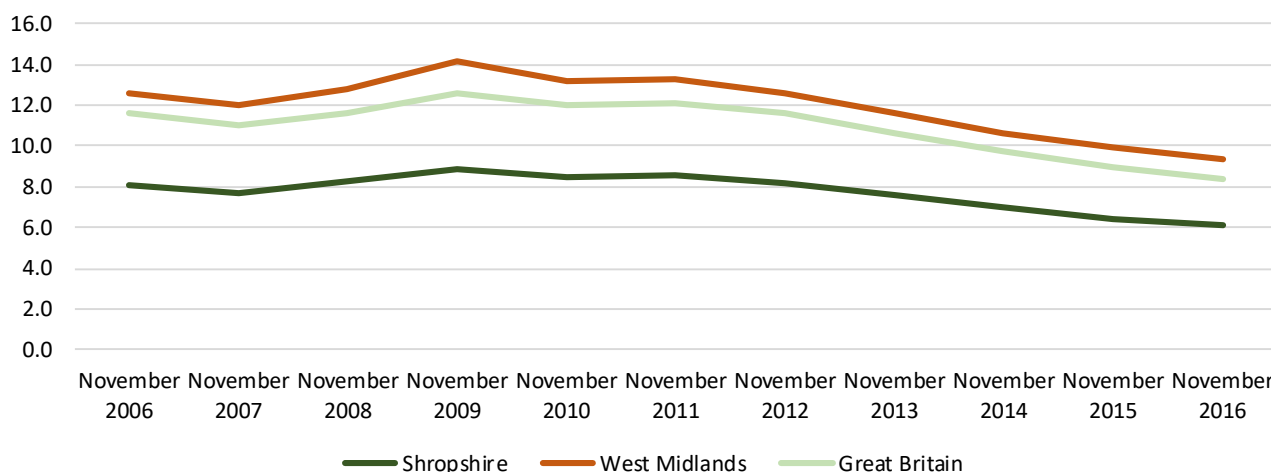


Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
 Note: Year ending December

Out-of-Work Benefit Claimants

6.1% of the Shropshire 16-64 population, or 11,370 people, claimed out-of-work benefits in November 2016³. This compares favourably with 8.4% in Great Britain and 9.4% in the West Midlands. The claimant rate peaked in Shropshire (and regionally and nationally as well) at 9% in 2009. It has fallen in each subsequent year. The following chart shows that while the Shropshire out-of-work benefit claimant rate has been consistently lower than in the West Midlands or Great Britain over the last decade, it has broadly followed national and regional trends. Research indicates that those on lower incomes, including benefit recipients, spend a disproportionately high percentage of their income in the local area in comparison with more affluent residents.⁴

Out-of-work benefit claimants, 2006-2016



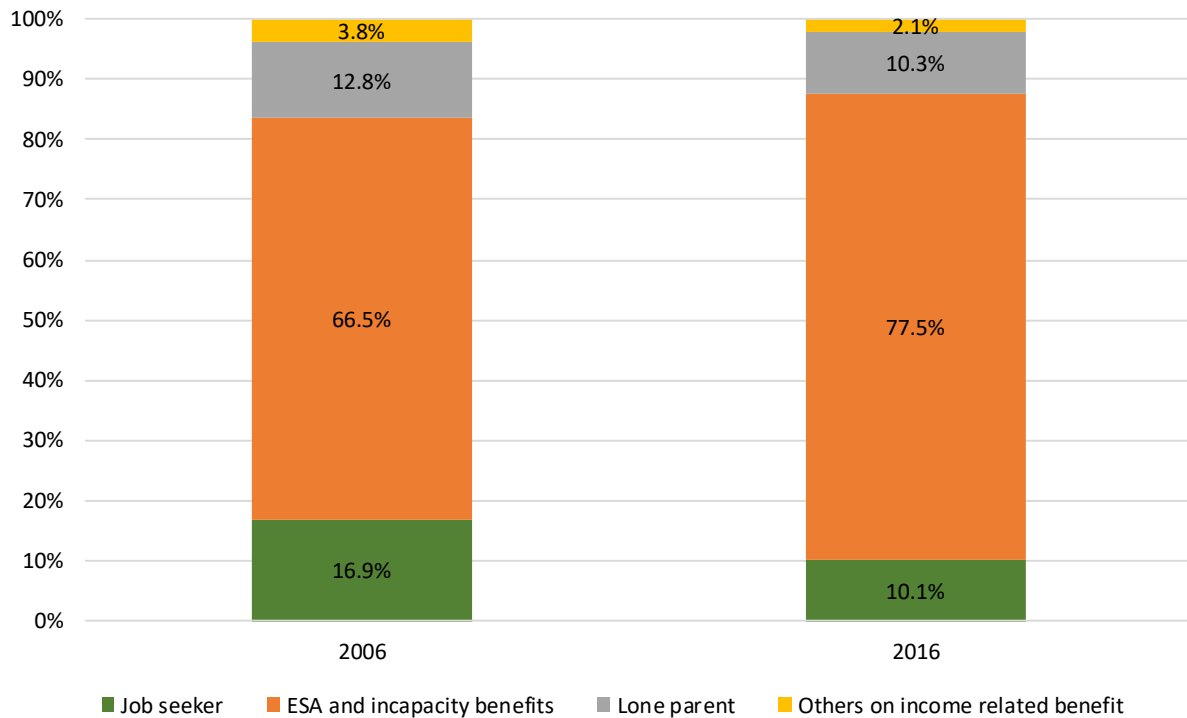
Source: ONS, DWP, 2017, © Crown Copyright, 2017

The following chart shows how the composition of out-of-work benefits has changed over the last decade. The number claiming all main out-of-work benefits has fallen, but this has been less acute for Employment and Support Allowance (ESA) and incapacity benefit than it has for Jobseeker’s Allowance (JSA) claimants or lone parents (-11.2% between November 2006 and November 2016 compared with -38.7% for lone parents and -54.5% for JSA) and as a result, ESA/incapacity benefit claimants now account for more than three-quarters of all claims.

³ Out-of-work benefit claimants are not necessarily available for work, and as such are not necessarily classified as unemployed according to the ILO definition

⁴ New Economics Foundation (2002) the Money Trail

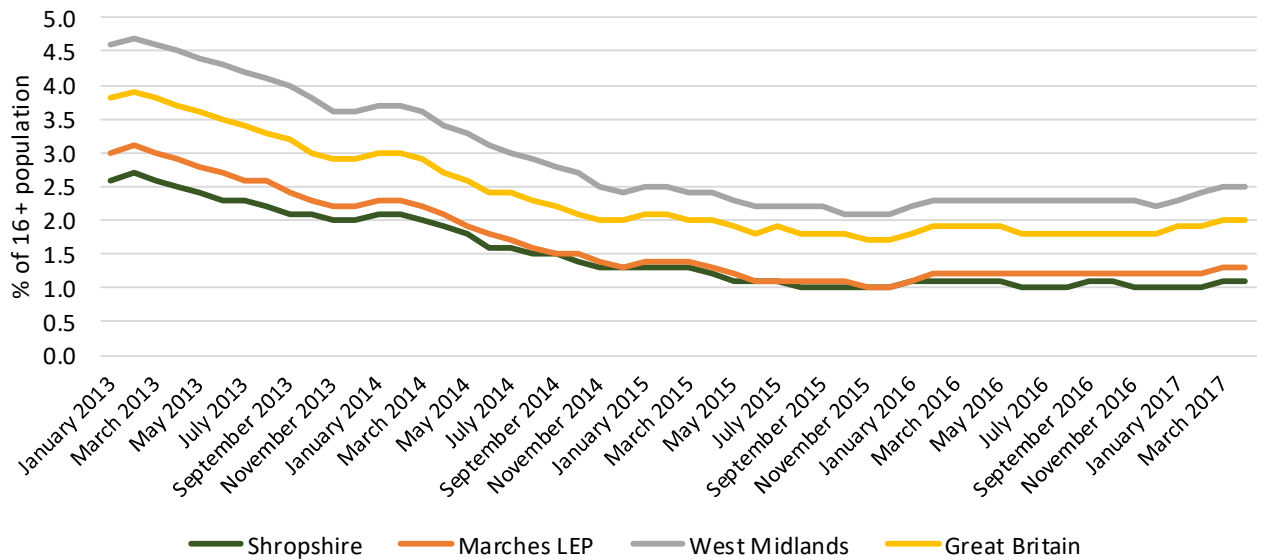
Breakdown of out-of-work benefit claimants by benefit type, 2006 and 2016



Source: ONS, DWP, 2017, © Crown Copyright, 2017

The following chart shows the percentage of the population aged 16 and over claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work. This dataset has replaced the number of people claiming Jobseeker's Allowance as the headline ONS indicator of the number of people claiming benefits principally for the reason of being unemployed. The number of claimants was in steady decline between 2013 and mid-2015, but has since stabilised at around 2,000 people (2,015 in April 2017), or 1.1% of the population. This proportion is notably lower than in the West Midlands (2.5%) or Great Britain (1.0%).

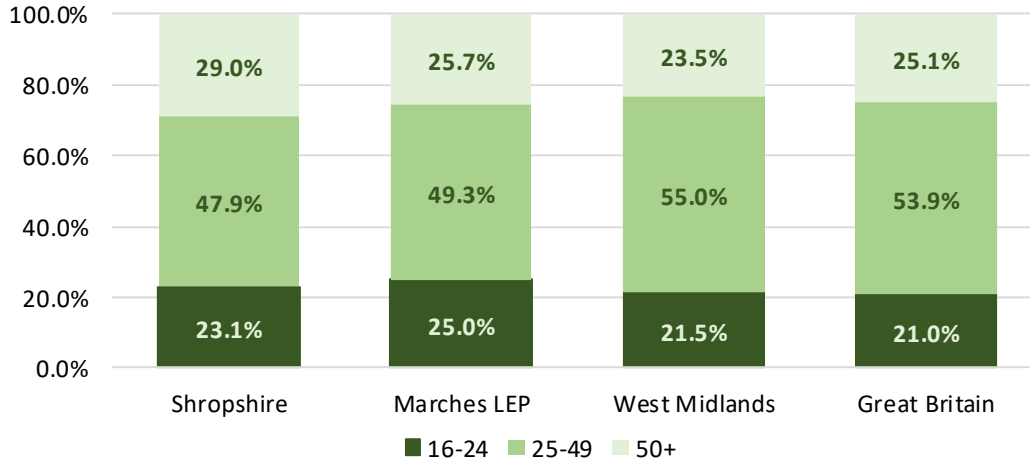
Proportion of the population claiming JSA/universal credit, 2013-2017



Source: ONS, DWP, 2017, © Crown Copyright, 2017

A relatively high proportion of claimants in Shropshire are attributable to younger and older age bands. In April 2017, 23.1% of the total were aged below 25 (21% nationally) while 29.0% were 50 and above (25.1% nationally).

Breakdown of claimants* by age, April 2017



Source: ONS, DWP, 2017, © Crown Copyright, 2017

*Note: JSA/Universal Credit

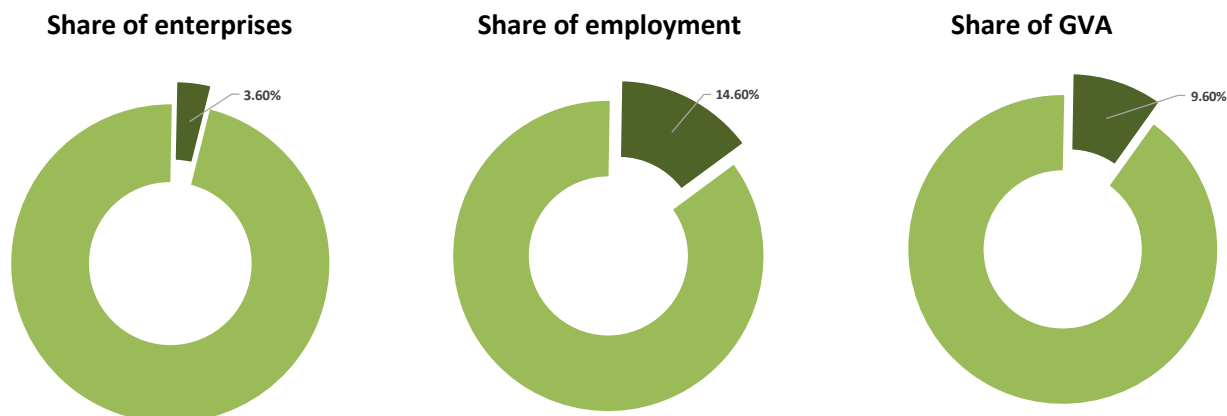
Jobs and Businesses

National Context

The health and social care sector is a crucial component of the UK economy. More than 4 million are employed by the sector, and it includes some of the largest occupational groups, including nurses and care assistants. The sector generates more than £115 billion in GVA across the country. Employment in the sector has risen by 16% over the last decade, while its value has grown by 27%.

The Health Sector in the Context of the Shropshire Economy

The graphic below illustrates the contribution the health and social care sector makes to the economy in Shropshire.



There were 15,480 enterprises in Shropshire in March 2016, which were represented by 17,615 local VAT or PAYE registered units. These enterprises supported 114,800 employee jobs in Shropshire in 2015, which represents an increase of 1,500 compared with 2009 (+1.3%). This employment figure excludes sole traders and the self-employed.

550 enterprises, or 3.6% of all enterprises, are classified as operating in the human health and social care sector. Meanwhile 16,900 employee jobs were attributable to the same sector, which is the equivalent of 14.7% of the total in 2015.

In some respects, organisations operating in the health sector are atypical for Shropshire, where more than nine out of 10 operators employ fewer than 10 and where the average number of employees per enterprise is 7.4. In the health sector, employment levels are on average four times higher than this at 30.7 employees per enterprise. Only education and public administration have on average more employees per organisation.

When considering total paid employment in the health sector (that is employee jobs and the self-employed) 21,500 people worked in the health and social care sector in 2016. This is 14.6% of the workforce, which makes it the largest sector in the county (Oxford Economics⁵) ahead of manufacturing, retail, wholesale and education (when wholesale and retail are defined as separate sectors). It is also the largest employment sector nationally, albeit with a lower share of total employment than Shropshire (12.5%).

⁵ Shropshire Council commissioned baseline forecasts from Oxford Economics in March 2016. These forecasts illustrate what Oxford Economics expect to happen to the economy in Shropshire based on historic local trends and nation/international context and in the absence of any significant large scale developments.

Shropshire employment and GVA generation by sector, 2016

	Employment		GVA	
	'000s	%	£ million	%
Agriculture, forestry and fishing	5.9	4.0%	204	3.3%
Mining and quarrying	0.3	0.2%	46	0.7%
Manufacturing	13.5	9.2%	656	10.6%
Electricity, gas, steam and air conditioning supply	0.6	0.4%	150	2.4%
Water supply; sewerage, waste management and remediation activities	1.3	0.9%	112	1.8%
Construction	12.2	8.3%	500	8.1%
Wholesale and retail trade; repair of motor vehicles and motorcycles	23.9	16.2%	865	14.0%
Transportation and storage	6.3	4.3%	263	4.3%
Accommodation and food service activities	10.6	7.2%	223	3.6%
Information and communication	3.4	2.3%	206	3.3%
Financial and insurance activities	1.2	0.8%	70	1.1%
Real estate activities	2.6	1.8%	829	13.4%
Professional, scientific and technical activities	8.5	5.7%	295	4.8%
Administrative and support service activities	6.4	4.4%	208	3.4%
Public administration and defence; compulsory social security	7.2	4.9%	333	5.4%
Education	13.4	9.1%	423	6.8%
Human health and social work activities	21.5	14.6%	593	9.6%
Arts, entertainment and recreation	4.4	3.0%	63	1.0%
Other service activities	4.4	3.0%	137	2.2%
Total	147.4	100.0%	6175	100.0%

Source: Oxford Economics

Note: Employment includes the self-employed

Sector Value

Although many jobs in the sector tend to be relatively low paid, which brings down average GVA per job, it still makes up almost a tenth of the Shropshire economy (9.6% in 2016 or £593 million). The value of the sector has more than doubled over the last two decades, rising from £212 million in 1996. Growth in the value of the health and social care sector has far surpassed growth nationally since 1996 (+180% compared with +99%).

Growth in the value of the human health and social care sector, 1996-2016



Source: Oxford Economics

GVA per job is £27,600 (2016) compared with £41,900 for all jobs in Shropshire. Although GVA generation per job is comparatively low in the health sector, it does compare favourably with arts, entertainment and recreation and accommodation and food service activities (£14,500 and £21,200 respectively).

Average GVA per job, 2016

	GVA per Job (£)
Agriculture, forestry and fishing	34,500
Mining and quarrying	143,800
Manufacturing	48,500
Electricity, gas, steam and air conditioning supply	266,200
Water supply; sewerage, waste management and remediation activities	87,400
Construction	40,900
Wholesale and retail trade; repair of motor vehicles and motorcycles	36,200
Transportation and storage	41,900
Accommodation and food service activities	21,100
Information and communication	60,200
Financial and insurance activities	60,800
Real estate activities	319,800
Professional, scientific and technical activities	34,900
Administrative and support service activities	32,300
Public administration and defence; compulsory social security	46,400
Education	31,600
Human health and social work activities	27,600
Arts, entertainment and recreation	14,500
Other service activities	30,800
Total	41,900

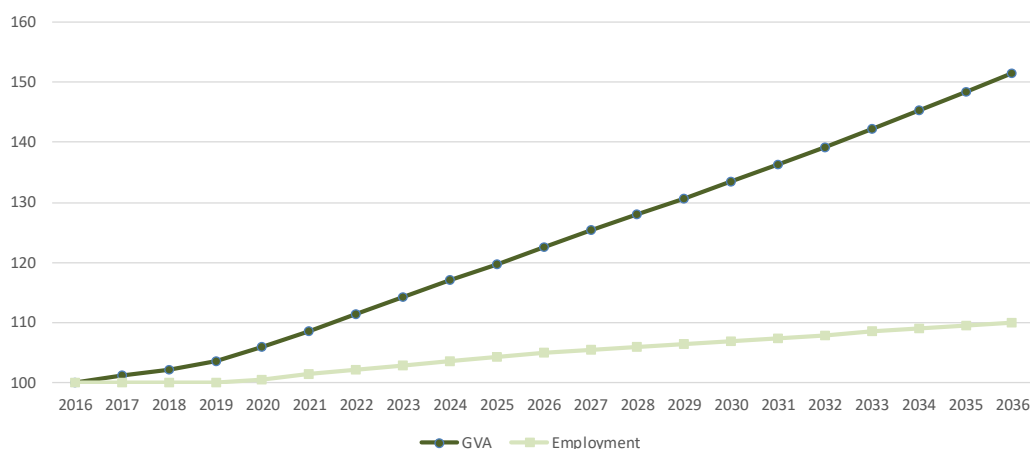
Source: Oxford Economics

Growth Projections

Oxford Economics project employment in the health and social care sector to grow by around 10% over the 20 years to 2036 which will take employment levels to 23,600 (equating with 2,100 more jobs). The proportion of employment attributable to the sector is expected to edge up to 15%.

The value to the economy associated with jobs in the human health and social care sector is forecast to rise to £898 million (+51.4%), which is the equivalent of an annual increase of about £15 million. Over the next 20 years, 10% of the economy will continue to be accountable by human health and social work activities.

Projected growth in employment and GVA in the human health and social care sector, 2016-2036



Source: Oxford Economics

In addition to the 2,100 additional jobs that will be needed in the health and social care sector to 2036, replacement demand will mean that additional numbers over and above the 2,100 will need to be recruited and trained. Nationally, it is estimated that 1.4 million workers have left/will leave the profession between 2012 and 2022. This equates with an average of 140,000 per year, or about 3.3% of the workforce.

Based on these national figures, an additional 700 health/social care workers will be needed in Shropshire each year to keep pace with those leaving employment in the sector in addition to the 100 or so needed to cope with additional demand.

Types of Employment in the Health Sector

Hospital employment accounts for the highest proportion of overall employment in the health sector at 28.8% in 2015. This is, however, significantly lower than is the case regionally or nationally (38.9% and 36.2% respectively).

In contrast, a notably higher proportion are employed in “other human health activities” at 18.8% compared with 13.7% in the West Midlands and 10.7% in Great Britain. This class includes:

- activities for human health not performed by hospitals or by medical doctors or dentists, including activities of nurses, midwives, physiotherapists or other paramedical practitioners in the field optometry, hydrotherapy, medical massage, occupational therapy, speech therapy, chiropody, homeopathy, chiropractic, acupuncture etc. These activities may be carried out in health clinics such as those attached to firms, schools, homes for the elderly, labour organisations and fraternal organisations and in residential health facilities other than hospitals, as well as in own consulting rooms, patients' homes or elsewhere.
- activities of dental paramedical personnel such as dental therapists, school dental nurses and dental hygienists, who may work remote from, but are periodically supervised by, the dentist
- activities of medical laboratories such as X-ray laboratories and other diagnostic imaging centres, blood analysis laboratories
- activities of blood banks, sperm banks, transplant organ banks etc
- ambulance transport of patients by any mode of transport including aeroplanes. These services are often provided during a medical emergency.

Shropshire also supports above average employment in residential nursing care and residential care activities for the elderly and disabled.

Breakdown of employment in the health sector, 2015

	Shropshire	West Midlands	Great Britain
Residential nursing care activities	8.0%	5.8%	5.1%
Residential care activities for learning disabilities, mental health and substance abuse	0.6%	0.9%	1.2%
Residential care activities for the elderly and disabled	8.4%	6.2%	6.1%
Other residential care activities	10.1%	6.6%	6.6%
Hospital activities	28.8%	38.9%	36.2%
Medical nursing home activities	1.0%	1.2%	1.5%
General medical practice activities	5.1%	4.0%	5.6%
Specialist medical practice activities	0.2%	0.3%	0.6%
Dental practice activities	1.5%	1.5%	2.4%
Other human health activities	18.8%	13.7%	10.7%
Social work activities without accommodation for the elderly and disabled	7.9%	8.6%	7.8%
Child day-care activities	2.8%	3.8%	4.8%
Other social work activities without accommodation nec	6.9%	8.5%	11.3%
Total	100.0%	100.0%	100.0%

Source: Business Register of Employment Survey (BRES) Office for National Statistics © Crown Copyright 2017

Investment in Adult Social Care

Shropshire Council

In 2016/17 approximately £77 million was directly invested by Shropshire Council in support and services in relation to adult social care. This is broken down as:

Resource Allocation into Adult Social Care 2016/17

Older People Care Purchasing	
· Residential & Nursing	£34,147,706
· Direct Payments	£2,152,933
· Home Care	£4,633,011
· Supported Living	£196,492
· Day Care	£748,257
Disability and Mental Health	
· Residential and Nursing	£15,678,423
· Direct Payments	£4,779,897
· Home Care	£9,503,469
· Supported Living	£933,215
· Day Care	£3,128,463
Carers Support	£1,283,915
Total	£77,185,781

Source: Shropshire Council

Staff employed by or commissioned by Shropshire Council to deliver adult social care services make a direct economic contribution to the local economy through the expenditure of their salary on local goods and services

Other Investors

Shropshire and Telford Health Trust

Shropshire & Telford Health Trust employ almost 6,000 staff, and hundreds of staff and students from other organisations also work in the Trust's hospitals. In 2016/17 the actual staff employed (headcount) increased by 129 to 5,903. When taking into account those employed on part-time contracts, the full time equivalent (fte) number increased by 105 to 5,026. The substantive workforce at 31 March 2017 included approximately:

- 567 fte doctors and dentists (11%), an increase of 16 fte compared with 2016;
- 1,418 fte nursing and midwifery staff (28%), a decrease of 12 fte;
- 641 fte scientific, technical and therapies staff (13%), a decrease of 1 fte;
- 1,387 fte other clinical staff (28%), an increase of 50 fte;
- 1,013 fte non-clinical staff (20%), an increase of 52 fte.

In addition to this, the available workforce at year end included 1,027 staff employed through the Trust's internal bank, in addition to staff working within the Trust via external agencies.

Economic Impact of the Adult Social Care Sector

The economic contribution of adult social care is not limited to its direct contribution in terms of wages and supply chains but extends to indirect and induced impact whereby those that work in the sector, supply to the sector or benefit from the sector re-invest by procuring and spending locally. Economic impact increases exponentially when a high percentage of the value generated by a sector is re-invested locally. This is known as the local multiplier effect, which is most in evidence in sectors which employ and procure as locally as possible.

Shropshire Council has adapted the Skills for Care methodology⁶ and applied it to its local area to determine an approximate value to the adult social care sector, the results of which are detailed below.

Informal Carers Economic Value in Shropshire

It has always been the case that the state, acting through public sector bodies such as Councils or the NHS, has never done everything for the individual citizen. Familial/kinship bonds have always been seen as vital in the support and care of people as they grow through life or encounter challenges which come to the attention of public sector agencies.

The state cannot replicate this care through public sector agencies.

However, it is interesting in the context of a report on economic value to note the work of CarersUK, a campaigning organisation seeking greater recognition of the value of informal caring undertaken by family, friends or other significant persons to the person requiring care or support.

CarersUK has calculated⁷ that at a national level, the contribution made by informal carers in the UK is now £132 billion each year.

Applying the same methodology to Shropshire provides the following information:

In the 2011 Census 34,260 people in Shropshire identified themselves as carers. Of these, using the options offered in the Census:

- 22,835 provide 1-19 hours per week
- 4,046 provide 20-49 hours per week
- 7,379 provide 50 hours or more per week

Assuming 10 hours care per week for the first group, 25 hours per week for the second, 50 hours per week for the third group and an hourly rate of £7.20 (National Living Wage) the informal/kinship carers' contribution in Shropshire can be estimated at **£261,499,680** per annum.

Welfare Benefits

Data on welfare benefits claims in Shropshire is pulled together from a number of different sources – some by theme and others by benefit. Some data is not broken down by Local Authority area. Data sources are:

⁶ Skills for Care is a largely government-funded organisation which provides practical tools and support to help adult social care organisations in England to recruit, develop and lead their workforce. It works with employers across the public, private and voluntary sectors to collect data on the adult social care workforce to improve the availability of sector intelligence nationally and regionally. One aspect of the work has been to develop a calculation of the economic value of the adult social care sector.

⁷ <http://www.carersuk.org/news-and-campaigns/campaigns/we-care-don-tyou/value-my-care>

DWP Sources:
Stat-Xplore⁸

- Personal Independence Payment (PIP) claims in payment = 4,520 at various amounts (April 2017)
- PIP Registrations (initial PIP claim prior to assessment or reassessment) = 6,664 at various amounts (April 2017)
- Universal Credit claims in payment = 159 at various amounts

Tabulation Tool – information about ‘old’ benefits including Attendance Allowance and Carer’s Allowance. The following are statistics for Shropshire as at November 2016

Attendance Allowance

Claims in payment = 8,794

- 5,488 at Higher Rate @ £83.30
- 3,305 at Lower Rate @ £55.10
- Total = approximately⁹ £32,955,930

Disability Living Allowance

Care Component:

- 2,965 higher rate @ £82.30
- 3,664 middle rate @ £55.10
- 3,012 lower rate @ £21.80

Mobility Component

- 5,997 higher rate @ £57.45
- 3,486 lower rate @ £21.80

Total = approximately⁹ £25,281,570

Therefore the **TOTAL** estimated value of **DLA/AA** as at November 2016 is **£58,237,500**

Carer’s Allowance

Claims in payment = 2,977 at various amounts (55 aged 65+). Based on all claims paid at the Basic Rate of £62.10, the total would be **£9,613,328**.

5,340 (2,023 aged 65+) people in Shropshire are entitled to CA (but benefit not in payment due to temporary suspensions or another benefit in payment which prevents payment under the overlapping benefit rules).

Other related allowances which affect thinking on economic contribution and the likely significance of the “community multiplier” and their use in Shropshire include:

Employment and Support Allowance (ESA)

Claims in payment = 7,867 at various amounts (November 2016)

⁸ Provides some statistics by area but only for new issues/benefits for Housing Benefit claimants; The number of National Insurance Number (NINo) registrants entering from abroad; Jobseekers Allowance and Employment and Employment and Support Allowance sanction decisions; Personal Independent Payment claims in payment; Benefit Cap; Universal Credit.

⁸ Methodology: Numbers x rate x 52 weeks

Support Allowance sanction decisions; Personal Independent Payment claims in payment; Benefit Cap; Universal Credit.

⁹ Methodology: Numbers x rate x 52 weeks

- 2,103 of which are Contributory ESA;
- 1,513 Contributory ESA with Income-related ESA top-up;
- 4,242 Income-related ESA only

Incapacity Benefit/Severe Disablement Allowance
 Claims in payment (not yet migrated to ESA) = 470

Income Support
 Claims in payment (loan parents and carers) = 2,000 at various amounts

Pension Credit
 Number of beneficiaries = 11,440 at various amounts

Pension Credit
 Number of claimants = 9,560 at various amounts

Further work would be required to estimate the total volume of these benefits in economic terms.

MOBILITY

Mobility and transport is important to everyone and over time special schemes have been developed to support individuals whose choices and abilities may have been constrained by their physical, mental or developmental needs.

The Disability (Blue) badge scheme was introduced to support individuals with mobility problems. There are currently 14,422 cards issued to Shropshire residents. This enables individuals to undertake activities such as attending health care appointments but also to invest in the local economy through shopping and other activities which develop the local economy.

Likewise the Motability scheme – the ability to use their state-awarded benefit for use of a car – was developed to promote even greater choice for those who qualify. A proportion of the 630,000 people using the Motability scheme nationally will live in Shropshire. Nationally, the car scheme is estimated to support 21,080 jobs (2009¹⁰). According to the Oxford Economics and Plus Four Market report cited, this suggests nearly one in every thousand jobs in the UK is supported by Motability.

If this rate is applied to Shropshire - where there are approximately 114,800 jobs - it can be estimated that 114 jobs in the county are directly linked to the Motability scheme. In total, the Car Scheme is estimated to contribute £2,015 million to UK GDP (2009) or 0.1% of total. Arguably, a similar assumption could be made about the GDP of Shropshire. Given an average of £41,700 of GVA per job in Shropshire, the economic contribution of the scheme can be estimated at **£4.8 million**.

Care for Yourself – “Self-funders”

Miller, Bunnin and Rayner (2013) state:

In England, older people who pay entirely for their own social care and support account for 45% of residential care home places, 47.6% of nursing home placements and 20% of home care support. These people are often referred to as ‘self-funders’. The self-funded registered residential care and registered nursing home market is worth £4.9 billion per year, and the self-funded home care market £652 million.¹¹

¹⁰ The economic and social impact of the Motability Care Scheme – Oxford Economics and Plus Four Market Research, September 2010

¹¹ Clive Miller, Antonia Bunnin, and Vic Rayner Older People who self-fund their social care: A guide for health and wellbeing boards and commissioners (September 2013)

West Midland data (as shown below) shows that there is a lower percentage of self-funding in the West Midlands than more affluent areas. This has implications for the viability of care homes as the ability to cross subsidise the places paid for by Local Authorities is reduced.¹²

Percentage self-funding by region

Region	Self Pay %
North East	18%
North West	36%
Yorkshire & the Humber	42%
East Midlands	43%
West Midlands	39%
East of England	45%
Greater London	30%
South East	54%
South West	49%

Shropshire Partners in Care (SPIC) carried out a survey of Care Homes and Domiciliary Care providers in 2015. Survey forms were distributed to:

- 124 Care Homes and a response rate of 84% was achieved covering a potential total of 3,146 beds registered with the Care Quality Commission.
- 48 Domiciliary Care Providers with a response rate of 65%.

The survey showed that 36% of all care home beds in Shropshire were self-funded and that 38% of domiciliary care was self-funded.

Economic Impact Associated with those Employed in Adult Social Care

The following classifications within the health and social care industrial group have been designated part of the adult social care sub-set:

- Residential care activities for learning disabilities, mental health and substance abuse
- Residential care activities for the elderly and disabled
- Other residential care activities
- Other human health activities
- Social work activities without accommodation for the elderly and disabled
- Other social work activities without accommodation not elsewhere classified

These accounted for 8,900 employee jobs, or 52.7% of all jobs in the health sector. Assuming that adult social care jobs account for a similar share of total health employment (that is including self-employment), total employment in adult social care can be estimated at **11,300 jobs in 2016**. 7.7% of people in employment in Shropshire are, therefore, employed within the adult social care sector. Using the Skills for Care methodology, this implies that the full-time equivalent (FTE) employment figure for adult social care is 9,700.

Making the assumption that jobs in adult social care generate the same level of GVA as jobs in the wider health and social care sector, the value of jobs in the sector is the equivalent of £313 million (52.7% of £593 million). The Skills for Care methodology assumes that 47% of the GVA generated by the adult social care sector is direct (i.e. wages) and that the remainder is indirect (resulting from spending on goods and services that allow the workforce to deliver services) or induced (general spending by those who are directly or indirectly employed as a result of the adult social care sector).

¹² Ref House of Commons Briefing Paper No.074632016

Shropshire contributes approximately 6.5% to the regional impact of adult social care, which equates with 0.7% of the national total.

Economic impact of employment in adult social care sector in Shropshire, the West Midlands and England, 2015/16

	Jobs	FTE Jobs	Direct GVA (£million)	Non-Direct GVA (£ million)	Total GVA (£ million)
Shropshire (2016)	11,300	9,700	£147	£166	£313
West Midlands (2015)	145,600	125,000	£2,280	£2,545	£4,826
England (2015)	1381,000	1,185,000	£21,771	£24,308	£46,079

Source: Skills for Care/BRES/Oxford Economics

Overall Impact

Looking at paid employment in adult social care in conjunction with the value of unpaid care and benefits/allowances directly related to those with a disability and their carers, the overall economic impact of the adult social care sector is estimated at almost £650 million, as detailed below.

Economic impact of adult social care

Economic impact of adult social care

	£ million	% share
Attendant Allowance/Disability Living Allowance	£58.2	9.0%
Carers' Allowance	£9.6	1.5%
Mobility Scheme	£4.8	0.7%
Adult Social Care Paid Employment	£313.0	48.4%
Direct Impact	£385.6	59.6%
Informal Carers In-Kind Value	£261.5	40.4%
Total Value Adult Social Care	£647.1	100.0

Source: Various

Conclusion

This report has demonstrated that the Adult Social Care sector makes a significant contribution to the economy of Shropshire, a contribution which will continue to grow as the sector responds to the rising demands for care of an ageing population and for people with a range of long term conditions, especially those in isolated rural communities. Whilst public sector funding constraints have presented challenges to deliver services and meet demand, it also presents the sector with opportunities to develop innovative solutions to further grow the economic and social importance of the care sector in Shropshire.